FANNIE MAE

2013 ANNUAL HOUSING ACTIVITIES REPORT

and

ANNUAL MORTGAGE REPORT

SUBMITTED TO:

THE FEDERAL HOUSING FINANCE AGENCY (FHFA)

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

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

PURSUANT TO

The Federal National Mortgage Association
Charter Act

MARCH 13, 2014

INTRODUCTION

Under Section 309(n) of the Federal National Mortgage Association Charter Act ("Charter Act"),[1] Fannie Mae is required to submit a report on its annual housing activities to the Director of the Federal Housing Finance Agency ("FHFA") and to its oversight committees in the United States House of Representatives and the United States Senate. This report responds to this requirement and is made available to the public.

Since 1993, Fannie Mae has been subject by statute and regulation to the achievement of certain housing goals. The structure of our housing goals changed in 2010 as a result of the passage of the Housing and Economic Recovery Act of 2008[2] and goals for 2010 and 2011 were set at that time.[3] In 2012, FHFA issued a rule revising our housing goals.[4] The new rule established single family and multifamily goals for 2012-2014.

The following single family home purchase and refinance housing goal benchmarks were established for 2012–2014. A home purchase mortgage may be counted towards more than one home purchase benchmark.

- *Low-Income Families Home Purchase Goal:* At least 23 percent of our acquisitions of mortgage loans financing single family owner occupied home purchases must be affordable to low-income families (defined as families with income no higher than 80 percent of area median income).
- *Very Low-Income Families Home Purchase Goal:* At least 7 percent of our acquisitions of mortgage loans financing single family owner occupied home purchases must be affordable to very low-income families (defined as families with income no higher than 50 percent of area median income).
- *Low-Income Areas Home Purchase Goal:* At least 21 percent of our acquisitions of mortgage loans financing single family owner occupied home purchases must be for families who reside in low-income census tracts and for moderate-income families (defined as families with income no higher than 100 percent of area median income) who reside in minority census tracts or designated disaster areas.
- *Low-Income Areas Home Purchase Subgoal:* At least 11 percent of our acquisitions of mortgage loans financing single family owner occupied home purchases must be for families who reside in low-income census tracts or for moderate-income families who reside in minority census tracts.
- *Low-Income Families Refinancing Goal:* At least 20 percent of our acquisitions of refinance loans for single family owner occupied housing must be affordable to low-income families. Permanent modifications of mortgages under the Home Affordable Modification Program completed during the year may count toward this refinance goal.

If we do not meet these benchmarks, we may still meet our goals. Single family housing goals performance is measured against both the FHFA-set benchmarks and against goals-qualifying originations in the primary mortgage market. We will be in compliance with the housing goals if we meet either the benchmarks or market share measures. If our performance against any of our 2013 single family housing goals is below the benchmark level, Fannie Mae and FHFA will compare our performance with that of goals-qualifying originations in the primary mortgage market after the release of data

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[1] 12 U.S.C. § 1716 et seq.

[2] 12 U.S.C. § 4501 et seq.

[3] 12 C.F.R. Part 1282

[4] 2012-2014 Enterprise Housing Goals, 77 Fed. Reg. 67535 (Nov. 13, 2012).

reported under the Home Mortgage Disclosure Act ("HMDA").[5] This release will be made in the fall of 2014. At that time it will be determined whether Fannie Mae met any additional goals based on the HMDA market data.

FHFA also established multifamily goals and subgoals for 2012-2014 as follows. For 2012, we were required to finance at least 285,000 units affordable to low-income families and 80,000 units affordable to very low-income families. For 2013, we were required to finance at least 265,000 units affordable to low-income families and 70,000 units affordable to very low- income families. For 2014 we must finance at least 250,000 units affordable to low-income families and 60,000 units affordable to very low-income families. There is no market-based alternative measurement for the multifamily goals.

In adopting the rule establishing our housing goals in 2010, FHFA stated, "FHFA does not intend for [Fannie Mae] to undertake uneconomic or high-risk activities in support of the [housing] goals. However, the fact that [Fannie Mae is] in conservatorship should not be a justification for withdrawing support from these market segments."[6] If our efforts to meet our goals prove to be insufficient, FHFA determines whether the goals were feasible. If FHFA finds that our goals were feasible, we may become subject to a housing plan that could require us to take additional steps, including describing the actions we would take to meet the goal in the next calendar year. The potential penalties for failure to comply with housing plan requirements include a cease-and-desist order and civil money penalties.

For 2012, FHFA determined that we met all of our single family goals and subgoal as well as our multifamily goal and subgoal.

[5] 12 U.S.C. § 2801 et seq.

[6] 2010-2011 Enterprise Housing Goals; Enterprise Book-Entry Procedures, 75 Fed. Reg. 55892, 55896-55897 (Sept. 14, 2010).

The following table sets forth Fannie Mae's housing goals performance against our 2013 single family housing benchmarks and multifamily housing goals, as calculated by Fannie Mae.[7] We believe we met four out of five of our single family benchmarks for 2013, as well as both 2013 multifamily goals. Final performance results will be calculated and published by FHFA.[8]

Housing Goals	**2013 Benchmark**	**2013 Result**
Single Family		
Low-Income Home Purchase	23%	23.79%
Very Low-Income Home Purchase	7%	6.00%
Low-Income Areas Home Purchase	21%	21.64%
Low-Income Areas Home Purchase Subgoal	11%	13.99%
Low-Income Refinance	20%	24.31%
Multifamily (in units)		
Low-Income	265,000	326,597
Very Low-Income Subgoal	70,000	78,071

[7] Our single family results and benchmarks are expressed as a percentage of the total number of eligible mortgages acquired during the period.

[8] Our 2013 results have not been validated by FHFA. After validation they may differ from the results reported above. Loans financed through the Housing Finance Agency Initiative are not included. We estimate the inclusion of such loans would not change the goals performance for the Low-Income Home Purchase Goal, Very Low-Income Home Purchase Goal, and the Low-Income Areas Home Purchase Goal.

CHARTER ACT REQUIREMENTS

Fannie Mae's Charter Act specifies the information that must be included in the Annual Housing Activities Report.[9] Each statutory requirement is set forth below, followed by Fannie Mae's response for 2013.

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

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

The dollar volume and number of mortgages on rental properties that relate to each of the housing goals are set forth on AMR Table 1A (Single Family Owner Occupied 2-4 Unit Properties/Mortgages) and AMR Table 1B (Multifamily) attached hereto. In 2013, Fannie Mae mortgage purchases financed 20,645 units affordable to families earning 80 percent or less of the area median income living in owner occupied 2-4 unit properties.[10]

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

In 2013, Fannie Mae's purchases of mortgages served 4,120,811 families, as measured by the number of units financed. The income class, race, and gender of homebuyers served, the characteristics of the census tracts, and the geographic distribution of the housing financed are set forth on AMR Tables 2, 3, 4, 5A, 6, 7, 8, 9, 10A, and 10B attached hereto.

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

In 2013, Fannie Mae purchased 5,469 single family mortgages and 367 multifamily mortgages with an aggregate unpaid principal balance of approximately \$0.73 billion and \$2.3 billion, respectively, that were originated in conjunction with public subsidy programs.[11]

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[9] Charter Act, § 309(n)(2)(A-L).

[10] In addition, Fannie Mae purchased 2,532 units where affordability data was not provided by the seller. Because that data was not provided, we have not included these units in our calculation.

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

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

In 2013, 42.80 percent of single family owner occupied home purchase mortgages acquired by Fannie Mae financed mortgage loans to first-time homebuyers.[12] Set forth in the following table are certain Fannie Mae products that assist first-time homebuyers and the proportion of first-time homebuyers that utilized the program in 2013 as compared to all homebuyers that utilized the program.

Products and Initiatives	**Percentage of Mortgages Made to First-Time Homebuyers**
MyCommunityMortgage®	89.61%
HFA Preferred™	92.75%
HFA Preferred Risk Sharing™	85.11%
HomePath®	63.11%
Non-HFA Community Seconds	91.85%

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

AMR Table 11 provides the loan-to-value ("LTV") ratio of single family owner occupied mortgages purchased by Fannie Mae.

6. Compare the level of securitization versus portfolio activity.

In 2013, Fannie Mae securitized $764.5 billion in mortgages and its portfolio decreased by $142.4 billion. Our portfolio acquisitions included approximately $27.9 billion of delinquent loans purchased from our single family MBS trusts. The purchases of delinquent loans from MBS trusts help facilitate modifications of delinquent loans.

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

Fannie Mae has an ongoing comprehensive fair lending risk assessment program that is designed to ensure that its underwriting standards, business practices, repurchase requirements, pricing policies, fee structures, and procedures comply with the fair lending laws and promote fair and responsible lending.

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

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

2013 Changes

Fannie Mae implemented certain changes to its single family mortgage underwriting and business practices in 2013, including the following:

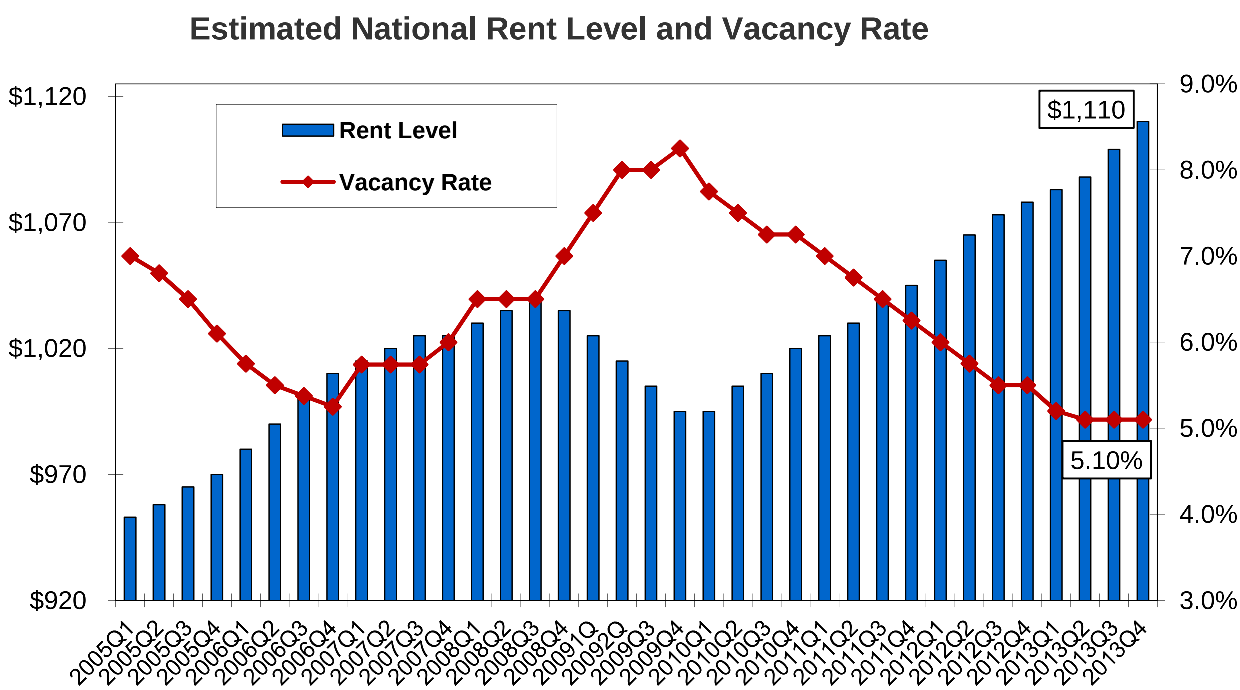
- Fannie Mae implemented Desktop Underwriter® ("DU") Version 9.1, which includes changes to comply with the ability to repay ("ATR") provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). DU Version 9.1 lowers the maximum allowable LTV/combined LTV/home equity combined LTV ratio to 95 percent (from 97 percent) for standard and MyCommunityMortgage® fixed-rate transactions secured by a 1-unit primary residence, enhances the DU treatment of loan case files for borrowers with a previous deed-in-lieu of foreclosure or preforeclosure sale, aligns DU requirements with policy changes made in the Fannie Mae *Selling Guide*, and incorporates other changes to DU eligibility guidelines.
- At FHFA's direction, Fannie Mae adopted additional eligibility standards for loans subject to the Truth in Lending Act's ATR requirements applicable to loans with application dates on and after January 10, 2014. These include limits on lenders' points and fees calculated in accordance with the CFPB's Regulation Z provisions relating to "qualified mortgage" status. Loans for low- and moderate-income consumers made through certain state housing finance agency and non-profit programs are expressly exempted from ATR compliance and are not subject to the qualified mortgage-related points and fees limits.
- Fannie Mae continues to provide refinance opportunities for existing Fannie Mae borrowers through the DU Refi Plus™ and Refi Plus™ initiatives, including the Home Affordable Refinance Program ("HARP"), which were originally implemented in 2009. In April 2013, FHFA announced the extension of HARP to December 31, 2015, in order to continue to help borrowers reduce their mortgage payments or obtain a more stable mortgage loan product, or both. Key changes made to DU in 2013 to support extension of the program included:
  - Retiring the expanded approval recommendation labels;
  - Eliminating the estimated value message;
  - Removing the standard waiting period and re-establishment of credit criteria following a bankruptcy, foreclosure, deed-in-lieu of foreclosure, or pre-foreclosure sale;
  - Enhancing the address matching and Social Security number matching logic; and
  - Aligning the leasehold verification requirements with Refi Plus.

Fannie Mae continues to implement various policy, process and technology enhancements aimed at improving a lender's ability to deliver mortgage loans that meet Fannie Mae's underwriting and eligibility guidelines, thereby mitigating repurchase risk of ineligible loans. At the direction of FHFA, Fannie Mae and Freddie Mac jointly developed the Uniform Appraisal Dataset ("UAD") and the Uniform Loan Delivery Dataset ("ULDD") to improve the quality and consistency of data on loans delivered to Fannie Mae and Freddie Mac. The UAD defines all data points required for an appraisal report and standardizes key data points. The ULDD provides a common dataset acceptable for loan delivery to both companies.

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

Primary and Secondary Market Trends

The primary multifamily housing market is influenced by a variety of economic and demographic conditions. These conditions impact the demand for, and absorption of, additional units. National multifamily fundamentals (*e.g.*, vacancy levels, rent growth, and apartment housing demand) held up quite well during 2013, despite an influx of new, higher-end supply in some submarkets. Continued demand for rental apartments remains a positive force across most of the country and, more importantly, is expected to continue into 2014. Set forth below are charts illustrating trends that impact the market for multifamily mortgage originations.



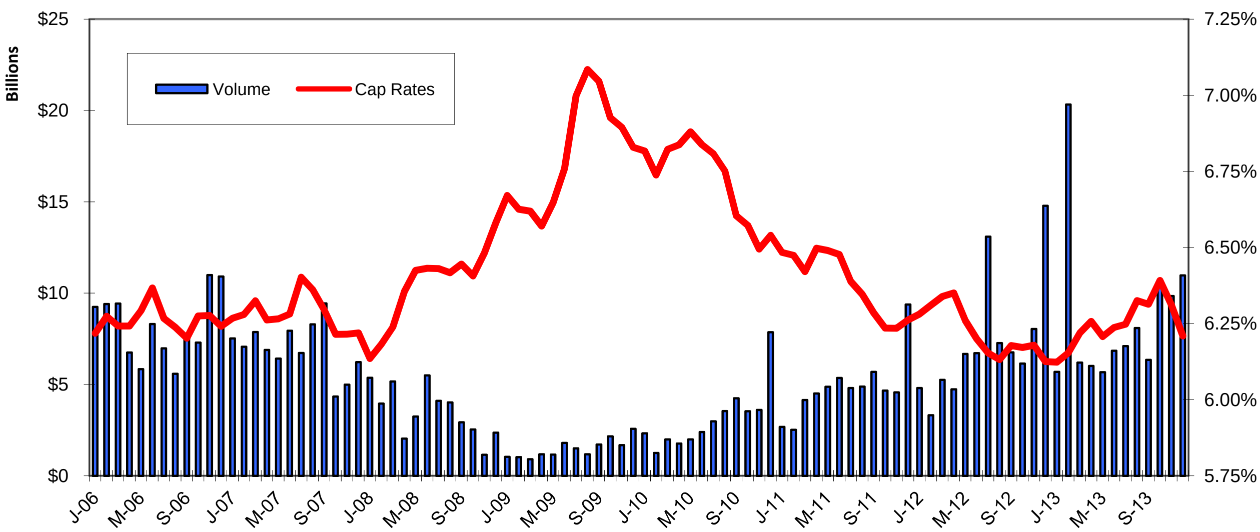
Source: Fannie Mae Economics and Multifamily Market Research

As illustrated in the chart above, estimated rent levels have increased steadily for 15 straight quarters, with a nearly 3 percent increase in 2013. Estimated vacancy rates have generally decreased during the same period, although the rate remained stable at an estimated 5.1 percent over the last three consecutive quarters.

Effective rents and net absorption both continued to increase during 2013. National asking rents grew by an estimated 3.0% in 2013. National asking rents increased by an estimated 1.0% during the fourth quarter of 2013, compared with a 1.0% increase in the third quarter of 2013.

Continued demand for multifamily rental units was reflected in the estimated positive net absorption (that is, the net change in the number of occupied rental units during the time period) of approximately 165,000 units in 2013. According to preliminary data from Reis, Inc., there was positive net absorption of approximately 51,000 units during the fourth quarter of 2013, compared with approximately 41,000 units during the third quarter of 2013. Although an estimated 127,000 units were added to inventory in 2013, the new supply was not disruptive on a national basis.

National Apartment Sales Volume and Cap Rates



Source: Real Capital Analytics (www.rcanalytics.com) (Used by permission; excludes Tishman-Speyer transaction in 2007); 2005-present based on properties and portfolios $2.5 million and greater.

Sales of apartment properties valued at $2.5 million or greater were $103.5 billion in 2013, increasing 18 percent from 2012, according to data from Real Capital Analytics. More than 5,900 apartment properties changed ownership in 2013, which is an increase of about 15 percent from 2012's activity level.

In addition, the average reported capitalization rate[13] remained fairly steady all year at approximately 6.2 percent, the same rate as in 2012. However, capitalization rates in some of the nation's largest metropolitan areas remained at below-average levels, according to Real Capital Analytics.

Standardization and Securitization

Securitization of mortgages relies on standardization. Over the past two decades, standardization of multifamily mortgages has been advanced by a number of factors, including: (1) the development of the market for commercial mortgage-backed securities ("CMBS"), including those backed by multifamily mortgage loans; (2) the introduction of Fannie Mae's risk-sharing Delegated Underwriting and Servicing program in 1988 and subsequent enhancements; (3) efforts to standardize commercial securitization and offering documents, spearheaded by the Commercial Real Estate Finance Council; (4) the issuance by the Securities and Exchange Commission ("SEC") of Regulation AB in 2005, which established uniform

[13] The capitalization rate, as defined by the Mortgage Bankers Association, is the rate of return on net operating income considered acceptable to investors and used to determine the capitalized value. The rate should provide a return on, as well as a return of, capital.

disclosure requirements for all publicly registered CMBS transactions; and (5) passage of the Dodd-Frank Act and the most recent changes to Regulation AB proposed by the SEC that are anticipated to be finalized in 2014.

In 2013, Fannie Mae continued to rely on its securitization activities for new production, using MBS as the primary execution to further its mission to provide liquidity and stability to the multifamily market. This occurred through three primary activities:

- Fannie Mae issued $28.5 billion in multifamily MBS in 2013, which accounted for 99 percent of its multifamily lender production.
- In an effort to improve the liquidity and increase demand for multifamily MBS, in 2013 Fannie Mae issued $10.2 billion of Multifamily structured securities through ten REMIC transactions as part of our GeMS™ program. GeMS™ structured securities are backed by multifamily MBS previously issued by Fannie Mae. In 2014, Fannie Mae will continue to market its Multifamily structured product offerings through the GeMS™ program.
- In addition, the company securitized approximately $2.9 billion of whole loans held in portfolio into multifamily MBS in 2013. The total amount of seasoned whole loans that have been securitized from 2010 through 2013 is $26 billion, supporting liquidity and addressing regulatory limits for Fannie Mae's portfolio. As part of Fannie Mae's GeMS™ program, the Multifamily Trading Desk structured and sold approximately $4.9 billion of these pools backed by seasoned loans across ten REMIC transactions in 2013.

Beginning in 2010, the SEC (and other federal agencies) began to consider a variety of proposals designed to enhance securities disclosure and investment quality related to asset-backed securities. Many of these proposals were in response to mandates set forth in the Dodd-Frank Act. While some of these proposals have resulted in the issuance of final rules, others are still in the midst of the rulemaking process. All are intended to require issuers of mortgage-backed securities to provide greater transparency about the securities they are issuing. For example, in 2011 the SEC adopted a final rule requiring many issuers of asset-backed securities to file quarterly reports with the SEC disclosing the volume of repurchase demands with respect to such securities due to breaches of representations and warranties by the sellers of such assets. The SEC has also proposed revisions to Regulation AB, which governs disclosure related to the issuance of asset-backed securities. The proposed revisions would, among other things, extend the requirements of Regulation AB to privately-issued securities, but not to securities issued by Fannie Mae and Freddie Mac. The SEC (together with the FHFA and several other federal agencies) has also proposed a rule requiring certain sponsors of asset-backed securities to retain a certain amount of risk with respect to such securities. The proposed rules were published for comment in 2011 and 2013 but have not been finalized.[14] Fannie Mae believes that all of these activities could lead to further standardization of disclosure practices for securitizations.

[14] Fannie Mae has always retained credit risk on virtually all its mortgage-backed securities, pursuant to its guarantee of such securities.

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

Delinquency and Default Trends Based on 2013 Performance Data[15]

An analysis of the performance of single family mortgage loans serving low- and moderate-income borrowers[16] shows that these loans do not perform as well as loans serving borrowers with incomes above the median level. The chart below compares 90-day delinquencies (*i.e.*, delinquencies occurring within the first 12 months of acquisition) and defaults (defined as a foreclosure sale, deed-in-lieu of foreclosure, pre-foreclosure sale, or third party sale, at any time during the life of the loan) on loans made to low- and moderate-income borrowers as against loans made to borrowers with incomes above the median level, by acquisition year. For example, loans made in 2012 to low- and moderate-income families were 132 percent more likely to become 90-days delinquent and 86 percent more likely to default than loans made to families with income above the median level. This analysis is based on income relative to area median income and does not control for other risk dimensions, such as LTV or credit history.

Relative 90-Day Delinquency and Default Rates between Single Family Loans Serving Low- and Moderate-Income Families and Loans Serving Families with Income above the Median Level, by Year[17]

Acquisition Year[18]	Increased Likelihood of 90-Day Delinquency	Increased Likelihood of Default
2002	129%	197%
2003	157%	177%
2004	160%	112%
2005	122%	39%
2006	119%	20%
2007	50%	28%
2008	46%	53%
2009	108%	113%
2010	127%	112%
2011	140%	102%
2012	132%	86%

[15] Information regarding serious delinquency and default performance is based on acquisitions through December 2012. Performance is observed through December 2013.

[16] Since 2010, Fannie Mae no longer tracks unit-level affordability data. To ensure consistency comparing loans from 2000 to 2011, this analysis is based upon the borrowers' income relative to the area median income. Additionally, this analysis only pertains to owner- occupied principal residences.

[17] Sample used: unseasoned, conforming, conventional, owner occupied, first lien, non-reverse mortgages, excluding Growing-Equity Mortgages, Graduated Payment Mortgages and loans missing affordability data.

[18] During the period 2006 through and including 2008, acquisitions of mortgage loans to borrowers of all income categories had a higher risk of delinquency and default.

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

Based upon annual information provided by lenders, Fannie Mae has selling and servicing relationships with 1,911 single family and 116 multifamily primary market lenders through which the company both purchases loans for its portfolio and issues MBS. The following table sets forth the volume of mortgages purchased in 2013 from single family and multifamily lenders identified as minority- or women-owned lenders, women-owned lenders[19] and community-oriented lenders.[20]

Seller/Servicer Type	Volume of Mortgages
Minority- or women-owned	$3.88 billion
Women-owned	$1.42 billion
Community-oriented lenders	$175.88 billion

Efforts to facilitate relationships with single family lenders include formal business alliances or affinity agreements in which lenders receive benefits designed to reduce the cost of doing business with Fannie Mae.[21]

11. Describe the activities undertaken by the corporation with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how the corporation's activities support the objectives of comprehensive housing affordability strategies under section 105 of the Cranston-Gonzalez National Affordable Housing Act.[22]

Activities undertaken by Fannie Mae in 2013 with nonprofit and for-profit organizations, State and local governments, and HFAs include:

- The Department of the Treasury, the Department of Housing and Urban Development, and FHFA announced an initiative on October 19, 2009, to provide $23.4 billion of liquidity for HFAs. This initiative was designed in collaboration with Fannie Mae and Freddie Mac, and consisted of two primary programs: a temporary credit and liquidity facilities ("TCLF") program and the new issue bond program ("NIBP"). The NIBP program ended in 2012. The TCLF program balance continued to decrease in 2013 with two additional HFA's completely exiting the program. Four HFAs remain in the program as of December 31, 2013, with a total outstanding balance remaining of $1.549 billion. The program will terminate on December 31, 2015.

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

[20] For these purposes, a "community-oriented lender" is defined as a financial institution with total assets of less than $1.186 billion. This definition is consistent with the definition of "small bank" under the Community Reinvestment Act implementing regulations (12 C.F.R. § 228.12), as in effect during 2012.

[21] These agreements do not preclude members from doing business through other secondary market channels.

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

- Fannie Mae purchased 17,381 loans from HFAs in 2013, with an unpaid principal balance of $2,861,000,000.
- During 2013, $5 million was invested nationwide to support nonprofit partners focused on foreclosure prevention, sustainable homeownership, neighborhood stabilization, affordable housing, and the prevention of homelessness
- Fannie Mae facilitated the sale of four multifamily real estate owned properties with over 500 units to nonprofits and public entities involved in providing affordable housing.
- Approximately a dozen foreclosed multifamily properties were marketed to non-profits, public entities and/or affordable housing developer organizations for potential purchase to convert into affordable housing.
- Fannie Mae helped provide financing for almost 13,000 Low-Income Housing Tax Credit ("LIHTC") units of housing by providing $519 million for debt financing on LIHTC projects via our lending partners.
- Fannie Mae supported its ongoing investment in over 4,100 affordable housing LIHTC projects (241,647 LIHTC units) through approximately 269 investment funds. Almost 1,750 of these projects were developed, and are managed, by local not-for-profit developers. In 2013, Fannie Mae funded over $18 million in deferred capital contributions to its LIHTC partners for the benefit of the projects.

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