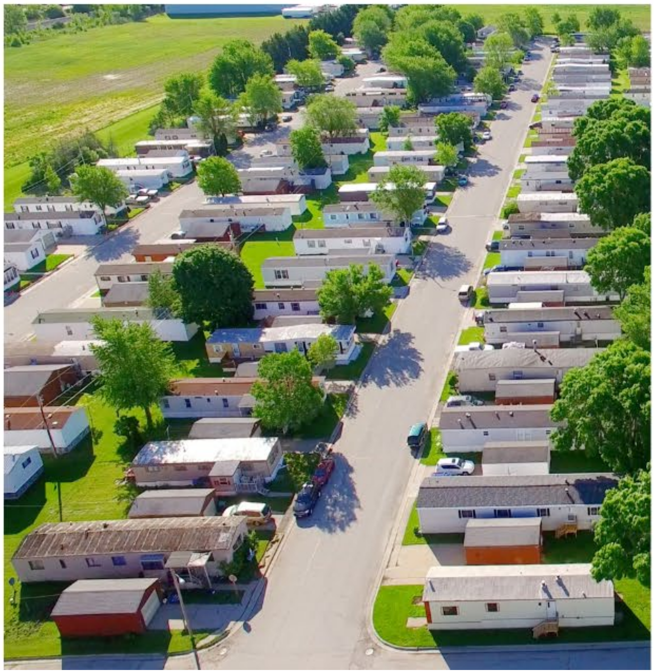
U.S. FEDERAL HOUSING

2024
REPORT TO CONGRESS

FEDERAL HOUSING FINANCE AGENCY
FHFA

Fannie Mae

Freddie Mac



U.S. FEDERAL HOUSING FHFA

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June 13, 2025

The Honorable Tim Scott
Chairman
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United States Senate
Washington, D.C. 20510

The Honorable Elizabeth Warren
Ranking Member
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The Honorable French Hill
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United States House of Representatives
Washington, D.C. 20515

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

Dear Chairs and Ranking Members:

We are working hard to restore the American Dream for ALL Americans.

Following my arrival in March as the Director of U.S. Federal Housing FHFA, we have taken immediate action to put Fannie Mae, Freddie Mac, and the Federal Home Loan Banks on the right track. This includes combating waste and fraud, ensuring their compliance with all applicable laws, eliminating unnecessary regulations, and boosting productivity, so that our regulated entities can operate safely and soundly as the engines of America's housing revival.

To meet our statutory obligations per the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008 (12 USC § 4521(a)), I have chosen not to take a position on certain activities contained in this report that occurred before my tenure. Going forward, I will continue to focus on how we are unleashing opportunity for more Americans to buy and comfortably maintain their own home.

Sincerely,

William J. Pulte
Director, U.S. Federal Housing FHFA


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COMMON ABBREVIATIONS AND ACRONYMS

AHP – Affordable Housing Program

AMA – Acquired Member Assets

AMI – Area Median Income

BANK ACT – Federal Home Loan Bank Act of 1932

CAMELSO – Capital; Asset quality; Management; Earnings; Liquidity; Sensitivity to market risk; and Operational risk

CDFI – Community Development Financial Institution

CRT – Credit Risk Transfer

CSS – Common Securitization Solutions, LLC

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

DTS – Duty to Serve

ENTERPRISES – Fannie Mae and Freddie Mac

ERCF – Enterprise Regulatory Capital Framework

FANNIE MAE – Federal National Mortgage Association

FHFOB – Federal Housing Finance Oversight Board

FHLBANK(S) – Federal Home Loan Bank(s)

FREDDIE MAC – Federal Home Loan Mortgage Corporation

GAAP – Generally Accepted Accounting Principles

GINNIE MAE – Government National Mortgage Association

HERA – Housing and Economic Recovery Act of 2008

HMDA – Home Mortgage Disclosure Act

HPI – House Price Index

HUD – Department of Housing and Urban Development

LTV – Loan-to-Value

MBS – Mortgage-Backed Securities

MF – Multifamily

NMDB – National Mortgage Database Program

OF – Office of Finance (of the FHLBanks)

PSPA – Senior Preferred Stock Purchase Agreement

PUD – Public Use Database

RCV – Replacement Cost Value

REGULATED ENTITIES – Fannie Mae, Freddie Mac, and the FHLBanks

ROE – Report of Examination

SAFETY AND SOUNDNESS ACT – Federal Housing Enterprises Financial Safety and Soundness Act of 1992

SF – Single-family

UAD – Uniform Appraisal Dataset

UMBS – Uniform Mortgage-Backed Security

UPB – Unpaid Principal Balance

URLA – Uniform Residential Loan Application

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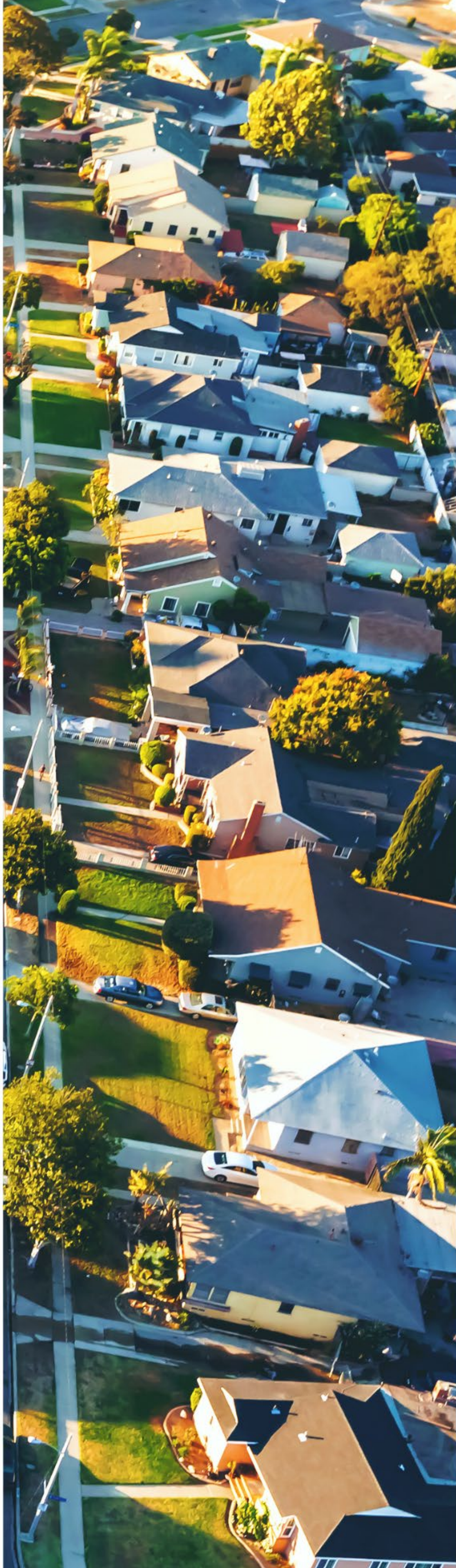


SUPERVISION AND OVERSIGHT

In this Chapter

U.S. Federal Housing FHFA (Federal Housing Finance Agency, FHFA, or Agency) 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) and the Office of Finance (OF).[1] In addition, the Agency supervises Common Securitization Solutions, LLC (CSS), a joint venture owned equally by Fannie Mae and Freddie Mac (the Enterprises). The Agency works to ensure that the Enterprises and the FHLBanks (together, "the regulated entities") fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity and funding for housing finance and community investment. Since 2008, the Agency has also served as conservator of Fannie Mae and of Freddie Mac.[2]

EXAMINATION AUTHORITY FOR THE REGULATED ENTITIES

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

For each regulated entity, the Agency prepares an annual report of examination, which identifies weaknesses and assigns examination ratings. The Agency communicates deficiencies and violations to regulated entities as adverse findings. The Agency delivered the 2024 reports of examination to the boards of directors and management of the Enterprises in April and to the FHLBanks periodically throughout the year based on the Agency's examination schedule.

1 Agency Director William J. Pulte assumed his position in 2025, after the activities described in this report took place. The Annual Report to Congress for 2024 addresses topics required by the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008, as of December 31, 2024. Director Pulte is committed to steering the Agency and the regulated entities into a new era of efficiency for the housing and mortgage markets. Uncovering and correcting the sources of fraud, waste, and abuse in the housing and mortgage markets is a key initiative for achieving the Agency goals of promoting housing and home ownership within a stable market.

2 The Office of Finance (OF) and Common Securitization Solutions, LLC (CSS) are not "regulated entities" as the term is defined by statute (*see* 12 U.S.C. § 4502(20)). Rather, OF is part of the FHLBank System, and CSS is an affiliate of the Enterprises. However, for convenience, references to the "regulated entities" in this Report should be read to also apply to the OF and CSS, unless otherwise noted.

Scope of Examination

The Agency conducts supervision using a risk-based approach to identify existing and emerging risks to the regulated entities, evaluate the overall effectiveness of each regulated entity's risk management systems and controls, and assess each regulated entity's compliance with applicable laws and regulations. In 2024, the Agency carried out risk-based examinations and ongoing monitoring, including assessing any remediation by a regulated entity of Matters Requiring Attention (MRAs) issued during a previous exam.[3] The Agency also assessed the responsiveness of boards of directors and management to internal or external auditors identifying deficiencies or weaknesses.

Rating System

Pursuant to the Agency's Advisory Bulletin AB 2012-03, FHFA Examination Rating System, (AB 2012-03), the Agency uses the "CAMELSO" rating system as the foundation for reporting its supervisory views. The CAMELSO framework includes ratings for:

1. the overall condition of the regulated entity (the composite rating), and

2. seven individual component ratings for financial condition and risk management: Capital; Asset quality; Management; Earnings; Liquidity; Sensitivity to market risk; and Operational risk.

The Agency issues an annual report of examination (ROE) for each regulated entity documenting and communicating the Agency's supervisory findings and conclusions for the examination year. The ROE reflects the Agency's view of the regulated entity's financial condition and performance, its risk profile, and the adequacy of its risk management practices. The ROE also conveys the regulated entity's composite and CAMELSO ratings. (CSS and OF are only rated on the "Management" and "Operational Risk" components since neither entity has a balance sheet.) The annual ROE is signed by the respective Examiner-in-Charge (EIC) and issued to the regulated entity's board of directors.

Supervision of Fannie Mae, Freddie Mac, and CSS

The Agency's Division of Enterprise Regulation (DER) is responsible for carrying out examinations and ongoing supervision of the Enterprises and CSS. DER examinations — led by an EIC and conducted by examination teams supported by subject-matter experts — are composed of targeted examinations conducted throughout the year focusing on specific areas as well as ongoing monitoring to

3 Unless otherwise specified, all dates in this Report refer to 2024.

assess safety and soundness. In 2024, these targeted examinations addressed one of several risk areas, including credit, counterparty, model, information technology, operational, market governance, and compliance.

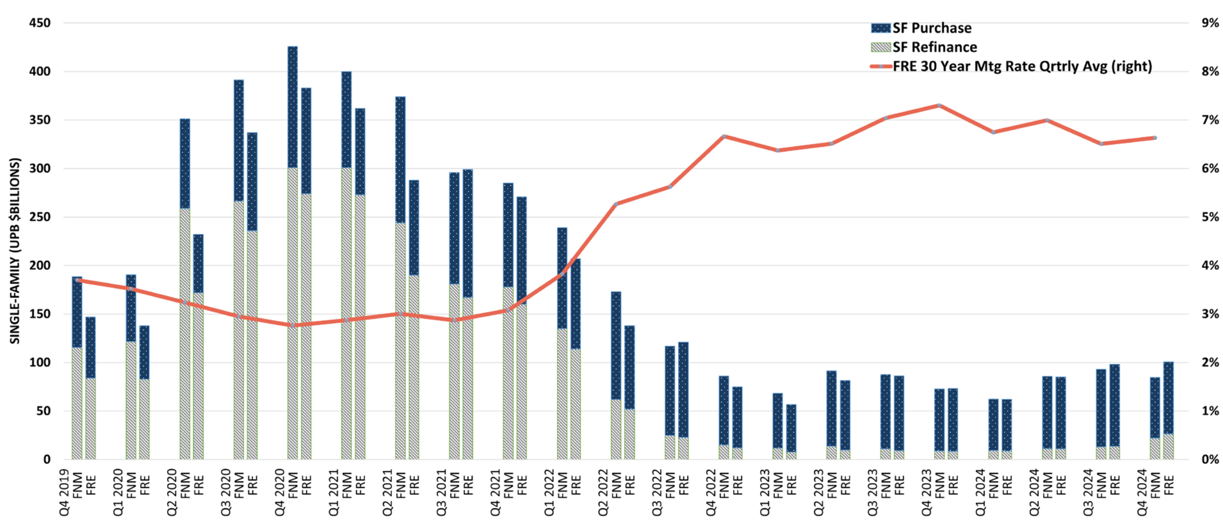
DER communicates adverse examination findings in writing to the regulated entity. For MRAs, the regulated entity commits to addressing the adverse finding by submitting a remediation plan to DER. Following execution of the remediation plan, the regulated entity's internal audit function or an independent third party validates the remediation, and DER reviews the corrective actions through the supervisory process.

Supervision of the FHLBanks and OF

The Agency's Division of Bank Regulation (DBR) is responsible for carrying out on-site examinations and ongoing supervision of the FHLBanks to ensure their safe and sound operation and that they fulfill their missions. In 2024, the Agency examined all 11 FHLBanks and OF. An EIC and a team of examiners conduct each annual examination supported by financial analysts, economists, accountants, and attorneys. In addition, examiners visit the FHLBanks between examinations to follow up on findings and to discuss emerging issues.

Examiners communicate all adverse findings to FHLBank management, and examination conclusions to the board of directors. In addition, examiners receive a commitment from the FHLBank and OF to correct deficiencies in a timely manner, and later verify the effectiveness of those corrective actions. DBR also maintains an off-site monitoring program to review financial reports and other information on FHLBank member activity and investments.

Figure 1: Enterprises' Single-Family Acquisitions vs. Interest Rate Environment



Source: CRS
Enterprise Regulatory Income Statement

DBR monitors FHLBank debt issuances facilitated by OF and tracks relevant financial market trends. DBR and other Agency offices also review FHLBank documents and analyze responses to periodic and ad hoc information requests, including information on FHLBank collateral, unsecured credit, liquidity, and advances.

REPORTS OF ANNUAL EXAMINATIONS OF FANNIE MAE, FREDDIE MAC, AND CSS

Financial Overview

The Enterprises' 2024 financial performance, as measured by earnings, was generally in line with 2023 performance. Mortgage purchase activities remained low relative to historic activity in previous years, due to higher mortgage rates. While credit items such as benefit for credit losses had buoyed income in 2023, this effect was more muted in 2024. However, both Enterprises benefited from market value gains. Sustained high interest rates in 2024 continued to depress home purchase and refinance acquisitions and slow house price appreciation. The elevated interest rates also contributed to the Enterprises' increased income, resulting from short-term portfolio investments. Those investments were partially funded with zero-cost cash positions associated with the Enterprises' growing net worths.

Figure 1 shows that origination volume remained depressed at both Enterprises in 2024 in an elevated interest rate environment.

Fannie Mae

Fannie Mae reported annual net income of $17.0 billion in 2024, compared to $17.4 billion in 2023. The reduction in the Enterprise's total credit loss allowance was significantly smaller than the reduction in 2023, which created a drag on earnings. However, this drag was offset by $852 million in market value gains and lower non-interest expense of $288 million. In total, pre-tax earnings were $687 million lower year-over-year. Total equity increased $17.0 billion to $94.7 billion in 2024. However, Fannie Mae's capital position is still significantly less than required capital under the post-conservatorship Enterprise Regulatory Capital Framework (ERCF).

Fannie Mae's total assets increased 0.6 percent, in line with the marginal growth from the previous year. Due to the relatively low originations and low prepayments, the balance sheet has exhibited little volatility. A $26.2 billion increase in trading securities primarily accounted for the growth in total assets as the Enterprise increased its liquid assets going into the end of 2024.

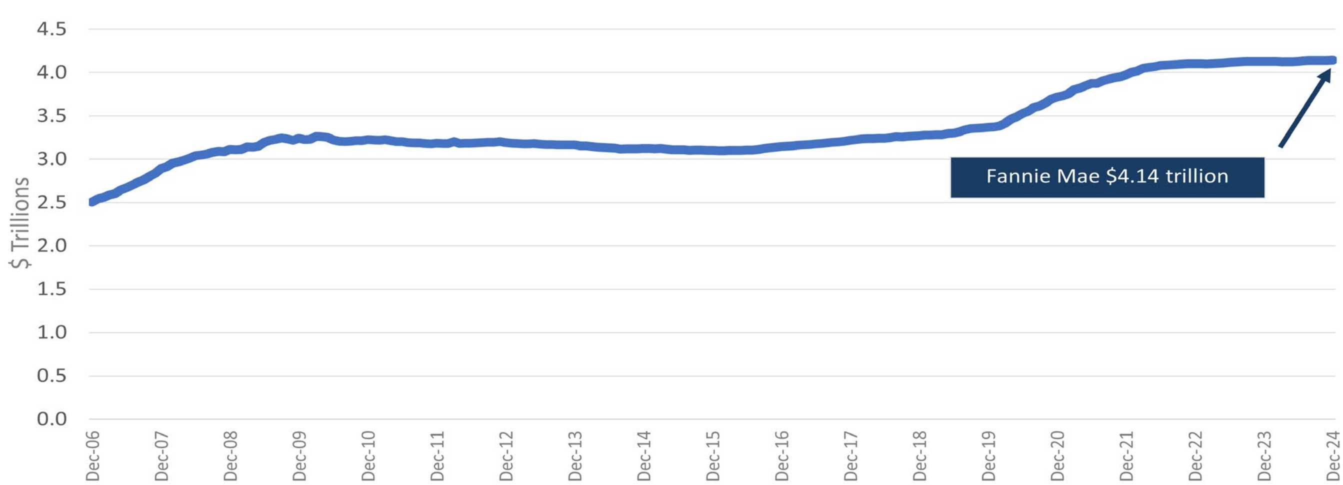
Mortgage loans increased only $2.4 billion year-over-year as new originations generally replaced principal paydowns. Single-family (SF) mortgages made up 88.4 percent of the total guarantee book. Conventional SF acquisition volume was $326.0 billion in 2024, up marginally from $316.0 billion in 2023. Fannie Mae's multifamily (MF) guarantee portfolio made up 11.6 percent of the total guarantee book. The year-end MF portfolio was $502.6 billion, as new acquisition volume increased to $55.1 billion in 2024 from $52.9 billion in 2023.

Figure 2 shows the growth since 2006 in Fannie Mae's mortgage portfolio as represented by unpaid principal balances (UPB), including mortgages, mortgage-related securities held as investments, and mortgages pooled into mortgage-backed securities (MBS).

Freddie Mac

Freddie Mac reported annual net income of $11.9 billion in 2024, compared to $10.5 billion in 2023. The increase was primarily driven by higher net interest income as the Enterprise earned a higher yield on its investment and liquid assets. The Enterprise made a $476 million provision for credit losses in 2024 after having recorded an $872 million benefit in 2023. This provision, which was a drag on earnings, was offset by market value gains. Overall, the Enterprise reported a $1.6 billion increase in pre-tax earnings. Total equity increased by 24.8 percent to $59.6 billion due to stable earnings. However, Freddie Mac's capital position is still significantly less than its required capital under the post-conservatorship ERCF.

Figure 2: Fannie Mae Mortgage Portfolio



Note: The Total Mortgage Portfolio will not tie to the disclosures in Forms 10-K and 10-Q as it presents security balances (UPB of MBS, credit enhancements and mortgage retained portfolio), while Forms 10-K and 10-Q present the loan balances underlying those securities.

Freddie Mac's total assets increased 3.2 percent in 2024, similar to the 2.3 percent increase in 2023. The mortgage portfolio increased $91.3 billion, or 2.9 percent, in 2024 and accounted for most of the growth in total assets. SF mortgages made up 86.9 percent of the total mortgage portfolio at year-end 2024. In 2024, Freddie Mac's SF acquisition volume was $346.4 billion, a 15.5 percent increase from 2023. New MF business volume was $65.1 billion in 2024 compared to $48.3 billion in 2023. The MF mortgage portfolio grew to $466.6 billion from $440.8 billion in the previous year.

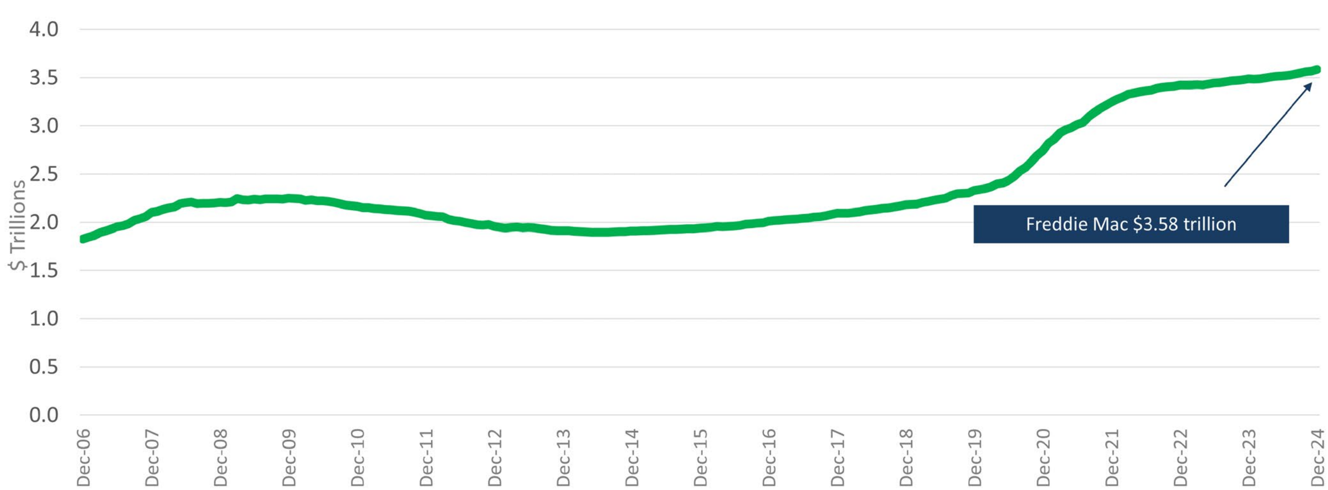
Figure 3 shows the growth since 2006 in total UPB in Freddie Mac's mortgage portfolio, including mortgages, mortgage-related securities held as investments, and mortgages pooled into MBS.

CSS

CSS uses the Common Securitization Platform (CSP) to administer the Enterprises' portfolios of MBS and for the issuance of the Uniform Mortgage-Backed Security (UMBS). Operating the CSP involves storing, processing, and transmitting large volumes of data, as CSS acts as an agent for the Enterprises to facilitate the issuance of SF MBS and related disclosures, as well as to administer the securities post-issuance. Specifically, CSS records securities with registrars (e.g., Federal Reserve Bank of New York), supports and facilitates security settlement activities, validates settlements, and provides confirmation back to the requestor.

CSS administers a $15.4 trillion bond portfolio funding SF mortgages across 1.1 million securitization structures. It

Figure 3: Freddie Mac Mortgage Portfolio



Note: The Total Mortgage Portfolio will not tie to the disclosures in Forms 10-K and 10-Q as it presents security balances (UPB of MBS, credit enhancements and mortgage retained portfolio), while Forms 10-K and 10-Q present the loan balances underlying those securities.

is currently the largest issuing agent and administrator of MBS, representing approximately 70 percent of total market share. In 2024, CSS facilitated the registration and settlement of approximately $2.9 trillion of UMBS on behalf of the Enterprises.

The Agency's examination process for CSS is similar to that of the Enterprises. The Agency issues CSS an ROE that assigns examination ratings and communicates the principal examination conclusions and findings for the examination cycle. Due to the nature, scope, and complexity of its operations, the composite rating of CSS is based primarily on an evaluation of two components of the CAMELSO rating framework (Management and Operational Risk).

Overview of Annual Examination Results

Capital

When reviewing capital, Agency examiners evaluate the level and composition of capital relative to the regulated entity's risk profile. At the end of 2024, both Enterprises lacked adequate capital to support the risks associated with their business models and did not meet minimum regulatory capital requirements established by the ERCF. Through the Senior Preferred Stock Purchase Agreements (PSPAs) with the U.S. Treasury Department, as amended, Treasury continues to provide capital support to the Enterprises. The amended PSPAs allow each Enterprise to retain all its earnings. While earnings and net worth can absorb potential losses that arise from credit risk and earnings volatility, both Enterprises still exhibit accumulated deficits (negative retained earnings). The Enterprises' capital positions have improved since 2008 but are insufficient to prevent a Treasury draw in the event of extraordinary losses.

Asset Quality

To assess asset quality, Agency examiners evaluate the existing and potential credit risk associated with loan and investment portfolios, as well as management's ability to identify, measure, monitor, and control credit risk. While delinquencies on recently originated mortgages rose slightly in 2024, they remain near historical lows. With 30-year, fixed-rate mortgage interest rates remaining generally above 6 percent in 2024, the Enterprises' new loan acquisitions were predominately for home purchases rather than for refinance activity. The Enterprises' combined volume of new SF loan acquisitions — related to both home purchases and refinance activity — was up modestly in 2024.

Although the Enterprises' MF portfolios grew in 2024, loan acquisition levels remained within the limits set by the

Agency as conservator. Delinquencies in the MF portfolios of both Enterprises rose as financing for senior living facilities and small-balance loans remain areas of elevated concern. The Enterprises must each improve the management of risks in their respective MF portfolios.

Nonbank mortgage seller/servicers continue to gain market share. They accounted for most of the mortgages sold to the Enterprises in 2024 and provided servicing for millions of homeowners. As a result, the Enterprises' counterparty exposures require continued monitoring.

Management

Agency examiners assess the effectiveness of management's efforts to identify, measure, monitor, communicate, and control the risks of Enterprise activities. In addition, examiners evaluate management's compliance with applicable laws and regulations. Generally, in 2024, Enterprise management teams executed strategic objectives and addressed previous issues identified by the Agency.

Fannie Mae's management practices related to market risk, treasury risk, board oversight, and compliance and ethics were generally satisfactory. However, the Agency identified several areas that require further improvement, including in the areas of model risk, SF risk management, internal audit, and MF risk management. Management continued to make progress in the areas of operational risk management and enterprise risk management (ERM).

Freddie Mac generally demonstrated sound management oversight of its liquidity, market, and counterparty credit risks. The company's internal audit function also performed well. However, the Agency identified several areas needing further improvement: MF risk management, model risk oversight, and the effectiveness of ERM. Freddie Mac continued strengthening its ability to identify, monitor, and control risks associated with SF acquisitions and SF servicing.

CSS' board of managers and senior management generally exhibited sound governance practices. However, CSS should continue to strengthen its risk management processes.

Earnings, Liquidity, and Sensitivity to Market Risk

When reviewing Enterprise earnings, Agency examiners consider the quantity, trend, sustainability, and quality of earnings (e.g., the adequacy of provisions for loan losses and other valuation allowance accounts). Liquidity examinations, meanwhile, include assessing the current level and prospective sources of liquidity compared to funding needs, as well as the adequacy of funds management practices relative to the Enterprise's size, complexity, and risk profile. Examination of sensitivity to market risk includes assessing the ability of management to identify, measure, monitor, and control exposure to market risk given the Enterprise's size, complexity, and risk profile. This work entails assessing the Enterprise's adherence to risk limits set by its board of directors for a variety of risk metrics related to liquidity, market, and other risks.

In 2024, both Enterprises continued to exhibit stable income that reduced their accumulated deficits of retained earnings and enabled them to continue building their net worths. However, at their respective earnings levels, neither Enterprise will resolve their insufficient capital positions in the near term. Each Enterprise maintained a substantial portfolio of high-quality liquid assets and reliable access to funding, with acceptable terms, to meet immediate and anticipated liquidity needs. Market risk metrics were within board-approved limits.

Operational Risk

When assessing operational risk management, Agency examiners consider an Enterprise's exposure to loss from inadequate or failed internal processes or systems, such as information technology, and from failure to respond adequately to external threats, such as fraud or cyberattacks.

In 2024, Fannie Mae continued to address operational risk matters related to technology, third parties, and models. The Enterprise made progress in addressing needed improvements in model risk management, and its multi-year remediation efforts remained on schedule. However, Fannie Mae's exposure to information security risk persisted because of both elevated levels of cyber threats and opportunities for improvement in information security risk management.

Freddie Mac improved its management of payment systems infrastructure and continued to work on matters related to information security, data management, and model risk. Freddie Mac developed a comprehensive plan to address certain other information security risks.

CSS continued improving operational efficiency by reducing reliance on manual controls. The board of managers receives appropriate and transparent information on operational risk oversight and execution of risk management practices, information technology, information security, and business resiliency. Third- and fourth-party risk oversight was consistent with supervisory expectations.

REPORTS OF ANNUAL EXAMINATIONS FOR THE FEDERAL HOME LOAN BANKS

In 2024, the Agency continued its supervision and oversight to ensure that the FHLBanks operate in a safe and sound manner and remain focused on their statutory role of providing stable and reliable liquidity to their members and supporting housing and community development. The FHLBanks fulfill these objectives by making available products and services — including but not limited to secured loans known as advances — that enable their members and housing associates to finance both housing for consumers of all income levels and community lending.[4]

Historically, the FHLBanks have provided liquidity principally by issuing short- and long-term advances, which members and housing associates use to support their own lending operations. Advances are assets held by the FHLBanks primarily collateralized by residential mortgage loans, commercial real estate loans, and government and agency securities. In addition, Community Financial Institutions may pledge small business, small farm, small agri-business, and community development loans as collateral for advances.[5] The FHLBanks also provide liquidity by purchasing from their members mortgage loans that qualify as Acquired Member Assets (AMA).[6]

The Agency requires each FHLBank's board of directors to adopt, maintain, and periodically review a strategic business plan describing "how the significant business activities of the regulated entity will achieve its mission and public purposes."[7] The Agency has provided the FHLBanks with guidance on developing their strategic plans.

The Agency determines whether each FHLBank is meeting its objectives by calculating the ratio of its advances plus AMA to its outstanding consolidated obligations, less U.S. Treasury obligations that qualify as "high-quality liquid assets."[8]

The Agency calculates that ratio for each FHLBank every year using annual average

4 Certain eligible non-members, referred to in FHFA regulations as "housing associates," have limited access to FHLBank advances (excluding Community Investment Program (CIP) advances). *See* 12 U.S.C. §§ 1430(i), 1430b; 12 CFR part 1264. Most housing associates are state or local housing finance agencies.

5 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 2024, the CFI asset threshold was $1.461 billion. *See* 89 FR 2225 (Jan. 12, 2024). The threshold for 2025 is $1.5 billion. *See* 90 FR 3865.

6 *See* **12 CFR part 1265**.

7 *See* **12 CFR 1239.14**.

8 Ibid.

par values, as reported by the FHLBanks. The Agency prefers that FHLBanks' calculated ratios exceed 70 percent. The Agency expects any FHLBank with a ratio markedly below 70 percent to include in its business plan a thorough strategy for making improvements.

In 2024, the ratio of advances plus AMA to consolidated obligations totaled 74.1 percent for the entire FHLBank System, down from 76.8 percent in 2023. Every FHLBank had a ratio that exceeded the Agency's 70 percent threshold. Four FHLBanks had ratios exceeding 75 percent, four FHLBanks had ratios exceeding 73 percent, and the remaining three FHLBanks had ratios between 71.4 percent and 72 percent.

Overview of the FHLBank System's Financial Condition

The FHLBank System's total assets were $1.28 trillion on December 31, 2024, down from $1.29 trillion at year-end 2023. The FHLBanks reported aggregate net income of $6.4 billion in 2024, down from $6.7 billion in 2023. The FHLBanks remained well-capitalized during all of 2024 and at year-end they held the highest retained earnings balance in their history. Aggregate asset levels decreased marginally in 2024, driven by several asset classes. Advances declined $72.9 billion, or 9.0 percent, offset by growth in cash and investments by $59.7 billion, or 14.6 percent, and growth in mortgage loan portfolios by $8.3 billion, or 13.5 percent, as new purchases outpaced paydowns during the year.

At year-end, 57.4 percent of the FHLBanks' total assets were advances, 36.5 percent were cash and investments, and 5.4 percent were mortgage loans.

System aggregate advances totaled $736.7 billion at year-end 2024, with eight FHLBanks reporting declines and three reporting growth. Advance balances continued to trend downward through 2024 after having peaked at $1.04 trillion in early 2023 due to banking sector volatility caused by the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank, and the voluntary dissolution of Silvergate Bank.

Figure 4 shows the size and composition of the entire asset portfolio of the FHLBank System over roughly the past quarter decade.

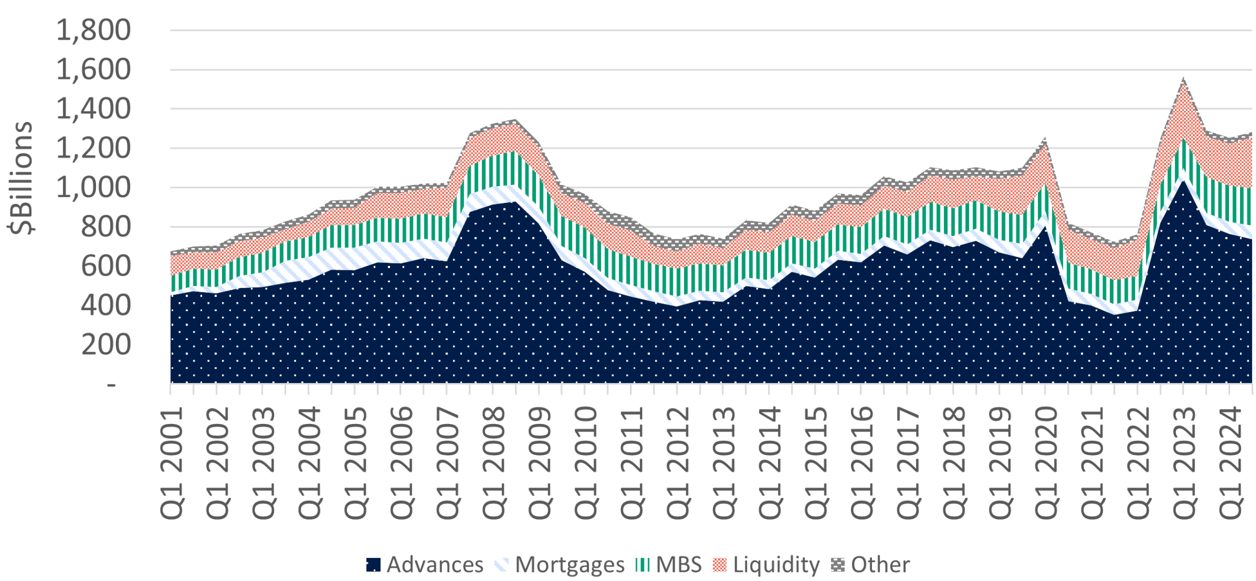
The FHLBanks operate both on-balance sheet and off-balance sheet programs through which members can sell mortgage loans. Under their AMA programs, participating FHLBanks acquire and hold (on their balance sheets) conforming loans and loans guaranteed or insured by a department or agency of the U.S.

government.[9] The AMA programs are structured such that the FHLBank manages a loan's interest rate risk, while the participating member manages a substantial portion of the risks associated with originating the mortgage loan, including a significant portion of the credit risk. Through the three existing AMA programs — Mortgage Partnership Finance (MPF), Mortgage Purchase Program (MPP), and Mortgage Asset Program (MAP) — FHLBanks offer various products to members with differing credit risk-sharing structures.

The FHLBanks held $69.6 billion of mortgage loans on their balance sheets as of December 31, 2024, up from $61.3 billion at year-end 2023, after having made a total of $14.7 billion of mortgage purchases during the year.[10]

Through the off-balance sheet mortgage programs in operation through 2024, FHLBank members sold mortgages to the FHLBank of Chicago. The Bank then moves those mortgages off balance sheet in different ways. With MPF Xtra, the FHLBank of Chicago concurrently sells the loans to Fannie Mae. With MPF Government MBS, the FHLBank pools the loans into securities guaranteed by the Government National Mortgage Association (Ginnie Mae). In 2024, FHLBank members delivered $673 million of mortgage loans through MPF Xtra. Members

Figure 4: Historical Portfolio of the FHLBank System



9 Conforming loans are single-family mortgages with origination balances below a specific amount, known as the "conforming loan limit" (CLL) value. These loans are eligible for purchase by Fannie Mae and Freddie Mac. FHFA sets the CLL annually and it varies geographically using guidelines specified in the Housing and Economic Recovery Act of 2008 and modified in subsequent legislation.

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

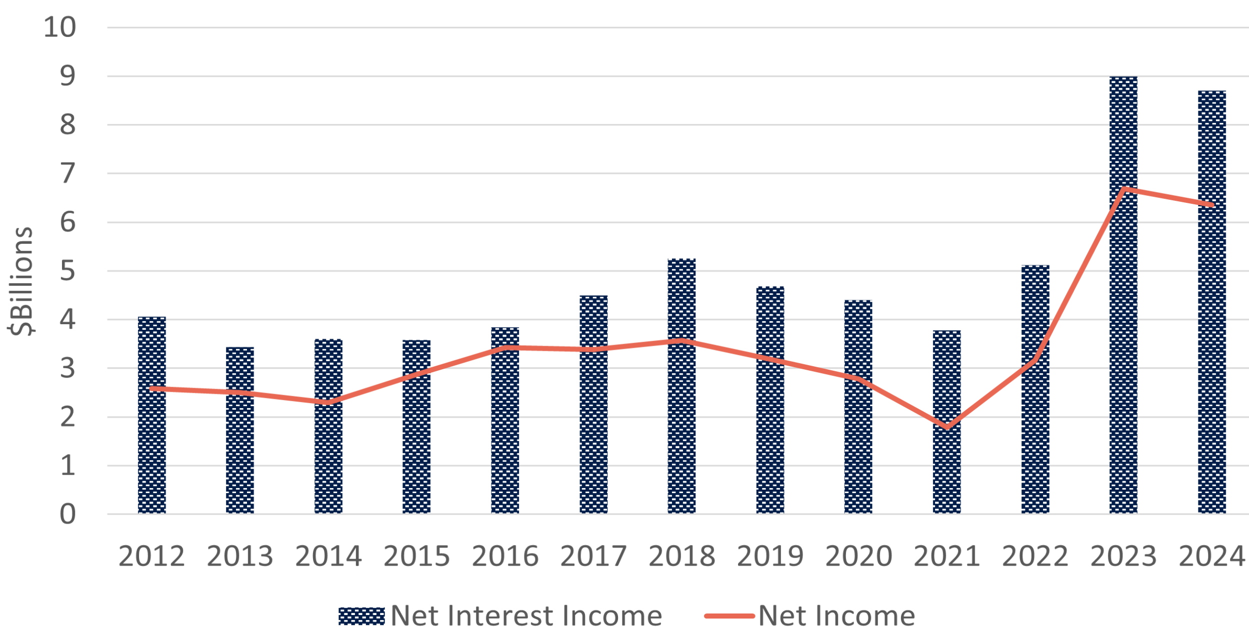
also delivered $116 million of mortgage loans through MPF Government MBS.

The aggregate investment portfolio of the FHLBanks consisted of 55.6 percent cash and highly liquid investments such as U.S. Treasury obligations, 40.4 percent MBS, and 4.1 percent other investments.[11] The FHLBanks held $188.9 billion of MBS, which are mostly securitized by Freddie Mac and Fannie Mae. At year-end 2024, the FHLBanks held $260.1 billion of cash and liquidity investments.[12] The FHLBanks are also significant participants in the federal funds market.

The FHLBanks' standby letters of credit portfolio increased $16.6 billion over 2024 to $219.9 billion at year-end. Standby letters of credit are often used by members to secure public unit deposits, which are demand deposits controlled by municipalities or political subdivisions (e.g., school districts, sanitation districts, or municipal subdivisions). A member may take out an advance to cover its obligation to repay the funds to the FHLBank if the beneficiary (e.g. the municipality) needs to request payment under the standby letter of credit; however, beneficiaries rarely request payment through FHLBank standby letters of credit.

Consolidated obligations at the FHLBanks totaled $1.18 trillion and consisted of $857.8

Figure 5: Annual FHLBank Net Interest Income and Net Income



11 Other investments are principally agency debt securities and, for the FHLBank of Chicago, federally backed student loan asset-backed securities.

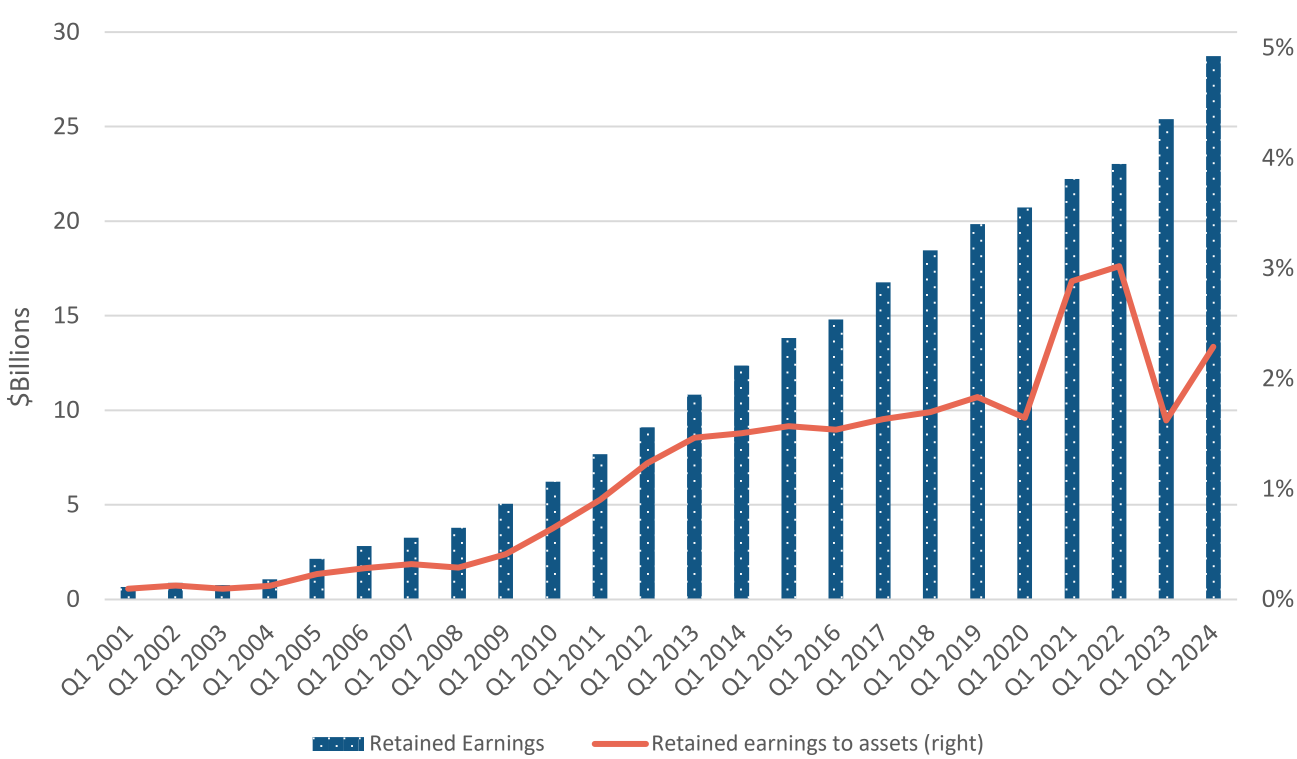
12 This measure includes Treasury securities.

billion of bonds (72.4 percent) and $326.8 billion of discount notes (27.6 percent).

In 2024, all FHLBanks were profitable, earning combined net income of $6.4 billion. However, net income decreased $331 million year-over-year. Toward the end of 2024, the elevated levels of earning assets and the elevated interest rates both started to come down, compared to 2023, driving a $197 million decrease in net interest income (Figure 5). While non-interest income rose by $217 million, it was more than offset by non-interest expenses also rising by $385 million year-over-year.

The aggregate return on assets was 0.49 percent in 2024, up from 0.48 percent in 2023. The aggregate return on equity was 8.71 percent, down from 9.17 percent. Continued profitability enabled retained earnings growth, and aggregate retained earnings reached an all-time high of $30.6 billion, or 2.4 percent of assets, at the end of 2024. By comparison, the $27.9 billion of retained earnings the prior year was 2.2 percent of assets. Retained earnings growth outpaced asset growth, increasing the retained earnings to assets ratio. By comparison, at year-end 2008 during the financial crisis, the FHLBanks held only $3.0 billion of aggregate retained earnings,

Figure 6: Retained Earnings of the FHLBanks



representing just 0.2 percent of assets (Figure 6).

Besides the retained earnings, the FHLBanks' aggregate regulatory capital at year-end 2024 also consisted of $43.7 billion of capital stock, of which $0.7 billion was mandatorily redeemable capital stock (MRCS).

Comparisons

The size and composition of FHLBank assets varied across the System. Individual FHLBanks ranged from total assets of $72.0 billion to $165.3 billion as of December 31, 2024. The ratio of advances to assets ranged from 43.3 percent to 66.0 percent. The ratio of mortgage loans to assets was 5.4 percent overall, ranging between 0.1 percent to 12.8 percent. The market value to par value of capital stock ratio was above 100 percent at each FHLBank.

Financial performance across the System was sound overall, yet several indicators varied from bank to bank. Net income ranged from $290.5 million to $913.9 million, while return on assets ranged from 0.42 percent to 0.58 percent. At the aggregate level, FHLBank operating expenses made up 17 percent of net interest income.

Membership

The FHLBanks had a total of 6,484 members at year-end 2024 (Figure 7), down from 6,505 at year-end 2023. The reduction was primarily due to increased mergers and liquidations, particularly among commercial banks. Individual FHLBanks ranged from 284 to 1,246 members. Aggregate membership across the FHLBank System consisted of 3,608 commercial banks, 1,646 credit unions, 597 insurance companies, 554 savings institutions, 79 non-depository community development financial institutions (CDFIs), and 72 housing

Figure 7: FHLBank Membership

	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Members	6,484	427	332	284	788	605	359	644	1,246	800	666	333
Commercial Banks	3,608	47	103	120	417	325	142	410	857	538	521	128
Credit Unions	1,646	160	109	69	250	148	146	101	273	137	92	161
Saving Associate	277	22	28	17	34	55	17	26	26	24	20	8
Savings Bank	277	115	31	31	14	15	6	29	10	25	0	1
Insurance Companies	597	80	52	44	59	55	44	70	73	66	29	25
Non-depository CDFIs	79	3	9	3	14	7	4	8	7	10	4	10
Ten Largest Borrowers — % of Advances		47.1%	65.8%	86.5%	73.4%	78.0%	58.9%	48.9%	45.7%	66.1%	64.7%	63.8%

associates. Approximately 54.5 percent of FHLBank members had a balance of outstanding advances at year-end. At each of the FHLBanks of Pittsburgh, Atlanta, and Cincinnati, more than 70 percent of total advances were attributable to the FHLBank's 10 largest borrowers. Commercial banks accounted for 51.9 percent of member advances at the end of 2024, down from 56.2 percent of advances at the end of 2023. Conversely, the share of advances attributable to insurance companies increased to 22.2 percent, from 18.3 percent, of total advances over the same period.

Rating Component Overview

Capital — Capital management practices were satisfactory at all the FHLBanks in 2024. Levels of both capital stock and retained earnings grew year-over-year. The

Figure 8: FHLBank Selected Balance Sheet Items and Ratios

Balance Sheet ($billions)	SYS[a]	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Assets — $	1,282.898	71.993	160.300	106.927	147.091	132.328	84.535	129.112	165.253	127.725	75.901	81.735
Advances — % of Assets	57.4%	62.7%	66.0%	65.3%	58.4%	60.0%	47.1%	43.3%	60.5%	53.0%	54.9%	55.8%
% of Advances with remaining maturity < 1 year	55.6%	67.1%	64.4%	72.8%	68.9%	40.5%	37.5%	42.7%	45.4%	53.3%	60.1%	51.8%
Mortgages — % of Assets	5.4%	5.1%	1.5%	4.5%	0.1%	5.5%	12.8%	10.3%	7.2%	4.5%	11.8%	0.8%
Cash and Investments — % of Assets	36.5%	31.3%	31.9%	29.3%	40.9%	34.1%	39.2%	45.9%	31.5%	42.1%	32.4%	42.8%
MBS Investments — % of Assets	14.7%	14.0%	12.1%	13.3%	17.3%	14.2%	15.2%	16.0%	15.0%	13.4%	13.7%	18.7%
MBS to regulatory capital ratio	2.66	2.64	2.22	2.54	3.20	2.81	2.93	2.92	2.71	2.52	2.53	2.19
Liquidity — % of Assets	20.3%	16.4%	18.6%	14.8%	23.1%	18.1%	22.0%	25.7%	15.3%	27.0%	18.6%	23.5%
Consolidated Obligations — $	1,184.598	66.739	148.411	99.650	135.851	123.327	78.085	118.598	153.251	117.852	70.282	72.552
Discount Notes — % of COs	27.6%	27.8%	45.7%	11.7%	23.7%	15.8%	32.2%	31.0%	42.2%	18.4%	20.5%	19.8%
% of COs with remaining maturity < 1 year	72.3%	69.1%	71.9%	81.1%	84.5%	69.8%	59.6%	62.6%	70.6%	74.0%	73.7%	74.1%
Regulatory Capital Ratio	5.79%	5.71%	5.31%	5.30%	5.39%	5.13%	5.44%	6.65%	5.74%	5.49%	5.59%	8.90%
Retained Earnings — $	30.561	1.913	2.495	2.103	2.785	1.839	1.684	5.311	3.491	2.849	1.608	4.483
Market Value of Equity as a Percent of Capital Stock	167%	167%	142%	157%	151%	126%	151%	266%	157%	172%	153%	264%

a Excludes interbank adjustments and eliminations on a combined basis.

Figure 9: Selected Income Statement Items and Ratios

$ Millions	SYS[a]	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Net Income — $	6,359	290	738	588	697	608	342	620	914	727	433	402
Return on Assets	0.49%	0.42%	0.44%	0.52%	0.45%	0.49%	0.45%	0.48%	0.51%	0.58%	0.56%	0.47%
Return on Equity	8.71%	7.99%	8.52%	10.45%	8.31%	9.48%	8.58%	7.28%	9.52%	9.88%	10.84%	5.89%
Net Interest Income (NII) — $	8,705	433	987	782	966	800	507	959	1,238	892	562	580
Net Interest Spread	0.35%	0.29%	0.31%	0.42%	0.31%	0.35%	0.40%	0.37%	0.41%	0.34%	0.43%	0.25%
Yield on Advances	5.54%	5.22%	5.63%	5.61%	5.53%	5.59%	5.57%	5.55%	5.60%	5.58%	5.48%	5.29%
Yield on Investments	5.48%	5.52%	4.85%	5.49%	5.45%	5.27%	5.93%	5.71%	5.44%	5.59%	5.67%	5.85%
Yield of Mortgage Loans	3.81%	3.91%	3.62%	3.55%	5.35%	3.31%	3.78%	3.88%	4.14%	4.20%	3.71%	2.95%
Cost of Funds on COs	5.07%	4.97%	5.04%	5.07%	5.19%	5.00%	5.07%	5.07%	5.06%	5.18%	4.90%	5.18%
Operating Expenses to NII	17.0%	18.7%	21.3%	14.0%	14.5%	11.6%	20.0%	24.6%	11.7%	12.6%	14.7%	28.5%

a Excludes interbank adjustments and eliminations on a combined basis.

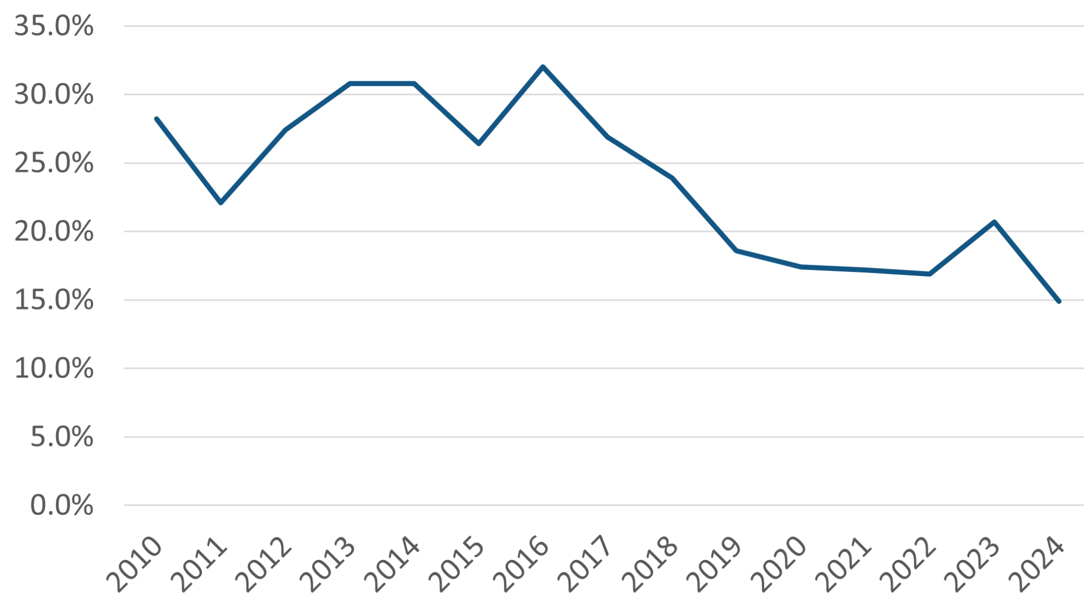
regulatory capital ratio for the entire System increased slightly to 5.79 percent at year-end compared to 5.72 percent the prior year, well above the 4.00 percent regulatory minimum.

The FHLBanks all had generally adequate levels of capital, including retained earnings, relative to their risk profiles. However, examiners identified areas for improvement at several FHLBanks. Those areas included how FHLBanks monitor their members' minimum required capital investment, as well as the FHLBanks' credit risk-based capital methodology, documentation, systems and controls. Examiners also highlighted a need for the banks to improve alignment between retained earnings targets, risk profile, and market conditions.

Asset Quality — Asset quality was satisfactory at most FHLBanks in 2024. However, examiners identified areas for improvement in credit and collateral risk management practices at the FHLBanks, including improving unsecured credit exposure controls, mortgage program credit enhancement practices, member risk rating and escalation frameworks, mortgage credit model benchmarking, member lending limit exceptions, advance pricing practices, and loan collateral eligibility and valuation. Figures 8 and 9 show various balance-sheet and income performance indicators, respectively, for the System and for each of the 11 banks.

In general, advances are low-risk loans for the FHLBanks, but their concentration among large members can pose concentration risk. In 2024, the five largest aggregate borrowers at the holding company level (JPMorgan Chase & Co., PNC Financial Services Group, Inc., Toronto-Dominion Bank, Truist Financial Corporation, and Charles Schwab Corporation) accounted for $109.3 billion of advances, approximately 14.9 percent of aggregate

Figure 10: Top 5 Holding Companies with Advances Outstanding



Source: Federal Home Loan Bank System Office of Finance Annual Combined Financial Report for each year listed.

advances System-wide (Figure 10). That was 5.8 percentage points lower than their share of advances in 2023.

The holding companies with the most advances outstanding to their subsidiaries have changed over time, and the Toronto-Dominion Bank became a top five borrower for the first time in 2024.

Since 2010, Bank of America Corporation, Capital One, Citigroup Inc., Hudson City Bancorp, Santander BanCorp, JP Morgan Chase & Company, Metlife Inc., PNC Financial Services Group, Ally Financial, Truist Financial Corporation, New York Community Bancorp Inc., Wells Fargo & Company, First Republic Bank, Midland Financial Group, U.S. Bancorp, Charles Schwab Corporation, and Toronto-Dominion Bank have been among the top five borrowers at the end of the year.

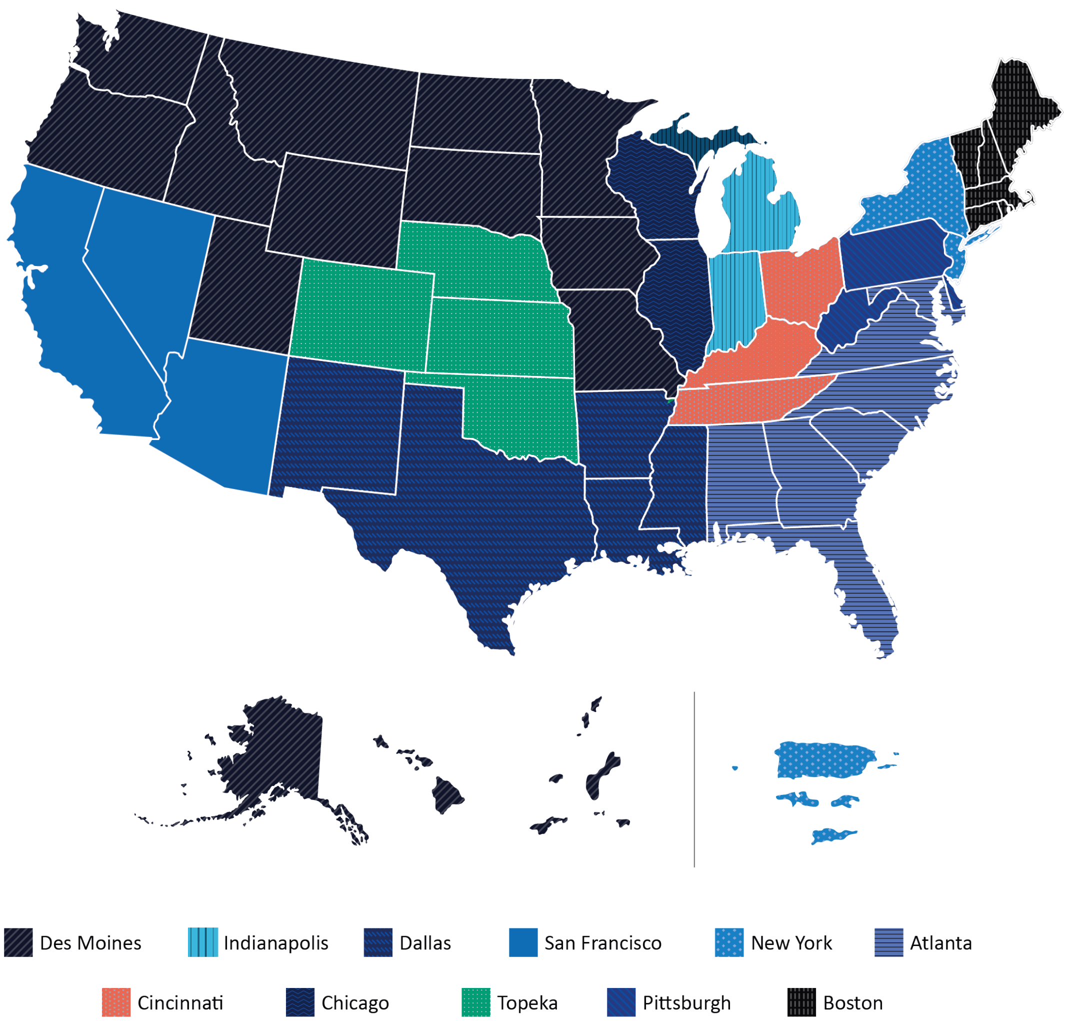
Management — The performance and risk management practices of the boards of directors and management were satisfactory at most FHLBanks in 2024. However, examiners identified areas for improvement at most of the FHLBanks, including membership management practices, model risk management oversight, standard for internal audit, overall risk governance, and internal controls on potential fraud.

Earnings — The level and quality of earnings remained strong or satisfactory at most FHLBanks in 2024. Overall, elevated interest rates and elevated average assets produced enough earnings to support operations, boost retained earnings, pay dividends, and contribute to affordable housing and community investment programs.

Liquidity — Liquidity risk management was strong or satisfactory at most FHLBanks in 2024. Examiners identified isolated opportunities for the FHLBanks to strengthen their liquidity reporting and measurement systems, including improving their expected advance demand analysis and oversight of liquidity risk management practices.

Sensitivity to Market Risk — Overall, the FHLBanks had moderate levels of market risk exposure. Market risk was well-controlled at all FHLBanks in 2024. Mortgage assets generally remained the greatest source of market risk. Examiners identified enhancements that several FHLBanks could make to their model validation reviews, model benchmarking, AMA fair value pricing

Figure 11: Map of the Federal Home Loan Bank System



methodology and documentation, and MBS guarantee fee oversight.

Operational Risk — In 2024, operational risk was satisfactory at most of the FHLBanks. Although examiners noted incidents of improved business resilience, operational risk levels remained moderately elevated. Across the FHLBanks, examiners identified areas that exhibited or could exhibit unacceptable operational risks, including end-user computing tool oversight, payment systems processes, identity and access management controls, securities safekeeping, overly complex technology infrastructure, new vendor relationships, insufficient data center failover testing, application security management, lack of comprehensive technology strategic planning, asset inventory systems, and operational risk event governance. Several FHLBanks continued to develop their information security and cybersecurity controls to address existing and potential risks. This included improving software security patching, hardening access, enhancing user access management, and increasing staff awareness and training related to increasingly sophisticated social engineering tactics.

Figure 11 shows a map of the 11 geographic FHLBank districts.

OVERVIEW OF ANNUAL EXAMINATION RESULTS

District 1: The Federal Home Loan Bank of Boston

At the time of its July 2024 examination, the overall condition and operations of the FHLBank of Boston were satisfactory. The financial performance of the FHLBank was satisfactory, with adequate capital and liquidity levels and increasing earnings from higher advance balances. Credit risk was moderate with satisfactory member creditworthiness. Management and board of director oversight was adequate overall, although the FHLBank faced challenges in resource investment, systems upgrades, and staffing. Primary examination concerns related to an increasing level of operational risk, with many operational events occurring related to the FHLBank's wire transfer function as the result of deficient payment systems controls. Oversight and risk management of the Affordable Housing Program (AHP) were satisfactory.

District 2: The Federal Home Loan Bank of New York

At the time of its April 2024 examination, the overall condition of the FHLBank of New York remained less than satisfactory. Oversight of the FHLBank's member credit functions continued to need improvement although the board and senior management made progress in addressing credit and collateral risk management concerns since the previous 2023 examination. Other examination concerns related to deficiencies with the FHLBank's membership practices, member custodian risk, data center failover testing, advance pricing practices, and governance of the mortgage asset program. The FHLBank's sustained earnings and adequate capital base provided sufficient resources required to make necessary risk management improvements. Management of the FHLBank's liquidity risk, market risk, and operational risk were generally adequate. Oversight and risk management of the AHP were satisfactory.

District 3: The Federal Home Loan Bank of Pittsburgh

At the time of its July 2024 examination, the overall condition and operations of the FHLBank of Pittsburgh were satisfactory. Credit underwriting and administration practices improved since the prior examination, although examiners found that management needs to demonstrate sustainability of enhanced practices. The FHLBank had satisfactory earnings and strong capital and liquidity to support operations and meet members' advance demand. Primary examination concerns related to loan collateral eligibility practices, application security management, AMA valuation practices, and records management. Oversight and risk management of the AHP were satisfactory.

District 4: The Federal Home Loan Bank of Atlanta

At the time of its January 2024 examination, the overall condition and operations of the FHLBank of Atlanta were satisfactory. The Bank had satisfactory earnings and capital, sufficient liquidity, and a moderate market risk profile. Board and senior management oversight was adequate. Primary examination concerns related to derivative risk management practices, secured credit risk management practices, operational risk event governance, end-user computing tool oversight, and risk assessment practices. Oversight and risk management of the AHP were satisfactory.

District 5: The Federal Home Loan Bank of Cincinnati

At the time of its January 2024 examination, the overall condition and operations of the FHLBank of Cincinnati were satisfactory. The FHLBank's financial condition was sound, evidenced by satisfactory capital, earnings, and liquidity. The FHLBank's oversight of its sensitivity to market risk was also satisfactory. Primary examination concerns related to redesigning the credit enhancement process for the AMA program, strengthening model governance and practices, and enhancing credit and collateral risk management practices. Oversight and risk management of the AHP were satisfactory.

District 6: The Federal Home Loan Bank of Indianapolis

At the time of its October 2024 examination, the overall condition and operations of the FHLBank of Indianapolis were satisfactory. The FHLBank had sufficient capital and earnings; satisfactory market risk, credit risk, and operational risk profiles; and a strong liquidity position. Oversight by the board and senior management was satisfactory. Primary examination concerns related to the Bank's member risk rating and escalation framework, collateral risk management practices, mortgage credit model benchmarking, and AHP disbursement documentation. Overall, administration of the AHP and community investment activities was satisfactory.

District 7: The Federal Home Loan Bank of Chicago

At the time of its April 2024 examination, the overall condition of the FHLBank of Chicago was satisfactory. The FHLBank had strong capital and earnings, with well-controlled market risk and an adequate liquidity position, though operational risk was elevated. In its role as MPF Provider, the FHLBank adequately managed the MPF program and collaborated with participating FHLBanks. Management and the board demonstrated a commitment to the Bank's mission activities. Primary examination concerns related to identity and access management controls, strategic planning concerning the FHLBank's complex technology infrastructure, the Bank Secrecy Act/Anti-Money Laundering program, management succession planning, and oversight of certain credit decisions. Oversight and risk management of the AHP were satisfactory.

District 8: The Federal Home Loan Bank of Des Moines

At the time of its September 2024 examination, the overall condition and operations of the FHLBank of Des Moines were satisfactory. Oversight by the board of directors and management remained adequate. The FHLBank's financial condition was satisfactory, with strong earnings performance, a sound liquidity position, and satisfactory capital management. The risk profile remained adequate, with satisfactory asset quality, sensitivity to market risk, and operational risk. Primary examination concerns related to collateral risk management, credit risk management, and internal audit. Oversight and risk management of the AHP were satisfactory.

District 9: The Federal Home Loan Bank of Dallas

At the time of its October 2024 examination, the overall condition of the FHLBank of Dallas was satisfactory. The board and senior management effectively managed risk. The FHLBank's asset quality was satisfactory with overall low credit risk, the capital position remained satisfactory, the liquidity position and earnings were strong, and risk management practices related to the FHLBank's sensitivity to market risk were also strong. Primary examination concerns pertained to large member credit concentrations, unsecured credit exposures, and regulatory examination report sharing. Operational risk remained elevated while management decommissions legacy information systems replaced by a new core banking system. Oversight and risk management of the AHP were satisfactory.

District 10: The Federal Home Loan Bank of Topeka

At the time of its January 2024 examination, the overall condition and operations of the FHLBank of Topeka were satisfactory. Board and senior management oversight of the FHLBank remained satisfactory. The FHLBank had satisfactory earnings and capital positions sufficient to support operations. The FHLBank's liquidity position was strong, and sensitivity to market risk practices remained satisfactory. Asset quality was satisfactory with overall low credit risk. Primary examination concerns included credit risk exceptions, collateral valuation practices, and oversight of market risk modeling. Oversight and risk management of the AHP were satisfactory.

District 11: The Federal Home Loan Bank of San Francisco

At the time of its July 2024 examination, the overall condition of the FHLBank of San Francisco was less than satisfactory. The FHLBank's capital and liquidity were strong, sensitivity to market risk was well-controlled, and earnings and operational risk were satisfactory. Primary concerns related to board and senior management oversight, credit risk oversight and modeling, safekeeping cash management practices, management succession planning, and the FHLBank's ethics compliance framework and practices. Oversight and risk management of the AHP were satisfactory.

Office of Finance

At the time of its April 2024 examination, the overall condition and operations of the OF were satisfactory. Oversight by the board and senior management was satisfactory, and operational risk management was adequate. Primary examination concerns related to baseline security configuration compliance.

FHLBank Directors' Compensation and Expenses

The FHLBanks are governed by boards of directors, which range in size from 13 to 22 directors. The Bank Act requires the majority of an FHLBank's directors to be member directors (meaning officers or directors of member institutions) and at least 40 percent to be independent directors.

Independent directors must reside in the district of the FHLBank they serve. However, they cannot be officers of the FHLBank, nor can they be directors, officers, or employees of a member of the FHLBank. OF's board comprises five independent directors and all 11 FHLBank presidents. The FHLBank presidents do not receive compensation for their service on the OF board. Each of the 11 FHLBanks and OF provides the Agency with a Director Compensation Policy (Policy), which establishes the maximum compensation for each director, the criteria for each director to receive that compensation, and the timing of payments for the upcoming year. The Agency reviews each Policy to assess the reasonableness of the proposed maximum compensation, weighing factors such director compensation at peer institutions, third-party market data, and whether the Policy includes a provision to reduce compensation when a director fails to attend a sufficient number of meetings or generally to be a contributing board member. For 2024, each

Figure 12: 2024 Annual Maximum Compensation for FHLBank Directors

Federal Home Loan Bank	Chair	Vice Chair	Audit Committee Chair	HR/Risk Committee Chair	Other Committee Chairs	Directors
Atlanta	$155,000	$140,000	$135,000	$130,000	$130,000	$123,000
Boston	$155,000	$130,000	$130,000	$130,000	$130,000	$120,000
Chicago	$165,000	$142,000	$137,000	$137,000	$130,000	$123,000
Cincinnati[a]	$160,813	$138,000	$137,000	$135,000	$130,210	$123,000
Dallas[b]	$156,277	$140,595	$136,269	$136,269	$130,000	$122,333
Des Moines	$162,500	$142,000	$137,000	$137,000	$130,000	$123,000
Indianapolis[c]	$155,000	$138,000	$137,000	$130,000	$130,000	$123,000
New York	$156,100	$138,600	$130,000	$130,000	$130,000	$123,000
Office of Finance[d,e]	$150,000	N/A	$130,000	$130,000	$124,000	$115,000
Pittsburgh	$152,000	$140,000	$132,000	$132,000	$130,210	$123,000
San Francisco	$150,000	$136,500	$132,500	$132,500	$130,000	$123,000
Topeka[f]	$160,000	$140,000	$130,000	$130,000	$130,000	$123,000
Average	$156,474	$138,700	$133,647	$132,481	$129,535	$122,028
Median	$155,550	$140,000	$133,750	$131,000	$130,000	$123,000

a Members of the Audit Committee (but not Board Chair, Vice Chair, or Other Chair) for Cincinnati receive $5,000.

b The chair of the HR Committee for Dallas receives $130,000.

c Any director who serves as Chair of more than one Committee for Indianapolis receives an additional $10,000.

d The Chair of the HR Committee for OF receives $124,000.

e The compensation at the OF is for independent directors only. The Vice Chair is a FHLBank President.

f If the Vice Chair from Topeka serves as a committee chair, they receive an additional $5,000.

FHLBank and OF submitted to the Agency reports of attendance and compensation paid to their directors. The FHLBanks and the OF reduced director compensation for nonattendance or failure to contribute in accordance with their 2024 Policies. Figure 12 shows the approved maximum compensation amounts in 2024 for the listed board positions at each FHLBank and the OF. Included in director compensation are payments for certain expenses incurred by a director's spouse or guest. Spouse and guest payments include travel expenses reimbursed to the director and the cost per attendee of group events offered to directors and their guests in conjunction with a meeting. The Agency also reviews these expenses for reasonableness. Figure 13 contains information on FHLBank directors' compensation in 2024 and its component parts: compensation paid in cash, compensation deferred, and amounts paid for spouse and guest expenses. In addition to information about director compensation, the FHLBanks and the OF are required each year to submit expenses

Figure 13: FHLBank Director Compensation for 2024

Federal Home Loan Bank	Director Compensation Paid in Cash		Director Deferred Compensation		Spouse/ Guest Expenses		Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)	
	Average	**Total**	**Average**	**Total**	**Average**	**Total**	**Average**	**Total**
Atlanta	$113,429	$1,588,000	$16,429	$230,000	$0	$0	$129,857	$1,818,000
Boston	$55,427	$831,400	$72,907	$1,093,600	$0	$0	$128,333	$1,925,000
Chicago	$128,722	$2,317,000	$7,175	$129,150	$261	$4,701	$136,158	$2,450,851
Cincinnati	$127,467	$2,166,943	$3,618	$61,500	$0	$0	$131,085	$2,228,443
Dallas	$119,578	$1,913,241	$9,677	$154,833	$1,008	$16,125	$130,262	$2,084,199
Des Moines	$97,814	$2,151,900	$31,027	$682,600	$300	$6,592	$129,141	$2,841,092
Indianapolis[a]	$111,420	$1,671,301	$16,400	$246,000	$500	$7,493	$128,320	$1,924,794
New York[b]	$117,734	$2,236,950	$0	$0	$514	$9,772	$118,249	$2,246,722
Office of Finance[c]	$120,669	$603,345	$0	$0	$0	$0	$120,669	$603,345
Pittsburgh[d]	$105,392	$1,686,279	$19,309	$308,951	$45	$721	$124,747	$1,995,951
San Francisco[e]	$79,043	$1,185,642	$46,374	$695,608	$257	$3,857	$125,674	$1,885,108
Topeka	$84,485	$1,436,240	$43,633	$741,760	$2,369	$40,267	$130,486	$2,218,267
Total (all directors)	**$1,261,179**	**$19,788,242**	**$266,548**	**$4,344,002**	**$5,253**	**$89,528**	**$1,532,981**	**$24,221,771**
Average	**$105,098**	**$1,649,020**	**$22,212**	**$362,000**	**$438**	**$7,461**	**$127,748**	**$2,018,481**
Median	**$112,424**	**$1,678,790**	**$16,414**	**$238,000**	**$259**	**$4,279**	**$128,737**	**$2,040,075**

a Indianapolis had one director resign on 1/15/24. The vacancy was filled on 4/1/24.
b New York had three directors resign on 3/11/24, 3/31/24, and 8/21/24. Three vacancies were filled on 7/9/24.
c The Office of Finance had a director pass away on 8/22/24.
d Pittsburgh had two directors resign on 5/3/24 and 5/23/24. Two vacancies were filled on 8/16/24.
e San Francisco had one director resign on 5/24/24.

incurred by the boards of directors — that the FHLBank either pays directly or reimburses to directors — for review by the Agency. Figure 14 summarizes this information for 2024. Board Expenses Attributable to Directors include all travel-related expenses for which the directors are reimbursed, including transportation, lodging, and food. Director Training Expenses include the costs of external speakers at board meetings, board member attendance at training conferences, and educational materials. Other Director Expenses include the costs of attendance at FHLBank-related events, such as annual member meetings, chair and vice

Figure 14: FHLBank Directors' Expenses in 2024

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	$20,658	$289,213	$5,762	$80,672	$837	$11,717	$4,996	$69,949
Boston	$5,909	$88,640	$1,798	$26,964	$429	$6,435	$3,324	$49,863
Chicago	$10,575	$190,346	$5,331	$95,961	$819	$14,747	$4,856	$87,404
Cincinnati	$2,235	$37,988	$1,898	$32,261	$126	$2,138	$1,284	$21,827
Dallas	$6,441	$103,054	$2,595	$41,513	$1,337	$21,396	$5,145	$82,326
Des Moines	$10,607	$233,358	$3,105	$68,317	$868	$19,104	$1,689	$37,157
Indianapolis	$7,832	$117,474	$3,272	$49,074	$1,523	$22,843	$8,057	$120,860
New York	$7,330	$139,266	$724	$13,751	$871	$16,540	$3,511	$66,706
Office of Finance[a]	$6,483	$32,413	$686	$3,429	$457	$2,285	$8,848	$141,574
Pittsburgh	$4,986	$79,779	$3,269	$52,308	$2,046	$32,743	$1,736	$27,781
San Francisco	$10,897	$163,462	$2,100	$31,495	$8,275	$124,124	$7,912	$118,684
Topeka	$11,109	$188,858	$1,705	$28,979	$1,059	$17,998	$6,505	$110,583
Total (all directors)	**$105,062**	**$1,663,851**	**$32,243**	**$524,724**	**$18,647**	**$292,071**	**$57,865**	**$934,716**
Average	**$8,755**	**$138,654**	**$2,687**	**$43,727**	**$1,554**	**$24,339**	**$4,822**	**$77,893**
Median	**$7,581**	**$128,370**	**$2,347**	**$36,887**	**$869**	**$17,269**	**$4,926**	**$76,138**

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

chair meetings, and Council of FHLBanks meetings. Group Expenses include costs not directly attributable to individuals, such as food and beverages at meetings, audio-visual services, and meeting space rentals.

Figure 15 summarizes the average and total costs of the directors of each FHLBank and the OF as the sum of compensation and expenses.

Figure 15: FHLBank Directors' Total Cost for 2024

Federal Home Loan Bank	Total Director Compensation Paid (Cash + Deferred + Spouse/Guest Expenses)		Total Director Expenses (All expenses including board expenses, training, group and other expenses)		Total Director Cost (Total Compensation + Total Expenses)	
	Average	Total	Average	Total	Average	Total
Atlanta	$129,857	$1,818,000	$32,254	$451,551	$162,111	$2,269,551
Boston	$128,333	$1,925,000	$11,460	$171,901	$139,793	$2,096,901
Chicago	$136,158	$2,450,851	$21,581	$388,458	$157,739	$2,839,309
Cincinnati	$131,085	$2,228,443	$5,542	$94,215	$136,627	$2,322,658
Dallas	$130,262	$2,084,199	$15,518	$248,290	$145,781	$2,332,489
Des Moines	$129,141	$2,841,092	$16,270	$357,936	$145,410	$3,199,027
Indianapolis[a]	$128,320	$1,924,794	$20,683	$310,252	$149,003	$2,235,045
New York[b]	$118,249	$2,246,722	$12,435	$236,263	$130,683	$2,482,985
Office of Finance[c,d]	$120,669	$603,345	$16,474	$179,701	$137,143	$783,047
Pittsburgh[e]	$124,747	$1,995,951	$12,038	$192,612	$136,785	$2,188,563
San Francisco[f]	$125,674	$1,885,108	$29,184	$437,765	$154,858	$2,322,873
Topeka	$130,486	$2,218,267	$20,378	$346,418	$150,864	$2,564,685
Total (all directors)	**$1,532,981**	**$24,221,771**	**$213,817**	**$3,415,362**	**$1,746,798**	**$27,637,133**
Average	**$127,748**	**$2,018,481**	**$17,818**	**$284,614**	**$145,566**	**$2,303,094**
Median	**$128,737**	**$2,040,075**	**$16,372**	**$279,271**	**$145,595**	**$2,322,766**

a Indianapolis had one director resign on 1/15/24. The vacancy was filled on 4/1/24.
b New York had three directors resign on 3/11/24, 3/31/24, and 8/21/24. Three vacancies were filled on 7/9/24.
c The Office of Finance had a director pass away on 8/22/24.
d Group expenses for the Office of Finance covers the full board including the 11 FHLBank Presidents.
e Pittsburgh had two directors resign on 5/3/24 and 5/23/24. Two vacancies were filled on 8/16/24.
f San Francisco had one director resign on 5/24/24.

OVERSIGHT OF HOUSING MISSION ACTIVITIES

The Enterprises and FHLBanks are both subject to statutory requirements that they provide support for certain housing-related activities. Under the Safety and Soundness Act, the Enterprises must set aside a percentage of the UPB on new purchases to support affordable housing and meet SF and MF housing goals established by the Agency. The statute also provides that the Enterprises have a "duty to serve" (DTS) statutorily defined, underserved markets. Meanwhile, the Federal Home Loan Bank Act of 1932 (Bank Act) requires each FHLBank to establish an Affordable Housing Program (AHP) and offer advances targeted to finance housing for lower-income households and economic development projects that benefit lower-income areas.

Through these activities in 2024, the Enterprises and FHLBanks enabled households to find affordable housing opportunities despite still-challenging market conditions, including limited housing supply and a volatile interest-rate environment. The regulated entities completed these activities while operating in a safe and sound manner.

Enterprises

In 2024, the Agency evaluated the Enterprises' 2023 mortgage purchases to measure their progress in meeting SF and MF housing goals designed to provide housing opportunities to lower-income families and in lower-income areas. While Freddie Mac met every one of the goals and subgoals, Fannie Mae failed to meet two of the six single-family goals and subgoals.

The Agency also evaluated the Enterprises' efforts to fulfill their DTS requirements in three underserved markets: manufactured housing, affordable housing preservation, and rural housing. Under federal statute, each Enterprise develops specific three-year plans for meeting DTS obligations. In 2024, both Enterprises exceeded their targets for loan purchases in all three underserved markets.

Additional details on the Enterprises' housing goals and DTS requirements are provided each year in the Agency's Annual Housing Report, submitted to Congress by October 30 of every year.

Federal Home Loan Banks

The FHLBanks continued raising contributions sharply to each bank's respective AHP. Their statutory contributions in 2024 were more than three times their contributions in 2022, and the

FHLBanks also offered over $200 million in funding through homeownership set-aside programs. The set-aside grants often help low- or moderate-income, first-time homeowners cover parts of their down payments and closing costs.

In 2024, the FHLBanks also provided approximately $7.9 billion combined through the Community Investment Program (CIP) and the Community Investment Cash Advance (CICA) program. FHLBank members receive CIP advances to support housing opportunities for borrowers with incomes at or below 11 percent of AMI, or economic development projects that benefit low- and moderate-income neighborhoods or households. The Agency also monitored the FHLBanks' progress meeting housing goals through Acquired Member Assets (AMA) programs. Additional details on the FHLBanks' support of low-income housing and community development activities are provided in the Agency's annual report on Targeted Mission Activities of the FHLBanks, generally published in October each year.

Enterprises' Affordable Housing Allocations

To support affordable housing, the Safety and Soundness Act requires the Enterprises to set aside in each fiscal year an amount equal to 4.2 basis points (0.042 percent) for every dollar of unpaid principal balance on total new business purchases in the prior year.[13] Figure 16 shows the total amounts paid by each Enterprise into these Funds each year from 2016 through 2025. In 2024, the Enterprises made $301 million in affordable housing allocation payments, and in February 2025 they contributed $333 million.

Of the amount set aside, the Enterprises must transfer 65 percent to the Housing Trust Fund, which is overseen by the U.S. Department of Housing and Urban Development. They must transfer 35 percent to the Capital Magnet Fund, which is overseen by the U.S. Department of the Treasury.[14] The Housing Trust Fund allocates

Figure 16: Affordable Housing Allocation Payments

Affordable Housing Allocation Payments (Dollars in millions)

Enterprise	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Fannie Mae	$217	$268	$239	$215	$280	$603	$598	$287	$155	$160	**$3,023**
Freddie Mac	$165	$187	$175	$162	$222	$491	$540	$258	$146	$173	**$2,519**
Total	**$382**	**$455**	**$414**	**$377**	**$502**	**$1,094**	**$1,138**	**$545**	**$301**	**$333**	**$5,541**

13 Under HERA, FHFA is statutorily authorized to temporarily suspend an Enterprise's affordable housing allocations, generally based on the financial condition of the Enterprise.

14 *See* 12 U.S.C. § 4567(a).

funding annually to states and state-designated entities to produce or preserve affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing.[15] The Capital Magnet Fund competitively awards funds to finance affordable housing activities, related economic development activities, and community service facilities.

ENTERPRISE NEW PRODUCTS

The Safety and Soundness Act requires the Enterprises to provide advance notice to the Agency before undertaking a new activity and to obtain prior Agency approval before offering a new product to the market. Under the statute, the Agency must review certain new Enterprise activities to determine which are in the public interest and therefore subject to Agency approval as a new product.[16] Before making a determination on a new product request, the Agency must provide the public with notice of the request, including a 30-day comment period. The Safety and Soundness Act also specifies the factors the Agency must consider in acting on a new product proposal.

The Prior Approval for Enterprise Products regulation implements these statutory requirements and establishes a process for identifying new activities and new products. Under the regulation, a new product is any new activity that the Agency determines requires notice and comment about whether it is in the public interest. The statute and the regulation are intended to provide public transparency about certain Enterprise activities that could have a significant impact on the U.S. housing finance system, market participants, and the broader economy. The regulation formalizes the Agency's commitment to "make public information related to the Director's determinations on new activity and new product submissions within a reasonable time period after the end of the calendar year during which either Enterprise filed such a submission."[17] The Agency is making such disclosures in its Annual Report to Congress.

In considering any request for approval of a new product, the Agency determines whether it complies with the Enterprises' authorizing statutes, is in the public interest, and is consistent with safety and soundness. The factors to consider about whether a new product is in the public interest fall into three broad categories: (1) the impact of the proposed new product on the Enterprise's public mission; (2) the impact of the proposed new product on the

15 *See* 12 U.S.C. § 4568.

16 *See* 12 U.S.C. § 4541.

17 *See* **12 CFR 1253.10.**

stability of the mortgage finance or financial system; and (3) the impact of the proposed new product on the competitiveness of the housing finance market.

In 2024, the Agency completed its review of 10 new activities and, based on factors set forth in the regulation, determined that three should be treated as a new product meriting public notice and comment upon the respective Enterprise submitting a request for approval. The Agency received only one request for new product approval. On April 22, 2024, the Agency published in the Federal Register a notice for public comment on Freddie Mac's request to purchase closed-end second mortgages on properties for which it already holds the first mortgage as a new product.[18]

On June 21, 2024, in accordance with the Prior Approval for Enterprise Products regulation, the Agency announced its conditional approval for Freddie Mac to engage in a limited pilot to purchase certain single-family closed-end second mortgages. The pilot parameters included a maximum duration of 18 months, as well as limits on total purchases and loan size.

To date, no other proposed new products have been subject to public comment. In accordance with the regulation, the Agency will invite public comment on an additional proposed new product only after an Enterprise requests approval for the new product.

18 *See* 89 FR 29329 (Apr. 22, 2024).

CONSERVATORSHIPS OF THE ENTERPRISES

The Agency was appointed conservator of Fannie Mae and Freddie Mac in September 2008.[19] The ongoing conservatorships were intended to preserve and conserve the Enterprises' assets and property while restoring the Enterprises to a sound and solvent condition, to enable them to continue fulfilling their statutory missions. The conservatorships are the longest on record for any financial institutions in American history.

Under HERA, the Agency is required to provide an annual account or report on each conservatorship of its regulated entities to the Federal Housing Finance Oversight Board (FHFOB), Government Accountability Office (GAO), the Committee on Banking, Housing, and Urban Affairs of the U.S. Senate, and the Committee on Financial Services of the U.S. House of Representatives. For 2024, the Agency is fulfilling that requirement with the inclusion of this Chapter in this Annual Report.

While the Agency is focused on preparing the Enterprises to operate safely and soundly upon exit from the conservatorships, the Agency also manages the conservatorships to support more affordable mortgages for American families, protect American taxpayers, and enhance the efficiency of the mortgage markets.

In 2008, the U.S. Department of the Treasury and the Enterprises executed the Senior Preferred Stock Purchase Agreements (PSPAs) — amended several times since then — to provide financial support for the Enterprises.[20] To date, the Enterprises have made combined draws of $191.5 billion and maintain ongoing access to $254.1 billion in Treasury support.

The Agency communicates a set of expectations for the Enterprises to fulfill while they are operating in conservatorship. However, many of the requirements and obligations that the Agency imposed as conservator on the Enterprises for 2024 have since been rescinded or waived by the Agency. Described here are selected highlights from 2024 conservatorship-related work carried out by the Agency and the Enterprises.

Improving the Enterprises' Capital Position

The Enterprises must achieve and maintain robust capital positions to ensure their ongoing safety and soundness and ability to withstand economic and financial shocks. To help achieve this goal, the Agency released a final rule in 2020 establishing the Enterprise Regulatory Capital Framework (ERCF), with additional amendments to the ERCF finalized in 2022 and 2023. The ERCF increases the

19 *See* "History of Fannie Mae and Freddie Mac Conservatorships," **https://www.fhfa.gov/conservatorship/history**.

20 *See* **https://www.fhfa.gov/conservatorship/senior-preferred-stock-purchase-agreements.**

quantity and quality of regulatory capital required to be held by the Enterprises, relative to earlier capital frameworks.

Both Enterprises were consistently profitable throughout 2024, allowing them to retain earnings and further improve their capital positions. However, as of the end of 2024, neither Enterprise met its minimum regulatory capital requirements established by the ERCF.

At Freddie Mac, total equity increased by 24.8 percent to $59.6 billion in 2024. At Fannie Mae, total equity increased by 21.9 percent to $94.7 billion. Both levels were significantly less than the required capital under the ERCF.

Improving Mortgage Affordability

The Enterprises continued to provide liquidity to help ensure that homebuyers maintain access to affordable mortgages in a safe and sound manner.

Freddie Mac expanded its DPA One™ tool to provide prospective homebuyers and loan officers with information on publicly available down payment assistance that can potentially reduce upfront cash requirements and enable homebuyers to retain financial reserves in case of unforeseen hardships.[21] Freddie Mac also focused on refining its renovation loan product and processes to improve lender efficiency and encourage more widespread usage.[22]

Fannie Mae announced updates to Desktop Underwriter (DU) to allow lenders to use a single asset report to automatically validate income, employment, and assets.[23] Fannie Mae also launched its closing cost calculator tool that leverages information on existing mortgages.[24] The tool allows potential mortgage borrowers to estimate closing costs in their area and better understand the potential costs of a home purchase or refinance.

In addition, both Enterprises continued offering cash flow underwriting and positive rental payment history to assist potential borrowers in securing homeownership.

Addressing Potential Risk in Property Insurance Markets

In 2024, the Agency called on the Enterprises to explore the single-family

21 *See* "Filtered search: A new way to search gives you a clear view of available programs" *at* **https://dpaone.freddiemac.com/release-notes**.

22 *See* "CHOICERenovation Mortgage Updates" *at* **https://guide.freddiemac.com/app/guide/bulletin/2024-13**.

23 *See* "Fannie Mae Provides Day 1 Certainty; New Enhancement Further Streamlines Mortgage Origination Process for Lenders and Homebuyers" *at* **https://www.fanniemae.com/newsroom/fannie-mae-news/fannie-mae-provides-day-1-certainty-new-enhancement-further-streamlines-mortgage-origination-process**.

24 *See* "Closing Costs Calculator" *at* **https://yourhome.fanniemae.com/calculators-tools/closing-costs-calculator**.

property insurance market to identify opportunities to mitigate risk while furthering homeownership. In February 2024, the Enterprises issued selling and servicing guide announcements to remind stakeholders that mortgage lenders and servicers must obtain and document the replacement cost value (RCV) to confirm that policy coverage is sufficient.[25] In response to concerns about the ability of lenders and servicers to comply with these requirements, the Enterprises on May 8 implemented a temporary pause on enforcement activity related to non-compliance with these RCV requirements. Second, on September 9, the Enterprises issued a survey to collect feedback about reported obstacles to lender and servicer compliance with RCV requirements. Based on survey results, the Enterprises shifted their engagement strategy to focus first on the property and casualty insurance sector and then engage with other industry stakeholders as appropriate.

In October 2024, the Enterprises also began planning industry outreach regarding property insurance deductibles. Some stakeholders have indicated that property insurance is unavailable within the Enterprises' existing deductible limits, making loans with higher deductibles ineligible for purchase by the Enterprises, including 1-to-4-unit properties, condominium units, and overall condominium projects. Some constituencies have indicated that borrowers seek higher deductibles beyond the Enterprises' published limits to minimize rising insurance costs. However, higher deductibles shift financial responsibility to homeowners and increase risk to the Enterprises. To better understand the issues and inform policies for effective collateral risk management, the Enterprises conducted outreach in the first quarter of 2025 to stakeholders, including lenders, servicers, insurance companies, and related trade associations.

Finally, the Enterprises began efforts in 2024 to understand insurance data currently available and captured by lenders and servicers. The purpose of these efforts is to identify additional insurance data, beyond what is captured at loan delivery and through servicer and investor reporting, to strengthen risk management through the mortgage lifecycle.

Managing Enterprises' Multifamily Activity to Expand Affordability

Beginning in 2015, the Agency, as conservator, has capped the amount of multifamily loans that each Enterprise may

25 *See* Fannie Mae's February 2024 Selling and Servicing Guide Updates *at* **https://singlefamily.fanniemae.com/news-events/announcement-sel-2024-01-selling-guide-updates** and **https://singlefamily.fanniemae.com/news-events/announcement-svc-2024-01-servicing-guide-update**, and Freddie Mac's February 2024 Selling and Servicing Bulletin Updates *at* **https://guide.freddiemac.com/app/guide/bulletin/2024-1** and **https://guide.freddiemac.com/app/servicing/bulletin/2024-2**.

purchase during the year. The multifamily cap furthers the Agency's conservatorship goals of maintaining the presence of the Enterprises as a backstop for the multifamily finance market and expanding affordable housing opportunities, while not impeding the participation of private capital.

In November 2023, the Agency announced a cap for calendar year 2024 of $70 billion for each Enterprise, for a combined total of 140 billion.[26]

During calendar year 2024, Fannie Mae purchased a total of $55.2 billion in multifamily loans and Freddie Mac purchased a total of $65.1 billion.

Modernizing Single-Family Property Valuation

Throughout 2024 and early 2025, the Enterprises implemented policies aimed at modernizing single-family residential valuation, improving appraisal accuracy and quality, reducing the effect of appraiser shortages, and supporting effective risk management. This work included enhancements to the Enterprises' alternative valuation offerings and ongoing engagement with industry stakeholders.

The number of active appraisers throughout the country continues to decline.[27] The overall attrition of appraisers contributes to higher consumer costs and extended loan cycle times, a trend that is more pronounced in rural markets. Alternatives to traditional appraisals, such as desktop and hybrid appraisals, allow the appraiser to determine a credible opinion of value without an onsite visit. These options ease appraiser capacity constraints and reduce loan cycle times in periods of high volume, while promoting appraiser independence.

The Enterprises began piloting the hybrid appraisal process in 2018 and, after testing hundreds of thousands of loans, announced broad Selling Guide availability for certain single-family properties and condos in February 2025.[28] The policies became effective in early 2025.

In October 2024, the Enterprises announced the loan-to-value (LTV) ratio eligibility expansion of appraisal waivers on certain purchase loans from 80 percent to 90 percent.[29] Purchase loans over 90 percent and up to program limits, that are otherwise eligible for an appraisal waiver, must be accompanied with current Uniform Property Data (UPD) from an approved property data

26 *See* "FHFA Announces 2024 Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac" *at* **https://www.fhfa.gov/news/news-release/fhfa-announces-2024-multifamily-loan-purchase-caps-for-fannie-mae-and-freddie-mac.**

27 *See* **https://sf.freddiemac.com/docs/pdf/report/appraiser_capacity.pdf.**

28 *See* **https://singlefamily.fanniemae.com/media/41601/display and Guide Bulletin 2025-1**.

29 *See* **Fannie Mae Announces Changes to Appraisal Alternatives Requirements** | Fannie Mae and **Guide Bulletin 2024-16**.

collector. The policies became effective in February 2025.

The Enterprises also continued a program to attract new entrants into the appraisal field, making significant progress in 2024. The Enterprises engaged with over 600 aspiring appraisers through 14 workshops, university outreach, and industry engagements. Industry partner sponsors are key to the program's success, and in 2024, the program secured seven new sponsors, bringing the total number of sponsors to 40. Through this work, the Enterprises awarded 275 scholarships in 2024, exceeding the goal of 200, and bringing the total of awarded scholarships to 945 since the program's inception.

The Reconsideration of Value (ROV) process has been a longstanding mortgage industry practice in which appraisers agree to reassess the appraised value of a property due to potential appraisal reporting deficiencies, or based upon additional information the appraiser should consider. In May 2024, the Enterprises published ROV policies,[30] with compliance required by October 31, 2024. The new policies provide clear requirements for lenders and appraisers, while also defining consumer and appraiser rights. Additionally, the Enterprises incorporated a new ROV section into the redesigned Uniform Residential Appraisal Report (URAR)[31] to facilitate tracking of ROV outcomes at the appraisal level.

In November 2024, the Enterprises announced aligned Selling Guides updates to the market area analysis reporting appraisal requirements to enhance appraisal accuracy.[32] The Selling Guides now include standardized definitions for "neighborhood" and "market area," and establish a 12-month minimum timeframe from which the overall market trend is derived.

Improving Appraisal Data Quality and Consistency

In 2024, the Enterprises continued their efforts to leverage technology and data to improve appraisal data quality and consistency, focusing on a multiyear project begun in 2018 to update the Uniform Appraisal Dataset (UAD) and align it with mortgage industry data standards. The UAD and Forms Redesign project also entails replacing all existing appraisal forms with a single dynamic Uniform Residential Appraisal Report (URAR) that reflects current appraisal data needs across all

30 *See* https://singlefamily.fanniemae.com/media/39081/display and https://guide.freddiemac.com/app/guide/bulletin/2024-6.

31 *See* https://singlefamily.fanniemae.com/delivering/uniform-mortgage-data-program/uniform-appraisal-dataset and https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/uad#technical-resources.

32 *See* "Appraisal market areas" *at* https://singlefamily.fanniemae.com/media/40811/display and "Appraisal Market Area Analysis" *at* https://guide.freddiemac.com/app/guide/bulletin/2024-15.

property types and provides the flexibility to adapt to future needs.

To advance the project, the Enterprises focused on the provision of additional resources, outreach, and training as part of their joint education and communication strategy. Resources included publication of a lender readiness kit[33] and additional testing scenarios, distribution of a Compliance Rules Application Programming Interface for vendor use, and provision of a detailed implementation timeline[34] to spur industry planning efforts in 2025. A November 2024 vendor forum was held to discuss development progress and implementation strategies, as well as to gauge participant readiness and future needs. The Enterprises made available a free 17-module industry training[35] focusing on the use and review of the updated URAR and finished development of both instructor-led and online training for appraisers with Appraiser Qualifications Board (AQB) approvals. Education providers are actively seeking state regulatory approval to offer the trainings.

The UAD and Forms Redesign effort remains a priority, with the Enterprises assisting industry participants to prepare for a "Limited Production Period"[36] ahead of the "Broad Production" in January 2026.[37]

Implementing Updated Credit Score Requirements

Credit scores serve as a factor to help determine the riskiness of mortgage exposures. They are used throughout the single-family secondary mortgage market, including as components of prepayment and default risk evaluation and modeling, regulatory capital requirements, financial disclosures, counterparty requirements, guarantee fee risk-based pricing, and various elements of the Enterprises' Selling Guides.

Since the October 24, 2022, announcement of the validation and approval of FICO® Score 10 T and VantageScore® 4.0, the Agency and the Enterprises have focused on ensuring a smooth transition to these requirements to minimize unnecessary costs or complexity.[38]

33 *See* "Lender Readiness Kit" *at* **https://singlefamily.fanniemae.com/media/39261/display and https://sf.freddiemac.com/docs/pdf/uad-lender-readiness-kit.pdf.**

34 *See* "Updated UAD redesign timeline with specific implementation dates" *at* **https://singlefamily.fanniemae.com/news-events/updated-uad-redesign-timeline-specific-implementation-dates** and **https://singlefamily.fanniemae.com/news-events/updated-uad-redesign-timeline-specific-implementation-dates**.

35 *See* **https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/uad#business-resources** and **https://www.fanniemae.com/course/singlefamily/uadtrainingfiles/story.html**.

36 The Limited Production Period begins on September 8, 2025, and runs through January 25, 2026.

37 *See* "Limited Production Readiness Overview for Lenders" *at* **https://singlefamily.fanniemae.com/media/41631/display** and **https://sf.freddiemac.com/docs/pdf/lppannouncement_02_2025.pdf**.

38 The longtime Enterprise requirement to obtain three credit reports for each borrower on a loan ("tri-merge") will change to allow for the option to obtain two credit reports per borrower ("bi-merge").

the Agency and the Enterprises have benefited from feedback from market participants to inform 2024 actions to facilitate the transition. For example, on February 29, 2024, the Agency announced several updates related to the implementation of the updated Enterprise credit score requirements.[39] To better support market participants, the Agency further announced that the Enterprises would aim to publish historical scores specific to the VantageScore® 4.0 model early in the third quarter of 2024 while continuing to work towards publishing similar scores to support the transition to the FICO® Score 10 T model.[40]

On July 11, 2024, both Enterprises published historical credit scores generated by the VantageScore® 4.0 model to facilitate more detailed analysis by market participants.[41] The published credit scores are associated with over 45 million single-family loans acquired by the Enterprises from April 2013 through March 2023, enabling market participants to observe how the VantageScore® 4.0 model would have scored these loans at or near origination.

Supporting Industry Data Standards for Servicing Transfers

Common and consistent data standards help maintain continuity of servicer operations, including foreclosure prevention activities, and minimize adverse effects on borrowers due to errors during servicing transfers. The Enterprises continued to support the Servicing Transfers Development Work Group of the Mortgage Industry Standards Maintenance Organization (MISMO), which is an industry-led effort to create a standardized servicing transfer dataset and best practices for the transfer process. The Enterprises' participation in the Work Group allows them to provide insights on transfer requirements specific to Enterprise-backed loans, including data that need to be transferred to maintain servicing continuity. In 2024, the Work Group focused its efforts on the loan boarding data that must be transmitted between servicers.

Updating Private Mortgage Insurer Eligibility Requirements

In August 2024, the Enterprises issued updates to the Private Mortgage Insurer

39 *See* https://www.fhfa.gov/news/news-release/fhfa-announces-key-updates-for-implementation-of-enterprise-credit-score-requirements.

40 *See* https://www.fhfa.gov/news/news-release/fhfa-announces-release-of-historical-vantagescore-4.0-credit-scores-by-the-enterprises.

41 *See* https://www.fhfa.gov/news/news-release/fhfa-announces-release-of-historical-vantagescore-4.0-credit-scores-by-the-enterprises.

Eligibility Requirements (PMIERs), which outline financial and operational standards for private mortgage insurance companies to provide insurance on mortgage loans acquired by the Enterprises.[42]

Since the Enterprises first issued the aligned PMIERs in 2015, they have periodically reviewed the standards with the goal of ensuring mortgage insurers can meet their obligations through the economic cycle, thus improving the safety and soundness of the Enterprises and housing finance system. The Enterprises reviewed the standards for available assets held by mortgage insurers to pay claims to ensure that these assets are high quality, highly liquid, and readily available.

The updated standards differentiate more precisely between requirements for certain types of bonds held by mortgage insurers. For example, the requirements related to an insurer's bond holdings are now based on more granular categories of credit ratings. Similarly, these requirements are also more granular depending on a bond's relative liquidity.

The updates also establish limits for assets backed by residential mortgages and commercial real estate to mitigate losses during a period of housing stress. The updated standards will improve the Enterprises' counterparty risk management and better prepare them to withstand a future stress situation while serving as a reliable source of housing finance liquidity. The standards have a 24-month phase-in period with a fully effective date of September 30, 2026.

Responding to Operational Events without Disrupting Mortgage Markets

Throughout 2024, the Agency monitored the Enterprises' ability to respond to operational events without significant disruption to the primary or secondary mortgage markets. The Enterprises met the 2024 Scorecard objective of facilitating daily mortgage purchases through their respective cash windows and via swap transactions from sellers without experiencing downtimes that exceeded established limits.

Enhancing Transparency and Certainty for Lenders

The Single-Family Selling Representations and Warranties Framework ("Rep and Warrant Framework") is the result of a multi-year effort of the Enterprises and the Agency to enhance transparency and certainty for lenders by clarifying when a mortgage loan may be subject to repurchase. While the Rep and Warrant

42 *See* Fannie Mae's updates *at* **https://singlefamily.fanniemae.com/media/39791/display** and Freddie Mac's updates *at* **https://sf.freddiemac.com/docs/pdf/pmiers-guidance-2024-01.pdf**.

Framework remains in place, the Enterprises are working with the Agency to explore opportunities to harmonize the underlying processes, including defect identification, remedies, and repurchase alternatives. The objective of this effort is to ensure that the Rep and Warrant Framework continues to provide more certainty for lenders, facilitate greater liquidity to the primary market, and help support access to credit without compromising Enterprise safety and soundness.

Transferring a Meaningful Amount of Credit Risk to Private Investors

The Enterprises' credit risk transfer (CRT) programs continue to be a core part of their single-family credit guarantee businesses. The programs reduce risk to taxpayers by transferring credit risk to sources of private capital primarily through security issuances and insurance/reinsurance transactions.

In 2024, for the second consecutive year, the Enterprises experienced a reduction in CRT volume, primarily driven by lower single-family mortgage acquisition volume. The Enterprises transferred credit risk on single-family mortgage loans with a total unpaid principal balance (UPB) of approximately $365 billion and total risk in force (RIF) of approximately $11.9 billion. Since the beginning of the programs in 2013, the Enterprises have transferred a portion of credit risk on loans with approximately $7 trillion in UPB and total RIF of approximately $222 billion.

In 2024, transferring credit risk to the private sector also remained an integral part of the multifamily business models for both Enterprises.

In 2024, Fannie Mae transferred risk on approximately $55 billion of its multifamily production through its Delegated Underwriting and Servicing (DUS) program. Additionally, during the year, Fannie Mae executed three multifamily CRT transactions — one Multifamily Connecticut Avenue Securities (MCAS) transaction and two Multifamily Credit Insurance Risk Transfer (MCIRT) transactions — collectively transferring credit risk on approximately $26 billion of acquisitions.

Freddie Mac continued to transfer a significant amount of credit risk through its multifamily securitization program that focuses on senior/subordinate structures in capital markets transactions. Through its K-deal program, Freddie Mac transferred credit risk on approximately $28 billion of new multifamily acquisitions in 2024. Additionally, Freddie Mac executed two companion Multifamily Structured Credit Risk (MSCR)/Multifamily Credit Insurance Pool (MCIP) CRT transactions, which collectively transferred credit risk on approximately $17 billion of acquisitions.

Freddie Mac also executed one multifamily reinsurance CRT transaction on seasoned floating-rate K-deals, and one senior housing loan MSCR notes offering that transferred credit risk on approximately $16 billion of reference obligations. Both Enterprises were consistently profitable throughout 2024, allowing them to retain earnings and further improve their capital positions. However, as of the end of 2024, neither Enterprise met its minimum regulatory capital requirements established by the ERCF.

At Freddie Mac, total equity increased by 24.8 percent to $59.6 billion in 2024. At Fannie Mae, total equity increased by 21.9 percent to $94.7 billion. Both levels were significantly less than the required capital under the ERCF.

OTHER CONSERVATORSHIP ACTIVITIES

Boards of Directors and Management

As conservator, the Agency reviews the appointment of new directors serving on the board of directors of each Enterprise. In 2024, the Agency reviewed and approved the elections of Diane Lye and Scott Stowell to serve on the Fannie Mae Board of Directors and reviewed and approved Roy Swan to serve on the Freddie Mac Board of Directors. In 2024, Lance Drummond served as non-executive chair of the Freddie Mac Board of Directors upon the retirement of the previous board chair, Sara Mathew, in February 2024. Mark Grier, who served on the Freddie Mac Board of Directors since 2020, resigned upon reaching the Agency's service limit of 72 years of age in January 2025.[43] Also in January 2025, the Agency approved the election of Jane Prokop to serve on the Freddie Mac Board of Directors.

In March and April 2025, the boards of directors of both Enterprises underwent extensive changes.

In March, eight directors were removed from the Fannie Mae Board of Directors, including Amy Alving, Christopher Brummer, Michael Heid, Simon Johnson, Diane Lye, Diane Nordin, Chetlur Ragavan, and Michael Seelig. Michael Stucky, Clinton Jones,[44] and FHFA Director William J. Pulte were appointed to the Fannie Mae Board of Directors, with Director Pulte serving as Chair. Christopher Stanley joined the Board and subsequently resigned. In April, Omeed Malik was also appointed to the Fannie Mae Board of Directors.

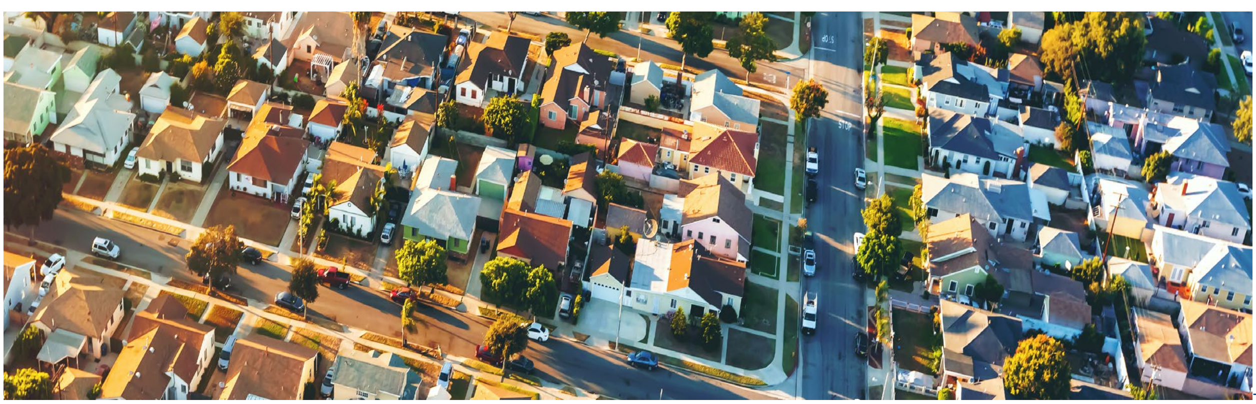
43 *See* 12 CFR § 1239.20(a)(1)(i).

44 Clinton Jones is the Agency's General Counsel.

In March, six directors were removed from the Freddie Mac Board of Directors, including Kevin Chavers, Lance Drummond, Luke Hayden, Allan Merrill, Jane Prokop, and Ray Swan. Brandon Hamara, Clinton Jones, Ralph "Cody" Kittle, and Director Pulte were appointed to the Freddie Mac Board of Directors, with Director Pulte serving as Chair. President and Interim CEO Mike Hutchins was appointed to the Freddie Mac Board following the termination of former CEO Diana Reid in March 2025. Also in March 2025, Grace Huebscher and Christopher Herbert resigned from the Freddie Mac Board and were replaced by Michael Parrott and David Farbman, respectively.

Enterprise Compensation

No material changes were made to the Enterprises' Executive Compensation Plans in 2024. As conservator, the Agency continues to require the Enterprises to defer at-risk compensation earned by executive officers[45] for two years. Compensation for the Enterprises' CEOs is maintained at a statutory limit that applies during any time the Enterprise is in conservatorship.[46] As supervisor, the Agency is statutorily required to prohibit each Enterprise from providing compensation to its executive officers that is "not reasonable and comparable" with compensation for employment in other similar businesses involving similar duties and responsibilities.[47] That mandate is implemented through a regulatory prior review and approval process. The Agency continues to closely examine all compensation requests by the Enterprises and maintains an active dialogue with each Enterprise about current and future compensation actions.



45 For this purpose, "executive officer" is defined *at* **12 CFR 1230.2**.

46 *See* 12 U.S.C. § 4518 note. The Equity in Government Compensation Act of 2015 applies to an Enterprise in conservatorship or receivership; during that time, the Act effectively limits the annual direct compensation for the CEO to no more than $600,000, provided only as base salary.

47 *See* 12 U.S.C. §4518 (a).

AGENCY PERFORMANCE AND OPERATIONS

PERFORMANCE AND PROGRAM ASSESSMENT

On November 15, 2024, the Agency published its annual Performance and Accountability Report (PAR), which provided a comprehensive account of the Agency's activities during FY 2024. The report highlights the Agency's performance and achievements, emphasizing the Agency's commitment to achieving its strategic goals and objectives. In the PAR, the Agency identified 40 performance measures and associated targets. These measures serve as key indicators to monitor progress toward fulfilling the Agency's mission. The Agency met the targets for 33 of these measures, resulting in an 83 percent success rate. These results demonstrate progress toward achieving the Agency's overarching goals and mission.

In April 2025, the Association of Government Accountants awarded the Agency its 17th consecutive Certificate for Excellence in Accountability Reporting (CEAR), for FY 2024. The CEAR is presented to agencies that have demonstrated excellence in integrating performance and accountability reporting. Agencies must receive unmodified opinions on their financial reports from an independent auditor to be eligible for the award.

FINANCIAL OPERATIONS

Financial Highlights

The Safety and Soundness Act authorizes the Agency to collect annual assessments from its regulated entities. These assessments serve to cover the Agency's operational expenses and maintain a working capital fund. In FY 2024, the Agency levied a total assessment of $402.2 million on the regulated entities. This amount includes $57 million earmarked to support the Office of Inspector General. The Agency issues assessment notices to the regulated entities semiannually, with the collections taking place in October and April. The Financial Summary for FY 2024 appears in the Agency's PAR on pages 19-24. GAO's audit report, along with complete financial statements and notes for FY 2024 and FY 2023, is available on pages 69-99.

In accordance with HERA, the Agency is authorized to maintain a working capital fund to address unforeseen or emergent needs. This fund can be replenished through a special assessment on the regulated entities or through retention of unobligated balances at the end of the fiscal year. At the conclusion of FY 2024, the Agency's working capital fund had a balance of $90.3 million, which represents an increase from the $54.7 million in FY 2023.

LEGISLATIVE RECOMMENDATIONS

FHFA CIVIL ENFORCEMENT AUTHORITY TO BETTER ADDRESS MORTGAGE MARKET FRAUD

FHFA believes that all federal regulators of mortgage market participants should be empowered to take action against fraud in the housing finance market. FHFA's current authorities in this area are indirect or limited. For example, FHFA is statutorily required to obtain reports from its regulated entities if they discover or suspect they have purchased or sold a fraudulent loan or financial instrument, and FHFA may refer suspected fraud to other appropriate State and federal regulatory and enforcement agencies. FHFA's regulated entities are required to make reports to FHFA if they discover that any person with whom they have entered into a contract, agreement, or any other business or financial relationship has been convicted or sanctioned for fraud or a similar offense in connection with a mortgage, the mortgage business, a mortgage security, or other lending product. Thereafter, FHFA may require its regulated entities to cease engaging in transactions with the person so convicted or sanctioned (and any affiliates of that person) for a period of time or permanently. All final suspension orders are published on FHFA's website.

To manage counterparty and credit risk, FHFA requires its regulated entities to establish contractual remedies if a fraudulent loan is delivered for purchase or pledged as collateral, and in limited circumstances FHFA may bring an enforcement action against a contractual counterparty who fails to ensure the eligibility of loans delivered or pledged. But FHFA is not required to make a referral of a borrower or other counterparty suspected of fraud to a State or federal regulatory or enforcement agency and is not generally authorized to bring civil enforcement actions against borrowers who commit fraud when doing business with a regulated entity. Moreover, the ability of FHFA's regulated entities to share information about suspected fraud bi-laterally (not through FHFA or with FHFA's participation), which may permit remedial actions to be taken sooner, is limited by federal antitrust laws.

To address these issues, FHFA recommends statutory amendments clarifying that the regulated entities' direct sharing of information about mortgage fraud or suspected fraud is not prohibited and is specifically permitted by federal antitrust laws; permitting FHFA to suspend counterparties who have been convicted or sanctioned for fraud whether or not they have engaged in business with a regulated entity; directing FHFA to make appropriate referrals on discovering suspected fraud (similar to referrals required by 12 U.S.C. § 4561); and authorizing FHFA to bring civil enforcement actions against persons suspected of engaging in mortgage fraud (either by granting FHFA authority to bring any action for mortgage fraud that its regulated entity could bring in federal or State court, or by creating a federal civil cause of action for mortgage fraud and granting FHFA authority to bring such actions in federal district court, similar to authority provided to the Securities and Exchange Commission for insider trading at 15 U.S.C. § 78u-1).

THIRD-PARTY SERVICE PROVIDER EXAMINATION AUTHORITY

FHFA's regulated entities rely on third-party service providers for a wide range of services, some of which are critical to their operations. The Enterprises, for example, rely on mortgage sellers to originate mortgages consistent with the Enterprises' underwriting standards and documentation requirements, and on servicers to collect payments from borrowers, advance some payments to investors in mortgage-backed securities, and perform loss mitigation on non-performing loans. The FHLBanks and the Enterprises rely on third-party service providers for data security and other information technology services.

These third-party relationships can pose risks related to mortgage origination and servicing, information security, and business continuity, among other safety and soundness issues, and FHFA expects each regulated entity to implement a program to manage such third-party risks. Unlike other federal safety and soundness supervisors, however, FHFA does not have express statutory authority as supervisor to examine services provided to its regulated entities. As a result, FHFA has limited authority to assess the impact of third-party relationships on the safe and sound operations of its regulated entities. Regarding the Enterprises, FHFA relies on conservatorship authority to require that the Enterprises include provisions in their third-party contracts granting access to information about service providers; and, as conservator, exercises the Enterprise's contractual audit rights to obtain necessary information to fulfill FHFA's statutory safety and soundness responsibilities. FHFA does not have similar authority with regard to the FHLBanks, which are not in conservatorship.

The Government Accountability Office (GAO) has recommended that Congress provide FHFA authority to examine third parties that do business with the regulated entities similar to that conferred upon the federal banking agencies through a provision in the Bank Service Company Act.[48] The Financial Stability Oversight Council (FSOC) made a similar recommendation in its 2024 Annual Report[49] (as it has annually since 2015). In addition, FHFA's Inspector General has identified third-party oversight as a top risk, specifically finding that FHFA is challenged to effectively oversee the Enterprises' management of risks related to their counterparties and third parties due to the lack of statutory authority.

Prior FHFA Directors have supported granting the Agency this authority, and FHFA continues to concur with FSOC's and GAO's recommendations. Accordingly, in order to identify and mitigate risks to the safety and soundness of FHFA's regulated entities, FHFA recommends that Congress authorize FHFA to establish appropriate safety and soundness standards for services provided to its regulated entities, and to directly examine the records, operations, and facilities of each material service provider to a regulated entity with regard to such services and enforce compliance with such standards. Were Congress to grant FHFA such authority, giving FHFA tailored parity with other federal financial regulators, the Agency would be in a better position to achieve its statutory duty to ensure the safe and sound operations of the Enterprises and FHLBanks. Moreover, if given express examination authority, FHFA would be able to coordinate with other federal safety and soundness supervisors in their examination activities regarding third-party service providers, thereby increasing efficiency and reducing burden.

ENTERPRISE REGULATORY CAPITAL

In 2008, Congress amended FHFA's authorizing statute to give FHFA relatively broad authority to prescribe regulatory capital requirements for the Enterprises. The 2008 amendments, however, did not update the outdated definitions of regulatory capital from the original authorizing statute, nor did they give FHFA authority to adjust the definition of "critical capital," which is an important consideration in FHFA's Enterprise capital classifications.

Unlike the U.S. banking framework, the statutory definitions of Enterprise "core capital" and "total capital" include, without limits, certain capital elements that tend to have less loss-absorbing capacity during a period of financial stress, such as deferred tax assets (DTAs), and they do not account for unrealized losses when accumulated other comprehensive income (AOCI) is negative. These shortcomings posed

48 *See* GAO Report 16-278, Nonbank Mortgage Servicers: Existing Regulatory Oversight Could be Strengthened.

49 *See* 2024 Annual Report, Financial Stability Oversight Council, p. 88.

safety and soundness risks during the 2008 Financial Crisis and could again pose safety and soundness risks in the future because FHFA's authorizing statute does not expressly permit FHFA to adjust the statutory capital definitions by regulation.

Similarly, the statutory definition of "critical capital" is based on outdated accounting concepts. Furthermore, the levels at which the statute defines critical capital are so low as to render critical capital a nearly useless measurement. These shortcomings could also pose safety and soundness risks because the relationship between critical capital and minimum capital is important when the FHFA Director classifies the Enterprises according to their core capital, total capital, and critical capital levels. When originally contemplated, critical capital for mortgage-backed securities (MBS) was 56 percent of the minimum capital requirement for MBS. However, FHFA's Enterprise Regulatory Capital Framework (ERCF), as set forth by regulation in 2020 and amended in 2022 and 2023, significantly increased the minimum capital requirement for MBS, skewing this relationship such that now critical capital for MBS is only 10 percent of the minimum capital requirement for MBS. FHFA's authorizing statute does not expressly permit FHFA to adjust the statutory definition of "critical capital" by regulation.

FHFA's ERCF mitigates the risk posed by the existing statutory definitions of "core capital," "total capital," and "critical capital" by prescribing supplemental minimum capital requirements and buffer amounts based on definitions of regulatory capital used by the federal banking regulators to ensure that each Enterprise maintains adequate high-quality regulatory capital throughout the economic cycle. However, if Congress were to give FHFA the same flexibility as the federal banking regulators by amending or removing the statutory definitions of "core capital" and "total capital" and allowing FHFA to adjust the definition of "critical capital," FHFA could streamline the ERCF and restore the intended relationship between critical capital and minimum capital in the capital classifications to promote safety and soundness.

FEDERAL HOUSING FINANCE OVERSIGHT BOARD ASSESSMENT

June 2025

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

- The safety and soundness of FHFA's regulated entities, Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Banks (FHLBanks);
- Any material deficiencies in the conduct of the operations of the regulated entities;
- The overall operational status of the regulated entities; and
- An evaluation of the performance of the regulated entities in carrying out their respective missions.

As a basis for this assessment, FHFA's Annual Report provides a review of these matters.[50] The assessment of the Federal Housing Finance Oversight Board follows:

Housing Markets

Affordability issues continued to weigh on housing markets in 2024, driven by the relatively high interest rates compared to pandemic-era lows and the slow but sustained growth in house prices. These challenges continue in 2025.

The higher mortgage rates contributed to a "lock-in" effect for many homeowners, meaning they were more likely to stay in homes that had been financed at lower rates for longer than expected. The average age of active mortgages increased from 67 months in the fourth quarter of 2019 to 73 months in the fourth quarter of 2024, an increase of 9 percent.[51] The average 30-year fixed rate on a new mortgage reached a peak of 7.2 percent in May before declining to 6.1 percent in September. That rate, however, rose back to 6.9 percent by the end of 2024. As of the end of 2024, nearly 80 percent of outstanding residential mortgages had a rate at least a full percentage point lower than the market rate.[52]

At the end of 2024, the inventory of existing homes for sale totaled 1.15 million units, which was 16 percent higher than a year earlier. But the monthly supply of existing

50 In the course of performing this assessment, SEC Chairman Paul Atkins did not personally participate in an assessment of the FHLBanks.

51 FHFA National Mortgage Database (NMDB®) Outstanding Residential Mortgage Statistics, **https://www.fhfa.gov/data/dashboard/nmdb-outstanding-residential-mortgage-statistics**

52 Freddie Mac Primary Mortgage Market Survey, **https://www.freddiemac.com/pmms**.

homes (about 3 months supply) and the monthly supply of new homes (about 8 months supply), which are the ratios of houses for sale to houses sold, were about the same in December 2024 as December 2023.[53] Both measures of housing supply have improved significantly from their historical lows in 2020 of 2 months and 3.3 months, respectively. However, supply is still low by longer-term historical standards, having declined steadily over the past decade and a half.[54]

Following a period of extraordinary price growth during the COVID-19 pandemic, 2024 marked a transition towards more moderation. In the fourth quarter of 2024, the year-over-year national home sale prices rose by about 4.6 percent, as measured by the FHFA House Price Index (HPI).[55] However, that was more than 2 percentage points lower than year-over-year national price appreciation in the fourth quarter of 2023, and far below the 17.5 percent year-over-year growth in the fourth quarter of 2021. The median sales price by the fourth quarter of 2024 increased to $419,300 — 32 percent higher than the median sales price of $317,100 in the second quarter of 2020.[56]

The number of existing home sales continued to decline, falling by 0.7 percent to 4.06 million in 2024, the lowest level in nearly three decades.[57] Hurricanes Helene and Milton and other natural disasters likely had negative effects on home sales, especially in the South. New home sales continued to grow to an estimated seasonally adjusted annual rate of 698,000, a 2.5 percent increase over the 666,000 sold in 2023.[58]

The combination of higher home prices, elevated interest rates, and rising insurance costs resulted in the median monthly mortgage payment increasing to $1,632 in the fourth quarter of 2024, a 38.7 percent increase from $1,177 in the fourth quarter of 2020.[59] Additionally, natural disasters have contributed both to a rise in insurance costs and to some carriers withdrawing property insurance coverage. These factors

53 Residential Real Estate Market Snapshot Report, January 2025, National Association of REALTORS®, **https://www.nar.realtor/research-and-statistics/research-reports/residential-real-estate-market-snapshot**; **https://fred.stlouisfed.org/series/MSACSR; https://fred.stlouisfed.org/series/HOSSUPUSM673N**; **https://ycharts.com/indicators/us_existing_home_months_supply**.

54 “Considering Housing Inventory: Why Both New and Existing Supply Matters,” National Association of Home Builders (NAHB) Eye on Housing, **https://eyeonhousing.org/2024/06/considering-housing-inventory-why-both-new-and-existing-supply-matters**.

55 FHFA House Price Index, *available at* **https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx**.

56 **https://fred.stlouisfed.org/series/MSPUS**

57 https://www.nar.realtor/sites/default/files/2025-05/ehs-04-2025-breakouts-of-single-family-condo-and-co-op-2025-05-22.pdf

58 **https://www.census.gov/construction/nrs/pdf/newresales_202412.pdf**

59 FHFA National Mortgage Database (NMDB®) Outstanding Residential Mortgage Statistics, **https://www.fhfa.gov/data/dashboard/nmdb-outstanding-residential-mortgage-statistics**.

have added to homeownership costs and potentially increased credit risk.

The multifamily market demonstrated resilience with strong demand and investment activity despite continued economic uncertainties. Developers completed 678,426 new units while the number of units that were absorbed — meaning units that became occupied during the year — increased by 67 percent from 2023 to 550,818. Despite the surge in new units, rents at the national level grew modestly by 1 percent and vacancy rates inched up by 40 basis points.[60] This was driven largely by the demand for rental units relatively matching existing and new supply.

Enterprises

The Enterprises were chartered by Congress to provide stability in the secondary housing finance market, promote access to mortgage credit, and increase the liquidity of mortgage investments. Since 2008, the Enterprises have operated under FHFA conservatorships, and the U.S. Department of the Treasury (Treasury) has provided the Enterprises with continuous support through the Senior Preferred Stock Purchase Agreements (as amended, the PSPAs).

Under the PSPAs, Treasury has committed to provide financial support to each Enterprise to the extent necessary to maintain a positive net worth, subject to specified limits. In return, Treasury received equity instruments, dividends, and other rights. The Enterprises have cumulatively drawn $192 billion of support through year-end 2024 and have paid approximately $301 billion combined in cumulative cash dividends — not intended to offset or pay down prior draws — to the Treasury.

In aggregate, $254 billion of Treasury's funding commitment is still available to the Enterprises. To mitigate Treasury's exposure under this ongoing support, the PSPAs include a range of restrictions on risk-taking and the Enterprises' footprint.

The PSPAs, as amended, also require the Enterprises comply with the FHFA's Enterprise Regulatory Capital Framework (capital rule) and meet other requirements. The capital rule, last amended in 2023, established a post-conservatorship regulatory capital framework intended to ensure that each Enterprise operates in a safe and sound manner and is positioned to fulfill its statutory mission to provide stability and ongoing assistance to the secondary mortgage market across the economic cycle, in particular during periods of financial stress. Under the risk-based capital requirements, the Enterprises must each hold 4.5 percent common equity tier 1 capital, 6 percent tier 1 capital, and 8 percent adjusted total capital, all based on

60 Based on FHFA's calculation of CoStar data.

risk-weighted assets, as well as an additional risk-based capital buffer. The leverage capital requirement, meanwhile, establishes a minimum tier 1 capital ratio of 2.5 percent based on adjusted total (non-risk-weighted) assets, plus an additional leverage buffer. Analysis conducted by the Financial Stability Oversight Council in 2020 suggested that "risk-based capital requirements and leverage ratio requirements that are materially less than those contemplated by the proposed [capital] rule would likely not adequately mitigate the potential stability risk posed by the Enterprises."

The Enterprises' regulatory capital remains negative and therefore well below the required levels. At year-end 2024, their combined common equity tier 1 capital totaled ($88) billion, while the capital rule required them to hold $111 billion. Their combined adjusted total risk-based capital totaled ($55) billion, compared to a required amount of $199 billion. In addition, the capital rule required an aggregate common equity tier 1 capital buffer of $138 billion on top of the risk-based capital requirements, and a combined $245 billion of leverage tier 1 capital made up of both the 2.5 percent minimum requirement and the leverage buffer.

In 2024, the Enterprises purchased single-family mortgages with a combined unpaid principal balance (UPB) of $672 billion, compared to $616 billion in 2023. The Enterprises purchased a combined volume of multifamily mortgages with a UPB of $120 billion in 2024, compared to $101 billion in 2023. As of December 31, 2024, the Enterprises owned or guaranteed approximately $7.6 trillion in single-family and multifamily mortgages, representing nearly half the market. As of December 31, 2024, Fannie Mae's net worth was $94.7 billion and Freddie Mac's net worth was $59.6 billion. Net worth, unlike regulatory capital, includes the stated value of Treasury's senior preferred shares.

In 2024, the Enterprises generated combined net income of $28.8 billion, up slightly from $28.1 billion in 2023. Like 2023, 2024 was a year characterized by low acquisition volumes due to persistently high interest rates, housing affordability constraints, and a limited supply of houses on the market.

Prudent credit standards and robust risk management remain a priority for the Enterprises. In 2024, FHFA continued to direct the Enterprises to review their risk profiles across all business segments and to curb risk and complexity to align their activities with their limited capital and conservatorship status. FHFA also continued to direct the Enterprises to provide equitable market access to small lenders by prohibiting volume-based discounts.

Since 2014, FHFA has also set caps on the volume of each Enterprise's multifamily business to ensure that the Enterprises provide appropriate support to the multifamily sector, especially mission-driven affordable housing, without impeding private capital. FHFA set a 2024 cap of $70 billion for each Enterprise, and at least half of each Enterprise's multifamily purchases had to be mission-driven. In 2024, FHFA began excluding workforce housing loans from the multifamily volume caps.

During calendar year 2024, each Enterprise stayed within the $70 billion cap. Fannie Mae purchased a total of $55.2 billion in multifamily loans and Freddie Mac purchased a total of $65.1 billion. At least half of each Enterprise's multifamily acquisitions qualified as mission-driven.

In response to FHFA guidance, the Enterprises also implemented multifamily asset management plans in 2024 focused on increased staffing, improved physical inspection processes, and new technological capabilities for portfolio surveillance to ensure that Enterprise-financed properties are in decent and safe condition. FHFA also instructed the Enterprises to take three specific actions to foster mortgage market efficiency: (1) continue modernization of single-family valuation processes, (2) leverage technology to promote efficiency and cost savings in mortgage processes, and (3) develop plans to implement approved credit score models.

Throughout 2024, FHFA monitored the Enterprises' efforts to maintain their ability to respond to operational events without significant disruption to the primary and secondary mortgage markets. The Enterprises facilitated daily mortgage purchases via their respective cash windows and swap transactions with sellers without experiencing downtimes beyond established limits.

The Enterprises are subject to annual affordable housing goals covering their purchases of single-family mortgages and multifamily mortgages. In 2024, FHFA determined that Freddie Mac had met each single-family goal requirement for 2023, and that both Enterprises had met each of their multifamily goal requirements for 2023. FHFA determined that Fannie Mae met four of the six single-family goals for 2023. In December 2024, FHFA published a final rule establishing benchmark levels for the single-family and multifamily housing goals and subgoals for 2025-2027. The final rule also established new "measurement buffers" to help FHFA determine whether an Enterprise that misses certain single-family housing goals must develop a plan to show it will improve its performance.

Federal statute requires the Enterprises to serve three underserved markets: manufactured housing, affordable housing preservation, and rural housing. The Enterprises submitted 2022-2024 Duty to Serve plans detailing activities and objectives to be pursued to meet their Duty to Serve obligations over the three-year period. In 2024, both Enterprises exceeded their objectives for purchasing blanket loans for Manufactured Housing Communities. In the affordable housing preservation market, the Enterprises exceeded loan purchase targets for Section 8 housing and for properties supported by state or local programs comparable to federal affordable housing preservation programs. They also exceeded loan purchase targets in high-needs rural regions.

Under the Safety and Soundness Act, each year the Enterprises are required to make contributions to the National Housing Trust Fund and the Capital Magnet Fund to support affordable housing initiatives based on their new business purchases from the prior year. Those allocations totaled $301 million in 2024, which marked a significant decline from the previous year. However, 2025 payments based on 2024 acquisitions rose by over 10 percent to $333 million.

FHLBanks

As of December 31, 2024, the regulatory capital ratio for each of the 11 FHLBanks exceeded 5.0 percent — well above the required minimum of 4.0 percent — and the ratio for the FHLBank System overall rose 7 basis points from year-end 2023 to 5.79 percent. The FHLBanks remained well-capitalized in 2024, were all profitable for the year, and their retained earnings balance of $30.6 billion at year-end was the largest on record.

Advances declined by 9 percent to $736.7 billion in 2024, as demand continued to stabilize following banking sector volatility a year earlier caused by the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank and the voluntary dissolution of Silvergate Bank. As these FHLBank members came under increased stress, the FHLBanks worked with federal and state bank regulators to minimize disruption to the financial system. The FHLBanks and the Federal Reserve Banks are continuing to work to improve interoperability between the two systems and collateral movement between their lending facilities during times of market stress.

After peaking at $1.04 trillion in early 2023, advance balances started to decline during the remainder of the year and continued to trend downward the following year. In 2024, only three FHLBanks reported growth in advances. In 2024, the five largest aggregate borrowers at the holding company level accounted for $109.3 billion — or approximately 14.9 percent — of System-wide advances.

Besides advances, the FHLBanks continued to meet their primary mission of providing liquidity to members through the purchase of whole mortgage loans, off-balance sheet programs, and support of the Affordable Housing Program. System balances of whole mortgage loans totaled $69.6 billion at year-end 2024, up from $61.3 billion at year-end 2023. This change resulted from mortgage purchases of $14.7 billion and mortgage principal payments of $6.3 billion.

Off-balance sheet programs include letters of credit. The FHLBanks' portfolio of standby letters of credit — often used by members to secure public unit deposits — increased by $16.6 billion during 2024 to $219.9 billion at year-end. Through off-balance sheet Acquired Member Assets (AMA) programs, FHLBank members can also sell mortgages to the FHLBank of Chicago, which either sells the loans to Fannie Mae or pools them into securities guaranteed by Ginnie Mae.

In 2024, the FHLBanks contributed approximately $751 million toward the Affordable Housing Program, which provides funds to support local affordable housing initiatives.

Conclusion

Despite limited housing supply and a fluctuating interest-rate environment, the Enterprises and FHLBanks are supporting the housing market and carrying out their statutory mission. The Annual Report demonstrates that FHFA has undertaken a range of activities in an effort to put the Enterprises into a sound and solvent financial condition, oversee the prudential operations of the FHLBanks, and ensure that the Agency's regulated entities are appropriately providing market liquidity.

William J. Pulte
Director
Federal Housing Finance Agency
Chair
Federal Housing Finance Oversight Board

Scott Bessent
Secretary
U.S. Department of the Treasury

Scott Turner
Secretary
U.S. Department of Housing and Urban Development

Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission

APPENDIX: ACCESSIBLE FIGURES

Figure 1: Enterprises' Single-Family Acquisitions vs. Interest Rate Environment

Figure 1 shows the Enterprises' quarterly acquisitions of both single-family refinance and purchase loans between the fourth quarter of 2019 and the fourth quarter of 2024, compared with the average 30-year mortgage rate at the time. Acquisition dollar amounts are represented as the unpaid principal balance, in billions.

	Quarterly Average of 30-Year Freddie Mac Mortgage Rate		Single-Family Refinance Loans	Single-Family Purchase Loans	Total Acquisitions
Q4 2019	3.70%	Fannie Mae	$115.7	$72.9	$188.6
		Freddie Mac	$84.0	$63.0	$147.0
Q1 2020	3.52%	Fannie Mae	$121.7	$68.8	$190.5
		Freddie Mac	$83.0	$55.0	$138.0
Q2 2020	3.24%	Fannie Mae	$259.0	$92.2	$351.2
		Freddie Mac	$172.0	$60.0	$232.0
Q3 2020	2.95%	Fannie Mae	$266.3	$125.0	$391.3
		Freddie Mac	$236.0	$101.0	$337.0
Q4 2020	2.76%	Fannie Mae	$301.0	$125.0	$426.0
		Freddie Mac	$274.0	$109.0	$383.0
Q1 2021	2.88%	Fannie Mae	$301.0	$99.0	$400.0
		Freddie Mac	$273.0	$89.0	$362.0
Q2 2021	3.00%	Fannie Mae	$244.0	$130.0	$374.0
		Freddie Mac	$190.0	$98.0	$288.0
Q3 2021	2.87%	Fannie Mae	$181.0	$115.0	$296.0
		Freddie Mac	$167.0	$132.0	$299.0
Q4 2021	3.08%	Fannie Mae	$178.0	$107.0	$285.0
		Freddie Mac	$160.0	$111.0	$271.0
Q1 2022	3.82%	Fannie Mae	$135.0	$104.0	$239.0
		Freddie Mac	$114.0	$93.0	$207.0
Q2 2022	5.27%	Fannie Mae	$62.0	$111.0	$173.0
		Freddie Mac	$52.0	$86.0	$138.0
Q3 2022	5.62%	Fannie Mae	$25.0	$92.0	$117.0
		Freddie Mac	$23.0	$98.0	$121.0
Q4 2022	6.66%	Fannie Mae	$15.0	$71.0	$86.0
		Freddie Mac	$12.0	$63.0	$75.0

Figure 1: Enterprises' Single-Family Acquisitions vs. Interest Rate Environment (cont.)

	Quarterly Average of 30-Year Freddie Mac Mortgage Rate		Single-Family Refinance Loans	Single-Family Purchase Loans	Total Acquisitions
Q1 2023	6.37%	Fannie Mae	$11.8	$56.4	$68.2
		Freddie Mac	$7.8	$49.0	$56.8
Q2 2023	6.51%	Fannie Mae	$13.9	$77.7	$91.6
		Freddie Mac	$9.8	$71.8	$81.6
Q3 2023	7.04%	Fannie Mae	$11.2	$76.4	$87.6
		Freddie Mac	$9.1	$77.2	$86.4
Q4 2023	7.30%	Fannie Mae	$8.8	$64.1	$72.9
		Freddie Mac	$8.4	$64.9	$73.2
Q1 2024	6.75%	Fannie Mae	$9.3	$53.0	$62.3
		Freddie Mac	$8.8	$53.4	$62.3
Q2 2024	7.00%	Fannie Mae	$11.4	$74.5	$85.9
		Freddie Mac	$11.2	$74.0	$85.2
Q3 2024	6.51%	Fannie Mae	$13.1	$80.0	$93.1
		Freddie Mac	$13.7	$84.6	$98.2
Q4 2024	6.63%	Fannie Mae	$22.3	$62.3	$84.6
		Freddie Mac	$26.5	$74.2	$100.7

Figure 2 and Figure 3 : Fannie Mae Mortgage Portfolio and Freddie Mac Mortgage Portfolio

Figure 2 and Figure 3 show the size of the Enterprises' mortgage portfolios every year between December 2006 and December 2024. Dollar amounts are in trillions.

Date	Fannie Mae	Freddie Mac
Dec-06	$2.50	$1.83
Dec-07	$2.89	$2.10
Dec-08	$3.11	$2.21
Dec-09	$3.24	$2.25
Dec-10	$3.22	$2.16
Dec-11	$3.18	$2.08
Dec-12	$3.19	$1.96
Dec-13	$3.16	$1.91
Dec-14	$3.12	$1.91
Dec-15	$3.10	$1.94
Dec-16	$3.14	$2.01
Dec-17	$3.22	$2.09
Dec-18	$3.27	$2.18
Dec-19	$3.37	$2.33
Dec-20	$3.71	$2.74
Dec-21	$3.97	$3.25
Dec-22	$4.10	$3.42
Dec-23	$4.13	$3.49
Dec-24	$4.14	$3.58

Note: The Total Mortgage Portfolio will not tie to the disclosures in Forms 10-K and 10-Q as it presents security balances (UPB of MBS, credit enhancements and mortgage retained portfolio), while Forms 10-K and 10-Q present the loan balances underlying those securities.

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

Figure 4 shows the size and growth of total assets in the Federal Home Loan Bank System starting in 2001 through 2024. Dollar amounts are in billions.

	Total Assets	Advances	Mortgages	MBS	Liquidity	Other
Q1 2001	$677	$450	$17	$84	$100	$26
Q1 2002	$705	$462	$32	$89	$89	$34
Q1 2003	$782	$495	$75	$99	$77	$37
Q1 2004	$863	$531	$115	$102	$76	$39
Q1 2005	$937	$580	$114	$114	$89	$40
Q1 2006	$1,004	$615	$104	$124	$130	$31
Q1 2007	$1,022	$624	$96	$128	$150	$24
Q1 2008	$1,324	$913	$91	$158	$139	$24
Q1 2009	$1,233	$817	$85	$158	$143	$29
Q1 2010	$966	$572	$69	$156	$124	$45
Q1 2011	$849	$445	$58	$146	$133	$66
Q1 2012	$738	$394	$53	$141	$88	$63
Q1 2013	$739	$418	$48	$137	$89	$47
Q1 2014	$821	$484	$44	$140	$103	$50
Q1 2015	$880	$542	$44	$137	$106	$50
Q1 2016	$962	$618	$45	$136	$109	$54
Q1 2017	$1,026	$661	$49	$140	$129	$48
Q1 2018	$1,088	$697	$55	$144	$147	$45
Q1 2019	$1,083	$671	$64	$144	$166	$38
Q1 2020	$1,259	$807	$75	$144	$194	$40
Q1 2021	$771	$399	$59	$125	$154	$33
Q1 2022	$762	$375	$55	$119	$186	$27
Q1 2023	$1,566	$1,045	$56	$152	$283	$30
Q1 2024	$1,254	$763	$63	$183	$216	$30

Figure 5: Annual Federal Home Loan Bank Net Interest Income and Net Income

Dollar amounts are in billions.

Year	Net Interest Income	Net Income
2012	$4,056	$2,584
2013	$3,433	$2,497
2014	$3,599	$2,295
2015	$3,579	$2,875
2016	$3,845	$3,423
2017	$4,491	$3,387
2018	$5,256	$3,566
2019	$4,680	$3,188
2020	$4,407	$2,780
2021	$3,776	$1,783
2022	$5,122	$3,168
2023	$8,991	$6,690
2024	$8,705	$6,359

Figure 6: Retained Earnings of the Federal Home Loan Banks

Figure 6 shows the amount of quarterly retained earnings for the Federal Home Loan Banks for 1Q and 4Q from the beginning of 2001 through the end of 2024, as well as the ratio of retained earnings to assets. Dollar amounts are in millions.

Quarter and Year	Retained Earnings	Retained Earnings to Assets
Q1 2001	$654	0.10%
Q1 2002	$876	0.12%
Q1 2003	$751	0.10%
Q1 2004	$1,064	0.12%
Q1 2005	$2,136	0.23%
Q1 2006	$2,825	0.28%
Q1 2007	$3,264	0.32%
Q1 2008	$3,786	0.29%
Q1 2009	$5,059	0.41%
Q1 2010	$6,219	0.64%
Q1 2011	$7,672	0.90%
Q1 2012	$9,100	1.23%
Q1 2013	$10,818	1.46%
Q1 2014	$12,366	1.51%
Q1 2015	$13,824	1.57%
Q1 2016	$14,793	1.54%
Q1 2017	$16,766	1.63%
Q1 2018	$18,460	1.70%
Q1 2019	$19,849	1.83%
Q1 2020	$20,728	1.65%
Q1 2021	$22,224	2.88%
Q1 2022	$23,026	3.02%
Q1 2023	$25,390	1.62%
Q1 2024	$28,723	2.29%

Figure 10: Federal Home Loan Banks Advances Held by the Top 5 Holding Companies

Figure 10 shows the annual aggregate advances of the top 5 holding company members of the Federal Home Loan Bank System, as well as their percentage of overall advances. Dollar amounts are in billions.

	Aggregate Advances of Top 5 Holding Companies	Percentage of Advances in Federal Home Loan Bank System
2010	$131.2	28.2%
2011	$89.2	22.1%
2012	$113.1	27.4%
2013	$151.4	30.8%
2014	$174.3	30.8%
2015	$166.6	26.4%
2016	$224.9	32.0%
2017	$196.2	26.9%
2018	$174.4	23.9%
2019	$118.5	18.6%
2020	$72.4	17.4%
2021	$60.1	17.2%
2022	$139.4	16.9%
2023	$169.0	20.7%
2024	$109.3	14.9%

Figure 11: Map of the Federal Home Loan Bank System

Figure 11 is a map showing the states and U.S. territories in each Federal Home Loan Bank district.

District	States and U.S. Territories
Atlanta	Alabama, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia
Boston	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Chicago	Illinois, Wisconsin
Cincinnati	Kentucky, Ohio, Tennessee
Dallas	Arkansas, Louisiana, Mississippi, New Mexico, Texas
Des Moines	Alaska, American Samoa, Guam, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Utah, Washington, Wyoming
Indianapolis	Indiana, Michigan
New York	New Jersey, New York, Puerto Rico, Virgin Islands
Pittsburgh	Delaware, Pennsylvania, West Virginia
San Francisco	Arizona, California, Nevada
Topeka	Colorado, Kansas, Nebraska, Oklahoma

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