FEDERAL HOUSING FINANCE AGENCY

FHFA

2022 REPORT TO CONGRESS


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FEDERAL HOUSING FINANCE AGENCY

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June 15, 2023

Honorable Sherrod Brown
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Honorable Maxine Waters
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Dear Chairs and Ranking Members:

I am pleased to transmit the Federal Housing Finance Agency's (FHFA's) 2022 Report to Congress (Report). This Report meets the requirement of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended by the Housing and Economic Recovery Act of 2008 (HERA), that FHFA submit an annual report to Congress describing the actions undertaken by FHFA to carry out its statutory responsibilities, including a description of the financial safety and soundness of the entities it regulates.

During 2022, FHFA continued to serve as regulator and conservator of Fannie Mae and Freddie Mac (the Enterprises) and as regulator of the 11 Federal Home Loan Banks (FHLBanks) and the FHLBanks' joint Office of Finance. FHFA plays a vital role in supporting equitable and sustainable access to mortgage credit nationwide, promoting the housing finance system's stability and liquidity, and protecting the safety and soundness of the housing finance system through our supervision of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System (together, "the regulated entities").

The enclosed Report summarizes the findings of the Agency's 2022 examinations of these entities as well as FHFA's actions as conservator of Fannie Mae and Freddie Mac during 2022. The Report also describes FHFA's regulatory activities, research, and publications issued during the year. As required by HERA, this Report also includes the Federal Housing Finance Oversight Board's assessment of the factors listed in Section 1103 of that Act. In April 2022, FHFA finalized a new Strategic Plan for fiscal years 2022 – 2026 that focuses the Agency on securing the safety and soundness of the regulated entities, fostering housing finance markets that promote equitable access to affordable and sustainable housing, and responsibly stewarding FHFA's infrastructure. I am proud to report on FHFA's progress and achievements over the course of 2022.

Underpinning all of our work is the understanding that safety and soundness and sustainable access to credit work together to strengthen the mutual interests of financial institutions, families, and the economy. Indeed, sustainable access to credit requires sustainable lending standards. FHFA is committed to ensuring the regulated entities fulfill their missions by operating in a safe and sound manner to serve as a reliable source of liquidity for equitable and sustainable housing finance and community investment.

The regulated entities must be able to fulfill their mission responsibilities throughout the economic cycle and serve as a source of strength for housing finance markets in times of stress. FHFA promotes safe and sound operations at the regulated entities through the Agency's supervisory program. FHFA conducts supervision using a risk-based approach to identify existing and emerging risks to the regulated entities, to evaluate the overall effectiveness of each regulated entity's risk management systems and controls, and to assess compliance with applicable laws and regulation.

The Enterprises continue to manage their credit, market, liquidity, and operational risks. Credit risk management remains a priority for both Enterprises given elevated interest rates, recent uncertainty in the banking sector, and challenges for certain sectors in the multifamily industry. The Enterprises continue to monitor counterparty risks, particularly in light of declining earnings among many sellers and servicers of Enterprise-backed loans throughout 2022. Market risk exposures are low because of shrinking retained portfolios and effective funding and hedging strategies for the single-family and multifamily business lines. Both Enterprises exceed FHFA guidance and expectations for liquidity by maintaining a large volume of high-quality liquid assets. While both Enterprises employ information security programs, operational risks remain elevated given increased exposure to cybersecurity threats. In addition, with the changing economic environment, model risk remains elevated in part because many models rely on data generated in other economic environments.

An important tool for counterparty risk management at the Enterprises is the use of minimum financial eligibility requirements for approved seller/servicers. These requirements promote safety and soundness by strengthening the capacity of seller/servicers to meet the financial responsibilities associated with originating and servicing mortgages acquired by the Enterprises.

FHFA and the Enterprises have been examining the framework for issues related to seller/servicer net worth, capital, and liquidity requirements. This work was further informed by the experience of both the Enterprises and seller/servicers in managing challenges that arose as a result of the COVID-19 pandemic. FHFA has worked closely with Ginnie Mae throughout this process, as many Enterprise seller/servicers are also approved Ginnie Mae issuers.

In August 2022, after multiple rounds of public comment, FHFA and Ginnie Mae jointly announced updates to their respective minimum financial eligibility requirements. These updates improve upon the prior framework by strengthening seller/servicer net worth, capital, and liquidity requirements and better tailoring the minimum requirements associated with different types of loans and risk exposures. Most of the updated requirements for Enterprise seller/servicers will take effect in late 2023.

FHFA is continuing to take steps to strengthen the capital positions of the Enterprises so that they can fulfill their responsibilities throughout the economic cycle. FHFA finalized important enhancements to the Enterprise Regulatory Capital Framework (ERCF) in 2022. These enhancements will help protect taxpayers from the risks posed by adverse economic conditions, encourage market discipline through required public disclosures, and provide FHFA with more information to assess an Enterprise's risks, capital adequacy, and capital strategies through required annual capital plans. Furthermore, FHFA published an additional notice of proposed rulemaking in early 2023 that would implement targeted enhancements to the ERCF to better align the capital requirements to the risks posed by the Enterprises' businesses and further align the ERCF to the U.S. banking framework.

As it had been many years since a comprehensive review of the Enterprises' pricing framework was conducted, FHFA launched such a review in 2021. The objectives were to maintain support for borrowers limited by income or wealth, ensure a level playing field for large and small lenders, foster capital accumulation at the Enterprises, and achieve commercially viable returns on capital over time.

The Agency took a series of steps through 2022 and early 2023 to achieve these objectives. FHFA announced targeted fee increases for second home loans and high balance loans in January 2022 and, later, for cash-out refinances. While many loans made through HomeReady and Home Possible (Fannie Mae's and Freddie Mac's respective flagship affordable mortgage programs) already had zero upfront guarantee fees, in October 2022, FHFA eliminated upfront fees for additional groups core to the Enterprises' mission, such as first-time homebuyers with lower incomes who nonetheless have the financial capacity and creditworthiness to sustain a mortgage. In January 2023, FHFA announced a recalibration of the upfront fees for most purchase and rate-term refinance loans. Following extensive engagement with a variety of stakeholders, in May 2023, FHFA rescinded an upfront fee scheduled to take effect later in the year that was based on borrowers' debt-to-income ratios. In May 2023, FHFA also published a request for input on the Enterprises' single-family pricing framework to gather further feedback regarding the goals and policy priorities FHFA should pursue in its oversight of this framework. Together, these steps will bolster safety and soundness, better ensure the Enterprises fulfill their statutory missions, and more accurately align pricing with the expected financial performance and risks of the underlying loans.

FHFA continues to strengthen the core statutory mission programs such as Duty to Serve and the housing goals for the Enterprises, and the Affordable Housing Program (AHP) and community development programs of the FHLBanks. In December 2021, FHFA issued a final rule establishing new single-family housing goals for the Enterprises for 2022 through 2024, including for the first time a subgoal focused on affordable lending in minority census tracts. FHFA made further changes to the multifamily housing goals in December 2022 to ensure that the Enterprises support affordable multifamily housing throughout the economic cycle. These programs, like all regulated entity activities, must support access to credit that is both sustainable and affordable.

In June 2022, FHFA announced the Enterprises' release of their Equitable Housing Finance Plans, which identify and address barriers to sustainable housing opportunities and to the advancement of equity in housing finance. The Enterprises update these Plans annually, and FHFA requires the Enterprises to submit annual progress reports on the actions undertaken during the prior year to implement their Plans.

More recently, in April 2023, FHFA proposed codifying in regulation many of the Agency's existing practices and programs regarding fair housing and fair lending oversight of its regulated entities, including the requirement for the Enterprises to maintain Equitable Housing Finance Plans and the requirements for the Enterprises to collect and report homeownership education, housing counseling, and language preference information from the Supplemental Consumer Information Form.

As part of its efforts to strengthen fair lending oversight, FHFA adopted an Operating Procedures Bulletin to govern its fair lending and fair housing compliance examinations of the Enterprises, and made available to the public updated fair lending data including aggregate statistics from the Uniform Appraisal Dataset. The Agency will continue to conduct targeted examinations for fair lending compliance in close coordination with other federal regulators.

Recognizing the potential benefits of innovation for both access to credit and safety and soundness, FHFA has instructed the Enterprises to strategically leverage technology and data to further promote risk management, efficiency, and cost savings in the mortgage process. In July 2022, FHFA announced the creation of an Office of Financial Technology to support the Agency's efforts to understand technology-driven developments in housing finance and the associated risks, and to analyze responsible innovation by FHFA's regulated entities and their counterparties, third-party vendors, and others in the housing finance ecosystem.

In August 2022, FHFA announced the launch of a comprehensive review of the FHLBank System. The purpose of the *FHLBank System at 100: Focusing on the Future* initiative is to ensure the FHLBanks remain positioned to meet the needs of the communities they serve. In addition to soliciting written input from the public, the review convened public listening sessions and roundtable discussions across the country. FHFA will issue a report on this initiative in September, which will include actions the Agency plans to take, as well as legislative recommendations for consideration by Congress.

In March 2023, the FHLBanks experienced significant member advance demand because of banking sector volatility caused by the failures of Silicon Valley Bank and Signature Bank. Both institutions were active borrowers of the FHLBanks, with balances at year-end 2022 of $15 billion and $11 billion, respectively. The elevated advance demand was consistent with previous financial disruptions (e.g., 2008 and 2020). Advance balances subsequently declined from peak March 2023 levels as banking sector contagion fears lessened; however, as of the end of May, advance balances remain well above their levels prior to this stress event. The FHLBanks maintained strong liquidity and lending capacity through the sector disruption and did not incur an advance credit loss.

FHFA has continued to focus on the serious threat that climate risk and the resulting climate-related disasters pose to the U.S. housing finance system. This elevated risk has led, for example, to the withdrawal of insurance coverage in certain climate vulnerable regions. Where insurance coverage remains available, the cost of obtaining that coverage often has risen because of the increasing frequency and severity of natural disasters striking those areas and the increased cost of rebuilding. In some cases, homeowners have not rebuilt after wildfires due to insufficient insurance coverage to finance the higher costs of reconstruction.

As part of its attention to climate-related issues, in 2022 FHFA established eight Agency-wide internal working groups and a steering committee to assess the progress of its regulated entities in managing climate risk. FHFA also engaged with public and private sector stakeholders on climate risk, while participating as a member of external climate-focused groups. In 2022, FHFA joined the Network of Central Banks and Supervisors for Greening the Financial System while continuing its engagement with the Financial Stability Oversight Council's Climate-Related Financial Risk Committee.

The Legislative Recommendations section of this Report outlines three potential risk areas for which necessary actions by FHFA will require Congressional intervention – FHFA's lack of authority to examine services provided to its regulated entities, shortcomings in the Enterprises' statutory capital definitions, and the ongoing need to undertake the important work of key housing finance reforms.

FHFA's accomplishments over the course of 2022, as described in this Report, stand as a tribute to the dedication of FHFA's hard working employees. Going forward, the Agency will continue to ensure its regulated entities fulfill their mission responsibilities while operating in a safe and sound manner.

SLThompson

SANDRA L. THOMPSON

Director, Federal Housing Finance Agency

LIST OF 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

CDFI – Community Development Financial Institution

CRT – Credit Risk Transfer

CSP – Common Securitization Platform

CSS – Common Securitization Solutions, LLC

D&I – Diversity and Inclusion

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

DTS – Duty to Serve

EEO – Equal Employment Opportunity

ENTERPRISES – Fannie Mae and Freddie Mac

ERCF – Enterprise Regulatory Capital Framework

FANNIE MAE – Federal National Mortgage Association

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

HPI – House Price Index

LIBOR – London Interbank Offered Rate

MBS – Mortgage-Backed Securities

OF – Office of Finance

PSPA – Senior Preferred Stock Purchase Agreement

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

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

SOFR – Secured Overnight Financing Rate

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

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

EXAMINATION AUTHORITY FOR REGULATED ENTITIES

Section 1317(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended, 12 U.S.C. § 4517(a), requires FHFA to conduct annual on-site examinations of the Enterprises and the FHLBanks. Examination of the FHLBanks is also performed pursuant to section 20 of the Federal Home Loan Bank Act (Bank Act), as amended, 12 U.S.C. § 1440. The FHLBank System includes the 11 FHLBanks and the OF, a joint office of the FHLBanks.

For each regulated entity, FHFA prepares an annual report of examination, which identifies weaknesses and assigns examination ratings. FHFA communicates deficiencies and violations at regulated entities as adverse findings. The 2022 reports of examination were delivered to the directors and management of the Enterprises in April and to the FHLBanks periodically throughout the year based on FHFA's examination schedule.

Scope of Examination

FHFA conducts supervision using a risk-based approach to identify existing and emerging risks to the regulated entities, to evaluate the overall effectiveness of each regulated entity's risk management systems and controls, and to assess compliance with laws and regulations applicable to the regulated entity. In 2022,[2] FHFA's examination activities included targeted risk-based examinations and ongoing monitoring, including assessing the remediation of previously issued Matters Requiring Attention (MRAs). FHFA also assessed the responses of the regulated entities' boards of directors and management to deficiencies and weaknesses identified by the regulated entities' internal audit departments and external auditors.

Rating System

Pursuant to FHFA's Advisory Bulletin AB 2012-03, *FHFA Examination Rating System,* FHFA applies the "CAMELSO" rating system to report 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: **C**apital; **A**sset quality; **M**anagement; **E**arnings; **L**iquidity; **S**ensitivity to market risk; and **O**perational risk.

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1 The Office of Finance (OF) and Common Securitization Solutions, LLC (CSS) are not separate "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.

2 Unless otherwise specified, all dates in this report refer to 2022.

Supervision of Fannie Mae and Freddie Mac

FHFA's Division of Enterprise Regulation (DER) is responsible for carrying out examinations and ongoing supervision of the Enterprises. DER examinations are led by an Examiner-in-Charge (EIC) and conducted by examination teams supported by subject matter experts. DER conducts both targeted examinations and ongoing monitoring, which assess the safety and soundness of each Enterprise, as well as compliance with regulations. In 2022, DER conducted targeted examinations covering:

- credit, counterparty, model, information technology, operational, and market risks,
- governance, and
- compliance.

Following completion of examination activity, DER communicates any adverse examination findings in writing to the Enterprise. For MRAs, which require corrective action from the Enterprise, DER obtains a commitment, including a corrective action plan, from the Enterprise to remediate the findings. Following execution of the remediation plan, the Enterprise's internal audit function or an independent third party validates the completion of remediation, and DER reviews corrective action through examination activities.

FHFA issues a report of examination (ROE) that documents and communicates its supervisory findings and conclusions for the examination year. The ROE reflects FHFA's view of the regulated entity's financial condition, its risk profile, and the adequacy of its risk management practices. The ROE includes the composite and CAMELSO ratings assigned by DER. The annual ROE is signed by the EIC and issued to the Enterprise's board of directors.

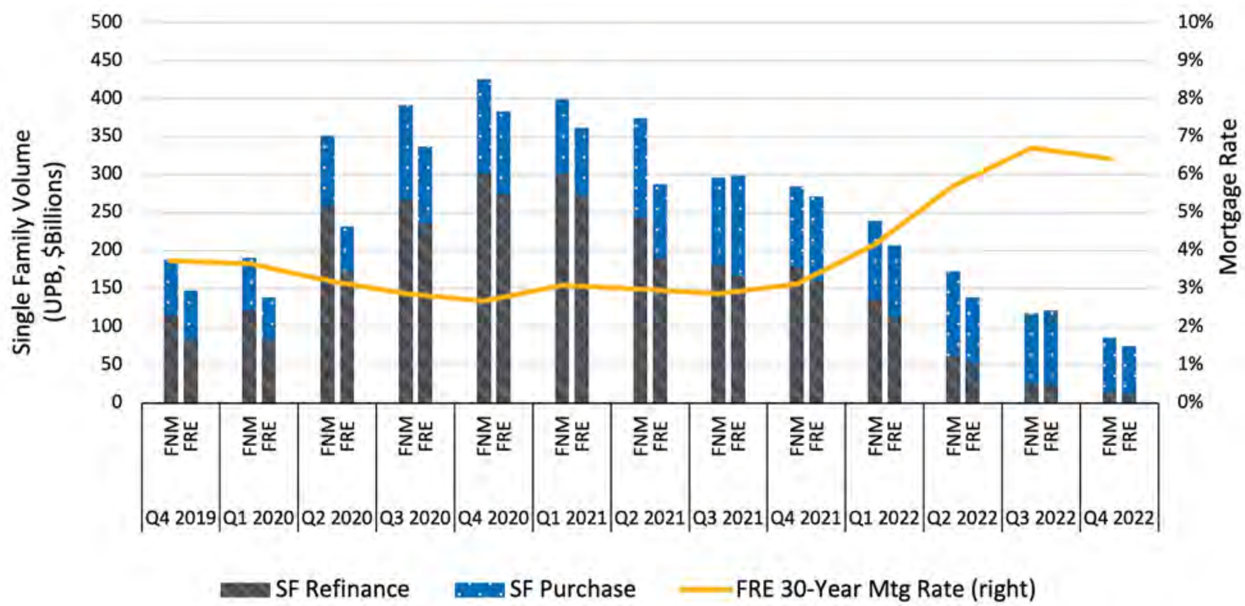
REPORTS OF ANNUAL EXAMINATIONS OF FANNIE MAE AND FREDDIE MAC

Financial Overview of the Enterprises

The Enterprises' financial performance, as measured by earnings and mortgage purchase activities in 2022, was down year-over-year. In 2021, both Enterprises had record high earnings boosted by high refinance volumes spurred by low mortgage rates, the reversal of provisions for loan losses because of improved macroeconomic conditions, and significant home price appreciation. Higher interest rates in 2022 significantly affected Enterprise performance, depressing home purchase and refinance activity and slowing or reversing house price appreciation.

Figure 1 shows how origination volume declined at both Enterprises when interest rates rose in 2022.

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



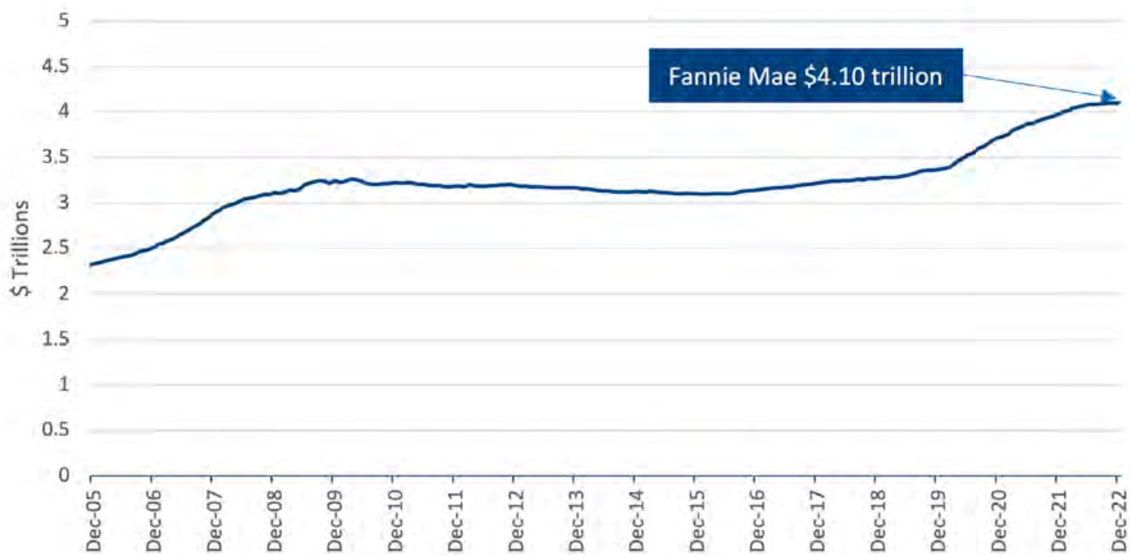
Fannie Mae

In 2022, Fannie Mae reported both annual net income and comprehensive income of $12.9 billion, down materially from $22.2 billion and $22.1 billion, respectively, in 2021. Fannie Mae recorded a $11.4 billion year-over-year reduction in earnings because of a reversal in provisioning for loan losses from a recorded benefit in 2021 to an expense in 2022. Other factors contributing to the decline in income include investment losses that resulted in an overall $1.6 billion negative effect on earnings and a decrease in net interest income from the guarantee book of business of $2.0 billion due to lower refinance volumes. Higher guarantee fees on newly acquired mortgages partially offset the decrease.

Fannie Mae's total assets increased 1.8 percent compared to 6.0 percent a year earlier. Fannie Mae's total mortgage portfolio grew 3.9 percent to $4.1 trillion, driven by new acquisitions outpacing liquidations primarily due to the fall off in refinance activity. Single-family (SF) mortgages remained at 89.2 percent of the total guarantee book, even though SF conventional acquisition volume decreased 54.6 percent to $615 billion. Fannie Mae's multifamily (MF) guarantee portfolio grew 5.3 percent, while its new acquisition volume remained relatively flat year-over-year at $69.2 billion.

Fannie Mae's total mortgage portfolio historical balances as measured by unpaid principal balances (UPB) are shown in Figure 2 below, which include mortgages, mortgage-related securities held as investments, and mortgages pooled into mortgage-backed securities (MBS).

Figure 2: Fannie Mae Mortgage Portfolio Growth 2005-2022



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.

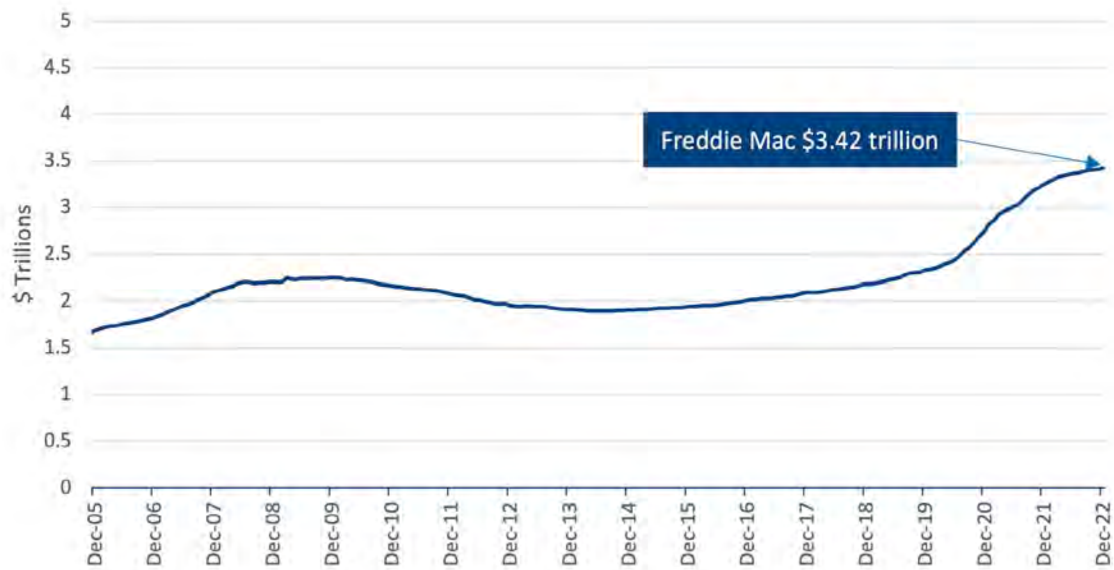
Freddie Mac

Freddie Mac reported annual net income of $9.3 billion and comprehensive income of $9.0 billion in 2022, compared, respectively, to $12.1 billion and $11.6 billion in 2021. Freddie Mac's reduction in net income was driven by lower mark-to-market gains and a higher provision for credit losses. Like Fannie Mae, Freddie Mac recorded a provision in 2022 compared to a benefit in 2021, resulting in a $2.9 billion year-over-year reduction to earnings. However, net interest income from the guarantee portfolio increased $1.0 billion because of higher guarantee fees on new acquisitions.

Freddie Mac's total assets increased 6.0 percent in 2022, slower than 15.0 percent growth in the prior year, primarily because of slower growth of the guarantee portfolio. In 2022, Freddie Mac's total mortgage portfolio increased approximately 6.5 percent as acquisitions exceeded paydowns. SF mortgages remained at 87.4 percent of the total mortgage portfolio. In 2022, Freddie Mac's SF acquisition volume was $541 billion, a 55.6 percent decrease year-over-year. New MF business volume was $73 billion in 2022 compared to $70 billion in 2021. The MF mortgage portfolio grew 3.4 percent in 2022 to $429 billion as acquisitions were partially offset by paydowns.

Freddie Mac's total mortgage portfolio historical balances by UPB are shown in Figure 3, which include mortgages, mortgage-related securities held as investments, and mortgages pooled into MBS.

Figure 3: Enterprises Single-Family Acquisitions vs Interest Rate Environment



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.

CSS Overview

Common Securitization Solutions, LLC (CSS), jointly and equally owned by the Enterprises, 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 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 $6.4 trillion bond portfolio of SF mortgages and is currently the largest issuing agent and administrator of MBS, holding approximately 75 percent of total market share. In 2022, CSS issued, on average, approximately $200 billion of UMBS monthly on behalf of the Enterprises and provided security administration to over 30 million mortgages in MBS.

FHFA conducts the same examination process for CSS as it conducts for the Enterprises. FHFA issues an ROE that assigns examination ratings and communicates the principal examination conclusions and findings for the examination cycle. The composite rating of CSS is based primarily on an evaluation of two components of the CAMELSO rating framework (Management and Operational risk) because, as a wholly-owned joint venture of the Enterprises, the other components of the framework do not apply to CSS.

Overview of Annual Examination Results

Capital

Both Enterprises remain critically undercapitalized with limited ability to absorb more than potential nominal losses from their respective business activities without reliance upon the Senior Preferred Stock Purchase

Agreements (PSPAs) with the U.S. Department of the Treasury, as amended. Through these agreements, the Treasury Department continues to provide capital support to the Enterprises, allowing them to fulfill their statutory missions. The amended PSPAs allow each Enterprise to retain all its earnings. However, Treasury's liquidation preference increases in concert with any growth in an Enterprise's net worth. While the additional net worth reduces the likelihood of a Treasury draw, it is not equivalent to unencumbered net worth as Treasury's claims on Enterprise assets retain a priority senior to that of other preferred and common shareholders.

Asset Quality

When reviewing asset quality, FHFA examiners evaluate the quantity of 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. In 2022, the Enterprises generally exhibited favorable trends in credit risk associated with loan and investment portfolios and in management's ability to identify, measure, monitor, and control credit risk. In addition, both Enterprises experienced reduced levels of adversely classified assets, serious delinquencies, and real estate owned (REO) properties.

Each Enterprise's acquisition volumes remained strong for 2022 for the SF and MF loan portfolios, although rising interest rates slowed acquisition volumes significantly. SF credit risk metrics have improved since the prior year as serious delinquency rates decreased. Within the SF business, the diminishing effects of COVID-19, significant portfolio turnover, successful modification programs, and the CRT program all led to notable reduction in overall credit risk. However, the rise in interest rates significantly shifted the Enterprises' mortgage acquisitions from relatively low-risk refinance loans to purchase loans whose attributes, such as generally higher loan-to-value ratios and lower credit scores, are associated with higher credit risk.

The Enterprises' overall exposure to counterparty risk remained stable because of ongoing management of counterparty activities. The Enterprises monitor the financial performance of nonbank mortgage company seller/servicers, which continue to gain market share, account for the majority of acquisitions, and provide monthly servicing activities for millions of Americans.

The Enterprises' multifamily portfolios grew in 2022, within limits set by FHFA as conservator. Risk management of multifamily credit exposures was generally satisfactory, although senior living facilities remain a significant concern as higher operating expenses, vacancies, and interest rates negatively affect their financial performance.

Management

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

Fannie Mae's board and senior management governance needs improvement in model risk oversight, design, implementation, and performance tracking. Fannie Mae's enterprise risk management (ERM) program needs to mature further. In addition, Fannie Mae must enhance its diversity and inclusion (D&I) related procurement policies, procedures, and practices to ensure compliance with the Minority and Women Inclusion (MWI) Rule. Still, Fannie Mae has executed strategic objectives and generally addressed issues identified by FHFA.

Freddie Mac's board and senior management continue to advance and strengthen its ERM program. While progress was noted in several areas, Freddie Mac continues to work on opportunities to strengthen its ability to identify, monitor, and control risks associated with seller/servicer oversight, information technology and data risk management, and anti-money laundering compliance. Freddie Mac must enhance its ERM policies, risk taxonomy, and standards to include D&I risks and ensure that D&I Policy and Procurement of Products and Services Policy comply with the MWI Rule.

The board of managers and senior management at CSS have satisfactory performance, oversight, and risk management practices. CSS continues to strengthen corporate governance and risk management processes. In addition, CSS is in compliance with relevant laws and regulations, and adheres to regulatory guidance.

Earnings, Liquidity, and Sensitivity to Market Risk

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

Fannie Mae reported total comprehensive income of $12.9 billion, a decrease of $9.2 billion from 2021. Fannie Mae's earnings remain too low to build capital to the Enterprise Regulatory Capital Framework's (ERCF's) minimum requirements in the near future.

Fannie Mae continues to maintain a conservative liquidity position of more than $90 billion in high-quality short-term liquid assets and reliable sources of funding, on acceptable terms, to meet current and anticipated liquidity needs. Market risk metrics are within board-approved limits showing reductions in market value sensitivity since the prior year. Fannie Mae has continued transitioning away from the use of the London Interbank Offered Rate (LIBOR).

Freddie Mac reported comprehensive income of $9.0 billion, which is down relative to the 2021 comprehensive income of $11.6 billion. Like Fannie Mae, Freddie Mac's earnings are not sufficient to build capital to the ERCF's minimum requirements in the near future.

Freddie Mac has a liquidity portfolio of high-quality short-term assets in excess of $100 billion and reliable access to varied sources of funds, on acceptable terms, to meet current and anticipated funding needs. Freddie Mac maintained all market risk exposures within established board limits throughout the year. Freddie Mac management took actions to further reduce sensitivity to market risk from the prior year. Freddie Mac continued to focus on measuring and managing the changing mix of exposures and transitioning away from the use of LIBOR.

Operational Risk

When assessing operational risk management, FHFA examiners consider exposures to loss from inadequate or failed internal processes and systems, including internal controls and information technology.

Fannie Mae improved its operational resilience and made progress in strengthening internal information security controls. Migration of information technology assets to a cloud environment continued as planned. The Enterprise's exposure to information security risk persists because of internal and external factors, and notable opportunities for improvement in the cybersecurity area exist.

Freddie Mac has made progress in reducing operational risk in the areas of payment systems infrastructure and issue management. Freddie Mac continues to work on matters related to information security, business resiliency, data management, model risk, and issue management.

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, business resiliency, and third-party relationships are consistent with supervisory expectations.

CORE MISSION OF THE FEDERAL HOME LOAN BANKS

In 2022, FHFA continued its supervision and oversight to ensure that the FHLBanks remain focused on their core mission, which is to provide to their members and housing associates[3] financial products and services, including but not limited to advances (i.e., loans), that assist and enhance members' and housing associates' financing of housing serving consumers at all income levels and community lending. Historically, short- and long-term advances to members and housing associates have been the principal mission asset of the FHLBanks, primarily collateralized by residential mortgage loans, commercial real estate loans, and government and agency securities. FHFA's Core Mission Activities regulation establishes the FHLBank activities that qualify as core mission activities, including mortgage loans that are eligible as Acquired Member Assets (AMA).[4]

To ensure that the FHLBanks operate in a manner consistent with their core mission, FHFA requires each FHLBank's board of directors to adopt, maintain, and periodically review a strategic business plan that describes ". . . how the significant business activities of the regulated entity will achieve its mission and public purposes."[5] FHFA provides the FHLBanks with guidance in developing their strategic plans with respect to core mission, including a description of the measure FHFA uses to assesses the FHLBanks' core mission achievement.[6] FHFA measures each FHLBank's core mission achievement by calculating the ratio of its primary mission assets (advances plus AMA) to its outstanding consolidated obligations, less U.S. Treasury obligations that qualify as "high quality liquid assets."[7]

FHFA calculates each FHLBank's core mission ratio using annual average par values, as reported by the FHLBanks. FHFA assesses each FHLBank's core mission achievement annually and prefers for FHLBanks' calculated ratios to exceed 70 percent. FHFA expects any FHLBank with a ratio markedly below 70 percent to include in its business plan a thorough strategy for increasing its mission focus.

The FHLBank System had a 2022 core mission achievement ratio of 74.1 percent, up from 70.3 percent in 2021. In addition, nine individual FHLBanks had a core mission achievement ratio that exceeded 70 percent, four more FHLBanks than in 2021. The remaining two FHLBanks had ratios just below 70 percent, at 69.8 percent and 69.6 percent. Generally, larger advance portfolios drove core mission achievement ratios higher at 10 of the 11 FHLBanks from 2021 to 2022.

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3 Housing associates are defined to include eligible state and local housing finance agencies. Housing associates are not FHLBank members, but FHLBanks may offer them advance products except CIP advances. See 12 U.S.C. § 1430b; 12 CFR part 1264.

4 *See* 12 CFR part 1265.

5 *See* 12 CFR 1239.14.

6 *See* FHLBank Core Mission Achievement, Advisory Bulletin AB 2015-05, and FHLBank Liquidity Guidance, Advisory Bulletin AB 2018-07.

7 *Ibid*.

FHLBANK SYSTEM AT 100: FOCUSING ON THE FUTURE

Created by Congress in 1932 to support liquidity in the mortgage market, the FHLBank System continues to play a critical role today, especially for smaller member institutions and during times of market stress. The FHLBanks also have programs to support low-income housing and community development, including the Affordable Housing Program, the Community Investment Program, and the Community Investment Cash Advance Program.

The role of the System has evolved since its origin at the direction of Congress and in response to changes in the mortgage and financial markets. However, it has been decades since a comprehensive review of the System was completed. As a result, in August 2022, FHFA announced the ***FHLBank System at 100: Focusing on the Future*** initiative to ensure the FHLBanks remain well positioned to meet the needs of their members and the communities they serve.

FHFA launched the initiative with a public listening session, followed by regional roundtable discussions covering a variety of topics, including issues of local importance as well as more foundational questions about the System's mission, purpose, and organization. FHFA also held a wrap-up public listening session and accepted written comments during the public input phases.

FHFA expects to issue a report by September 30, 2023, summarizing the feedback received, identifying actions the Agency plans to take, and outlining any recommendations for consideration by Congress.

The mission of the Federal Home Loan Bank System includes providing, in a safe, sound, and equitable manner, liquidity to member institutions including for housing finance, and support for affordable housing and community development.

FHFA seeks to improve member access to liquidity, and to increase support for affordable housing and community development.

FHLBank System at 100: Focusing on the Future
Key Feedback

Summarized stakeholder feedback that will inform FHFA's actions and recommendations includes:

- The safety and soundness of the FHLBank System remains centrally important and should be a consideration with any proposed changes in membership, structure, or products.
- While the FHLBank System's regional structure has enabled the FHLBanks to be responsive to their members in support of the unique needs of each district's communities, continued consolidation in the financial system raises questions about the longevity of the current structure.
- The FHLBank System has been a stable and reliable source of liquidity for its members. This is particularly true for community-based organizations with limited access to capital markets. This was demonstrated in March 2023, as the FHLBanks provided a record volume of advances to ensure their members had access to critical liquidity in an uncertain market.
- The FHLBanks could better support the affordable housing and community development aspects of their mission, especially in underserved and financially vulnerable communities. The FHLBanks should consider pilot and voluntary programs to address the unmet needs in the communities they serve, with support for new programs coupled with appropriate risk mitigation.
- The FHLBank System should not be considered the lender of last resort by members or the banking system.
- Member access to the System's low-cost funding should be aligned to demonstrable support for housing and community development.
- FHLBank board and executive compensation should tie to mission performance achievement and reflect the public purpose of the System.
- Additional work is needed to increase awareness and extend the reach of the FHLBanks. Many potential members and stakeholders (e.g., CDFIs, housing associations, community-based organizations) that would benefit from access to the FHLBank System and its programs and products may be unaware of the breadth of these offerings.

FHLBANK SYSTEM OVERVIEW

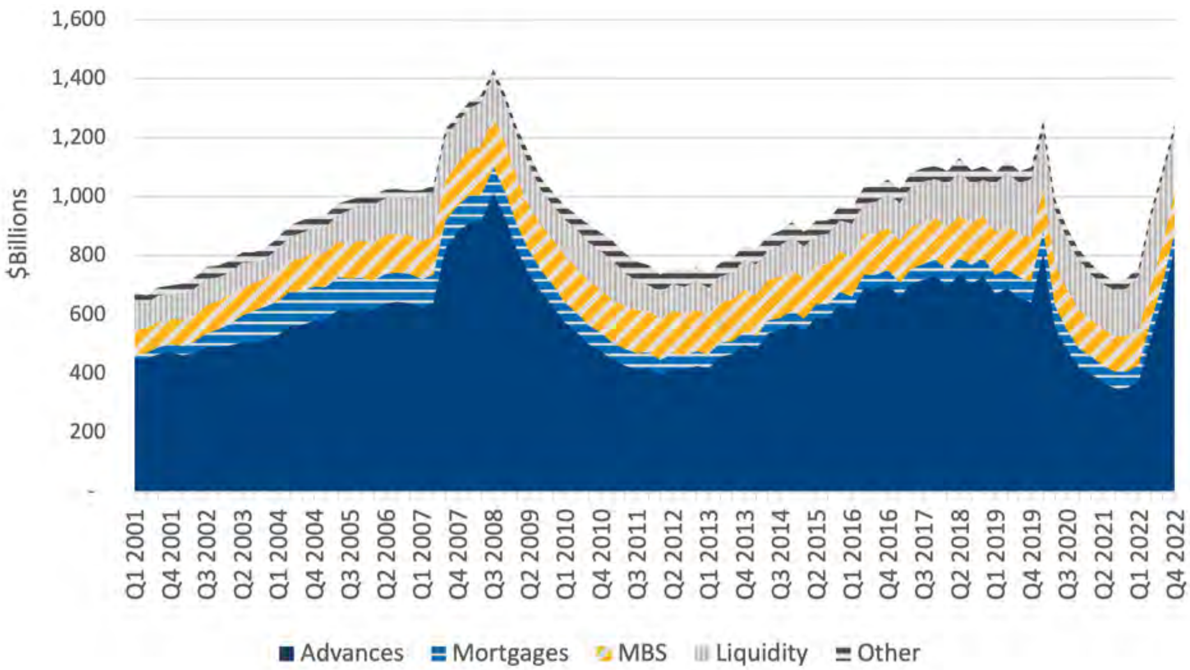
Financial Condition

FHLBank total assets were $1,247.4 billion on December 31, 2022, up from $723.4 billion at year-end 2021. The FHLBanks reported 2022 aggregate net income of $3.2 billion, up $1.4 billion from 2021. The FHLBanks remain well capitalized and hold the highest retained earnings balance in their history.

Aggregate asset levels increased substantially in 2022, driven by several asset classes. Advances increased $467.8 billion, or 133.2 percent, year-over-year, as advance demand improved. Cash and investments increased $52.2 billion, or 16.7 percent, while mortgage loan portfolios stayed relatively flat increasing $556 million, or 1.0 percent, as new purchases were largely offset by paydowns during the year.

At year-end, the FHLBanks held 65.7 percent of total assets as advances, 29.2 percent as cash and investments, and 4.5 percent as mortgage loans.

Figure 4: Historical Portfolio of the FHLBank System



Advances are primarily collateralized by residential mortgage loans, commercial real estate loans, and government and agency securities. Community Financial Institutions may pledge small business, small farm, small agri-business, and community development loans as collateral for advances.[8]

All 11 FHLBanks reported increases in advances in 2022 with aggregate advance growth of $467.8 billion driven by increased member liquidity needs. Prior to the 2022 growth, the FHLBank System experienced four consecutive years with lower year-end balances following six years of growth that ended in 2017.

The FHLBanks operate both on-balance sheet and off-balance sheet programs through which members can sell mortgage loans. Under the FHLBanks' 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. 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 $56.1 billion of mortgage loans on their balance sheets as of December 31, 2022, up from $55.6 billion at year-end 2021. This change resulted from mortgage purchases

8 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 2022, the CFI asset threshold was $1.323 billion. The threshold for 2023 is $1.417 billion. FHLBank members that are CFIs may pledge small business loans, small farm loans, small agri-business loans, and community development loans, all of which may be fully secured by collateral other than real estate, and securities representing a whole interest in such loans.

of $8.5 billion and mortgage principal payments of $7.7 billion.[9]

Under the off-balance sheet programs in operation through 2022, members of FHLBanks sell mortgages to the FHLBank of Chicago, which either concurrently sells the loan to Fannie Mae (MPF Xtra) or pools the loans into securities guaranteed by the Government National Mortgage Association (MPF Government Mortgage-Backed Securities (MBS)). In 2022, FHLBank members delivered $1.4 billion of mortgage loans under MPF Xtra through the FHLBanks to Fannie Mae. Members also delivered $237 million of mortgage loans to the FHLBank of Chicago to securitize through the MPF Government MBS program.

The aggregate investment portfolio of the FHLBanks consisted of 56.5 percent cash and liquidity, 37.8 percent MBS, and 5.8 percent other investments (principally agency debt securities and for the FHLBank of Chicago, federally-backed student loan asset-backed securities). The FHLBanks held $137.6 billion of MBS, primarily consisting of MBS securitized by Freddie Mac and Fannie Mae. At year-end 2022, the FHLBanks held $205.7 billion of cash and liquidity investments.[10] The FHLBanks are also significant participants in the federal funds market.

The FHLBanks' standby letters of credit portfolio increased $18.3 billion over 2022 to $169.4 billion at year-end. Standby letters of credit are often used by members to secure public unit deposits. If drawn on, a member may take out an advance to cover its obligation to repay the funds to the FHLBank; however, FHLBank standby letters of credit are rarely drawn on.

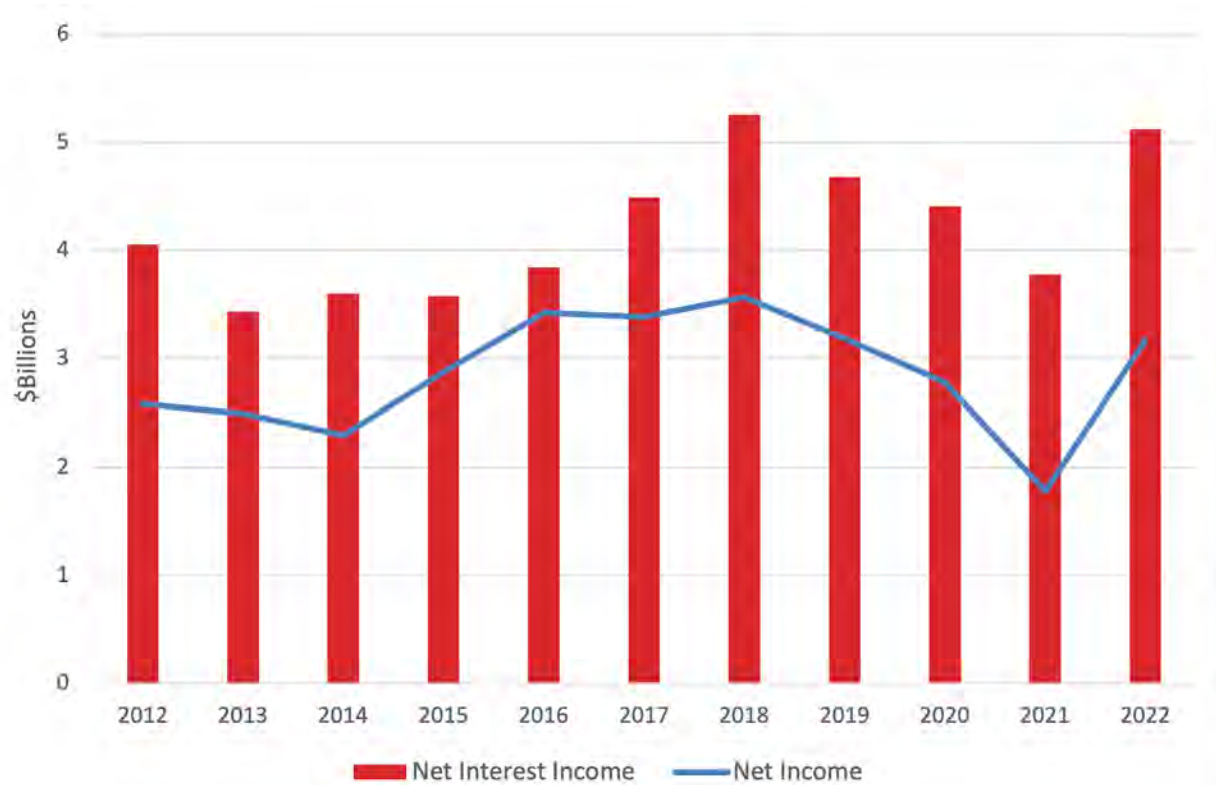
Consolidated obligations totaled $1,161.5 billion and consisted of $695.5 billion of bonds (59.9 percent) and $466.0 billion of discount notes (40.1 percent). Short-term funding by par value (funding with a remaining maturity of less than one year) made up 71.5 percent of consolidated obligations at year-end 2022.

Net income was $3.2 billion in 2022, and all FHLBanks were profitable. Net income increased $1.4 billion year-over-year due to higher levels of earning assets that drove a $1.3 billion increase in net interest income (Figure 5). In addition, non-interest income increased by $234 million, partially offset by non-interest expense increasing $41 million year-over-year.

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

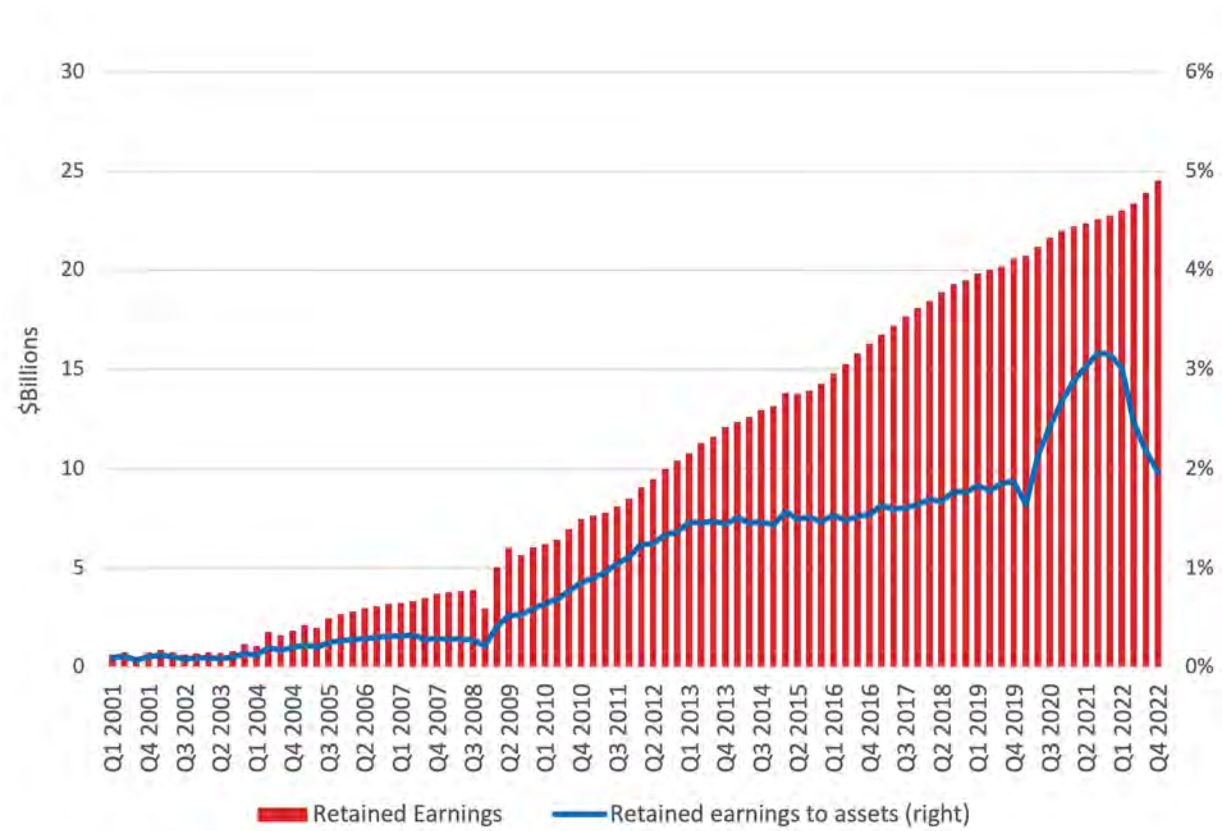
10 This measure includes Treasury securities.

Figure 5: Annual FHLBank Net Interest Income and Net Income



The aggregate return on assets ratio was 0.33 percent in 2022, up from 0.23 percent in 2021. The aggregate return on equity ratio was 5.61 percent, up from 3.56 percent. Continued profitability allowed the FHLBanks to build retained earnings in 2022. Aggregate retained earnings totaled $24.6 billion, or 2.0 percent of assets, at the end of 2022, up $1.8 billion from $22.8 billion, or 3.1 percent of assets, the prior year. Asset growth outpaced retained earnings growth, lowering the retained earnings to assets ratio. However, by comparison, at year-end 2008, during the housing crisis, the FHLBanks held only $3.0 billion of aggregate retained earnings, which represented just 0.2 percent of assets (Figure 6).

Figure 6: Retained Earnings of the FHLBanks



As of December 31, 2022, aggregate regulatory capital consisted of $44.7 billion capital stock, of which $0.7 billion was mandatorily redeemable capital stock (MRCS), and $24.6 billion in retained earnings.[11]

Comparisons

The size and composition of FHLBank assets varies across the System. Individual FHLBanks ranged from total assets of $62.9 billion to $164.2 billion as of December 31, 2022. The ratio of advances to assets ranged from 50.7 percent to 73.9 percent. The ratio of mortgage loans to assets was 4.5 percent overall, ranging between 0.1 percent to 11.0 percent. The market value to par value of capital stock ratio was above 100 percent at each FHLBank.

[11] Banks reclassify capital stock subject to redemption from capital stock to mandatorily redeemable capital stock (a liability) generally after a member exercises a written redemption request, gives notice of intent to withdraw from membership, or attains non-member status by merger or acquisition, relocation, charter termination, or involuntary termination from membership.

Figure 7: 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- $	1,247.364	62.898	157.391	96.141	151.622	108.610	72.284	126.853	164.169	114.349	71.993	121.056
Advances - % of Assets	65.7%	66.1%	73.3%	71.6%	72.3%	61.7%	50.7%	52.3%	67.7%	60.3%	61.5%	73.9%
% of Advances with remaining maturity < 1 year	64.0%	58.7%	71.0%	41.4%	70.8%	76.4%	38.9%	54.5%	54.8%	69.2%	71.2%	78.8%
Mortgages- % of Assets	4.5%	4.4%	1.3%	4.8%	0.1%	6.6%	10.6%	8.0%	5.1%	3.8%	11.0%	0.7%
Cash & Investments- % of Assets	29.2%	28.5%	24.8%	23.0%	27.1%	31.0%	37.7%	39.2%	26.5%	35.5%	26.8%	25.0%
MBS Investments - % of Assets	11.0%	11.6%	9.6%	6.9%	13.9%	15.3%	14.3%	13.0%	8.7%	10.5%	9.7%	9.0%
MBS to regulatory capital ratio	2.11	2.2	1.75	1.34	2.74	2.56	2.92	2.75	1.69	2.17	1.94	1.48
Liquidity- % of Assets	16.5%	15.8%	14.3%	14.3%	12.2%	14.2%	20.8%	22.0%	16.3%	22.1%	16.5%	15.7%
Consolidated Obligations- $	1,161.536	58.541	147.291	90.217	141.509	100.359	67.270	117.647	153.507	106.217	67.281	111.697
Discount Notes - % of COs	40.1%	46.1%	42.0%	37.4%	28.1%	40.5%	40.7%	50.6%	45.1%	43.6%	36.8%	32.2%
% of COs with remaining maturity < 1 year	71.5%	62.9%	68.9%	70.8%	71.0%	88.4%	54.0%	58.7%	81.1%	66.7%	68.9%	83.5%
Regulatory Capital Ratio	5.55%	5.93%	5.39%	5.19%	5.07%	6.05%	5.23%	6.15%	5.41%	5.09%	5.22%	6.41%
Retained Earnings - $	24.556	1.691	2.096	1.536	2.283	1.401	1.286	4.564	2.618	1.834	1.253	3.993
Market Value of Equity as of a Percent of Capital Stock	153%	171%	135%	137%	137%	119%	138%	251%	137%	154%	155%	205%

[a] Excludes interbank adjustments and eliminations on a combined basis

Financial performance was not uniform across the FHLBanks in 2022, but it remained adequate. Net income ranged from $176.7 million to $430.2 million, while return on assets ratios ranged from 0.16 percent to 0.40 percent. At the aggregate level, FHLBank operating expenses made up 24.4 percent of net interest income.

Figure 8: Selected Income Statement Items and Ratio

Balance Sheet ($ Millions)	SYS[a]	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Net Income- $	3,168	184	417	227	184	252	177	415	430	317	241	324
Return on Assets	0.33%	0.37%	0.34%	0.35%	0.16%	0.25%	0.28%	0.38%	0.38%	0.40%	0.39%	0.37%
Return on Equity	5.61%	6.47%	6.12%	6.33%	3.18%	4.78%	5.03%	5.94%	6.33%	6.69%	7.47%	4.67%
Net Interest Income (NII)- $	5,122	282	634	352	327	487	291	676	679	480	362	552
Net Interest Spread	0.40%	0.42%	0.38%	0.43%	0.16%	0.37%	0.36%	0.46%	0.48%	0.45%	0.48%	0.50%
Yield on Advances	2.36%	2.49%	2.31%	2.71%	2.31%	2.32%	2.12%	2.16%	2.63%	2.33%	2.17%	2.38%
Yield on Investments	2.22%	2.43%	2.04%	2.18%	1.90%	2.08%	2.14%	2.45%	2.15%	2.41%	2.22%	2.54%
Yield of Mortgage Loans	2.90%	2.94%	3.01%	2.90%	5.17%	2.75%	2.69%	2.85%	3.00%	3.00%	2.85%	5.22%
Cost of Funds on COs	1.94%	2.09%	1.86%	2.12%	2.02%	1.89%	1.84%	1.85%	2.04%	1.95%	1.79%	1.98%
Operating Expenses to NII	24.4%	23.7%	26.8%	24.5%	34.5%	15.6%	30.9%	32.6%	18.7%	18.1%	17.5%	27.3%

[a] Excludes interbank adjustments and eliminations on a combined basis

Membership

At the end of 2022, the FHLBanks had a total of 6,498 members, down from 6,576 in 2021, primarily due to member mergers. Membership at individual FHLBanks ranged from 281 to 1,258 members. The aggregate membership consisted of 3,711 commercial banks, 1,570 credit unions, 582 savings associations, 565 insurance companies, and 70 non-depository community development financial institutions (CDFIs). Approximately 56.4 percent of FHLBank members were borrowers. At each of the FHLBanks of New York, Pittsburgh, Cincinnati, and San Francisco, more than 70 percent of total advances were attributable to the FHLBank's ten largest borrowers. System-wide, the increase in advances in 2022 significantly affected the composition of advances by member type. Commercial banks accounted for 58.9 percent of member advances at the end of 2022, up from 34.6 percent of advances at the end of 2021. Conversely, insurance companies decreased to 16.9 percent from 34.8 percent of total advances over the same time period.

Figure 9: FHLBank Membership

	SYS	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Total Members	6,498	425	326	281	797	616	346	671	1,258	779	669	330
Commercial Banks	3,711	50	103	129	433	337	142	434	884	535	530	134
Credit Unions	1,570	159	106	63	240	144	131	102	257	125	88	155
Saving Associate	294	23	29	17	38	57	17	26	32	26	21	8
Savings Bank	288	115	33	32	14	16	6	35	10	27	0	0
Insurance Companies	565	74	46	38	59	55	46	67	69	59	26	26
Non-depository CDFIs	70	4	9	2	13	7	4	7	6	7	4	7
Ten Largest Borrowers - % of Advances		56.6%	74.8%	83.9%	68.4%	75.7%	56.6%	58.6%	58.1%	52.1%	59.6%	70.9%

RATING COMPONENT OVERVIEW

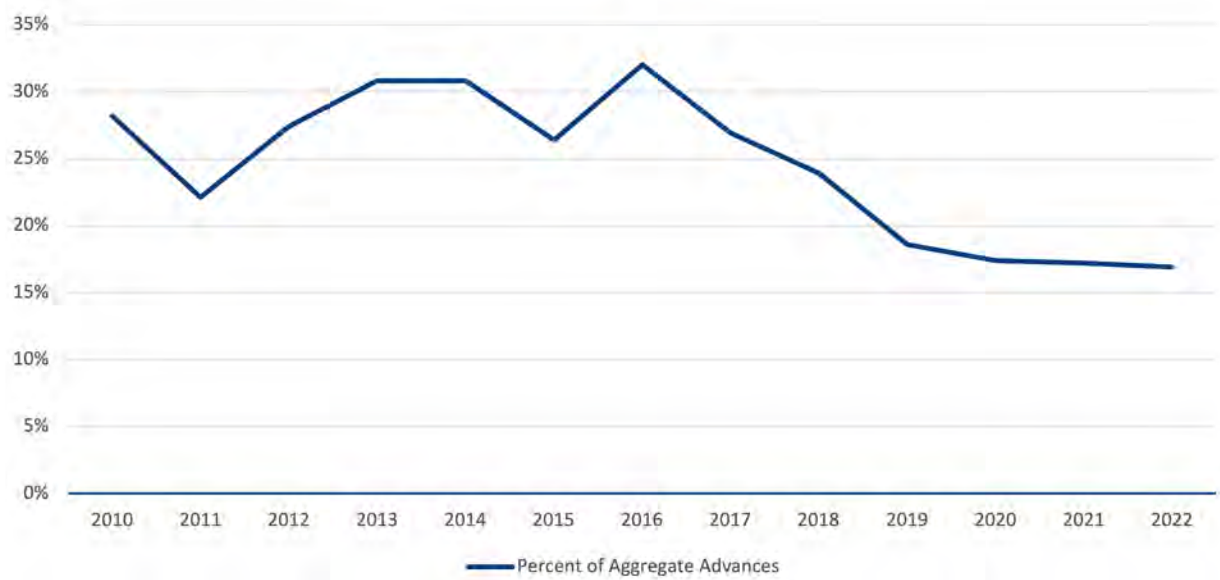
Capital – Capital management practices were satisfactory at all of the FHLBanks in 2022. While levels of both capital stock and retained earnings grew over the year, the System regulatory capital ratio declined to 5.55 percent at year-end 2022 from 6.67 percent a year prior, still well above the 4.00 percent regulatory minimum. The decline was driven by growth in advances outpacing capital growth, reversing the COVID-19 related trend from 2020 and 2021 and bringing regulatory capital ratio levels back to pre-pandemic levels.

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 including enhancing credit risk-based capital methodology and its documentation to better align with regulatory requirements, improving capital system implementation of member activity stock purchase requirements, and incorporating certain additional risks when reviewing the retained earnings sufficiency framework in 2023.

Asset Quality – Asset quality was rated satisfactory at all the FHLBanks in 2022. However, examiners identified areas for improvement in risk management practices at the FHLBanks, including improving member credit model performance monitoring; improving Repo investment framework; addressing deficiencies in collateral verification review, collateral stress test and haircut methodologies, and collateral lien practices; improving controls to prevent excessive unsecured credit exposure; improving methodologies for lender risk accounts; strengthening the insurance company member credit rating framework; improving standby letters of credit due diligence practices; and addressing weaknesses in AMA pricing, modeling, and monitoring practices.

In general, advances are low-risk loans, but they are subject to concentration risk. However, in 2022, the concentration of advances to subsidiaries of large bank holding companies fell slightly to their lowest levels since 2010, relative to other borrowers in the System. In 2021, the five largest borrowers at the holding company level (New York Community Bancorp Inc., Metropolitan Life Insurance Company, J.P. Morgan Chase & Co., Midland Financial Co., and TIAA) represented $60.1 billion or 17.2 percent of aggregate advances. In 2022, the five largest aggregate borrowers at the holding company level (Wells Fargo & Company, PNC Financial Services Group Inc., Truist Financial Corporation (formerly BB&T Corporation), New York Community Bancorp, Inc., and U.S. Bancorp) accounted for $139.4 billion of advances, but just 16.9 percent of aggregate advances, the lowest level since 2010 and the sixth straight year that advance concentration among the top five borrowers has declined. (Figure 10)

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.

The holding companies with the most advances outstanding to their subsidiaries have changed over time. U.S. Bancorp became a top five borrower for the first time, though it had previously been a top ten borrower in 2019. 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, and U.S. Bancorp have been among the top five borrowers at the end of the year.

Management – Examination conclusions regarding management were satisfactory at all FHLBanks in 2022. However, examiners identified areas of concern including suspicious activity report filing procedures, insurance company membership framework, activity stock calculations, withdrawn membership stock redemption, reporting of board-established risk limits and key risk indicator oversight, model risk management practices, and remediation framework for FHFA examination findings.

Earnings – In 2022, earnings were satisfactory at all but one FHLBank. While earnings and earnings quality generally continue to be satisfactory at most FHLBanks, examiners identified puttable advance pricing practices as an area of concern at one FHLBank and recommended that another FHLBank enhance its overall financial performance reporting.

Liquidity – Liquidity risk management was satisfactory at all FHLBanks in 2022. Examiners identified isolated opportunities for the FHLBanks to strengthen their liquidity reporting and measurement systems, including improving better reviews of report data submitted to FHFA and enhancing tabletop training exercises.

Sensitivity to Market Risk – Overall, the FHLBanks had moderate levels of market risk exposure. Market risk management was well controlled or satisfactory at all but one FHLBank in 2022, and mortgage assets appeared to remain the greatest source of market risk.

However, examiners identified market risk-related enhancements several FHLBanks could make to their model validation reviews, oversight of major model changes, mortgage prepayment modeling, model benchmarking, model documentation, AMA pricing methodology and documentation, and stress testing.

Operational Risk – In 2022, operational risk was generally satisfactory at all but one FHLBank. Across the System, operational risk levels remained moderately elevated because of the adoption and implementation of expanded telework and work-from-home policies as well as ongoing information technology initiatives at many FHLBanks. Across the FHLBanks, examiners identified areas that exhibited or could exhibit unacceptable operational risks in information security management, business resiliency, documentation of operational testing, internal system controls, user access management, third-party management and oversight, network security, vulnerability management, and information security staffing. Several FHLBanks continue to evolve their information security and cybersecurity controls to address existing and potential risks by improving software security patching, hardening access, enhancing user access management, and increasing staff awareness and training related to increasingly sophisticated social engineering tactics.

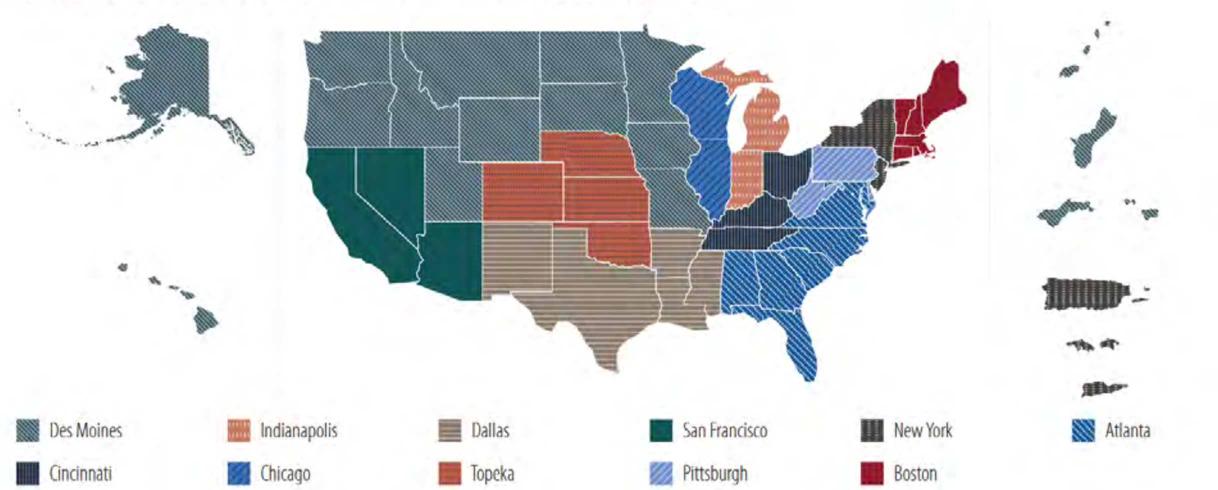
District 1: The Federal Home Loan Bank of Boston

At the time of its July 2022 examination, the overall condition and operations of the FHLBank of Boston were satisfactory. Board and management oversight of the FHLBank was satisfactory. Advance volume growth since the last examination contributed to stronger earnings, with higher net interest income and net income. The FHLBank's overall financial condition and performance remained satisfactory while it maintained a preferred advances and AMA ratio. The FHLBank's liquidity position and composition remain strong, and its retained earnings level is strong relative to risk. Primary examination concerns related to deficiencies in the FHLBank's cloud computing resiliency and risk governance, data classification and protection, the insurance company member application process, and model risk management. Oversight and execution of the AHP was satisfactory.

District 2: The Federal Home Loan Bank of New York

At the time of its examination in April 2022, the overall condition and operations of the FHLBank of New York were satisfactory. Board and senior management oversight of the FHLBank remained satisfactory, strong liquidity ensured member access to funding, and market risk exposure was consistently neutral. Core mission achievement

Overview of Annual Examination Results



remained strong. Financial performance was satisfactory, and profitability trended higher during the second half of the year. Principal concerns from the examination centered on affordable housing and community investment activities, and administration of the 2021 AHP General Fund in particular. Additional concerns included model risk management governance; Mortgage Asset Program monitoring, reporting, and documentation; and credit risk-based capital calculation practices.

District 3: The Federal Home Loan Bank of Pittsburgh

At the time of its examination in July 2022, the overall condition and operations of the FHLBank of Pittsburgh were satisfactory. Oversight of operations by the board and senior management was adequate. The FHLBank had strong capital and liquidity positions, satisfactory earnings, and acceptable operational risk. Sensitivity to market risk was moderate and asset quality was satisfactory. Primary examination concerns related to the FHLBank's insurance company membership application standards and practices, acquired mortgages pricing methodology and risk modeling practices, securities collateral haircut methodology, and collateral verification reviews. Oversight and execution of the AHP was satisfactory.

District 4: The Federal Home Loan Bank of Atlanta

At the time of the examination in January 2022, the overall condition and operations of the FHLBank of Atlanta were satisfactory. The FHLBank had sound capital and liquidity positions; however, earnings needed improvement. Asset quality was strong with low credit risk. Oversight by the board of directors and management was satisfactory. Primary examination concerns related to reliance on aging technology, regulatory compliance, risk modeling governance and practices, and the pricing of complex advances. Oversight and execution of the AHP was satisfactory.

District 5: The Federal Home Loan Bank of Cincinnati

At the time of the January 2022 examination, the overall condition and operations of the FHLBank of Cincinnati were satisfactory. The FHLBank's financial condition was satisfactory, evidenced by strong liquidity, adequate capitalization, sufficient earnings, and satisfactory asset quality. Board and senior management oversight was satisfactory, as were market and operational risk levels. Primary examination concerns related to the FHLBank's AHP administration, Mortgage Purchase Program credit enhancement and pricing practices, operating incident analysis, and vulnerability and penetration testing.

District 6: The Federal Home Loan Bank of Indianapolis

At the time of its examination in October 2022, the overall condition and operations of the FHLBank of Indianapolis were satisfactory. The FHLBank had sufficient capital and earnings; satisfactory interest rate risk, credit risk and operational risk profiles; and a strong liquidity position. Oversight by the board and senior management was effective. Primary examination concerns related to unsecured credit controls, model risk management, software management, and pricing for one of the Bank's advance products. Oversight and execution of the AHP was satisfactory.

District 7: The Federal Home Loan Bank of Chicago

At the time of its 2022 examination in July, the overall condition and operations of the FHLBank of Chicago were satisfactory. Strong capital and earnings profiles supported moderate risk levels throughout Bank operations. In its role as the Mortgage Partnership Finance (MPF) provider, the FHLBank adequately managed the MPF program and collaborated with participating FHLBanks. Primary examination concerns related to AHP administration, member accountability within community investment programs programs, insurance company member standards and credit ratings, credit risk-based capital calculations, information security, disaster recovery strategies, and mortgage prepayment modeling.

District 8: The Federal Home Loan Bank of Des Moines

At the time of its examination in October 2022, the overall condition, and operations of the FHLBank of Des Moines were satisfactory. Capital management and sensitivity to market risk practices were satisfactory. Asset quality was satisfactory with low credit risk. Earnings performance and liquidity were strong and supported the overall sound financial condition of the Bank. Board and management oversight remained overall effective; however, operational risk management warranted improvement. Primary examination concerns related to an elevated operational risk level, credit risk-based capital calculation, regulatory compliance management, municipal securities collateral processes, and credit and market model risk management practices. Oversight and execution of the AHP was satisfactory.

District 9: The Federal Home Loan Bank of Dallas

At the time of the October 2022 annual examination, the overall condition and operations of the FHLBank of Dallas remained satisfactory. The board and senior management effectively managed potential risks to the institution and remediated findings from the previous examination. The FHLBank's capital position remained satisfactory; earnings and capital positions were strong. Although credit and market risks were appropriately identified and controlled, the examination noted operational weaknesses regarding member stock purchase requirements, risk identification related to standby letters of credit, and addressing potential cloud computing risks. Oversight and execution of the AHP remained satisfactory.

District 10: The Federal Home Loan Bank of Topeka

At the time of its examination in April 2022, the overall condition and operations of the FHLBank of Topeka were satisfactory. The FHLBank had satisfactory earnings and capital positions that were sufficient to support operations and pay a reasonable dividend to members. The FHLBank's liquidity position was strong. Sensitivity to market risk practices reflected ongoing significant concern with the accuracy of management's market risk measurement and the sufficiency of the FHLBank's efforts to address previous concerns. The FHLBank exhibited satisfactory credit and operational risk oversight. In addition to concerns with the FHLBank's market risk modeling practices, principal examination concerns related to identified deficiencies in secured and unsecured credit risk management practices and potential concerns related to the effects of the global pandemic. Oversight and execution of the AHP was satisfactory.

District 11: The Federal Home Loan Bank of San Francisco

At the time of its examination in January 2022, the overall condition and operations of the FHLBank of San Francisco were satisfactory. The FHLBank's financial condition was satisfactory, evidenced by satisfactory earnings and strong capitalization and liquidity. Sensitivity to market risk oversight was effective. Asset quality and operational risk levels were satisfactory, and board and senior management oversight was effective. Primary examination concerns related to insurance company membership application standards and practices and third-party oversight. Execution and oversight of the AHP was satisfactory.

Office of Finance

At the time of its examination in April 2022, the overall condition and operations of the OF were satisfactory. Oversight by the board and senior management was satisfactory, and operational risk exposure was acceptable. Primary examination concerns related to third-party relationship management, information technology oversight, and disaster recovery preparedness.

FHLBank Directors' Compensation and Expenses

The FHLBanks are governed by boards of directors, which range in size from 14 to 22 directors. The Bank Act requires the majority of FHLBank board members 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 where they serve as a board member and cannot be officers of a FHLBank or directors, officers, or employees of a member of the FHLBank where they serve. The 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.

In 2010, FHFA implemented section 1202 of the Housing and Economic Recovery Act of 2008 (HERA), which repealed statutory caps on the annual compensation that could be paid to FHLBank directors. This change allowed each FHLBank to pay its directors reasonable compensation for their services and expenses, subject to FHFA's approval. Since that time, the average annual compensation for FHLBank directors has increased from $45,000 in 2010 to $111,708 in 2022. While FHFA must annually review the proposed compensation for the directors to determine that it is reasonable, FHFA does not have express statutory authority to set director compensation for the FHLBanks.

FHFA administers its oversight of Bank director compensation in accordance with applicable regulations. Each of the 11 FHLBanks and the OF provides FHFA with its 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. FHFA reviews each Policy to assess the reasonableness of the proposed maximum compensation considering third-party market data and to ensure that it includes a provision for reducing compensation of any director who does not attend a sufficient number of meetings or fails to be a contributing board member. For 2022, each FHLBank and the OF submitted to FHFA reports of attendance and compensation paid to their directors. The FHLBanks and the OF reduced director compensation in accordance with their 2022 policies. Figure 11 shows the approved maximum compensation amounts available in 2022 for the listed board positions at each FHLBank and the OF.

Figure 11: 2022 Annual Maximum Compensation for FHLBank Directors

Federal Home Loan Bank	Chair	Vice Chair	Audit Committee Chair	Other Committee Chairs	Directors
Atlanta	$ 140,000	$ 120,000	$ 115,000	$ 110,000	$ 100,000
Boston	$ 137,500	$ 117,500	$ 117,500	$ 117,500	$ 107,500
Chicago	$ 150,000	$ 135,000	$ 135,000	$ 122,000	$ 110,000
Cincinnati	$ 145,000	$ 125,500	$ 125,500	$ 122,500	$ 110,000
Dallas[a]	$ 144,500	$ 130,000	$ 126,000	$ 121,500	$ 111,000
Des Moines	$ 146,000	$ 135,000	$ 130,000	$ 125,000	$ 112,000
Indianapolis	$ 142,000	$ 126,500	$ 125,500	$ 122,500	$ 112,000
New York	$ 152,500	$ 132,500	$ 130,000	$ 130,000	$ 120,000
Office of Finance[b,c]	$ 142,500	N/A	$ 122,500	$ 117,500	$ 110,000
Pittsburgh	$ 142,500	$ 122,500	$ 122,500	$ 122,500	$ 112,500
San Francisco	$ 150,000	$ 136,500	$ 132,500	$ 130,000	$ 123,000
Topeka	$ 142,500	$ 122,500	$ 122,500	$ 122,500	$ 112,500
Average	$ 144,583	$ 127,591	$ 125,375	$ 121,958	$ 111,708
Median	$ 143,500	$ 126,500	$ 125,500	$ 122,500	$ 111,500

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

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

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

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. FHFA also reviews these expenses for reasonableness. Figure 12 contains information on FHLBank directors' compensation in 2022 and its component parts: compensation paid in cash, compensation deferred, and amounts paid for spouse and guest expenses.

Figure 12: FHLBank Director Compensation for 2022

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[a]	$89,214	$1,249,000	$18,694	$261,714	$3,427	$47,973	$111,335	$1,558,687
Boston[b]	$51,354	$770,317	$63,090	$946,350	$0	$0	$114,444	$1,716,667
Chicago[c]	$103,881	$1,869,866	$11,347	$204,250	$566	$10,196	$115,795	$2,084,312
Cincinnati	$116,824	$1,986,000	$0	$0	$791	$13,455	$117,615	$1,999,455
Dallas	$99,765	$1,696,000	$18,559	$315,500	$760	$12,917	$119,083	$2,024,417
Des Moines[d]	$100,848	$2,218,650	$18,443	$405,750	$74	$1,633	$119,365	$2,626,033
Indianapolis[e]	$100,485	$1,708,250	$10,809	$183,750	$423	$7,193	$111,717	$1,899,193
New York[f]	$127,500	$2,295,000	$0	$0	$555	$9,991	$128,055	$2,304,991
Office of Finance[g]	$121,500	$607,500	$0	$0	$0	$0	$121,500	$607,500
Pittsburgh	$96,881	$1,550,095	$22,293	$356,685	$0	$0	$119,174	$1,906,780
San Francisco[h]	$80,871	$1,213,064	$49,467	$742,000	$317	$4,750	$130,654	$1,959,814
Topeka	$95,596	$1,625,125	$22,199	$377,375	$2,233	$37,955	$120,027	$2,040,455
Total (all directors)	**$1,184,719**	**$18,788,867**	**$234,900**	**$3,793,375**	**$9,146**	**$146,061**	**$1,428,765**	**$22,728,303**
Average	**$98,727**	**$1,565,739**	**$19,575**	**$316,115**	**$762**	**$12,172**	**$119,064**	**$1,894,025**
Median	**$100,125**	**$1,660,563**	**$18,501**	**$288,607**	**$489**	**$8,592**	**$119,129**	**$1,979,634**

[a] The Atlanta board elected a director to fill a vacancy on 3/3/2022.

[b] Boston had a director resign on 10/31/2022.

[c] Chicago had a director resign on 6/30/2022.

[d] The Des Moines board elected a director to fill a vacancy on 1/19/2022.

[e] Indianapolis had three directors resign in 2022.

[f] New York had a director resign on 4/7/2022.

[g] The Office of Finance had a director's term expire on 7/20/2022 and a new director elected the same day.

[h] San Francisco had a director resign on 6/30/2022 and a replacement elected on 7/28/2022.

In addition to information about director compensation, the FHLBanks and the OF are required each year to submit to FHFA for review expenses incurred by the boards of directors, which are either paid directly by the FHLBank or reimbursed to the directors. Figure 13 summarizes this information. Board Expenses Attributable to Directors includes all travel-related expenses for which the directors are reimbursed, including transportation, lodging, and food. Director Training Expenses includes the costs of external speakers at board meetings, board member attendance at training conferences, and educational materials. Other Director Expenses includes the costs of attendance at FHLBank-related events, such as annual member meetings, chair and vice chair meetings, and Council of FHLBanks meetings. Group Expenses includes costs not directly attributable to individuals, such as food and beverages at meetings, audio-visual services, and meeting space rentals.

Figure 13: FHLBank Directors' Expenses in 2022

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	$16,067	$224,942	$4,124	$57,739	$655	$9,172	$4,321	$60,493
Boston	$3,470	$52,055	$0	$0	$747	$11,198	$2,088	$31,324
Chicago	$9,161	$164,894	$1,312	$23,609	$549	$9,886	$6,839	$123,107
Cincinnati	$7,369	$125,270	$676	$11,499	$151	$2,566	$700	$11,901
Dallas	$4,696	$79,833	$1,330	$22,616	$794	$13,492	$4,553	$77,393
Des Moines	$9,035	$198,778	$1,286	$28,285	$569	$12,523	$2,520	$55,432
Indianapolis	$3,567	$60,642	$2,599	$44,184	$796	$13,536	$5,820	$98,940
New York	$6,569	$118,245	$810	$14,586	$330	$5,948	$3,209	$57,757
Office of Finance[a]	$7,889	$39,444	$2,007	$10,034	$1,062	$5,308	$7,858	$125,725
Pittsburgh	$4,350	$69,606	$3,661	$58,568	$5,629	$90,072	$5,789	$92,630
San Francisco	$8,459	$126,886	$3,057	$45,856	$2,312	$34,678	$6,086	$91,289
Topeka	$9,368	$159,250	$1,162	$19,753	$588	$9,997	$4,453	$75,696
Total (all directors)	**$90,001**	**$1,419,844**	**$22,024**	**$336,729**	**$14,182**	**$218,375**	**$54,235**	**$901,687**
Average	**$7,500**	**$118,320**	**$1,835**	**$28,061**	**$1,182**	**$18,198**	**$4,520**	**$75,141**
Median	**$7,629**	**$121,757**	**$1,321**	**$23,112**	**$701**	**$10,598**	**$4,503**	**$76,545**

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

Figure 14 summarizes the average and total costs of the directors of each FHLBank and the OF as the sum of compensation and expenses.

Figure 14: FHLBank Directors' Total Cost for 2022

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[a]	$111,335	$1,558,687	$25,168	$352,345	$136,502	$1,911,032
Boston[b]	$114,444	$1,716,667	$6,305	$94,577	$120,750	$1,811,244
Chicago[c]	$115,795	$2,084,312	$17,861	$321,497	$133,656	$2,405,809
Cincinnati	$117,615	$1,999,455	$8,896	$151,236	$126,511	$2,150,690
Dallas	$119,083	$2,024,417	$11,373	$193,333	$130,456	$2,217,750
Des Moines[d]	$119,365	$2,626,033	$13,410	$295,017	$132,775	$2,921,051
Indianapolis[e]	$111,717	$1,899,193	$12,782	$217,302	$124,500	$2,116,495
New York[f]	$128,055	$2,304,991	$10,919	$196,535	$138,974	$2,501,526
Office of Finance[g, h]	$121,500	$607,500	$18,815	$180,511	$140,315	$788,011
Pittsburgh	$119,174	$1,906,780	$19,430	$310,876	$138,604	$2,217,656
San Francisco[i]	$130,654	$1,959,814	$19,914	$298,709	$150,568	$2,258,523
Topeka	$120,027	$2,040,455	$15,570	$264,697	$135,597	$2,305,152
Total (all directors)	**$1,428,765**	**$22,728,303**	**$180,442**	**$2,876,635**	**$1,609,207**	**$25,604,938**
Average	**$119,064**	**$1,894,025**	**$15,037**	**$239,720**	**$134,101**	**$2,133,745**
Median	**$119,129**	**$1,979,634**	**$14,490**	**$240,999**	**$134,627**	**$2,217,703**

[a] The Atlanta board elected a director to fill a vacancy on 3/3/2022.

[b] Boston had a director resign on 10/31/2022.

[c] Chicago had a director resign on 6/30/2022.

[d] The Des Moines board elected a director to fill a vacancy on 1/19/2022.

[e] Indianapolis had three directors resign in 2022.

[f] New York had a director resign on 4/7/2022.

[g] Group expenses for the Office of Finance are divided by the full 16 board members rather than just the 5 independent directors.

[h] The Office of Finance had a director's term expire on 7/20/2022 and a new director elected the same day.

[i] San Francisco had a director resign on 6/30/2022 and a replacement elected on 7/28/2022.

RESULTS OF STRESS TESTS UNDER THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

Summary

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), as amended by section 401 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, requires certain financial companies with total consolidated assets of more than $250 billion, and which are regulated by a primary federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of severely adverse economic conditions. These statutory changes, which became effective on March 24, 2020, require the Enterprises to conduct stress tests on an annual basis due to their total consolidated asset amounts, function in the mortgage market, size of their retained portfolios, and their share of the mortgage securitization market. Because no FHLBank meets the total consolidated asset threshold of $250 billion, none of them are subject to the stress test requirements of the statute. Dodd-Frank Act stress testing is a forward-looking exercise that assesses the impact on capital levels that would result from a global market shock and nine quarters of adverse economic conditions.

The 2022 Dodd-Frank Act stress tests conducted by the Enterprises were based on their portfolios as of December 31, 2021. The stress tests covered two distinct scenarios, each over the nine-quarter period from January 1, 2022, through March 31, 2024.

First, the Baseline scenario models an environment of economic expansion in the United States, under which average nominal house prices increase gradually by about 3 percent per year throughout the scenario. The unemployment rate declines modestly through the nine-quarter scenario. Mortgage interest rates increase moderately in line with long-term Treasury yields.

Second, the Severely Adverse scenario models an environment marked by a severe global recession, under which house prices and commercial real estate prices in the United States decline approximately 28 percent and 35 percent, respectively. The unemployment rate increases significantly from 4.2 percent at the beginning of the scenario period to a peak of 10 percent in the third quarter of 2023. Short-term interest rates remain near zero through the scenario period. Long-term interest rates fall to a trough of 0.75 percent in the first quarter of 2022, remain at that level through the third quarter of 2022, and then gradually increase to 1.5 percent by the end of the scenario period. Mortgage interest rates fall in the first quarter, increase in the subsequent four quarters of the scenario period, and then fall gradually.

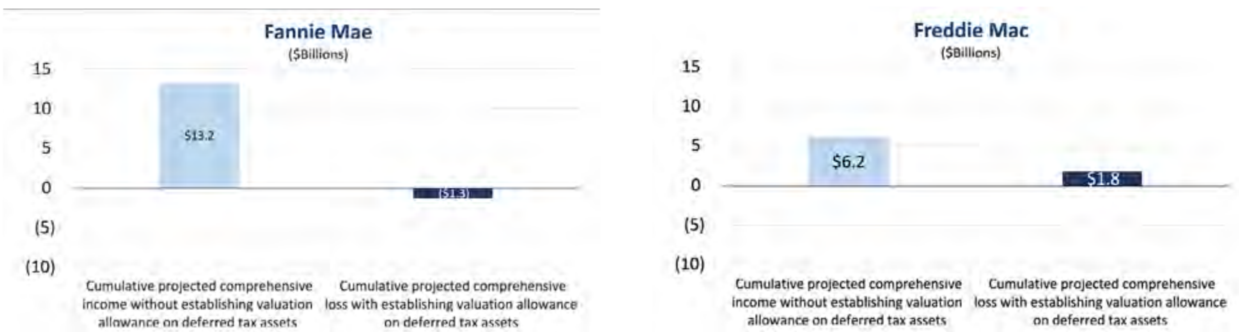
FHFA generally aligns the stress test scenario variables and assumptions with those used by the Board of Governors of the Federal Reserve System (Federal Reserve Board) in its annual Dodd-Frank Act stress tests. Like the stress testing assumptions used by the Federal Reserve Board for the Severely Adverse scenario, FHFA requires the Enterprises to apply a global market shock to securities and other assets held at fair value.

FHFA requires the Enterprises to incorporate a counterparty default scenario component into the Severely Adverse scenario. This additional component requires each Enterprise to estimate the potential losses and effects on capital associated with the instantaneous and unexpected default of its largest counterparty across one of the following: secured and unsecured lending, securities lending, repurchase and reverse repurchase agreements, and derivative exposures; credit risk transfer reinsurance counterparties; nonbank servicers; single-family mortgage insurance providers; or providers of multifamily credit enhancements.

2022 Results for the Severely Adverse Scenario

FHFA, acting in its capacity as conservator, published the results of the Severely Adverse scenario stress tests of the Enterprises on August 11, 2022. In the Severely Adverse scenario, each Enterprise projects total comprehensive income without establishing a valuation allowance on deferred tax assets and total comprehensive losses with establishing a valuation allowance on deferred tax assets. As shown in Figure 15, Fannie Mae projects total comprehensive income of $13.2 billion (without allowance) and losses of $1.3 billion (with allowance), and Freddie Mac projects total comprehensive income of $6.2 billion (without allowance) and $1.8 billion (with allowance). The largest contributor to losses at both Enterprises was the provision for credit losses, followed by the global market shock impact on trading securities and available-for-sale securities.

Figure 15: Severely Adverse Scenario Projections - Cumulative Comprehensive Income (Losses)



MISSION ACTIVITIES

Throughout 2022, the Enterprises and FHLBanks completed a variety of mission activities that supported the financing of affordable housing for homeowners and renters across the country, as summarized in FHFA's 2022 Housing Mission Report.[12] Despite challenging market conditions, the regulated entities were able to complete statutory as well as non-statutory activities while operating in a safe and sound manner.

In support of homeowners, the Enterprises continued to refine methods for assessing borrower income, such as including accessory dwelling unit rental income and positive rental payment history reporting. In addition, the Enterprises acquired 250,000 loans that qualified for the new single-family minority census tracts housing subgoal and 49,000 single-family loans that met the targets of the Duty to Serve (DTS) program.

The Enterprises also provided support to renters by financing 840,000 housing goal-eligible units affordable to low-income renters and 250,000 housing goal-eligible units affordable to very low-income renters. In 2022, 68 percent of Fannie Mae's and 69 percent of Freddie Mac's total multifamily volume, respectively, were classified as mission-driven.

To support the development of affordable housing supply, FHFA permits the Enterprises to invest in the Low-Income Housing Tax Credit (LIHTC) market as equity investors. More than $2 billion of the Enterprises' LIHTC investments were made in targeted transactions that either support housing in Duty to Serve-designated rural areas or meet other affordable housing objectives defined by FHFA.

12 *See* https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2022-Mission-Report.pdf.

In 2022, the FHLBanks continued to support mission programs in low-income housing and targeted economic development, supporting over 25,000 units under the Affordable Housing Program and over 15,000 units under the Community Investment Program (CIP).

The FHLBanks in 2022 also provided nearly $3.2 billion in CIP housing advances and over $1.4 billion in targeted economic development advances under the Community Investment Cash Advances (CICA) program. More than $1.6 billion of CIP advances supported rural projects.

ENTERPRISE HOUSING GOALS AND DUTY TO SERVE

Housing Goals

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) requires FHFA to establish annual housing goals for Enterprise purchases of both single-family and multifamily mortgages.

In 2022, FHFA evaluated the mortgages purchased by the Enterprises in 2021 based on the following housing goals.[13]

1. **Low-income home purchase goal:** Home purchase mortgages on single-family, owner-occupied properties for families with incomes no greater than 80 percent of area median income (AMI).
2. **Very low-income home purchase goal:** Home purchase mortgages on single-family, owner-occupied properties for families with incomes no greater than 50 percent of AMI.
3. **Low-income areas home purchase goal:** Home purchase mortgages on single-family, owner-occupied properties that meet the criteria of the low-income areas home purchase subgoal, or that are for families with incomes no greater than 100 percent of AMI who live in designated disaster areas.
4. **Low- income areas home purchase subgoal:** (i) Home purchase mortgages on single-family, owner-occupied properties for families (regardless of income) in low-income census tracts,[14] and (ii) home purchase mortgages on single-family, owner-occupied properties for families with incomes no greater than 100 percent of AMI, in minority census tracts.[15]
5. **Low-income refinance goal:** Refinance mortgages on single-family, owner-occupied properties for families with incomes no greater than 80 percent of AMI.
6. **Low-income multifamily goal:** Rental units in multifamily properties that are affordable to families with incomes no greater than 80 percent of AMI.
7. **Very low-income multifamily subgoal:** Rental units in multifamily properties that are affordable to families with incomes no greater than 50 percent of AMI.
8. **Small multifamily low-income subgoal:** Rental units in multifamily properties with 5 to 50 units that are affordable to families with incomes no greater than 80 percent of AMI.

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13 *See* 12 CFR part 1282 (2021).

14 Low-income census tracts are defined for purposes of the housing goals as census tracts where the median income is no greater than 80 percent of AMI.

15 Minority census tracts are defined for purposes of the housing goals as census tracts that have a minority population of at least 30 percent and a tract median income of less than 100 percent of AMI.

In determining whether an Enterprise has met a single-family housing goal, FHFA compares the percentage of its total mortgage purchases that meet the goal to a benchmark level, established in advance by FHFA regulation, and a market level determined retrospectively using Home Mortgage Disclosure Act (HMDA) data. An Enterprise meets the goal if its performance meets or exceeds either of those levels. FHFA evaluates whether an Enterprise has met a multifamily housing goal by comparing the number of units in properties secured by a mortgage purchased by an Enterprise that meet the goal to the benchmark level for the goal that is established in advance by FHFA regulation.

Figure 16(A) summarizes Enterprise housing goals performance in 2021. Enterprise 2021 performance figures are derived from FHFA's analysis of loan-level data provided by the Enterprises in 2022. In October 2022, FHFA finalized its determinations of Enterprise performance in 2021.

FHFA determined that both Fannie Mae and Freddie Mac met all of the single-family housing goals in 2021, as each Enterprise's performance surpassed the benchmark level for each goal. FHFA also determined that both Enterprises met all of the multifamily goals in 2021, as each Enterprise's performance surpassed the benchmark level for each goal.

Figure 16(A): 2021 Enterprise Housing Goals Performance

Enterprise Housing Goals Performance for 2021

Category	Benchmarks	Market[a]	Official Performance[b]	FHFA Goals Determination
Single-Family Goals				
Low-income home purchase goal	24%	26.7%	Fannie Mae: 28.7%	Fannie Mae: Met
			Freddie Mac: 27.4%	Freddie Mac: Met
Very low-income home purchase goal	6%	6.8%	Fannie Mae: 7.4%	Fannie Mae: Met
			Freddie Mac: 6.3%	Freddie Mac: Met
Low-income areas home purchase subgoal	14%	19.1%	Fannie Mae: 20.3%	Fannie Mae: Met
			Freddie Mac: 18.0%	Freddie Mac: Met
Low-income areas home purchase goal	18%	22.9%	Fannie Mae: 24.5%	Fannie Mae: Met
			Freddie Mac: 21.8%	Freddie Mac: Met
Low-income refinance goal	21%	26.1%	Fannie Mae: 26.2%	Fannie Mae: Met
			Freddie Mac: 24.8%	Freddie Mac: Met
Multifamily Goals (units)				
Low-income multifamily goal	315,000	NA	Fannie Mae: 384,488	Fannie Mae: Met
			Freddie Mac: 373,225	Freddie Mac: Met
Very low-income multifamily subgoal	60,000	NA	Fannie Mae: 83,459	Fannie Mae: Met
			Freddie Mac: 87,854	Freddie Mac: Met
Small multifamily property low-income subgoal	10,000	NA	Fannie Mae: 14,409	Fannie Mae: Met
			Freddie Mac: 31,913	Freddie Mac: Met

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

[a] Goal-qualifying shares of single-family home purchase or refinance conventional conforming mortgages originated in the primary mortgage market, based on FHFA analysis of 2021 HMDA data.

[b] Official performance in 2021 as determined by FHFA, based on analysis of Enterprise loan-level data.

In December 2021, FHFA published a final rule establishing benchmark levels for each of the single-family housing goals and subgoals for 2022-2024. The final rule included two new single-family subgoals to replace the previous low-income areas subgoal. The new minority census tracts subgoal is designed to focus on purchasing mortgages for low- and moderate-income borrowers in communities of color.[16] The subgoal encourages the Enterprises to develop business strategies aimed specifically at meeting homeownership needs in communities of color and reflects FHFA's commitment to improvingaccess to credit in these communities. The new low-income census tracts subgoal continues to target loans in low-income areas.[17]

FHFA's assessment of the Enterprises' 2022 housing goals performance is currently underway. Figure 16(B) shows the goal levels and preliminary performance figures for 2022 based on information released in March 2023 in each Enterprise's Annual Housing Activities Report and Annual Mortgage Report. Later in 2023, FHFA will make final determinations on the Enterprises' housing goals performance and market levels for 2022.

16 The minority census tracts subgoal includes home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 100 percent of AMI, in minority census tracts.

17 The low-income census tracts subgoal includes (i) home purchase mortgages on single-family, owner-occupied properties to borrowers (regardless of income) in low-income census tracts that are not minority census tracts; and (ii) home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes greater than 100 percent of AMI in low-income census tracts that are also minority census tracts.

Figure 16(B): 2022 Enterprise Housing Goals Performance (Preliminary)

Enterprise Housing Goals Performance for 2022		
Category	**Benchmark**	**Reported Performance[a]**
Single-Family Goals		
Low-income home purchase goal	28%	Fannie Mae: 27.4%
		Freddie Mac: 29.0%
Very low-income home purchase goal	7%	Fannie Mae: 6.9%
		Freddie Mac: 7.1%
Low-income areas home purchase goal	20%	Fannie Mae: 29.6%
		Freddie Mac: 28.7%
Minority census tracts subgoal	10%	Fannie Mae: 13.5%
		Freddie Mac: 12.8%
Low-income census tracts subgoal	4%	Fannie Mae: 9.3%
		Freddie Mac: 9.1%
Low-income refinance goal	26%	Fannie Mae: 34.7%
		Freddie Mac: 37.1%
Multifamily Goals (units)		
Low-income multifamily goal	415,000	Fannie Mae: 419,361
		Freddie Mac: 420,106
Very low-income multifamily subgoal	88,000	Fannie Mae: 127,905
		Freddie Mac: 127,733
Small multifamily property low-income subgoal	Fannie Mae: 17,000	Fannie Mae: 21,436
	Freddie Mac: 23,000	Freddie Mac: 27,103

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

[a] Performance as reported by the Enterprises in their March 2023 Annual Housing Activities Reports. Official performance on all goals in 2022 will be determined by FHFA after analysis of Enterprise loan-level data is completed.

The December 2021 final rule established multifamily housing goals for 2022 only. In 2022, FHFA engaged in notice-and-comment rulemaking to establish new multifamily benchmark levels for the Enterprises covering 2023-2024. FHFA published a proposed rule on August 18, 2022, and a final rule on December 23, 2022. The final rule includes for the first time a new percentage-based methodology for measuring the multifamily housing goals. The new percentage-based benchmarks for the Enterprise multifamily housing goals will help ensure that the Enterprises continue to support affordable multifamily housing in a variety of market conditions.

In 2022, FHFA required Freddie Mac to strengthen the housing plan that Freddie Mac originally submitted in response to its failure to meet the single-family low-income refinance goal in 2020. Because Freddie Mac's performance on the low-income refinance goal fell short of the benchmark level and the market performance in 2020, FHFA required Freddie Mac to submit a housing plan outlining the steps it would take to better address the needs of low-income borrowers who would benefit from refinancing in the future. FHFA formally approved Freddie Mac's revised housing plan in February 2023.

Duty to Serve

The Safety and Soundness Act provides that the Enterprises have a "duty to serve underserved markets." The statute specifies that the Enterprises "shall provide leadership to the market in developing loan products and flexible underwriting guidelines" to improve the distribution and availability of mortgage financing in a safe and sound manner and "to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families with respect to the following underserved markets:" manufactured housing, affordable housing preservation, and rural housing.[18] The statute directs FHFA to evaluate each Enterprise's compliance with this duty to serve and to evaluate and rate the extent of such compliance on an annual basis.

In December 2016, FHFA issued a final rule implementing the duty to serve (DTS) statutory requirements.[19] The regulation requires each Enterprise to develop an Underserved Markets Plan (Plan) detailing the objectives and activities to be undertaken by the Enterprise to meet its DTS obligations over a three-year period. The regulation establishes a process for FHFA to review and issue a Non-Objection for each underserved market in the Plan, pursuant to Non-Objection standards set forth in separate FHFA Evaluation Guidance, once FHFA is satisfied that all of its comments have been addressed.

The regulation also establishes a framework for FHFA to evaluate and rate the Enterprises' compliance (further developed in the FHFA Evaluation Guidance), lists specific activities eligible for DTS credit, and allows the Enterprises to propose additional activities that FHFA will consider for DTS credit eligibility. The regulation does not mandate any specific activities. Instead, it requires the Enterprises to develop their own Plans to better serve households in the three underserved markets.

FHFA's process for evaluating and rating the Enterprises' DTS performance consists of three parts. First, FHFA conducts a quantitative assessment to determine whether each Enterprise achieved the objectives in its Plan. Second, FHFA conducts a qualitative assessment of each Enterprise's impact on affordable housing in the underserved markets. Third, FHFA evaluates extra credit-eligible activities undertaken by each Enterprise.

2022-2024 Duty to Serve Plans

On May 3, 2021, both Enterprises submitted their proposed 2022-2024 Plans to FHFA. After submitting several rounds of draft revised Plans and receiving from FHFA written feedback to inform revisions to specific proposed activities and objectives in each submission, Fannie Mae and Freddie Mac received Non-Objection determinations for each market in these Plans on April 26, 2022.[20]

2022-2024 Plan Modifications

Under FHFA's Evaluation Guidance, an Enterprise may request to modify objectives in its Plan at any time for any year of the Plan. The Evaluation Guidance provides, however, that modifications that would change current year targets should not be submitted on a routine basis and should only occur in response to special circumstances beyond an Enterprise's control that materially alter its ability to execute an objective through the actions in its Plan, or to strengthen an Enterprise's commitment to an underserved market, such as making a target more ambitious,

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18 *See* 12 U.S.C. § 4565.

19 81 FR 96242 (Dec. 29, 2016), codified at 12 CFR part 1282, Subpart C.

20 FHFA provided notice to each Enterprise that the effective date for the versions of the 2022-2024 Plans that ultimately satisfied the standards for Non-Objection would be January 1, 2022, regardless of when the Non-Objections were issued.

broadening the scope of an activity, or adding a new baseline to an objective.[21]

The DTS regulation provides that all modification requests are subject to FHFA Non-Objection, and that FHFA may seek public input on modification requests if the Agency "determines that public input would assist its consideration of the proposed modifications."[22] On September 15, 2022, the Enterprises submitted a combined 13 modification requests. Fannie Mae's proposals included modifications to five existing objectives and the addition of two new objectives. Freddie Mac's proposals included modifications to six existing objectives.

On November 4, 2022, FHFA posted a 30-day Request for Input (RFI) on its website seeking feedback on the Enterprises' most significant modification proposals. The RFI included five proposed modifications from Fannie Mae and all six proposed modifications from Freddie Mac.[23] FHFA received seven comments that provided feedback on the proposed modifications and broader feedback on the Enterprises' Plans. After reviewing all of the modification requests and the comments received, FHFA issued Non-Objection determinations for all three markets of each Enterprise's modified Plan on January 13, 2023.

2022 Activities

In 2022, both Enterprises exceeded their targets for an objective in the manufactured housing market. Fannie Mae purchased a total of 5,952 units on Manufactured Housing Communities (MHCs) benefiting from flexibilities for rental units (or "park-owned homes"),[24] exceeding its target of purchasing 1,900 units. Freddie Mac purchased 10,841 loans on manufactured housing titled as real property, exceeding its target of 8,500 loans. In 2022, Fannie Mae did not reach its Manufactured Homes Titled as Real Property target of 10,000 loans, purchasing 8,474 loans.

In the affordable housing preservation market, the Enterprises' Plans included objectives to support Residential Economic Diversity.[25] Both Enterprises exceeded their loan purchase targets in this market. Fannie Mae purchased 57 loans, exceeding its target of 26 loans. Freddie Mac purchased loans on 9,340 units, exceeding its target of 4,100 units.

In the rural housing market, each Enterprise included in its Plan single-family loan purchase targets in high-needs rural regions.[26] Fannie Mae purchased 8,666 purchase money mortgages (PMM) in 2022, exceeding its target of 8,000 loans. Freddie Mac purchased 16,468 loans (including both PMM and refinance loans) in 2022, exceeding its target of 12,800 loans.

Neither Enterprise met its target for its U.S. Department of Agriculture (USDA) Section 515 loan purchase objectives. Although both Enterprises promoted their respective Section 515 loan products, they faced several

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21 Revised Evaluation Guidance 2020-4a, with temporary changes for Plan years 2020 and 2021 (7/22/2020) *available at* https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Duty-to-Serve-Resources.aspx.

22 12 CFR 1282.32(h).

23 The RFI included Freddie Mac's proposed modifications to its USDA 515 loan purchase objectives which have since been rescinded by Freddie Mac: FR_AHP_Sec 515_A and FR_Rural_MF Prop_A.

24 Under this objective, Fannie Mae will purchase loans under a revised MHC offering which allows for more than 25 percent of units to be "park owned homes" where the resident rents both the pad and the unit.

25 The Duty to Serve regulation defines Residential Economic Diversity (RED) as: affordable housing in a high opportunity area or mixed-income housing in an area of concentrated poverty.

26 The DTS regulation defines "high-needs rural region" as any of the following regions provided the region is located in a rural area: Middle Appalachia, the Lower Mississippi Delta, a colonia, or a tract located in a persistent poverty county outside of these three regions. 12 CFR 1282.1.

challenges. Fannie Mae reported long lead times for originating new debt on Section 515 deals, along with smaller average loan balances and increased complexities contributing to low returns for lenders. Freddie Mac reported that borrowers were accustomed to working with the USDA Section 538 program, and were using it as the primary source of new debt on existing properties.

Fannie Mae included an objective in its Plan targeting the small rural rental market, under which Fannie Mae purchased 77 loans, exceeding its target of 68 loans. Freddie Mac included an outreach objective in its Plan highlighting its fourth annual rural research symposium, which was held in November 2022 and focused on providing insights on housing trends, rural rental markets, manufactured housing and energy, the environment, and sustainability.

Figure 17: 2022 Fannie Mae DTS Loan Purchase Performance Relative to Plan Targets[27]

** New loan purchase objective in 2022*

Market	Activity[a]	2022 Target[b]	2022 Purchases[c]	Performance Relative to Target
Manufactured Housing	Manufactured Homes Titled as Real Property	10,000 loans	8,474 loans	Below Target
	Manufactured Housing Communities (MHC) Not Privately Owned	5 properties	2 properties	Below Target
	Loans on MHC properties benefitting from Manufactured Housing Rental flexibilities*	1,900 units	5,952 units	Exceeded
	Manufactured Housing Communities with Certain Tenant Pad Lease Protections	$1.9B UPB	$1.92B UPB	Exceeded
	Mortgages secured by LIHTC Properties	205 loans	348 loans	Exceeded
Affordable Housing Preservation	Section 8	159 loans	223 loans	Exceeded
	USDA Section 515	6 loans	0 loans	Below Target
	Rental Assistance Demonstration Program (RAD)	1,000 units	572 units	Below Target
	Other State or Local Affordable Housing Programs	64 loans	108 loans	Exceeded
	Residential Economic Diversity-- Other state or local affordable housing programs	26 loans	57 loans	Exceeded
	Shared Equity*	175 loans	180 loans	Exceeded
Rural Housing	Single Family High-Needs Rural Regions	8,000 loans	8,666 loans	Exceeded
	Multifamily High-Needs Rural Regions	48 loans	52 loans	Exceeded
	Small Financial Institutions	4,200 loans	4,321 loans	Exceeded
	Small Rural Rental	68 loans	77 loans	Exceeded
	Rural LIHTC Investments	78 investments	88 investments	Exceeded

a Each Enterprise determines the loans for which to seek DTS credit under a given activity, subject to FHFA's parameters. Consequently, loan purchase performance for an activity may not be comparable across Enterprises.

b Each Enterprise determines its 2022 targets using the methodology described in its Plan.

c A loan purchase may qualify for DTS credit under multiple DTS objectives.

27 Assessment of loan purchase performance is preliminary while FHFA conducts its annual review process.

Figure 18: 2022 Freddie Mac DTS Loan Purchase Performance Relative to Plan Targets[28]

** New loan purchase objective in 2022*

Market	Activity[a]	2022 Target[b]	2022 Purchases[c]	Performance Relative to Target
Manufactured Housing	Manufactured Homes Titled as Real Property	8,000 loans	10,841 loans	Exceeded
	Manufactured Housing Communities with Tenant Pad Lease Protections	110 properties or 11,000 pads	146 properties with 19,785 pads	Exceeded
Affordable Housing Preservation	Section 8	27,100 units	32,629 units	Exceeded
	Low Income Housing Tax Credits (LIHTC) Debt	54,000 units	58,880 units	Exceeded
	Residential Economic Diversity: Additional Activity	4,100 units	9,340 units	Exceeded
	Purchase Loans with State and Local Programs	44,000 units	59,816 units	Exceeded
	Seasoned Small Balance Loans from Small Financial Institutions	Lesser of 2 transactions or $300M	0 transactions	Below Target
	USDA Section 515[29]	1 transaction	0 transactions	Below Target
	Shared Equity	115-130 loans	135 loans	Exceeded
Rural Housing	High-Needs Regions (Single Family)	12,800 loans	16,468 loans	Exceeded
	Small Financial Institutions	2,390 loans	2,525 loans	Exceeded
	USDA515	1 rural property	0 properties	Below Target
	LIHTC Investments Rural	20 transactions	20 transactions	Target met
	LIHTC Investments High-Needs Rural Regions	6 transactions	9 transactions	Exceeded
	LIHTC Investments High-Needs Populations	2 transactions	4 transactions	Exceeded

a Each Enterprise determines the loans for which to seek DTS credit under a given activity, subject to FHFA's parameters. Consequently, loan purchase performance for an activity may not be comparable across Enterprises.

b Each Enterprise determines its 2022 targets using the methodology described in its Plan.

c A loan purchase may qualify for DTS credit under multiple DTS objectives.

28 Assessment of loan purchase performance is preliminary while FHFA conducts its annual review process.

29 Freddie Mac lists its objective, Purchase Loans to Preserve Properties with USDA Section 515 Debt, both in the affordable housing preservation and rural housing markets, as is permissible under the DTS regulation.

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.[30] Of the amount set aside, the Enterprises must transfer 65 percent to the Department of Housing and Urban Development to fund the Housing Trust Fund and 35 percent to the Department of the Treasury to fund the Capital Magnet Fund.[31] The Housing Trust Fund is designed to assist states in meeting the housing needs of the lowest-income families. The Capital Magnet Fund is a special account within the Community Development Financial Institutions Fund designed to increase investment in affordable housing, economic development, and community development facilities in low-income or underserved rural areas.[32]

Figure 19 shows the total amounts paid into these funds each year from 2016 through 2023. In February 2022, the Enterprises made, as directed, a total of $1.138 billion in affordable housing allocation payments. In February 2023, the Enterprises disbursed approximately $545 million in payments. These affordable housing allocation payments were calculated based on each Enterprise's total new business purchases. Fannie Mae's new business purchases in 2022 amounted to approximately $684.5 billion, resulting in a $287 million affordable housing allocation payment.[33] Freddie Mac's total new business purchases in 2022 amounted to approximately $600 billion, resulting in a $258 million affordable housing allocation payment.[34]

Figure 19: Affordable Housing Allocation Payments

Enterprise	Affordable Housing Allocation Payments (Dollars in millions)								
	2016	2017	2018	2019	2020	2021	2022	2023	Total
Fannie Mae	$217	$268	$239	$215	$280	$603	$598	$287	$2,420
Freddie Mac	$165	$187	$175	$162	$222	$491	$540	$258	$1,942
Total	$382	$455	$414	$377	$502	$1,090	$1,138	$545	$4,903

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

31 *See* 12 U.S.C. § 4567(a).

32 *Id.*; *see also* 12 U.S.C. §§ 4568 and 4569.

33 *See* https://www.fanniemae.com/media/46276/display.

34 *See* https://www.freddiemac.com/investors/financials/pdf/10k_022223.pdf.

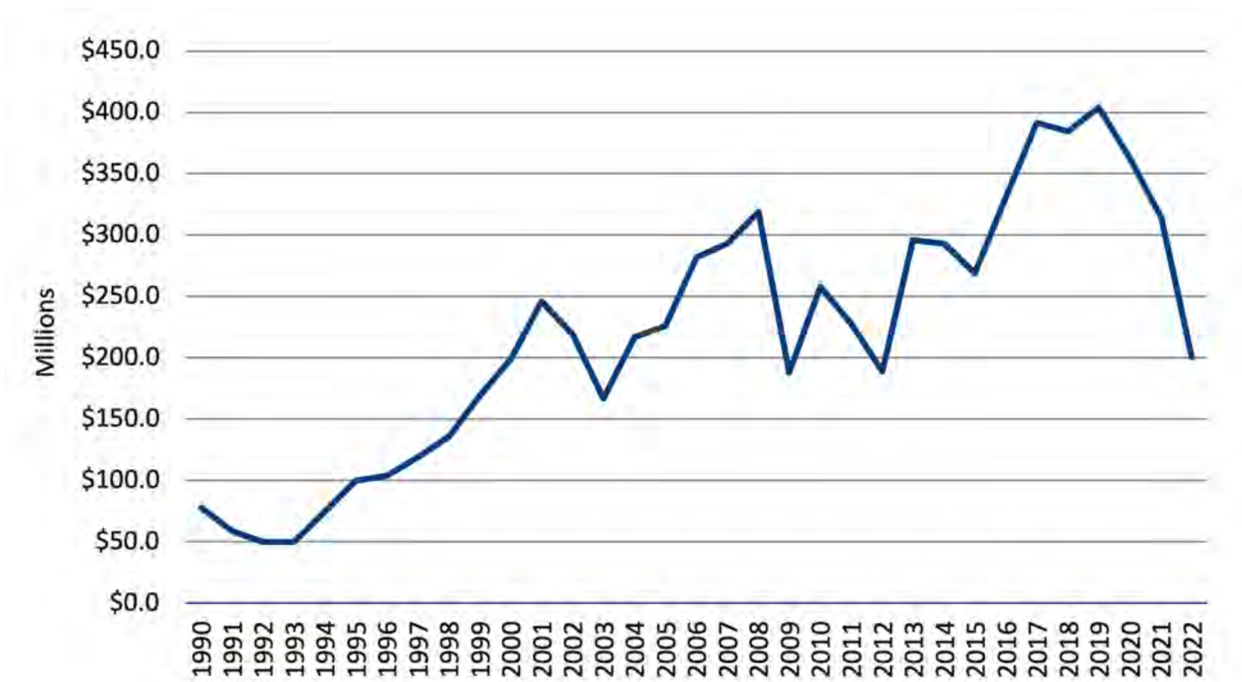
FEDERAL HOME LOAN BANK AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES

Affordable Housing Programs

The Federal Home Loan Bank Act of 1932 (Bank Act) requires each of the FHLBanks to establish an Affordable Housing Program (AHP) to fund the purchase, construction, or rehabilitation of affordable housing for very low- and low- or moderate-income households.[35] FHLBank member financial institutions may apply to their FHLBanks for AHP grants or subsidized advances, which the members pass on as grants or subsidized loans to eligible projects or grants to eligible households. Annually, each FHLBank is required by statute to fund its AHP with 10 percent of its net earnings from the prior year, provided that all 11 FHLBanks meet a total contribution minimum of $100 million.[36] In 2022, the FHLBanks made available more than the statutorily required $200.5 million in AHP subsidies (Figure 20). From 1990, the AHP's first year, through 2022, the FHLBanks made available approximately $7.6 billion in AHP subsidies, assisting more than one million households (Figure 20).

By statute, AHP subsidies must be used either to fund homeownership for households with incomes at or below 80 percent of area median income (AMI), or to purchase, construct, or rehabilitate rental housing in which at least 20 percent of the units will be occupied by, and

Figure 20: Federal Home Loan Banks' AHP Statutory Contributions



35 *See* 12 U.S.C. § 1430(j).

36 *See* 12 U.S.C. § 1430(j)(5)(C).

affordable to, households with incomes at or below 50 percent of AMI. The AHP statutory provisions are implemented pursuant to the AHP regulation.[37]

AHP Competitive Application Program

The AHP regulation requires each FHLBank to implement a competitive application program (referred to as the General Fund). Under these programs, FHLBank members apply on behalf of project sponsors, typically nonprofit organizations or housing finance agencies, to their FHLBanks for AHP funds pursuant to a competitive scoring process.

In 2022, rental housing units represented approximately 86 percent of all units funded under the competitive application program, a slight decrease from 89 percent in 2021 (Figure 21).

37 *See* 12 CFR part 1291.

Figure 21: 2022 AHP Competitive Application Overview[a]

	Rental Housing Projects	Owner-Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	223	98	321
Subsidy Awarded ($ in Millions)	$152.2M	$35.5M	$187.7M
Number of Housing Units	13,076	2,130	15,206
Average Subsidy per Unit	$11,639	$16,685	$12,346
Number of Very Low-Income Housing Units[b]	9,122	1,078	10,200

a Data, which exclude withdrawn projects, are current as of December 31, 2022. Numbers expressed in dollars have been rounded to the nearest dollar.

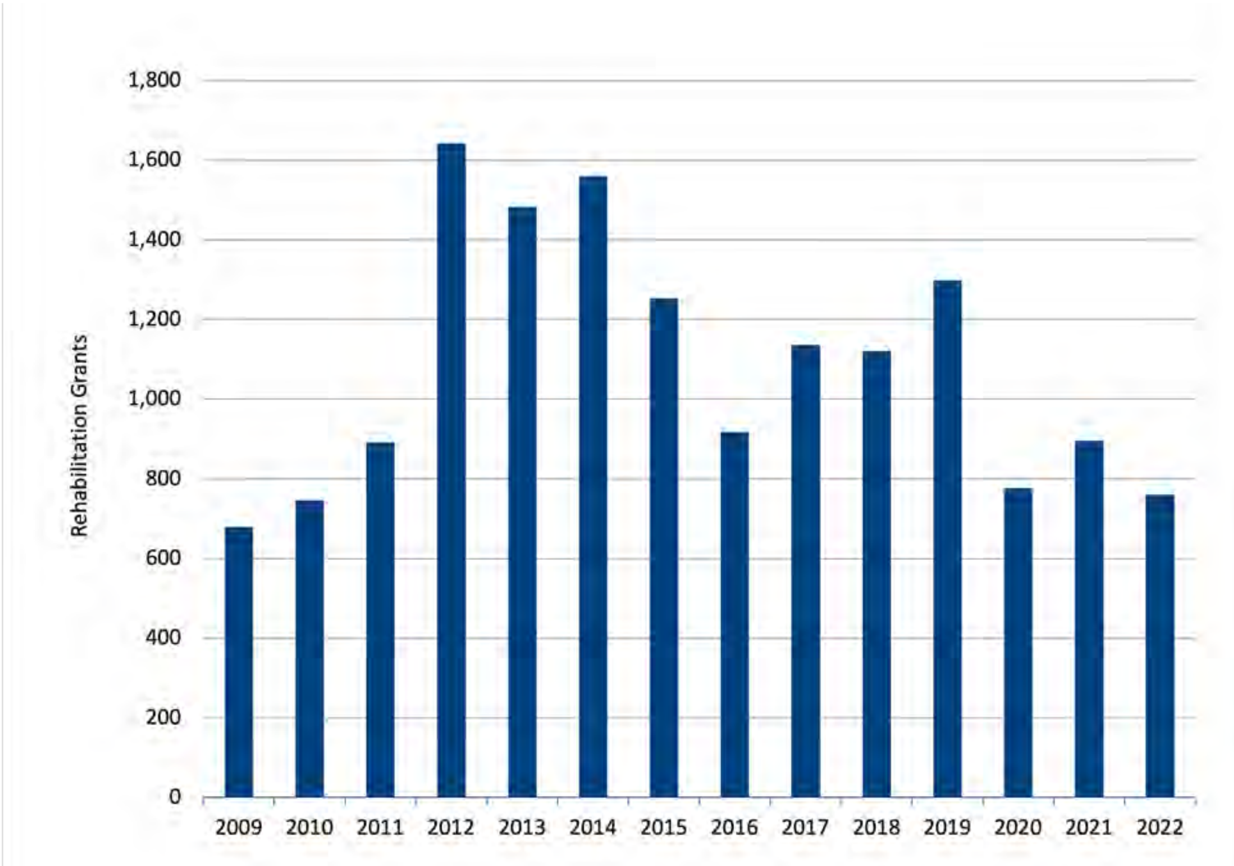
b "Very low-income" is defined as households with incomes at or below 50 percent of AMI.

AHP Homeownership Set-Aside Program

Each FHLBank is also authorized by the AHP regulation to set aside funds for grants to eligible households under homeownership set-aside programs. The limit that each FHLBank may allocate annually is the greater of either $4.5 million or 35 percent of its statutorily required AHP annual contribution (10 percent of its net earnings for the prior year). All 11 FHLBanks offered homeownership set-aside programs in 2022, with total funding of approximately $79.2 million. At least one-third of an FHLBank's annual aggregate homeownership set-aside program allocation must be designated to assist low- or moderate-income first-time homebuyers or owner-occupied rehabilitation for low- or moderate-income households.

The maximum permissible set-aside grant amount in 2022 was $26,070. The FHLBanks' average set-aside grant per recipient household in 2022 was $7,686. The most common use of set-aside grants was to defray borrower down payments and closing costs, with 9,544 grants provided for such payments and costs in 2022. In 2022, 9,336 set-aside grants were provided to first-time homebuyers, and 760 set-aside grants funded the rehabilitation of owner-occupied homes, a decrease from 895 set-aside grants for owner-occupied rehabilitation in 2021 (see Figure 22).

Figure 22: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2009-2022)



AHP Subsidies Used in Conjunction with Other Sources of Funding – The AHP is designed to work with a variety of other funding sources and is frequently used in conjunction with funding from nonprofit organizations and housing programs at the federal, state, or local level. In 2022, approximately 60 percent of AHP projects received funding from other federal programs (Figure 23), such as the HOME Investment Partnerships, Community Development Block Grant, and LIHTC programs. The LIHTC program was the most common source of funding, supporting about 65 percent of all approved AHP applications for rental housing.

Figure 23: Number of AHP Projects Approved in 2022 Receiving Federal Funding[a]

Community Development Block Grant Program	37
HOME Investment Partnerships Program	75
LIHTC Program	145
Federal Housing Administration Programs	6
Other Federal Housing Programs	37
Projects Not Receiving Funding from Federal Sources	130

[a] Data, which exclude withdrawn projects, are current as of December 31, 2022. Some projects may have federal funding from more than one source.

Community Investment Program and Community Investment Cash Advance Program

The FHLBanks' support of low-income housing and community development activities also includes the Community Investment Program (CIP) and Community Investment Cash Advance (CICA) Program. Each FHLBank, through its statutorily mandated CIP,[38] offers advances to its members at the cost of the FHLBanks' consolidated obligations of comparable maturities after considering reasonable administrative costs. CIP advances may assist the financing of housing for households with incomes at or below 115 percent of AMI. CIP funds may also be used for economic development projects located in low- and moderate-income neighborhoods or that benefit low- and moderate-income households. In 2022, the FHLBanks issued approximately $3.2 billion in CIP advances for housing projects and approximately $330.2 million for economic development projects.

Each FHLBank may also offer optional CICA programs, which are authorized under the CICA regulation and the Bank Act.[39] Under these programs, FHLBanks may support the financing of targeted economic development projects by offering regular or discounted long-term advances and grants through FHLBank members, as well as through housing associates such as state and local housing finance agencies and economic development finance authorities. In 2022, the FHLBanks provided approximately $1.4 billion in CICA advances and approximately $8.5 million in CICA grants for economic development projects, such as commercial, industrial, and manufacturing projects, social services, and public facilities that met the requirements for qualifying as one of the specified targeted beneficiaries in the CICA regulation.

Figure 24 below summarizes the CIP and CICA programs by program participants, eligible uses, targeted income, and advance pricing.

[38] *See* 12 U.S.C. § 1430(i).

[39] *See* 12 U.S.C. § 1430(j)(10); 12 CFR part 1292.

Figure 24: CIP and CICA Program Characteristics

<table>
<tr><th colspan="2">Program Characteristics</th><th>CIP</th><th>CICA</th></tr>
<tr><td colspan="2">Type</td><td>Statutorily Required (Bank Act)</td><td>Voluntary</td></tr>
<tr><td colspan="2">Participants</td><td>FHLBank members</td><td>FHLBank members and housing associates[40]</td></tr>
<tr><td colspan="2">Eligible Uses</td><td>Economic Development, Mixed-Use, or Housing</td><td>Economic Development or Mixed-Use</td></tr>
<tr><td rowspan="2">Targeted Income</td><td>Housing</td><td>Household incomes are 115 percent or less of AMI</td><td>N/A</td></tr>
<tr><td>Economic Development</td><td>Household incomes are 80 percent or less of AMI, or activities are located in neighborhoods where at least 51 percent of households are low- or moderate-income</td><td>Includes designated redevelopment areas, Empowerment Zones and Champion Communities,[41] and areas where rural households' incomes are 115 percent or less of AMI, or urban households' incomes are 100 percent or less of AMI</td></tr>
<tr><td colspan="2">Advance Pricing</td><td>Cost of funds plus reasonable administrative costs</td><td>Regular advance pricing or discounted advance pricing</td></tr>
</table>

Community Development Financial Institutions – Two types of CDFIs are eligible to become FHLBank members: federally insured depositories and non-depository CDFIs. As of December 31, 2022, 70 non-depository CDFIs were members of the FHLBank System, up from 68 such members in 2021.[42]

FHLBank Housing Goals

The Bank Act requires that FHFA establish housing goals with respect to the purchase of mortgage loans, if any, by the FHLBanks, and that these goals be consistent with those established for the Enterprises, considering the FHLBanks' unique mission and ownership structure. The FHLBank housing goals regulation establishes housing goals for single-family loans purchased by the FHLBanks from their members through their Acquired Member Assets (AMA) programs.[43] The housing goals measure the extent to which the FHLBanks' AMA programs serve low- and very low-income families and families residing in low-income areas, as well as the extent to which these programs are used by small member institutions.

The FHLBank housing goals regulation includes a combined prospective mortgage purchase housing goal and a small member housing goal for participation by small institutions. The regulation requires that 20 percent of a FHLBank's AMA loan purchases be loans for some combination of low-income families, very low-income families, or families in low-income areas, provided that no more than 25 percent of the purchases that count towards achievement of this 20 percent level be for families with incomes above 80 percent of AMI. FHLBank performance on this goal is shown in Figure 25 below. The regulation also provides that, of all institutions that sell at least one AMA loan to a given FHLBank in a year, at least 50 percent of

40 Housing associates are defined to include eligible state and local housing finance agencies. Housing associates are not FHLBank members, but FHLBanks may offer them advance products except CIP advances. *See* 12 U.S.C. § 1430b; 12 CFR part 1264.

41 *See* 12 CFR 1292.1. "Champion Community" means a community that developed a strategic plan and applied for designation by either the Secretary of the Department of Housing and Urban Development or the Secretary of the Department of Agriculture as an Empowerment Zone or Enterprise Community but was designated a Champion Community.

42 FHLBank membership is available at: https://www.fhfa.gov/DataTools/Downloads/Pages/Federal-Home-Loan-Bank-Member-Data.aspx.

43 *See* 12 CFR part 1281.

such institutions must have assets not exceeding a threshold adjusted annually by FHFA. For AMA mortgage purchase activity in 2022, this threshold was $1.323 billion. AMA program users with assets below this limit are referred to in the regulation as “Community-Based Users.” FHLBank preliminary performance on this goal is shown in Figure 26 below. Finally, the regulation allows the FHLBanks to propose different target levels for each housing goal, subject to FHFA approval. No FHLBanks proposed different target levels for 2022.

FHFA has preliminarily determined that all nine FHLBanks that participated in the AMA program in 2022 met the housing goals.

Figure 25: 2022 Federal Home Loan Bank Mortgage Purchase Housing Goal

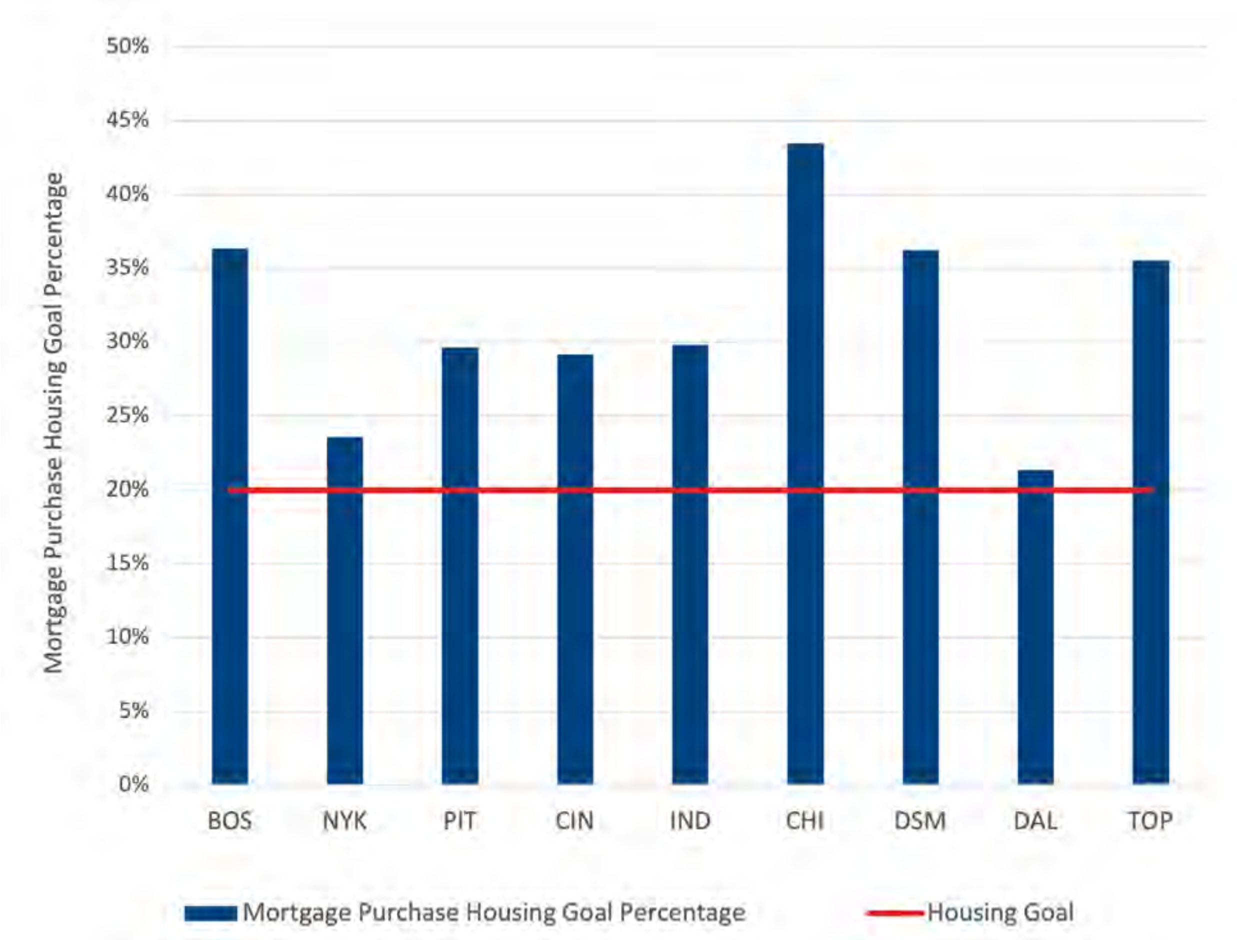
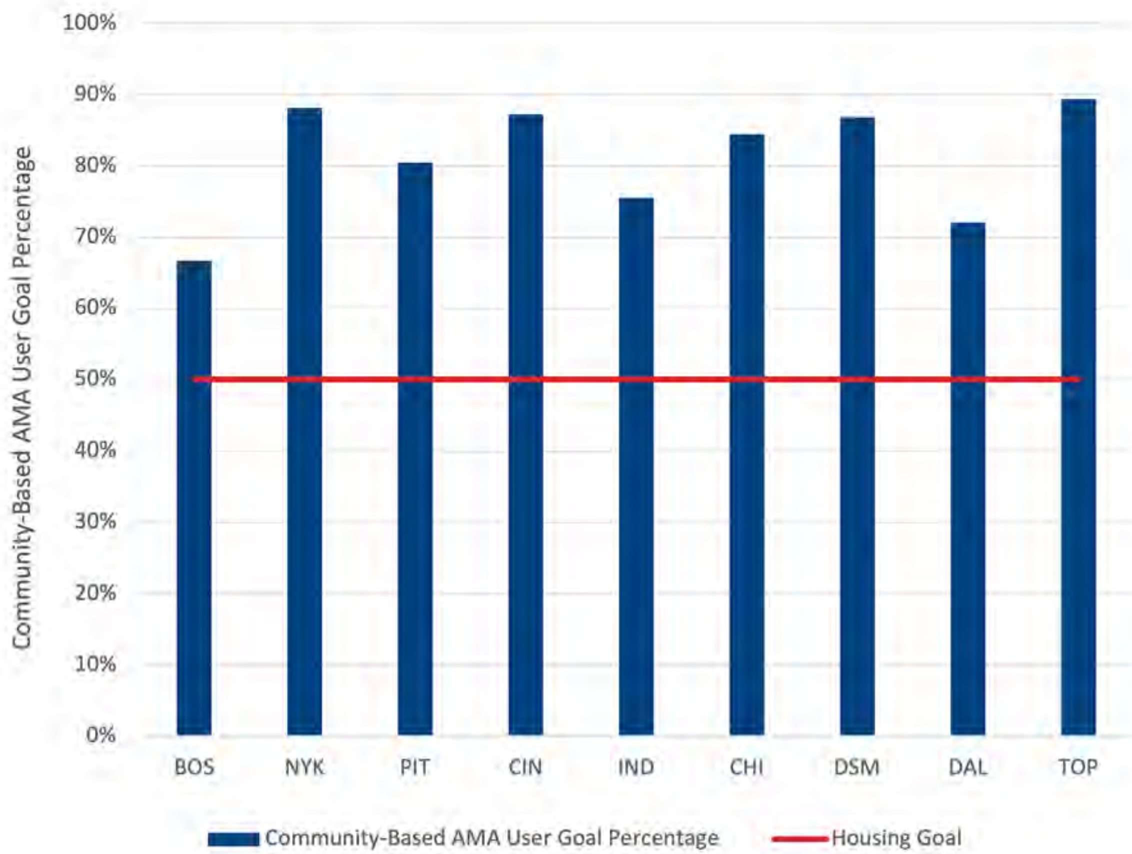


Figure 26: 2022 Federal Home Loan Bank Community-Based AMA User Housing Goal



Community Support Program

The Bank Act requires FHFA to adopt regulations establishing standards of community investment or service that FHLBank members must meet to maintain access to long-term advances.[44] The Bank Act further states that the regulations shall take into account factors such as a member's performance under the Community Reinvestment Act of 1977 (CRA) and the member's record of lending to first-time homebuyers.[45] FHFA's Community Support Program regulation implements these statutory provisions by establishing standards and procedures for the submission and review of FHLBank members' performance.[46] Under the regulation, every two years members are required to submit to FHFA a community support statement describing their latest CRA ratings and activities supporting first-time homebuyers, if applicable.

Based on its review of each member's community support statement, FHFA determines whether the member has complied with the community support standards, which in part, determines whether the member's access to long-term advances and its FHLBank's AHP, CIP,

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44 12 U.S.C. § 1430(g)(1).

45 12 U.S.C. § 1430(g)(2).

46 12 CFR part 1290.

and CICA programs will be restricted.[47] FHFA gives each FHLBank member one of three community support review results: compliance, probation, or restriction.

2022 was a community support standards non-review year. The 2023 biennial review period began on April 3, 2023, and ends on October 31, 2023. FHFA's standards for its determinations on members' community support compliance and the ensuing actions are set forth in Figure 27.

Figure 27: FHFA Community Support Statement Review[a]

Results	Standard	Action
Compliance	Member institution complies with the requirements of FHFA's CSP regulation.	Member maintains access to the FHLBank's long-term advances, new participation in AHP, and other CICA programs.
Probation	Member institution is placed on probation if: • its most recent CRA rating was "Needs to Improve," and • either the member has not received any other CRA rating or its second-most recent CRA rating was "Outstanding" or "Satisfactory."	If a member is placed on probation, the member may continue to obtain long-term FHLBank advances and access to AHP and CICA programs during the probationary period. The probationary period runs until the member's next CRA rating.
Restriction	Member institution is placed on restriction if: • it does not submit a CSS; • it has not demonstrated compliance with the first-time homebuyer standard; • its most recent CRA rating was "Substantial Noncompliance;" • its most recent CRA rating was "Needs to Improve," and its second-most recent CRA rating was "Needs to Improve;" or • its most recent CRA rating was "Needs to Improve," its second-most recent CRA rating was "Substantial Noncompliance," and its third-most recent CRA rating was "Needs to Improve," or "Substantial Noncompliance."	If a member is placed on restriction, the member is unable to obtain long-term FHLBank advances and unable to engage in new AHP and other CICA activity until the restriction is removed.

[a] **Source:** 12 CFR part 1290.

[47] For purposes of the Community Support Program, a long-term advance is one with a term of maturity greater than one year. 12 CFR 1290.1 (definition of "long-term advance").

FAIR LENDING

The Enterprises continued to strengthen compliance with fair lending requirements by integrating fair lending considerations into key business units; performing fair lending risk assessments; conducting regular monitoring of applications, acquisitions, and loss mitigation data; testing programs and activities that present fair lending risk; and implementing enhanced procedures to ensure strong internal controls. The FHLBanks also actively engaged with FHFA to identify, strengthen, and develop internal controls to ensure fair lending compliance.

Fair lending activities by FHFA include oversight and enforcement related to Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities. In 2022, FHFA took meaningful steps to advance fairness and equity in the housing finance system. FHFA adopted an Operating Procedures Bulletin (OPB) to establish internal procedures to govern FHFA's fair lending and fair housing compliance examinations of the Enterprises. This internal guidance is intended to accompany FHFA's Policy Statement on Fair Lending and Advisory Bulletin[48] and provide fair lending examination staff with processes and procedures for conducting fair lending examinations. FHFA conducts targeted fair lending examinations and other supervisory reviews pursuant to Advisory Bulletin 2021-04, Enterprise Fair Lending and Fair Housing Compliance, and FHFA's Policy Statement on Fair Lending. FHFA completed one targeted fair lending examination, completed fieldwork in additional targeted fair lending examinations, and continued ongoing monitoring and oversight activities.

FHFA issued updated fair lending data[49] that provide the public with information on mortgage application approval rates and loan acquisition shares by consumer race/ethnicity for each Enterprise. FHFA also provided quarterly data on approval rates and acquisitions shares by race/ethnicity, geography, and loan purpose, as part of FHFA's 2021 Mission Report.[50] FHFA also began publishing Uniform Appraisal Dataset (UAD) Aggregate Statistics in October 2022.[51] The public may now download the data from the FHFA website and explore the data with user-friendly dashboards and associated research briefs. The data show that the proportion of properties that are undervalued in high minority neighborhoods, where 80 percent or more of the population are members of a minority group, is 74 percent greater than the proportion in non-minority neighborhoods.[52]

FHFA remained committed to addressing misvaluation and advancing valuation equity as an active participant in the Property Appraisal and Valuation Equity (PAVE) Interagency Task Force. The PAVE Action Plan was published in March 2022,[53] detailing a number of interagency commitments designed to make a significant difference in ensuring fair and accurate home valuations for all communities. FHFA led efforts to further appraisal data transparency, sharing UAD data with its federal partners.

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48 FHFA published a **Policy Statement on Fair Lending** on July 9, 2021, and **Advisory Bulletin 2021-04**, Enterprise Fair Lending and Fair Housing Compliance on December 20, 2021.

49 *See* **https://www.fhfa.gov/DataTools/Downloads/Pages/Fair-Lending-Data.aspx.**

50 *See* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2021-Mission-Report.pdf.**

51 *See* **https://www.fhfa.gov/DataTools/Pages/UAD-Dashboards.aspx.**

52 *See* **https://www.fhfa.gov/Media/Blog/Pages/Exploring-Appraisal-Bias-Using-UAD-Aggregate-Statistics.aspx.**

53 *See* **https://pave.hud.gov/sites/pave.hud.gov/files/documents/PAVEActionPlan.pdf.**

CLIMATE CHANGE AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Over the course of 2022, FHFA took meaningful steps to build capacity toward addressing climate-related financial risks facing its regulated entities. Each of FHFA's eight cross-agency working groups made progress in their designated focus areas: data and research, assessing climate exposure, ESG reporting and disclosure, governance, green bonds, consumer protection, internal agency operations, and legal issues. Each working group met with the executive-level Climate Change and ESG Steering Committee quarterly throughout the year to receive guidance and provide updates on individual project plans and objectives.

In 2022, the Data and Research working group coordinated with FHFA's regulated entities to identify climate risk and sources of data gaps. The group also made progress on four research projects related to climate change and housing finance: a literature review, a project to measure Enterprise exposure to natural hazard risk, an evaluation of how mortgage performance varies across borrower demographics following a disaster, and a project to evaluate the effect of natural disasters on house prices.

The Assessing Exposure to Climate Change working group evaluated vendor climate models and explored possible climate scenarios with the Enterprises. The working group also met to discuss some of the issues faced by the Federal Home Loan Banks in conducting climate-based modeling.

The Governance working group advised the Enterprises on their governance structures related to climate. This work helped to ensure the Enterprises' enhancements met FHFA's expectations.

The Reporting and Disclosure working group engaged with FHFA's regulated entities to ensure their climate and ESG reports were harmonized to the extent practicable. For example, the group reviewed the Enterprises' 2021 voluntary ESG reports,[54] worked with both Enterprises to align their sustainability accounting metrics, and helped the Enterprises prepare for new climate reporting standards should they be finalized.

The Agency Operations working group conducted research and outreach on methods to reduce FHFA's climate footprint.

The Consumer Protection working group developed an internal framework for evaluating climate-related policy and program changes that includes an assessment on impacts to historically underserved communities.

The Green Bonds working group joined with the Enterprises and other stakeholders to develop an understanding of investor willingness to pay for securities backed by mortgages for homes with more energy efficient features. They also reviewed ways to further encourage efficiency and resiliency efforts.

During 2022, the Division of Federal Home Loan Bank Regulation commenced work on a horizontal review of the Federal Home Loan Banks' climate-related risk management. The horizontal review is designed to collect information from each FHLBank and the Office of Finance about its consideration of climate change risk, plans for reporting and disclosures, and actions and strategies for responding to natural disasters.

FHFA recognizes the value of working

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54 Freddie Mac's 2021 Sustainability Accounting Standards Board (SASB) report was published in October 2022 and is available at **https://www.freddiemac.com/about/pdf/Freddie_Mac_SASB_2021_Report.pdf**. Fannie Mae's 2021 Environmental, Social, and Governance (ESG) report was published in December 2022 and is available at **https://www.fanniemae.com/media/45726/display.**

collaboratively with other agencies to address climate change. During 2022, FHFA's climate leadership and working group staff participated in outreach and engagement with a range of federal and industry stakeholders. In June 2022, FHFA participated in a symposium on climate-related modeling organized by the Federal Home Loan Bank of Dallas and attended by representatives from all of the Federal Home Loan Banks and the Office of Finance. During the third quarter of 2022, FHFA coordinated with the Partnership of Carbon Accounting Financials and the Enterprises to develop a greenhouse gas protocol accounting training event. In March 2022, FHFA also launched a climate change and ESG website[55] detailing the Agency's climate initiatives.

In 2022, FHFA staff actively participated in workstreams within the Financial Stability Oversight Council's Climate-related Financial Risk Committee. These included workstreams on data requirements and infrastructure, scenario analysis, and risk assessment. In May 2022, FHFA became a member of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). FHFA staff have since participated in NGFS workstreams related to supervision, scenario design, and capacity building. In July 2022, FHFA became a member agency of the Financial Literacy and Education Commission. FHFA is an active member of the organizations mentioned above, and FHFA staff contributed to many projects and deliverables to fulfill its membership obligations to those groups. These deliverables have included Agency progress reports, providing comments on draft workstream charters and project plans, providing comments on member surveys, and reviewing draft climate reports.

In November 2022, FHFA held an Economic Summit on Climate Risk. The Summit brought together a range of stakeholders from government, industry, and academia to engage in shared discourse on climate scenario analysis and protecting vulnerable communities from the adverse effects of climate change and climate transition. The Agency has since committed to host one Economic Summit devoted to Climate Risk per year.

FHFA's continuing work on climate risk issues will entail data collection and coordinating with the Enterprises to conduct research contributing toward further analysis and reduction of climate data gaps, particularly in the measuring and reporting of greenhouse gas emissions. FHFA staff will also work with the Enterprises toward an improved understanding of climate scenario analyses, improved capacity for climate-related disclosures, and forward-looking and long-term ESG strategies to ensure the integration of climate risk within their decision making.

DIVERSITY AND INCLUSION

Supervision and Examination of the Regulated Entities' Diversity and Inclusion Programs

Under Section 1116 of HERA, FHFA has regulatory, supervisory, and enforcement authority over the diversity and inclusion (D&I) programs of the regulated entities. To implement Section 1116 of HERA, FHFA adopted the Minority and Women Inclusion Rule[56] (MWI Rule) in 2010, setting forth the minimum requirements for diversity programs as well as reporting requirements for the regulated entities. Pursuant to the MWI Rule, each of the regulated entities must implement policies and procedures to ensure, to the maximum extent possible in balance with financially safe and sound business practices, the inclusion and utilization of minorities, women, individuals with disabilities,

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55 FHFA's climate change and ESG website is available at [https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Climate-Change-and-ESG.aspx.](https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Climate-Change-and-ESG.aspx)

56 *See* 12 CFR part 1223.

and Minority-, Women-, and Disabled-Owned Businesses in all business activities at all levels of the regulated entity, including in management, employment, procurement, insurance, and all types of contracts.[57] The MWI Rule provides the FHFA Director with examination and enforcement authority over the regulated entities' D&I programs, stating that "[t]he Director may conduct examinations of a regulated entity's activities under and in compliance with this part pursuant to 12 U.S.C. § 4517."[58]

The Office of Minority and Women Inclusion (OMWI) began D&I supervision with baseline reviews of the regulated entities in 2015 and 2016. In 2016, FHFA approved incorporation of D&I into Agency examinations. In December 2020, OMWI finalized the D&I Examination Manual to guide D&I examinations and set supervisory expectations for the regulated entities. As part of this update, FHFA implemented a new examination rating system beginning with the January 2021 examination cycle, where the regulated entities were assigned a D&I composite rating from "1" to "5." Under this examination rating system, OMWI D&I examiners completed annual D&I examinations and other reviews of D&I activities at FHFA's regulated entities.

As a result of an internal assessment of the D&I examination function in 2022, OMWI recognized the importance of aligning the D&I examination ratings with other supervisory offices and divisions within FHFA and committed to taking a thoughtful approach to modifying the D&I rating system. OMWI conducted a thorough review of the D&I rating system to determine how the overall examination approach could be modified. As a result of this analysis, OMWI developed an updated, evaluative rating system which focuses on the pillars of a sound D&I program – specifically, workforce, procurement, and finance – and initiated the pilot of the new system in 2023.

Diversity and Inclusion Examination Results

In 2022, FHFA completed its sixth year of D&I program examinations of the regulated entities. After building a foundation of understanding of the regulated entities' D&I programs in previous examination cycles, FHFA concluded that it could examine the D&I programs of the FHLBanks on an extended interval. Accordingly, in the second quarter of 2022, FHFA began to examine the D&I program of one of the FHLBanks or the Office of Finance (OF) each calendar quarter, resulting in each FHLBank and OF receiving a D&I examination approximately every three years. In 2022, FHFA performed D&I examinations at the FHLBanks of Atlanta, Cincinnati, Dallas, and San Francisco, as well as at OF. FHFA additionally performed D&I examinations at each Enterprise and CSS according to a continued annual D&I examination cycle for those entities.

The scope of 2022 D&I examinations included reviews of aspects of the regulated entities' organizational framework, data management, procurement, enterprise risk management, and compliance. FHFA communicated examination concerns through the issuance of written examination findings and prepared reports of examination for eventual delivery to the regulated entities. The regulated entities prepared remediation plans to address identified issues in timeframes acceptable to FHFA.

REGULATORY ACTIVITIES

FHFA's regulatory activities support the accomplishment of its mission as regulator of the Enterprises and the FHLBanks. In 2022, FHFA issued 19 proposed rules, final rules, policy guidance documents, regulatory orders, regulatory interpretations, and regulatory waivers, which are summarized in the following tables. The tables also indicate if a proposed

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57 *See* 12 U.S.C. § 4520(b).

58 *See* 12 CFR 1223.24.

rule has been adopted in final form since the proposal was published.

FHFA published all proposed and final rules in the Federal Register. More information about FHFA's regulatory activities is available on FHFA's website.

Proposed Rules: Regulated Entities			
Rule/Regulation Title	**Reference**	**Date (2022)**	**Description/Explanation/Comments**
Enterprise Duty To Serve Underserved Markets – Colonia Census Tract Amendments Proposed Rule	87 FR 60331; 12 CFR part 1282	October 5	Proposed changes would facilitate the Enterprises' ability to operationalize their Duty to Serve activities and thereby help increase liquidity in underserved communities. The amendments would add a definition of "colonia census tract," which would serve as a census tract-based proxy for a "colonia," amend the definition of "high-needs rural region" in the regulation by substituting "colonia census tract" for "colonia," and revise the definition of "rural area" in the regulation to include all colonia census tracts regardless of their location. These changes would make activities by the Enterprises in all colonia census tracts eligible for Duty to Serve credit. The amendments were adopted in final form on April 18, 2023.
2023-2024 Multifamily Enterprise Housing Goals Proposed Rule	87 FR 50794; 12 CFR part 1282	August 18	See final regulations table; final rule was published on December 23, 2022.

Final Rules: Regulated Entities			
Rule/Regulation Title	**Reference**	**Date (2022)**	**Description/Explanation/Comments**
2023 Rules of Practice and Procedure; Civil Money Penalty Inflation Adjustment Final Rule	87 FR 80023; 12 CFR parts 1209, 1217, and 1250	December 29	Amends FHFA's Rules of Practice and Procedure and other agency regulations to adjust each civil money penalty within its jurisdiction to account for inflation, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The rule was applicable as of January 15, 2023.
Prior Approval for Enterprise Products Final Rule	87 FR 79217; 12 CFR part 1253	December 27	Establishes a process for the Enterprises to provide advance notice to the FHFA Director before offering a new activity to the market and to obtain prior approval from the Director before offering a new product to the market. The rule went into effect on April 28, 2023.
2023-2024 Multifamily Enterprise Housing Goals Final Rule	87 FR 78837; 12 CFR part 1282	December 23	Amends FHFA's housing goals regulation to establish multifamily housing goals for the Enterprises for 2023 and 2024. The rule went into effect on February 21, 2023.
Capital Planning and Stress Capital Buffer Determination Final Rule	87 FR 33615; 12 CFR part 1240	June 3	Amends the ERCF by adopting requirements for the Enterprises to submit annual capital plans to the Agency and provide prior notice for certain capital actions. The Agency also incorporated the determination of the stress capital buffer into the capital planning process. The requirements in the rule are consistent with the regulatory framework for capital planning for large bank holding companies. The rule went into effect on August 2, 2022.
Amendments to the Enterprise Regulatory Capital Framework Rule – Public Disclosures for the Standardized Approach Final Rule	87 FR 33423; 12 CFR part 1240	June 2	Amends the ERCF by introducing new public disclosure requirements for the Enterprises, including quantitative and qualitative disclosures related to risk management, corporate governance, capital structure, and capital requirements and buffers under the standardized approach. The rule went into effect on August 1, 2022.

Final Rules: Regulated Entities			
Affordable Housing Program—Technical Revisions Final Rule	87 FR 32965; 12 CFR part s 1290 and 1291	June 1	Makes technical revisions to FHFA's regulation governing the FHLBank Affordable Housing Program and to related provisions in FHFA's Community Support Requirements regulation. The rule went into effect on July 1, 2022.
Amendments to the Enterprise Regulatory Capital Framework Rule – Prescribed Leverage Buffer Amount and Credit Risk Transfer Final Rule	87 FR 14764; 12 CFR part 1240	March 16	Amends the ERCF by refining the prescribed leverage buffer amount (PLBA or leverage buffer) and credit risk transfer (CRT) securitization framework for the Enterprises. The amendments also made technical corrections to various provisions of the ERCF that was published on December 17, 2020. The rule went into effect on May 16, 2022.
2022 Rules of Practice and Procedure; Civil Money Penalty Inflation Adjustment Final Rule	87 FR 1659; 12 CFR parts 1209, 1217, and 1250	January 12	Amends FHFA's Rules of Practice and Procedure and other agency regulations to adjust each civil money penalty within its jurisdiction to account for inflation, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The rule was applicable as of January 15, 2022.

Policy Guidance: Regulated Entities and the Office of Finance			
Policy Subject	**Reference**	**Date (2022)**	**Description/Explanation/Comments**
Supplemental Guidance to Advisory Bulletin on Model Risk Management Guidance	AB 2022-03	December 21	Communicates to the regulated entities FHFA's supplemental guidance to FHFA AB 2013-07: Model Risk Management Guidance, published on November 20, 2013. This AB clarifies and expounds on various topics covered in FHFA's existing guidance. The intent of this AB's guidance, formatted as Frequently Asked Questions (FAQs), is to provide supplemental guidelines that will address some of the gaps in AB 2013-07 prompted by changes in model-related technologies and questions generated from the expanded use of complex models by the FHLBanks. The supplemental guidance also addresses model documentation, the communication of model limitations, model performance tracking, on-top adjustments, challenger models, model consistency, and internal stress testing.
Advisory Bulletin on Artificial Intelligence/Machine Learning Risk Management	AB 2022-02	February 10	Communicates to the Enterprises FHFA's guidance on managing risks associated with the use of artificial intelligence and machine learning (AI/ML). This AB is intended to highlight key risks inherent in the use of AI/ML that are applied across a variety of business and operational functions, and considerations for effectively managing these risks. FHFA recognizes that AI/ML is an evolving field and encourages the responsible innovation and use of AI/ML that is consistent with the safe and sound operations of the Enterprises.
Advisory Bulletin on Office of Minority and Women Inclusion Supervisory Letter on AI/ML-February 2022	(Issued in conjunction with AB 2022-02)	February 10	Provides additional guidance to the Enterprises and establishes the Agency's expectations for the consideration of diversity and inclusion in the Enterprises' use of Artificial Intelligence and Machine Learning.
Advisory Bulletin on Insider Trading Risk Management	AB 2022-01	February 8	Communicates FHFA's supervisory guidance for managing insider trading risk and related conflicts of interest to support a safe and sound operating environment. Insider trading risk management is a key component of an Enterprise's compliance risk management program.

Regulatory Orders

Subject	Reference	Date (2022)	Description/Explanation/Comments
Designation of Federal Home Loan Bank Directorships for 2023	2022-OR-B-1	June 1	The Director is required by statute to establish annually the size and composition of the board of directors of each FHLBank for the following year. This Director's Order maintains the current size and composition of the boards of directors of the FHLBanks for 2023, with the exception of the Indianapolis FHLBank.
Reporting by Regulated Entities of Stress Testing Results	87 FR 14763 (Mar. 16, 2022); 2022-OR-FNMA-1; and 2022-OR-FHLMC-1	March 10	Stress tests pursuant to the Dodd-Frank Act are designed to determine whether the regulated entities have the capital necessary to absorb losses under adverse economic conditions. FHFA's stress testing regulation (12 CFR part 1238) requires annual stress testing and reporting of results for the Enterprises. The Orders, effective immediately, directed the regulated Enterprises to report their 2021 stress testing results (based on portfolios as of December 31, 2021), in the form and content required by the regulation and the summary instructions and guidance issued on March 10, 2022.

Regulatory Interpretations: Enterprises

Rule/Regulation Title	Reference	Date (2022)	Description/Explanation/Comments
Timing of Enterprise Filing of Capital Report under the Enterprise Regulatory Capital Framework Regulation, 12 CFR part 1240 (Capital Rule)	2022-RI-01	February 3	Establishes that under the Capital Rule, the Enterprises are not "subject to" a capital reporting requirement prior to the compliance date of January 1, 2022. Instead, the Capital Rule subjects the Enterprises to a capital reporting requirement upon the compliance date of January 1, 2022. 12 CFR 1240.4(a) and (b). On January 1, 2022, the Enterprises became "subject to" the quarterly capital reporting requirements. Each Enterprise must file its initial capital report with FHFA no later than May 30, 2022, 60 days after the last day of the first calendar quarter for which it is "subject to" the reporting requirement, unless the Director specifies a different date as permitted by the Capital Rule.

Regulatory Waivers: Regulated Entities

Rule/Regulation Title	Date (2022)	Description/Explanation/Comments
Private Transfer Fee Covenants, 12 CFR 1228.2.	December 13	Waives the rule's prohibition against acquisition of mortgage loans secured by properties that are subject to Private Transfer Fees for certain loans that meet the requirements of the Enterprises' Duty to Serve shared equity loan obligations under 12 CFR part 1228 (other than borrower income limitations). Effective date of the waiver was delayed until July 1, 2023, by Notice dated January 31, 2023.
Federal Home Loan Bank Directors, 12 CFR 1261.22, .24(a); Office of Finance, 12 CFR 1273.7(f)(2), .8(b)	March 24	Extends indefinitely a previously issued waiver of compliance with the regulatory requirement that the board of directors of each FHLBank hold at least six in-person meetings each year and the similar regulatory requirement applying to the board of directors of the Office of Finance; also provides that the FHLBanks and Office of Finance may treat electronic or hybrid board or committee meetings as in-person meetings for purposes of applying their director compensation policies.

CONSERVATORSHIPS OF THE ENTERPRISES

In this Chapter

MANAGING THE CONSERVATORSHIPS

The *FHFA Strategic Plan: Fiscal Years 2022-2026*[59] (Strategic Plan), which was released on April 14, 2022, established FHFA's current framework for guiding the conservatorships of the Enterprises. In addition, as conservator, FHFA publishes an annual Scorecard that sets forth priorities and aligns activities of the Enterprises and CSS to those priorities and to the Strategic Plan. The Scorecard is an essential tool in holding the Enterprises accountable for the Strategic Plan's effective implementation. On November 17, 2021, FHFA released the *2022 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions, LLC* (2022 Scorecard).[60]

The 2022 Scorecard reflects and balances two goals in the FHFA Strategic Plan: 1) to foster housing finance markets that promote equitable access to affordable and sustainable housing; and 2) to secure the regulated entities' safety and soundness. Accordingly, the 2022 Scorecard required the Enterprises to promote sustainable and equitable access to affordable housing and to operate their businesses in a safe and sound manner. Within those goals, the 2022 Scorecard focused on specific objectives for the Enterprises that address affordability, fair lending, and equity, in addition to promptly addressing examination and supervision findings, and ensuring sufficient liquidity to sustain the Enterprises through severe stress events.

The 2022 Scorecard also sought to ensure that the Enterprises prioritized climate risk and that they incorporated diversity, equity, and inclusion throughout their decision-making processes, ensuring that these remain top priorities in strategic planning, operations, and business development. Both Enterprises and CSS implemented formalized processes to assess and integrate diversity, equity, and inclusion across their organizations and in their business activities, programs, and initiatives.[61] (See the Diversity and Inclusion section of this Report for additional detail on diversity and inclusion supervision activities.)

PROMOTE SUSTAINABLE AND EQUITABLE ACCESS TO AFFORDABLE HOUSING

The first goal under the 2022 Scorecard required the Enterprises to promote sustainable and equitable access to affordable housing. Within this category, FHFA established the following three specific objectives, each discussed further below, to guide the work of the Enterprises:

- Take significant actions to ensure that all borrowers and renters have equitable access to long-term affordable housing opportunities.
- Foster competition and efficiency in housing finance markets.
- Manage new multifamily purchases to remain within the multifamily cap requirements described in Appendix A of the 2022 Scorecard, including expanded affordability requirements.

Equitable Access to Long-Term Affordable Housing Opportunities

The 2022 Scorecard required the Enterprises to take the following actions in furtherance of equitable access to affordable housing

59 *See* https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Finalizes-Strategic-Plan-for-Fiscal-Years-2022-to-2026.aspx.

60 *See* https://www.fhfa.gov/AboutUs/Reports/Pages/2022-Scorecard-for-Fannie-Mae-Freddie-Mac-and-CSS.aspx.

61 *See* https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-OMWI-2022-Annual-Report-to-Congress.pdf.

opportunities for all borrowers and renters:

- Develop strategies to support sustainable homeownership and affordable rental housing, including improving the availability of small-balance purchase and refinance mortgages.
- Develop high-quality Equitable Housing Finance Plans and take meaningful actions to achieve the goals and objectives of the Plans.
- Meet housing goals and Duty to Serve requirements.
- Identify strategies and activities to facilitate greater affordable housing supply within the limits of charter authorities and submit recommendations to FHFA.
- Update the current pricing framework to increase support for core mission borrowers while ensuring a level playing field for small and large sellers, fostering capital accumulation, and achieving viable returns on capital.
- Continue mortgage selling, servicing, and asset management efforts that promote sustainable home-retention solutions for borrowers affected by the COVID-19 pandemic.

Strategies to Support Sustainable Homeownership and Affordable Rental Housing

The 2022 Scorecard required the Enterprises to develop strategies to support sustainable homeownership and affordable rental housing. In addition, the Enterprises continued to strengthen their ability to comply with fair lending requirements.

Sustainable Homeownership

To support sustainable homeownership, the Enterprises continued their efforts to improve access to mortgage credit by incorporating new considerations that can identify creditworthy potential borrowers who might not otherwise qualify for a mortgage. In particular, the Enterprises developed or enhanced the technical ability to assess a borrower’s rental payment history and cash flows, both of which provide additional information that will help expand credit access, especially for first-time homebuyers and borrowers with limited credit histories. The newly incorporated information is only considered with the borrower’s permission and if it might favorably affect the underwriting decision.

During 2022, Freddie Mac announced improvements to its automated underwriting system (AUS) to enable consideration of a borrower’s rental payment history. Fannie Mae focused on expanding adoption of its existing, similar innovation by lenders, implemented in September 2021. With the borrower’s permission, existing asset verification tools access the borrower’s financial accounts to identify recurring rental payments. A positive payment history can then be taken into consideration during the AUS credit assessment. The consideration of that payment history should allow more creditworthy first-time homebuyers to transition to sustainable homeownership.

Also in 2022, the Enterprises continued expanding capabilities to assess a borrower's cash flow information, when available, as an additional underwriting consideration. As with rental payment histories, existing asset and income verification tools allow each Enterprise’s AUS to consider cash flow patterns. Lenders are prompted by an Enterprise’s AUS to secure this information if the AUS determines that cash flow information could assist the borrower in qualifying for a mortgage.

Single-Family Rental

Throughout 2022, the Enterprises explored if and how they can support the rental of single-family homes to expand the availability of affordable rental opportunities in the market. The Enterprises conducted outreach and research to better determine risks and opportunities in the affordable single-family rental market, including assessments of the overall single-family rental market size, growth projections, and sources of financing for affordable single-family rentals. The Enterprises also assessed how current sources of financing are meeting market demands and challenges. Finally, the Enterprises provided recommendations to FHFA on how they could support the affordable single-family rental market. FHFA is assessing those recommendations and will continue to evaluate the Enterprises' potential role in the single-family rental market. The Enterprises have not provided financing for any institutional investors in single-family rental properties since 2018.

Fair Lending

FHFA conducts fair lending compliance and equity analysis of Enterprise policies, including those overseen by the conservator or that are conducted pursuant to the Scorecard. Likewise, each Enterprise's fair lending and equity teams review policy updates to ensure that Enterprise policies comply with fair housing and fair lending laws, minimize adverse effects on underserved communities, and promote fair access for all, including underserved communities. The Enterprises and FHFA continued to perform these analyses in 2022. Both the Enterprises and FHFA independently and continuously monitor the regulated entities for fair lending risk, conduct fair lending risk assessments on policies, programs, and activities, and oversee the integration of fair lending into key business processes. In 2022, FHFA provided regular technical assistance, training, and information sharing opportunities to the regulated entities on methods and tools to advance equity in their programs, including through the use of Special Purpose Credit Programs.

In August 2022, the Enterprises announced a new requirement for servicers to obtain and maintain fair lending data on loans. In addition, servicers will be required to transfer the data if servicing rights are sold or transferred during the life of a mortgage. The fair lending data to be maintained include borrowers' age, race, ethnicity, gender, and preferred language. The collection and maintenance of fair lending data will help servicers assist consumers and facilitate monitoring of servicer compliance with fair lending requirements.

In 2022, the Enterprises published consumer information content on discriminatory restrictive covenants. These resources provide consumers with information on what discriminatory restrictive covenants are and what owners' options are if they discover a discriminatory restrictive covenant in their property's deed, mortgage, or other recorded instrument.

(See the Fair Lending section of this Report for additional detail on fair lending supervision activities.)

Equitable Housing Finance Plans

In June 2022, the Enterprises released Equitable Housing Finance Plans for 2022-2024.[62] The Plans are designed to promote the Enterprises' safety and soundness and foster housing finance markets that provide equitable access to affordable and sustainable housing. The 2022-2024 Plans' activities address barriers experienced by renters, aspiring homeowners, and current homeowners, particularly in underserved communities. FHFA instructed the Enterprises to identify barriers to sustainable

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62 *See* https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-Equitable-Housing-Finance-Plans--for-Fannie-Mae-and-Freddie-Mac.aspx#:~:text=FHFA%20Announces%20Equitable%20Housing%20Finance,Finance%20Plans%20for%202022%2D2024.

housing opportunities, set goals to address those barriers, undertake meaningful actions to address those barriers, and report on progress. The activities are focused on removing unnecessary barriers and using technology to identify ways to responsibly serve more borrowers without weakening credit standards. These activities include:

- Consumer education initiatives for renters and homeowners;
- Credit reporting to help tenants build credit profiles and enable better access to financial services;
- Expanding counseling services to support housing stability;
- Deploying technology to improve access to sustainable credit and fair home appraisals; and
- Special Purpose Credit Programs to address barriers to sustainable homeownership.

The Enterprises also have published updates to their Equitable Housing Finance Plans for 2022-2024,[63] together with their 2022 Performance Reports.[64] In 2023, the Enterprises will continue to execute on the Plans, and FHFA will host a public engagement opportunity to solicit feedback on the Plans. FHFA also issued a Notice of Proposed Rulemaking on April 19, 2023,[65] to codify FHFA's current requirements for the Enterprises' Equitable Housing Finance Plans to increase public transparency and establish greater accountability mechanisms.

Housing Goals and Duty to Serve

The Enterprises' affordable housing goals and Duty to Serve activities are required by statute, as implemented in accordance with FHFA's Enterprise housing goals and Duty to Serve regulations. The 2022 Scorecard included reporting and other operational requirements for both programs. (Information describing each Enterprise's performance in these areas in 2022 can be found in the Housing Goals and Duty to Serve sections of this Report.)

Housing Supply

Throughout 2022, the Enterprises worked to identify strategies and activities to facilitate greater affordable housing supply within the limits of their charter act authorities. This work resulted in changes to Enterprise policies with respect to loans on accessory dwelling units (ADUs) and certain manufactured homes that may help increase housing supply and encourage sustainable homeownership. The Enterprises also provided FHFA with insights and lessons learned from their work in identifying strategies and activities to facilitate greater affordable housing supply.

In mid-2022, Freddie Mac announced changes to its ADU policies, including expanding ADU eligibility requirements by allowing for delivery of loans with an ADU on 2-unit and 3-unit properties. Freddie Mac also expanded eligibility by using rental income from an ADU to assist in qualifying the borrower for a mortgage. Additionally, Fannie Mae amended its policy regarding the purchase of single-wide manufactured housing, a vital source of affordable housing. In 2020, Fannie Mae had

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63 *See* https://www.fanniemae.com/about-us/esg/social/equitable-housing-finance-plan and https://www.freddiemac.com/about/pdf/Freddie-Mac-Equitable-Housing-Finance-Plan.pdf. In addition, the 2023 updates to those plans are available at https://www.fanniemae.com/media/document/pdf/2023-housing-finance-plan.pdf and https://www.freddiemac.com/about/pdf/2023-Freddie-Mac-Equitable-Housing-Finance-Plan.pdf.

64 *See* https://www.fanniemae.com/media/document/pdf/2022-ehfp-performance-report.pdf and https://www.freddiemac.com/about/pdf/Freddie-Mac-Equitable-Housing-Finance-Plan-2022-Performance-Report.pdf.

65 *See* https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Issues-Notice-of-Proposed-Rulemaking-on-Fair-Lending-Oversight.aspx.

expanded its policy to allow for delivery of loans secured by single-wide manufactured housing units that were less than 10 years old. However, the age requirement proved to be a barrier to liquidity, affecting resale and refinance eligibility, and hindering borrowers' ability to seek conventional financing. Based on lender feedback and risk assessments, Fannie Mae announced in December 2022 the suspension of the age requirement for this subset of manufactured housing.

Updated Pricing Framework

The 2022 Scorecard required the Enterprises to update their current pricing frameworks to increase support for core mission borrowers, while ensuring a level playing field for small and large sellers, fostering capital accumulation, and achieving viable returns on capital. Over the course of 2022, the Enterprises took a series of targeted steps to update their upfront fees. In January 2022, the Enterprises increased upfront fees for certain high balance loans and second home loans. While many loans made through HomeReady and Home Possible (Fannie Mae's and Freddie Mac's respective flagship affordable mortgage programs) already had zero upfront guarantee fees, upfront fees were fully eliminated for the following borrowers and programs: first-time homebuyers at or below 100 percent of AMI in most of the United States and below 120 percent of AMI in high cost areas, HomeReady and Home Possible loans, HFA Preferred and HFA Advantage loans (Fannie Mae and Freddie Mac's respective Housing Finance Agency[66] loan programs), and single-family loans supporting the Duty to Serve program (which addresses rural housing, affordable housing preservation, and manufactured housing). In 2023, the Enterprises released fully redesigned and recalibrated upfront fee grids, including the targeted changes made in 2022. In aggregate, these updates to the pricing frameworks will promote the safety and soundness of the Enterprises while increasing support for certain creditworthy borrowers limited by income or wealth and for underserved communities.

COVID-19 Market Actions

The Enterprises continued responding to mortgage market needs resulting from the COVID-19 pandemic. In the third year of the pandemic, the Enterprises' temporary selling and servicing policies largely remained unchanged and focused on preserving mortgage market liquidity, home retention, and risk management. As business operations continued to normalize and macroeconomic indicators improved in 2022, the Enterprises performed an assessment of the remaining temporary COVID-19 *selling* flexibilities and submitted plans to retire certain policies and incorporate others permanently into their respective selling guides.

The Enterprises' temporary COVID-19 *servicing* flexibilities remain in place until further notice and complement existing and similar aligned loss mitigation practices. At year-end 2022, a majority of the combined 2.3 million Enterprise COVID-19 forbearance actions had been resolved through self-cure of any past due payments, permanent loss mitigation solutions, such as COVID-19 payment deferral, or loan payoffs through either refinance transactions or home sales. As of year-end 2022, approximately 81,000 Enterprise borrowers remained in active COVID-19 forbearance. Looking ahead, FHFA and the Enterprises are examining lessons learned from the pandemic that might inform the standard loss mitigation framework, with the goal of improving the ability of mortgage servicers to assist struggling homeowners in retaining their homes, while minimizing losses to the Enterprises and taxpayers.

In April 2022, FHFA announced that foreclosure activities on Enterprise loans would be

66 State Housing Finance Agencies are state-chartered authorities established to help meet the affordable housing needs of the residents of their states.

suspended for up to 60 days if the servicer was notified that the borrower had applied for assistance under the Department of Treasury's Homeowner Assistance Fund (HAF). This action provided affected borrowers with additional time to be evaluated through state-approved HAF programs.

Foster Competition and Efficiency in Housing Finance Markets

The 2022 Scorecard included four specific actions for the Enterprises to take to foster competition and efficiency in housing finance markets:

- Modernize the single-family appraisal process to foster efficiency in mortgage markets, and address barriers to equitable valuation.
- Complete the final phase of validation and approval of credit score models and begin planning for implementation.
- Leverage technology and data to further promote efficiency and cost savings in mortgage processes.
- Research and assess opportunities to increase access for small and regional lenders to Enterprise multifamily products.

Appraisal Modernization

Throughout 2022, the Enterprises continued work on the appraisal policy and process modernization initiative with the goals of improving data quality, reducing potential appraisal bias, and supporting effective risk management and process efficiency. This work included testing of new data standards, technologies, and processes to modernize residential appraisal practices, while engaging with industry stakeholders, including appraisers, software providers, insurance companies, appraisal management companies, inspection companies, mortgage insurers, and industry trade groups.

The Enterprises incorporated desktop appraisals into their Selling Guides in 2022.[67] These reduced-scope appraisals do not include a current inspection of the subject property or comparable sales; rather, the appraiser relies on data obtained from alternative methods or sources to identify property characteristics and condition. In June 2022, Freddie Mac updated its Automated Collateral Evaluation (ACE) appraisal waiver policy on higher risk transactions. Certain no cash-out and all cash-out refinance transactions eligible for ACE must be accompanied by a property data report (PDR) of standardized data collected on-site by a trained third-party collector. Alternative valuation methods and tools benefit borrowers by reducing cycle times, easing appraiser capacity constraints during periods of high loan volume and, in some cases, lowering consumer costs.

Fannie Mae revised its policy for measuring, calculating, and reporting gross living area and non-gross living area on single-family properties using the American National Standards Institute® (ANSI® Z765-2021) standard in December 2021. The revised policy should reduce data errors by requiring all appraisals to use the same standard of measurement. Lenders were allowed to begin applying the standard immediately, but policy compliance was required by April 2022. The change is intended to spur adoption of the standard across the valuation industry and establish a consistent, repeatable process.

Efforts to improve appraisal quality go beyond policy and process modernization. The Enterprises' Appraisal Diversity Initiative (ADI), a nationwide program to attract new and diverse entrants into the appraisal field, made significant progress in 2022. Since 2018, the initiative has gained 23 sponsors and awarded 442 scholarships, with 11 of the sponsorship

67 *See* https://singlefamily.fanniemae.com/media/30466/display and https://guide.freddiemac.com/app/guide/bulletin/2022-2.

commitments and 330 of the awarded scholarships occurring in 2022. A total of 312 individuals have started fulfilling their education requirements, 51 have completed their education, and 38 are working with a supervisory appraiser or are employed in the industry.

Credit Score Rule and Implementation

FHFA and the Enterprises have been implementing the final rule on the validation and approval of third-party credit score models used by the Enterprises since the final rule became effective in October 2019.[68] In 2021, the Enterprises completed their respective business assessments of the credit score models that were submitted in response to the open application process in 2020 and submitted their recommendations to FHFA. In 2022, FHFA conducted its own assessment of the impact of a change in credit score models and analyzed stakeholder feedback, including feedback that was provided during a listening session held on March 1, 2022. On October 24, 2022, FHFA announced the validation and approval of two new credit score models, FICO 10T and VantageScore 4.0, for use by the Enterprises. Plans for implementation are underway. On March 23, 2023, FHFA announced a public engagement process to solicit input from industry stakeholders on proposed implementation milestones.

Fintech

In 2022, FHFA established an Office of Financial Technology (Fintech Office) to support Agency priorities related to the adoption and deployment of fintech. The Fintech Office is designed as a centralized resource for FHFA to better understand mortgage-related innovations, general trends, and emerging risks in the use of fintech. The Fintech Office facilitates responsible innovation across FHFA's regulated entities, balancing the value of new ideas, products, and operational approaches with the need for effective risk management and governance.

In conjunction with the launch of the Fintech Office in July 2022, FHFA issued a Request for Information (RFI) soliciting feedback on the role of technology in housing finance, with the goal of developing a broader understanding of the current landscape of innovation throughout mortgage processes. FHFA also hosted a listening session in October 2022 to solicit public input on the role of technology in housing finance and how the Agency could most constructively interact with stakeholders to facilitate responsible innovation. The Enterprises have also helped FHFA understand barriers to taking advantage of such opportunities.

FHFA instructed the Enterprises to support the Agency's efforts to understand how fintech is affecting mortgage markets and its potential to improve access to affordable and sustainable homeownership, rental opportunities, mortgage finance system efficiency, and service to underserved markets.

URLA/ULAD and UAD Initiatives

The Enterprises continued their efforts in 2022 to leverage technology and data to further promote efficiency and cost savings in mortgage processes with a focus on additional consumer information and appraisal data.

In May 2022, FHFA and the Enterprises published new requirements for lenders to use the Supplemental Consumer Information Form (SCIF) as part of the conventional loan application process beginning in March 2023. The SCIF collects information both about the borrower's language preference, if any, and about any homebuyer education or housing counseling the borrower received. That information helps inform lenders of the needs of their increasingly diverse clientele and enables lenders to better serve borrowers. To further support those goals,

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68 *See* https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Publishes-Final-Rule-on-Credit-Score-Models.aspx.

in July 2022, the Enterprises posted updated translations of the SCIF in five languages (Spanish, traditional Chinese, Vietnamese, Korean, and Tagalog).[69]

The Enterprises are also continuing a multi-year project begun in 2018 to improve appraisal data quality and consistency by updating the Uniform Appraisal Dataset (UAD) and aligning it with current mortgage industry data standards. In addition, the project entails replacing all existing appraisal forms with a single dynamic Uniform Residential Appraisal Report (URAR) that reflects current and future appraisal data needs. This project has been driven by extensive feedback from and collaboration with appraisers, lenders, vendors, consumer advocates, and other industry stakeholders. During 2022, the Enterprises supported the September publication of the Mortgage Industry Standards Maintenance Organization (MISMO) reference model v3.6 for public comment and began development of a communications and education strategy to ensure that industry stakeholders have the information they need to make adoption of the updated UAD and URAR successful. In addition, the Enterprises focused on creating the resources necessary to begin and sustain mortgage industry efforts for UAD implementation.

To begin the multi-year rollout phase, in March 2023 the Enterprises published on their websites an industry playbook, the UAD technical specifications, various guides, and sample appraisal reports.[70] The UAD forms and redesign effort remain a priority on the 2023 Scorecard, and the Enterprises will continue to address stakeholder feedback and provide additional reference materials and guides that support mortgage industry development efforts.

MISMO Servicing Transfer

Common and consistent data standards help maintain continuity of servicer operations, including foreclosure prevention activities and minimizing adverse effects on borrowers due to errors during servicing transfers. The Enterprises continued to support the MISMO Servicing Transfers Development Work Group (DWG), which is an industry-led effort to create a standardized servicing transfer dataset and best practices for the transfer process. The DWG includes mortgage servicers, technology vendors, and other industry participants, as well as the Enterprises, FHFA, the Consumer Financial Protection Bureau (CFPB), and other interested parties. The Enterprises' participation in the DWG allows them to provide insights on transfer requirements specific to Enterprise loans, including data that need to be transferred to maintain servicing continuity for Enterprise loans. The Enterprises will continue to support the DWG in 2023.

Small Multifamily Lender Access

Throughout 2022, the Enterprises researched and assessed opportunities to increase access to the Enterprises' multifamily products for small and regional lenders. As part of this research, the Enterprises reviewed inquiries from prospective lenders seeking more information on becoming a Fannie Mae Delegated Underwriting and Servicing (DUS) lender or a Freddie Mac Optigo lender and identified the frequency with which lenders failed to meet various Enterprise eligibility requirements.[71] In

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69 *See* https://singlefamily.fanniemae.com/multi-language-resources-lenders, https://sf.freddiemac.com/working-with-us/lep-translated-mortgage-documents/overview, and https://www.fhfa.gov/MortgageTranslations.

70 *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.

71 Delegated Underwriting and Servicing (DUS) is the trademark designation for Fannie Mae's approved Multifamily Seller/Servicer network. Optigo is the trademark designation for Freddie Mac's approved Multifamily Seller/Servicer network.

addition to understanding the frequency with which lenders that submitted inquiries were not meeting various eligibility requirements, the Enterprises were able to assess their current coverage of the multifamily lender market. The Enterprises submitted recommendations to FHFA that would increase access to their multifamily products for small lenders. The Enterprises will continue to work with FHFA to implement their recommended actions to expand access to multifamily products in 2023.

Uniform Mortgage-Backed Security

In 2022, the Enterprises provided FHFA with recurring reports related to uniform mortgage-backed securities (UMBS) issuance, pooling decisions, and other matters potentially affecting UMBS market performance and stability. In turn, FHFA continued to monitor cash flow alignment between the Enterprises' UMBS and reviewed proposed pooling and disclosure changes for potential risks that could threaten UMBS market functioning. FHFA continued to ensure alignment of UMBS pooling practices, policies, and procedures to further support aligned prepayment performance, market liquidity, and the mission of the Enterprises to foster liquid, efficient, competitive, and resilient national housing finance markets.

Manage New Multifamily Purchases to Comply with Cap and Affordability Requirements

Beginning in 2015, FHFA, as conservator, has set a yearly cap in the Conservatorship Scorecard that limits the amount of multifamily loans that each Enterprise can purchase. The multifamily cap furthers FHFA's conservatorship goals of maintaining the presence of the Enterprises as a backstop for the multifamily finance market and supporting financing for affordable and underserved markets, while not impeding the participation of private capital. By managing to the multifamily caps, the Enterprises help maintain stability in the multifamily market and provide liquidity for mission-driven housing.

In October 2021, FHFA announced a cap for calendar year 2022 of $78 billion for each Enterprise, for a combined total of $156 billion. To ensure a focus on affordable housing and underserved markets, FHFA directed that at least 50 percent of each Enterprise's multifamily loan purchases be mission-driven and at least 25 percent (up from 20 percent in 2021) be affordable to tenants at 60 percent of AMI or below.

The 2022 Scorecard generally defined mission-driven affordable housing as housing affordable for residents at 80 percent of AMI or below, with special provisions for rural housing, manufactured housing communities, loans to finance energy or water efficiency improvements, and tenants living in expensive rental markets. For rural housing, a loan is mission-driven if the property is in a Duty to Serve (DTS)-designated rural area and affordable to residents at 100 percent of AMI or below. For manufactured housing communities, a loan is mission-driven if it is eligible for credit under the DTS regulation. For loans to finance energy or water efficiency improvements, a loan is mission-driven if unit rents are affordable to tenants at 60 percent of AMI or below. Furthermore, a loan is mission-driven if unit rents are affordable to tenants at 100 percent of AMI or below in cost-burdened renter markets and at 120 percent of AMI or below in very cost-burdened renter markets.

Each Enterprise remained below the $78 billion multifamily cap for 2022, at $69.2 billion and $72.8 billion for Fannie Mae and Freddie Mac, respectively. In addition, each Enterprise surpassed the minimum requirements of at least 50 percent mission-driven and 25 percent affordable shares of multifamily acquisitions. Figure 28 provides further information on each Enterprise's multifamily activity, including mission-driven activities.

Figure 28: Enterprise Multifamily Activity in 2022

	Fannie Mae		Freddie Mac	
	$ Billion	**Percent**	**$ Billion**	**Percent**
Total non-mission volume	$22.2	32.1%	$22.7	31.1%
Total mission-driven volume[a]	$47.0	67.9%	$50.2	68.9%
Total mission-driven volume @ 60% AMI[b]	$21.6	32.5%	$23.9	33.4%
Loans on manufactured housing communities	$1.9	2.7%	$1.2	1.7%
Financing for targeted affordable housing properties	$8.7	12.6%	$11.8	16.2%
Loans on small multifamily properties	$2.0	2.9%	$3.0	4.1%
Loans on properties located in rural areas	$2.5	3.6%	$2.1	2.8%
Loans on seniors housing	$0.5	0.8%	$0.7	0.9%
Loans on units affordable to those @ 80% AMI[c]	$33.8	48.9%	$39.0	53.6%
Loans on units affordable to those @ 100% AMI[c]	$6.6	9.6%	$5.7	7.9%
Loans on units affordable to those @ 120% AMI[c]	$1.3	1.9%	$2.1	2.9%
Loans to finance energy or water efficiency improvements[d]	$1.4	2.0%	$0.4	0.6%

Source: Fannie Mae and Freddie Mac

a For more information on mission-driven categories, see the *2022 Scorecard, Appendix A: Multifamily Definitions*, p. 5: **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2022-Scorecard.pdf.** Dollar amounts and percentages of the loans in the mission-driven categories do not add to the totals for all mission-driven loans because some loans qualify under more than one category. Such double counting is not included in the "Total mission-driven volume." In addition, some loans only partially qualify for mission-driven for some categories. Only the qualifying portion of a loan is included in the total for each category. If the loan qualifies for mission-driven under more than one category, the greatest portion of the loan that qualifies for any category is included in the "Total mission-driven volume."

b Loan purchases that meet the mission-driven volume @ 60% of AMI requirement may also meet the mission-driven volume requirement.

c FHFA classifies as mission-driven units whose rents are affordable to tenants at various income thresholds, based on each individual renter market. This entails classification as mission-driven financing for units affordable to household incomes at 80% of area median income (AMI) or below in most areas, at 100% of AMI or below in cost-burdened areas, and at 120% of AMI or below in very cost-burdened areas, see the *2022 Scorecard, Appendix A: Multifamily Definitions*, p. 5.

d FHFA classifies as mission-driven loans to finance energy or water efficiency improvements whose unit rents are affordable to household incomes at 60% of AMI or below, see the *2022 Scorecard, Appendix A: Multifamily Definitions*, p. 5.

OPERATE THE BUSINESS IN A SAFE AND SOUND MANNER

The second goal under the 2022 Scorecard required the Enterprises to operate the business in a safe and sound manner. Within this category, FHFA established the following specific objectives, each discussed further below, to guide the work of the Enterprises:

- Ensure that each Enterprise is resilient to operational, market, credit, economic, and climate risks.
- Transfer a significant amount of credit risk to private investors, reducing risk to taxpayers.
- Ensure CSS operates in a safe and sound manner in support of Enterprise securitization activities.

Ensure that the Enterprise is Resilient to Operational, Market, Credit, Economic, and Climate Risks

To ensure Enterprise resilience to significant risks, the 2022 Scorecard instructed the Enterprises to:

- Address examination and supervision findings promptly.
- Maintain liquidity at levels required by FHFA and sufficient to sustain Enterprise operations through severe stress events.
- Maintain effective risk management systems appropriate for entities that need to minimize risk to capital as they rebuild their capital buffers.
- Ensure a governance structure exists to prioritize the effects of climate change throughout Enterprise decision making.
- Continue to ensure a successful transition away from LIBOR to approved alternative reference rates by continuing systems development and announcing plans for the transition of legacy products.

Address examination and supervision findings promptly

Timely remediation of matters requiring attention (MRAs) is critical to improving the safety and soundness of the Enterprises. During 2022, each Enterprise remediated 90 percent of FHFA-identified safety and soundness MRAs[72] by their due dates or had requested an extension within the appropriate timeframe. For MRAs with approved extensions, the Enterprises provided remediation plans within the required timeframes.

Enterprise Liquidity

The Enterprises are required to maintain liquidity at levels required by FHFA and sufficient to sustain Enterprise operations through severe stress events. In 2022, the Enterprises reported satisfactory liquidity numbers daily to FHFA.

Enterprise Risk Management Systems

Under the 2022 Scorecard, FHFA worked with the Enterprises to ensure that their business resiliency, information technology operations, data management, and information security programs adequately address safety and soundness concerns.

To accomplish those ends, the Enterprises each continued to implement leading-edge technologies to protect the security and confidentiality of sensitive information and to respond to emerging cybersecurity threats. FHFA also instructed the Enterprises to focus on ensuring that remediation programs were adequately funded and that any gaps or identified control weaknesses were remediated in a timely manner. The Enterprises monitored

72 In addition to safety and soundness MRAs, FHFA issues MRAs concerning fair lending and diversity and inclusion.

continuously for system anomalies and cybersecurity incidents, which they reported to FHFA.

In 2022, the Enterprises took significant steps to improve their business resiliency and technical recovery capabilities. Both Enterprises have established crisis management and incident response programs to respond to major operational or technical incidents, with tests conducted throughout the year to measure performance against recovery time and recovery point objectives. In addition to these capabilities, the Enterprises have established multi-year plans for modernizing their mission-critical infrastructure, with a specific focus on systems that are essential for providing liquidity to the mortgage market. Neither Enterprise had significant downtime nor an outage that affected the Enterprise's operations.

Climate Risks

Over the course of 2022, the Enterprises engaged in work with FHFA and made progress in key climate change and environmental, social, and governance (ESG)[73] focus areas: data and research, assessing climate exposure, ESG reporting and disclosure, governance, green bonds, and consumer protection.

In 2022, each Enterprise took steps to enhance its governance structure related to climate. Both Enterprises began the build-out of their climate risk frameworks and associated key components. These included risk identification and assessment, controls, monitoring, and internal and external reporting processes. Additionally, the Enterprises began to incorporate ESG and climate change into their corporate strategy and strategic planning. This included setting annual goals for their boards of directors and updating committee charters to oversee climate-related financial risk. The Enterprises also improved their understanding of the effect of climate change on consumers. Both Enterprises developed short-term consumer protection climate change roadmaps with delineated objectives, strategies, and metrics.

The Enterprises also made progress in voluntary ESG reporting. Freddie Mac published its 2021 Sustainability Accounting Standards Board (SASB) report[74] on October 3, 2022, and updated its 2021 SASB metrics to align with Fannie Mae's 2021 SASB reporting. Fannie Mae published its 2021 ESG report[75] on December 13, 2022, which represented an expansion from its 2020 SASB report. The 2021 report included information related to Fannie Mae's priority ESG topics, alignment to the SASB standard, and alignment to recommendations from the Taskforce on Climate Related Financial Disclosures. In 2022, the Enterprises also continued to work closely with FHFA on topics related to climate research, scenario analysis, and addressing data gaps. This work continues in 2023.

LIBOR Transition

In 2022, the Enterprises continued to work with FHFA to transition away from reliance on LIBOR and LIBOR- based products. The Enterprises' efforts prepared them for a prudent transition away from LIBOR in advance of LIBOR discontinuation, currently scheduled for June 30, 2023. In addition, the Enterprises have helped educate market participants about the reference rate transition.

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73 ESG encompasses considerations of environmental, social, and governance factors. For the Enterprises, ESG covers their work to enhance environmental sustainability within the homes they finance, to advance consumer access to safe, resilient, and affordable housing opportunities in a sustainable manner, and to embed climate considerations within their board and management processes.

74 *See* **https://www.freddiemac.com/about/pdf/Freddie_Mac_SASB_2021_Report.pdf.**

75 *See* **https://www.fanniemae.com/media/45726/display.**

During 2022, the Enterprises transitioned from LIBOR-based derivative activity to alternative derivatives, having transitioned away from LIBOR-based debt, single-family and multifamily adjustable-rate mortgages (ARMs), collateralized mortgage rate obligations, and credit risk transfer (CRT) securities during 2020.

The Enterprises also prepared legacy LIBOR transition plans describing expected timelines, assumptions, and dependencies for transitioning certain existing legacy LIBOR products. On December 22, 2022, the Enterprises announced their SOFR-based replacement rates for legacy LIBOR products, based on the benchmark replacements selected by the Board of Governors of the Federal Reserve System in its regulation implementing the Adjustable Interest Rate (LIBOR) Act.[76]

The Enterprises also have helped educate market participants about the planned reference rate transition. Each Enterprise updated its LIBOR transition website to provide servicers information on the transition of legacy LIBOR contracts, resources for existing refinance options that borrowers could consider for refinancing existing single-family LIBOR ARMs, and links to the CFPB website. The Enterprises regularly update their jointly produced LIBOR Transition Playbook describing the steps they have planned to take in the transition away from LIBOR. In addition, the Enterprises have updated the transition-related Frequently Asked Questions (FAQs) posted to their websites.[77]

FHFA worked with the Enterprises to ensure their preparedness for the discontinuation of LIBOR and continued to ensure that transition efforts would be prioritized across FHFA. The Enterprises share quarterly data with FHFA measuring changes in exposures to LIBOR through the LIBOR cessation date. To ensure the Enterprises transition away from LIBOR in a safe and sound manner, FHFA reviewed their LIBOR exposures, their evaluation of provisions in existing LIBOR contracts, and their transition documents, including updates on transition plans, the LIBOR Transition Playbook, and the FAQs.

In 2023, Enterprises will continue work to be operationally ready to transition existing legacy LIBOR contracts to alternative rates.

Seller/Servicer Eligibility Requirements

FHFA and the Enterprises remain continually focused on mitigating the risk presented by the Enterprises' counterparties. FHFA worked closely with the Enterprises to conduct analyses and propose requirements for non-depository counterparties that addressed lessons learned from the COVID 19 pandemic, including:

- Effect of higher delinquencies and costs associated with servicing mortgage loans, exposing the Enterprises to increased levels of counterparty risk;
- Need to cover seller risk stemming from liquidity challenges;
- Need for higher requirements for large non-depository servicers that are important to the mortgage servicing system and that hold a substantial portion of Enterprise servicing; and
- Need to differentiate servicer liquidity requirements based on differences in remittance type.

In February 2022, FHFA proposed new minimum financial eligibility requirements for Enterprise seller/servicers, which were finalized in the third quarter of 2022. The new requirements

76 *See* 12 CFR part 253.

77 *See* **https://capitalmarkets.fanniemae.com/libor-transition** and **https://www.freddiemac.com/about/reference-rates-transition.**

will strengthen required capital and liquidity for seller/servicers, provide transparency, and create consistency across firms with different business models. FHFA also requires the Enterprises to consider risk exposure from their contractual relationships with seller/servicers and assess, monitor, and take appropriate actions to address the risks to which they are exposed in their business relationships with third parties.

FHFA and the Enterprises engaged with servicing industry participants, regulators, and other stakeholders to obtain their feedback before finalizing the requirements. Most of the requirements will be effective in September 2023, and some will be phased in over longer periods.

Transfer a Significant Amount of Credit Risk to Private Investors

Single-Family Credit Risk Transfer

The Enterprises' CRT programs continue to be a core part of the Enterprises' single-family credit guarantee business. The programs reduce risk to taxpayers by transferring credit risk to private capital primarily through securities issuances and insurance/reinsurance CRT transactions. In March 2022, FHFA amended the Enterprise Regulatory Capital Framework to better encourage the Enterprises to engage in CRT transactions and to facilitate an environment where leverage is not the binding capital constraint for the Enterprises.[78] Those changes create incentives for the Enterprises to distribute credit risk to private investors through CRT rather than retaining that risk.

Under the 2022 Scorecard, FHFA required the Enterprises to transfer a significant amount of single-family credit risk to private investors. The Scorecard targeted fixed-rate loans with terms greater than 20 years and LTV ratios above 60 percent for risk transfer. Such loans represent a substantial amount of the credit risk associated with all single-family newly acquired mortgages. In 2022, despite challenging macroeconomic conditions, the Enterprises achieved a record level of CRT volume. The Enterprises transferred credit risk on single-family mortgage loans with a total UPB of approximately $1.1 trillion and total risk in force (RIF) of approximately $36 billion. Since the beginning of the programs in 2013, the Enterprises have transferred a portion of credit risk on loans with approximately $6.2 trillion in UPB and total RIF of about $197 billion.

Multifamily Credit Risk Transfer

In 2022, transferring credit risk to the private sector also remained an integral part of the multifamily business model for both Enterprises. Under the 2022 Scorecard, the Enterprises were required to transfer a significant amount of multifamily credit risk to private investors. Fannie Mae transferred risk on approximately $70 billion of its multifamily production through its DUS program. Additionally, during the year, Fannie Mae executed one multifamily insurance/reinsurance transaction transferring credit risk on approximately $13 billion of acquisitions with total RIF of approximately $340 million.

Freddie Mac's program continued to transfer a significant amount of credit risk through its multifamily securitization program that focuses on senior/subordinate structures via capital markets transactions. Through its K-deal program, Freddie Mac transferred credit risk on approximately $47 billion of multifamily new acquisitions in 2022. Additionally, Freddie Mac executed two companion capital markets and insurance/reinsurance CRT transactions, transferring credit risk on approximately $12 billion of acquisitions with total RIF of $590 million.

78 *See* 87 FR 14770 (Mar. 16, 2022), codified at 12 CFR part 1240.

Non-Performing and Re-Performing Loan Sales

Risk transfer activity under the 2022 Scorecard included sales of less liquid assets, specifically non-performing loans (NPLs) and re-performing loans (RPLs). NPL and RPL sales reduce the numbers of delinquent loans and of loans with irregular payment histories in the Enterprises' portfolios. These sales transfer a significant amount of credit risk to private investors, reducing risk to taxpayers. The Enterprises completed sales of RPLs representing approximately $7.5 billion in UPB through both structured and whole loan sales. The Enterprises completed sales of NPLs representing approximately $1.5 billion in seriously delinquent UPB. The NPLs were sold as whole loans in large national pools and geographically concentrated smaller pools.

FHFA imposes requirements on the Enterprises to facilitate these sales. The Enterprises are required to post details of NPL and RPL auctions on their public websites, including notices of upcoming sales and sales results. Additionally, the Enterprises are required to offer training to potential bidders to encourage participation in NPL and RPL auctions. The Enterprises are also required to provide FHFA with updates on market conditions, execution levels, and potential changes to the NPL and RPL sales programs, and submit data for semi-annual NPL sales reports based on FHFA reporting templates.

As a condition of these sales, FHFA and the Enterprises impose requirements on NPL and RPL buyers designed to achieve more favorable outcomes for borrowers than would result from foreclosure. Data collected and submitted on NPL sales to the Enterprises continue to show higher non-foreclosure outcomes for borrowers included in NPL sales. The Enterprises worked with FHFA to incorporate COVID-19 pandemic borrower protections into the NPL and RPL sales requirements. Such protections include incorporation of foreclosure or eviction moratoriums related to the COVID-19 pandemic applicable to single-family mortgage loans that are owned or securitized by the Enterprises, including any future extensions, as well as additional efforts to prioritize owner-occupant buyers when foreclosure cannot be avoided.

Ensure CSS Operates in a Safe and Sound Manner

Throughout 2022, CSS focused on maintaining the resiliency of the Enterprises' mortgage-backed securities platform to support the safety and soundness of the housing finance market and reducing unnecessary expenses as the Enterprises rebuild capital. Additionally, in 2022, CSS began efforts to further bolster its enterprise-wide risk management practices.

OTHER CONSERVATORSHIP ACTIVITIES

Boards of Directors

As conservator, FHFA reviews the appointment of new directors serving on the board of directors of each Enterprise.

In 2022, FHFA reviewed and approved the elections of Kevin Chavers and Luke Hayden to serve on Freddie Mac's board of directors, leaving the board with 12 independent members as of year-end 2022.

FHFA also reviewed and approved the appointment of CEO Priscilla Almadovar to serve on Fannie Mae's board of directors, as well as tenure extensions for Amy Alving and Diane Nordin to continue serving on Fannie Mae's board of directors, leaving the board with nine independent members as of year-end 2022. Sheila Bair announced her resignation from the board in April 2022, and board member Mike Heid was appointed to the chair by the board with FHFA approval.

Management

FHFA, as conservator, worked closely with Fannie Mae in its selection to replace its CEO, Hugh Frater, whose resignation was effective in 2022. In December 2022, Fannie Mae appointed Priscilla Almodovar as the new Fannie Mae CEO. Fannie Mae's president, Dave Benson, had been serving as Interim CEO and returned to his duties as president following the appointment of the new CEO.

Enterprise Compensation

No material changes were made to the Enterprises' Executive Compensation Plans in 2022, although FHFA implemented several policy changes that affected Enterprise executive compensation. FHFA now requires the Enterprises to limit base salaries to $600,000 only for executive officers[79] rather than for all employees. In addition, FHFA no longer requires the Enterprises to submit for FHFA approval any proposed increase in compensation for an employee or any new hire's compensation solely because the target total direct compensation equals or exceeds $600,000. FHFA continues to require the Enterprises to defer at-risk compensation earned by executive officers for two years, but half of at-risk deferred compensation earned in 2022 by senior vice presidents and above who were hired before January 1, 2020, will be paid out in 2023 and half will be paid in 2024. Compensation for the Enterprises' CEOs is maintained at a statutory limit that applies during any time the Enterprise is in conservatorship.[80] As supervisor, FHFA 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. FHFA continues to closely examine all compensation requests by the Enterprises and maintains an active dialogue with each Enterprise about current and future compensation actions.

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

80 *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. While Fannie Mae's president, Dave Benson, concurrently served as interim CEO (from May to December 2022), he was compensated for his service as president only; Mr. Benson did not receive any compensation for his service as interim CEO.

RESEARCH AND PUBLICATIONS

In this Chapter

REPORTS TO CONGRESS

During 2022, FHFA published all reports required by statute, as well as research papers related to housing and market conditions. Reports and publications are posted on FHFA's website at www.FHFA.gov.

Pursuant to requirements under federal law, including HERA and the Dodd-Frank Act, FHFA submitted all required annual reports to Congress in 2022. Additionally, as required by statute, FHFA submitted monthly reports on the number of loan modifications and other foreclosure prevention activities of the Enterprises.

Guarantee Fee Study – HERA requires FHFA to conduct an ongoing study of the guarantee fees charged by Fannie Mae and Freddie Mac. In November 2022, FHFA released its 14th annual *Guarantee Fee Study Report*. The report examines the fees charged by the Enterprises for guaranteeing conventional single-family mortgages in 2021, including the amount of these fees and the criteria used to determine them. The report utilized aggregated data collected from the Enterprises.

Annual Housing Report – FHFA submitted its 14th *Annual Housing Report* to Congress in October 2022. This report details the Enterprises' performance in 2021 under their housing goals and Duty to Serve statutory requirements, as well as information on other aspects of the Enterprises' loan purchase and refinance activities.

FHLBank Advance Collateral Study – HERA requires FHFA to submit to Congress an annual report on the collateral pledged to the FHLBanks. In December 2022, FHFA released its 14th *Report on Collateral Pledged to the Federal Home Loan Banks*, based on the results of the FHLBank Collateral Data Survey and covering data as of the fourth quarter of 2021.

No FEAR Act Report – The Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act) requires federal agencies to be publicly accountable for violations of antidiscrimination and whistleblower protection laws.

Federal agencies must publish on their public websites quarterly and annual data related to federal sector Equal Employment Opportunity complaints, reimburse the Treasury Department Judgment Fund for any payments made,[81] and notify employees and applicants for employment about their rights under the federal antidiscrimination and whistleblower laws. In March 2022, FHFA published the *Fiscal Year (FY) 2021 No FEAR Act Annual Report to Congress*, covering fiscal years 2017 through 2021.

OMWI Annual Report – The Dodd-Frank Act requires most federal financial regulators to establish an Office of Minority and Women Inclusion (OMWI). FHFA's OMWI is responsible for leading the Agency's efforts to advance diversity, equity, and inclusion and developing standards for: 1) the racial, ethnic, and gender diversity of the workforce and senior management; 2) increased participation of minority- and women-owned businesses in FHFA programs and contracts; and 3) assessing the diversity policies and practices of entities regulated by FHFA. Also, Section 1116(f) of HERA requires FHFA to seek diversity at all levels of its workforce, consistent with the demographic diversity of the United States. In March 2022, FHFA submitted its annual *OMWI Report to Congress* detailing the activities of FHFA's OMWI during 2021.

Federal Property Manager's Report/Foreclosure Prevention Report – The Emergency Economic Stabilization Act of 2008 directs Federal Property

[81] FHFA is a non-appropriated Agency and therefore does not utilize the Judgement Fund.

Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period. FHFA is a designated FPM in its role as conservator of Fannie Mae and Freddie Mac. FHFA delivered all monthly and quarterly FPM reports to Congress throughout 2022.

Interest Rate Disparities Analysis – FHFA is required to report to Congress annually on "the actions taken, and being taken, by the Director to carry out"[82] which authorizes FHFA to require the Enterprises to submit information from which FHFA may assess whether loan pricing by lenders results in disparities for minority borrowers compared with non-minority borrowers of similar creditworthiness.

If FHFA makes a preliminary finding that a pattern of disparities exists for a lender, FHFA must refer that finding to the appropriate regulatory or enforcement agency for further review.

FHFA's screening methodology involves regression analysis of the annual percentage rate (APR) controlling for numerous credit and underwriting factors that may influence the APR. However, FHFA cannot control for all possible factors that may explain disparities and is not authorized to review the policies or practices of any individual lender. The screening methodology flags for a preliminary finding and referral of any lender with an APR disparity identified as statistically significant in each loan product. The analysis supporting the preliminary finding utilizes the data maintained by the Enterprises and includes only loans purchased by the Enterprises.

In 2022, FHFA referred preliminary findings of a pattern of disparities to regulators or enforcement agencies with jurisdiction to conduct examinations or investigations into potential pricing discrimination, based on statistical analysis of data covering 2021. APR disparities of 10 basis points or more, after regression adjustment, constituted 32 percent of the preliminary findings. A referral was commonly generated because of a disparity for Latino borrowers versus non-Latino white borrowers (66% of referrals), followed by Black borrowers (54%), American Indian borrowers (4%), Asian borrowers (1%), and Pacific Islander borrowers (1%).[83]

Chief Data Officer's Annual Report – The Foundations for Evidence-Based Policymaking Act of 2018, Pub. L. No. 115-435, 132 Stat. 5529 (2019) ("Evidence Act") and 44 U.S.C. § 3520(e) require the Chief Data Officer (CDO) to submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives an annual report on the compliance of the agency with the requirements of 44 U.S.C. Subchapter I – Federal Information Policy. FHFA submitted its 2021 CDO Annual Report to Congress in April 2022.

HOUSE PRICE INDEX

In 2022, FHFA continued its regular publication of house price indexes (HPI), including "all transactions" and "purchase-only" measures using data obtained from the Enterprises, as well as "expanded-data" measures that also use Federal Housing Administration and county recorder data. Such measures are estimated using different underlying data sources, and all provide readings of house price movements at

82 *See* 12 U.S.C. § 4561(d)

83 The figures sum to more than 100% because a referral can be generated due to a disparity for more than one group.

various geographic granularities. These standard indexes are produced quarterly and monthly.

PUBLIC USE DATABASES

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises in the reports required under Section 309(m) of Fannie Mae's Charter Act and Section 307(e) of Freddie Mac's Charter Act, except for certain proprietary information and personally identifiable information. FHFA is required to make publicly available Enterprise data elements analogous to those required to be reported by mortgage originators under the Home Mortgage Disclosure Act at the census tract level. The Safety and Soundness Act also requires FHFA to make public certain high-cost securitized loan data it collects to compare the characteristics of high-cost loans the Enterprises purchase and securitize. FHFA is required to release the data by September 30 of the year following the year the mortgages were acquired by an Enterprise. For 2022, FHFA released the required 2021 data to the public through its Public Use Database. The Public Use Database contains census tract- and national-level data by Enterprise, for both single-family and multifamily mortgages.

NATIONAL MORTGAGE DATABASE PROGRAM

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

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

Pursuant to requirements of the Safety and Soundness Act, the NMDB program conducts a monthly mortgage market survey to collect data on the characteristics of individual mortgages and the credit history of borrowers. The survey covers mortgages that are and are not eligible for purchase by Fannie Mae and Freddie Mac, including subprime and nontraditional mortgages.[84]

The NMDB and its components collect data for a nationally representative sample of mortgages. In 2022, the quarterly NSMO survey was administered four times, and a public use file with data for 2013 to 2020 originations was released in December 2022. The ASMB survey focusing on borrowers transitioning from mortgage forbearance was conducted in 2022.

Each quarter, FHFA also updated aggregate statistics datasets that are derived from the NMDB: National New Residential Mortgage Statistics, National and State Level Outstanding Residential Mortgage Statistics, and National and State Level Residential Mortgage Performance Statistics.

UNIFORM APPRAISAL DATASET AGGREGATE STATISTICS

In October 2022, FHFA published aggregate statistics from the Uniform Appraisal Dataset (UAD), the first comprehensive publicly available data on appraisals. The Agency used appraisal records collected from 2013 through the second quarter of 2022 on Enterprise single-family

[84] The statute also calls for the survey to include a determination of whether subprime and nontraditional borrowers would qualify for prime lending. Because of uncertainty around defining the concept of subprime (*see* Interagency Statement on Subprime Mortgage Lending, 72 FR 37569 (July 10, 2007)) and the paucity of data on the subprime market, it has not been feasible to incorporate such determinations in the NMDB.

properties to create a data file of more than 23 million UAD aggregate statistics, in a manner that protects borrower privacy. Aggregate statistics for Enterprise single-family appraisals can be grouped by neighborhood characteristics, property characteristics, and geographic levels (national, state plus the District of Columbia and Puerto Rico, Metropolitan Statistical Areas (MSAs) or Metropolitan Divisions, county, and census tract). FHFA publishes the UAD Aggregate Statistics quarterly.

ECONOMIC SUMMITS AND RESEARCH PUBLICATIONS

Economic Summits – FHFA hosted Economic Summits on May 25, 2022, and November 1, 2022. These summits brought external perspectives from experts and researchers working in areas relevant to FHFA's mission of overseeing the safety and soundness of its regulated entities. The first summit's theme was housing challenges exacerbated by COVID-19 with a focus on longstanding issues and homeownership gaps. The second summit's theme was climate-related financial risk with a focus on climate scenario analysis and the effects of climate change on vulnerable communities. Speakers from private industry, academia, FHFA, and other government agencies participated in the summits.

Research Publications – In 2022, FHFA published four new working papers. The original research in these working papers represents contributions to the academic, practitioner, and policy communities in the areas of housing finance and regional and urban economics. While FHFA provides approval for the research projects consistent with FHFA objectives, the papers reflect the views of the authors, not FHFA.

Working Paper 22-01: Mortgage Appraisal Waivers and Prepayment Speeds – This paper examines factors affecting the use of appraisal waivers for mortgages guaranteed by Fannie Mae and Freddie Mac and the effect of appraisal waivers on prepayment speeds. The alignment of Freddie Mac's eligibility criteria with those of Fannie Mae around the start of the COVID-19 pandemic was associated with an increase in the use of appraisal waivers. Conditional on satisfying the basic eligibility criteria, appraisal waivers are more common for refinance loans, loans serviced by nonbanks, and less risky borrowers. Appraisal waivers were associated with higher conditional prepayment rates during 2020, but to a lesser extent in 2021 as refinancing activity slowed. Much of this association can be explained by correlations between appraisal waivers and other observable determinants of prepayment speeds.

Working Paper 22-02: Housing Supply and Liquidity in the COVID-19 Era – This paper documents changes in national housing supply and liquidity during the COVID-19 era using a suite of monthly indices, ranging from summary statistics (mean and median time on the market, proportion of homes sold, etc.) to more advanced econometric indices that can address censoring and unobserved heterogeneity. Results indicate a sharp structural break in most of the indices near the start of COVID-19 in March 2020, though each index's most likely break date varies by a few months. The findings suggest that the start of the pandemic saw a supply decrease, followed by an immediate and sustained price increase. Listings became more likely to be withdrawn, but those that sold did so faster relative to pre-COVID levels, indicating a change in the distribution of housing market liquidity. Finally, results suggest that there were different types of structural breaks, specifically changes in the level, slope, and seasonality of the indices.

Working Paper 22-03: Applying Seasonal Adjustments to Housing Markets – House price seasonality has been increasing over the last decade, but adjustments have remained largely unchanged in commonly used public data. This paper shows how seasonal adjustments work—both theoretically and applied to observed transactions—when constructing HPIs. This paper finds the seasonality in the housing market is not uniform across geographies. Evidence is provided about where adjustments are more necessary, how often they should be recalculated, and how weather-related variables, as well as social and industry characteristics impact differences between the adjusted and non-adjusted HPI. This paper also finds the differences between previous and updated adjusted indices are relatively small, with slight improvement in recent years.

Working Paper 22-04: Effects of Mortgage Interest Rates on House Price Appreciation: The Role of Payment Constraints – This research examines the effects of mortgage interest rates on house prices in the 100 largest U.S. cities, with appreciation driven by both short-run dynamics and convergence towards long-run economic fundamentals. The nature of the long-run equilibrium depends on the elasticity of housing supply, and the speed of adjustment to this long-run equilibrium depends on the degree to which borrowers are near monthly debt service payment constraints. Accordingly, the pass-through of mortgage interest rates to house prices is location and time-varying. This has implications for understanding of monetary policy transmission, systemic risk, and the role of household finances in the macroeconomy.

FHFA OPERATIONS AND PERFORMANCE

In this Chapter

PERFORMANCE AND PROGRAM ASSESSMENT

FHFA published a strategic plan for the Agency in April 2022 that reflects the Agency's priorities as regulator of the Federal Home Loan Bank System and as regulator and conservator of the Enterprises. The plan sets three strategic goals: 1) Secure the regulated entities' safety and soundness; 2) Foster housing finance markets that promote equitable access to affordable and sustainable housing; and 3) Responsibly steward FHFA's infrastructure.

On November 15, 2022, FHFA published its annual *Performance and Accountability Report* (PAR), summarizing performance and achievements during FY 2022. FHFA identified in the PAR a total of 33 performance measures and associated targets to monitor progress toward achieving the Agency's strategic goals and strategic objectives. FHFA met the targets for 30 of these measures, representing a 91 percent success rate. The overall results indicate progress toward achieving FHFA's goals and mission.

In March 2023, the Association of Government Accountants awarded FHFA its 15th consecutive *Certificate for Excellence in Accountability Reporting* (CEAR), for FY 2022. 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 FHFA to collect annual assessments from its regulated entities to pay its expenses and maintain a working capital fund. In FY 2022, FHFA assessed the regulated entities a total of $317.5 million, including $49.9 million to support the Office of Inspector General. FHFA issues assessment notices to the regulated entities semiannually, with the collections occurring on October 1 and April 1. The Financial Summary for FY 2022 can be found in FHFA's PAR on pages 22-28, with the full set of audited financial statements on pages 81-103.

In accordance with HERA, FHFA is authorized to retain a working capital fund for unforeseen or emergent requirements, which can be funded through a special assessment to the regulated entities or through retention of unobligated balances at the end of the fiscal year. At the end of FY 2022, the FHFA working capital fund had a balance of $37 million, down from $38.4 million in FY 2021.

FEDERAL HOUSING FINANCE OVERSIGHT BOARD ASSESSMENT

FEDERAL HOUSING FINANCE OVERSIGHT BOARD ASSESSMENT

June 2023

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 include an assessment of 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. The assessment of the Federal Housing Finance Oversight Board follows:

Housing Markets

In 2022, FHFA and the Enterprises continued responding to mortgage market needs resulting from the COVID-19 pandemic. In the third year of the pandemic, the Enterprises' temporary selling and servicing policies largely remained unchanged and focused on preserving mortgage market liquidity, home retention, and risk management. FHFA and the Enterprises are examining lessons learned from the pandemic to inform the existing loss mitigation framework, with the goal of improving the ability of mortgage servicers to assist struggling homeowners in retaining their homes, while minimizing losses to the Enterprises and taxpayers. For example, based on the success of the COVID-19 payment deferral, FHFA announced in March 2023 that the Enterprises would enhance their payment deferral policies to allow borrowers facing financial hardship to defer up to six months of mortgage payments as part of the standard loss mitigation toolkit.

At year-end 2022, a majority of the combined 2.3 million Enterprise COVID-19 forbearance actions had been resolved through self-cure of any past due payments, permanent loss mitigation solutions, such as COVID-19 Payment Deferral, or loan payoffs through either refinance transactions or home sales. Delinquencies remain below pre-pandemic norms at both Enterprises. As of year-end 2022, approximately 81,000 Enterprise borrowers remained in active COVID-19 forbearance.

As the country emerges from the pandemic, there is uncertainty about the long-term effects on housing finance markets. Prior to the pandemic, house prices were growing at a moderate rate and mortgage interest rates were stable, yet housing inventory remained low. For more than two years subsequent to the onset of the pandemic, house price growth was historically high, fueled in part by low inventories of homes for sale and historically low mortgage rates during the pandemic. In February 2022, year-over-year house price growth peaked at 19.2 percent according to the FHFA Purchase-Only House Price Index. In 2022, mortgage rates increased rapidly, which dampened demand but did not resolve the supply challenges and raised affordability concerns for those who are looking to buy. Freddie Mac's weekly survey of lenders nationwide indicated that the average rate for 30-year fixed rate mortgages, including points, reached a peak of 7.08 percent during the weeks of October 27 and November 10, 2022, before declining to 6.42 percent at year-end.

FHFA continues to monitor new and evolving challenges facing the regulated entities and the nation's housing finance system.

Enterprises

The Enterprises were chartered by Congress to provide stability in the secondary housing finance market, respond appropriately to the private capital market, provide ongoing assistance to the secondary mortgage market, including activities relating to mortgages for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities, and to promote access to mortgage credit by increasing the liquidity of mortgage investments. Consistent with their statutory missions, the Enterprises have continued to provide liquidity, stability, and affordability in the secondary mortgage market during their conservatorships.

The Enterprises have operated in conservatorships since 2008. The U.S. Department of the Treasury (Treasury Department) continues to provide the Enterprises with financial support through the Senior Preferred Stock Purchase Agreements (PSPAs). $254 billion of the Treasury Department's funding commitment remains available to the Enterprises.

The Treasury Department and FHFA have amended the PSPAs multiple times. Most recently, in January 2021, the parties executed letter agreements that, among other changes, allow the Enterprises to retain capital up to their regulatory minimums, including buffers, set forth in the Enterprise Regulatory Capital Framework (ERCF). As a result of these amendments to the PSPAs and the subsequent accumulation of retained earnings, the Enterprises have grown their combined net worth to $97.3 billion as of year-end 2022. As of December 31, 2022, Fannie Mae's net worth was $60.3 billion, while Freddie Mac's was $37.0 billion.

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 requires FHFA to establish, by regulation, risk-based capital requirements for the Enterprises to ensure that each Enterprise operates in a safe and sound manner, which includes maintaining sufficient capital and reserves to support the risks that arise in the operations and management of each Enterprise. FHFA established such requirements in the 2020 ERCF along with new leverage and buffer capital requirements. In 2022, FHFA amended the capital framework to refine the leverage buffer and the risk-based capital treatment for retained credit risk transfer (CRT) exposures, introduce additional capital-related public disclosure requirements, and require the Enterprises to develop, maintain, and submit annual capital plans to FHFA. These amendments promote transparency, encourage sound risk management practices, and provide incentives for the Enterprises to distribute acquired credit risk to private investors. Under the new amendments, the Enterprises each published their first capital disclosures in the first quarter of 2023 and delivered their first capital plans to FHFA in May 2023. The plans contain certain mandatory elements, including an assessment of the expected sources and uses of capital over a planning horizon that reflects the Enterprise's size and complexity, assuming both expected and stressful conditions. In the first quarter of 2023, FHFA issued an additional notice of proposed rulemaking that would enhance the ERCF to better align the capital requirements to the risks posed by the Enterprises' businesses and further align the ERCF to the requirements in the U.S. banking framework.

The ERCF requires the Enterprises upon exit from conservatorship to maintain higher levels of capital than prior to conservatorship to satisfy their risk-based capital requirements, leverage ratio requirements, and prescribed buffer amounts. Based on their financial condition as of December 31, 2022, the Enterprises together would be required to hold approximately $307 billion in adjusted total capital, of which at least $262 billion would need to be tier 1 capital and $229 billion would need to be common equity tier 1 capital. The ERCF requires the Enterprises to meet all risk-based capital requirements and leverage ratio requirements. Comparing the tier 1 capital requirements provides an indication of whether an Enterprise is constrained by its risk-based capital requirements or its leverage ratio requirements. Fannie Mae's tier 1 risk-based capital requirement plus buffer of $158 billion (equivalent to 3.5 percent of adjusted total assets) exceeds its tier 1 leverage capital requirement plus buffer of $137 billion (3.0 percent of adjusted total assets). Freddie Mac's tier 1 risk-based capital requirement plus buffer of $104 billion (equivalent to 2.8 percent of adjusted total assets) is similar to its tier 1 leverage capital requirement plus buffer of $104 billion (2.8 percent of adjusted total assets). Despite considerable growth in each Enterprise's loss absorbing capacity (net worth), available capital remains in deficit, in large part because the Senior Preferred Stock issued by the Enterprises is excluded from regulatory capital. The Enterprises remain undercapitalized, with a combined adjusted total risk-based capital shortfall of $421 billion, which exceeds their adjusted total risk-based capital requirements and buffers due to the Enterprises' accumulated deficits.

To maintain safety and soundness, the Enterprises continue to manage their credit, market, liquidity, and operational risks as new challenges emerge. Credit risk management remains a priority for both Enterprises, given the effects of the COVID-19 pandemic on borrowers, partially mitigated by many borrowers successfully exiting forbearance programs, and current home prices, which are significantly above the long-run trend level. Exposure to nonbank mortgage companies increased in 2021, primarily due to increased sales to the Enterprises and servicing volumes. Related Enterprise risk management practices continue to address the heightened exposure. Market risk exposures declined year-over-year as the Enterprises shrank retained portfolios and employed effective funding and hedging strategies for the single-family and multifamily business lines. Both Enterprises exceed FHFA guidance and expectations for liquidity by maintaining a large volume of high-quality liquid assets. While both Enterprises employ information security programs, operational risks remain elevated given increased exposure to cybersecurity threats.

In August 2022, FHFA and the Government National Mortgage Association (Ginnie Mae) issued a joint announcement of their updated minimum financial eligibility requirements for seller/servicers and issuers. These updates improve upon the prior framework by strengthening seller/servicer net worth, capital, and liquidity requirements and better tailoring the minimum requirements associated with different types of loans and risk exposures. Prompted by the changing nature of the U.S. housing finance system, these enhanced eligibility requirements reflect Ginnie Mae and FHFA's shared goals to promote confidence in approved issuers and seller/servicers and improve the safety and soundness of the U.S. mortgage-backed securities ecosystem through all economic cycles.

In August 2022, FHFA released its annual report providing the results of the annual stress tests that the Enterprises are required to conduct under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). As amended, the Dodd-Frank Act requires certain financial institutions with more than $250 billion in assets that are regulated by a federal financial regulatory agency to conduct annual stress tests to determine whether they can absorb losses resulting from severely adverse economic conditions. The report provides updated information on possible ranges of future financial results of the Enterprises under such conditions.

In 2022, the Enterprises generated a combined net income of $22.2 billion, down from $34.3 billion in 2021. The decline in net income was primarily due to credit reserve build-up driven by a combination of higher interest rates and lower forecasted home prices. Both Enterprises are subject to volatility in their financial results primarily due to changes in interest rates and credit loss expectations. To minimize the effects of interest rate fluctuations and mitigate accounting volatility in its financial results, Freddie Mac implemented fair value hedge accounting in 2017. Fannie Mae implemented fair value hedge accounting in the first quarter of 2021.

In 2022 and 2023, FHFA oversaw several changes to the Enterprises' single-family mortgage pricing framework. The changes were implemented to reflect the Enterprises' transition to the ERCF capital requirements and to increase support for creditworthy borrowers limited by income or by wealth, while ensuring a level playing field for small and large sellers, fostering capital accumulation, and achieving viable returns on ERCF capital. The changes included general increases in upfront fees for cash-out refinance loans, second home loans, and high balance loans while eliminating upfront fees for many first-time homebuyers, low-income borrowers, and underserved communities. In addition, the upfront fee matrices were redesigned and recalibrated to better reflect risks as measured by the ERCF. A fee of 50 basis points for commingled Enterprise securities was introduced and then revised to 9.375 basis points. On May 15, 2023, FHFA issued a request for input to solicit public feedback on the goals and policy priorities for the Enterprises' single-family mortgage pricing framework.

In 2022, the Enterprises purchased single-family mortgages with a combined unpaid principal balance (UPB) of $1.16 trillion, compared to $2.58 trillion UPB in 2021. The Enterprises purchased a combined volume of multifamily mortgages with a UPB of $142 billion in 2022, compared to $140 billion in 2021. As of December 31, 2022, the Enterprises guaranteed debt securities funding approximately $7.4 trillion in single-family and multifamily mortgages.

Since 2015, FHFA has set annual caps on the volume of multifamily mortgages an Enterprise can purchase to ensure that the Enterprises provide appropriate support to the multifamily sector, especially mission-driven affordable housing, without displacing private capital. In 2022, at least 50 percent of each Enterprise's multifamily mortgage purchases were required to be mission-driven affordable housing and at least 25 percent of their purchases were required to be affordable to households at or below 60 percent of Area Median Income (AMI). Both Enterprises exceeded the minimum mission-driven requirements in 2022. In addition, each Enterprise remained below its volume cap of $78 billion for the 2022 calendar year due to changing market conditions, including strong activity from private capital sources in the first half of the year, followed by rising interest rates and low transaction volume in the second half of the year.

The Enterprises are subject to annual affordable housing goals covering their purchases of single-family mortgages and multifamily mortgages. In 2022, FHFA determined that Fannie Mae and Freddie Mac met all the single-family goal requirements for 2021. The Enterprises also met each of their multifamily housing goal requirements for 2021. Enterprise performance on the 2022 goals will be evaluated later in 2023. In December 2022, FHFA issued a final rule on the 2023-2024 multifamily housing goals for Fannie Mae and Freddie Mac. The rule implemented new multifamily benchmark levels for the Enterprises and established a new percentage-based methodology for measuring the multifamily housing goals.

In support of the Enterprises' statutory duty to serve three underserved markets – manufactured housing, affordable housing preservation, and rural housing – the Enterprises establish Duty to Serve Underserved Markets Plans (Plans). In 2022, both Enterprises surpassed their Plans' multifamily loan purchase targets supporting residential economic diversity, loan purchases in developments with Low-Income Housing Tax Credits, and manufactured housing communities with certain pad lease protections. The Enterprises also surpassed their Plans' single-family loan purchase targets in high needs rural regions and in shared equity transactions.

The Enterprises also made statutorily required contributions of a combined $545 million to the U.S. Department of Housing and Urban Development's (HUD) Housing Trust Fund and the Treasury Department's Capital Magnet Fund based on the amount of the Enterprises' 2022 new business purchases. These contributions support affordable housing and community development initiatives across the country.

In 2022, FHFA took meaningful steps to advance fairness and equity in the housing finance system. In August 2022, FHFA announced that the Enterprises would require servicers to obtain and maintain fair lending data on loans owned by the Enterprises. FHFA adopted internal procedures to govern FHFA's fair lending and fair housing compliance examinations of the Enterprises. FHFA also issued updated fair lending data that provide the public with information on mortgage application approval rates and loan acquisition shares by consumer race/ethnicity for each Enterprise. In June 2022, in consultation with FHFA, the Enterprises released Equitable Housing Finance Plans for 2022-2024. In addition, FHFA continued to coordinate with the Consumer Financial Protection Bureau (CFPB), HUD, and the Property Appraisal and Valuation Equity (PAVE) Interagency Task Force to strengthen federal enforcement of fair lending laws.

FHLBanks

FHFA has continued its supervision and oversight to ensure that the FHLBanks operate safely and soundly and remain focused on their mission, which is to provide liquidity to their members and housing associates through advances and other financial products in support of housing and community development.

In August 2022, FHFA announced the launch of a comprehensive review of the FHLBank System. The purpose of the *FHLBank System at 100: Focusing on the Future* initiative is to ensure the FHLBanks remain positioned to meet the needs of the communities they serve. In addition to soliciting written input from the public, the review convened public listening sessions and roundtable discussions across the country. FHFA expects to issue a report on this initiative later in 2023.

The FHLBanks have remained focused on providing liquidity to their members through originating advances (loans), purchasing whole mortgage loans, and facilitating off-balance sheet programs. FHFA calculates a core mission achievement ratio that approximates the FHLBanks' funding of mission-oriented assets, and the FHLBank System (the System) met a preferred level of at least 70 percent at year-end 2022. Additionally, each FHLBank funds an Affordable Housing Program pursuant to statutory and FHFA regulatory requirements.

Historically, short- and long-term advances to members and housing associates have been the principal mission asset of the FHLBanks. Advances are primarily collateralized by residential mortgage loans, commercial real estate loans, and government and agency securities. In 2022, the FHLBanks' business of advances to members continued to operate effectively and without credit losses.

After four consecutive years of declines, advances increased substantially by $467.8 billion, or 133.2 percent year-over-year, in 2022. All 11 FHLBanks reported increases in advances during the period, primarily driven by commercial bank members utilizing advances to help fund loan growth. Notably, from 2017 to 2021, the FHLBank System experienced four consecutive years with lower year-end advance outstanding balances. Although advances grew by $165.4 billion in the first quarter of 2020 to $806.9 billion, because of market pressures caused by COVID-19, they declined significantly to $422.6 billion by year-end 2020 and then declined further in 2021. The 10 largest holding company borrowers accounted for 26.5 percent of aggregate advances outstanding at year-end 2022, in line with 26.4 percent the previous year. Generally, FHLBanks with higher levels of advances have one or more very large commercial bank borrowers in their districts. Record declines in bank deposits year-over-year further contributed to FHLB members' reliance on advances to support liquidity.

System on-balance sheet whole mortgage loans totaled $56.1 billion at year-end 2022, up from $55.6 billion at year-end 2021. Off-balance sheet programs include letters of credit and mortgage delivery programs. Letters of credit, which allow members to diversify collateral for securing public unit deposits, had a total notional value of $169.4 billion at year-end 2022. Mortgage delivery programs to Fannie Mae and third-party investors, which are off-balance sheet for the FHLBanks, had a combined volume of $1.6 billion in 2022, compared with $7.1 billion in 2021. These programs provide members with alternative conduits to move mortgages off their balance sheets, to allow additional mortgage originations. The volume of these programs at the FHLBanks fell in 2022 after significant increases in interest rates in 2022 slowed mortgage purchases across the System.

As of December 31, 2022, all 11 FHLBanks significantly exceeded the minimum 4.0 percent regulatory capital ratio. The regulatory capital-to-assets ratio for the FHLBank System was 5.6 percent at the end of 2022, down from 6.7

percent at the end of 2021, as asset growth outpaced capital growth. Retained earnings, a critical component of FHLBank capital, was $24.6 billion or 2.0 percent of assets at year-end 2022, up from $22.8 billion or 3.1 percent of assets in 2021.

All FHLBanks were profitable in 2022; no FHLBank reported a quarterly or annual loss for the year. Aggregate net income totaled $3.2 billion, up from $1.8 billion in 2021. The increase was primarily a result of growth in System assets, which increased to $1.2 trillion in 2022 from $723.4 billion in 2021, as well as positive income effects from higher interest rates in 2022.

In 2022, the FHLBanks continued their contributions to their Affordable Housing Programs (AHP), which provide funds, through their members, for the purchase, construction, or rehabilitation of affordable owner-occupied and rental housing for very low- and low- or moderate-income households. In addition to their competitive programs that award funds primarily to rental projects, the FHLBanks also provide homeowner assistance for purchase and rehabilitation of properties. Since the program's inception in 1990, the FHLBanks have awarded approximately $7.6 billion through the AHP, assisting more than one million households. In addition, during 2022, the FHLBanks extended funds totaling over $4.9 billion to members through other community investment programs for housing and economic development projects.

In March 2023, the FHLBanks experienced significant member advance demand because of banking sector volatility caused by the failures of Silicon Valley Bank and Signature Bank. Both institutions were members and active borrowers of the FHLBanks, with balances at year-end 2022 of $15 billion and $11 billion, respectively. As these members came under increased stress, the FHLBanks worked with federal and state bank regulators to ensure funding was provided to the troubled banks by the FHLBank System or the Federal Reserve Discount Window. FHFA's forthcoming report on its review of the FHLBank System will consider the role of the FHLBanks during periods of strain.

The elevated advance demand in March 2023 exceeded previous financial market disruptions (e.g., 2008 and 2020), with total advances outstanding rising to $1,045 billion and total debt outstanding rising to $1,459 billion as of March 31, 2023. Advance balances subsequently declined from peak March 2023 levels as banking sector contagion fears lessened; however, as of the end of May, advance balances remain well above their levels prior to this stress event. The FHLBanks maintained strong liquidity and lending capacity through the sector disruption and did not incur an advance credit loss.

Conclusion

As reflected in the Annual Report, FHFA engaged in significant efforts to oversee the Enterprises and FHLBanks during 2022. While challenges remain for the regulated entities, including the ongoing conservatorships of Fannie Mae and Freddie Mac, FHFA continues to meet its statutory obligations.

Sandra L. Thompson

Chair

Federal Housing Finance Oversight Board

Marcia L. Fudge

Secretary

U.S. Department of Housing and Urban Development

Gary Gensler

Chair

U.S. Securities and Exchange Commission

Janet L. Yellen

Secretary

U.S. Department of the Treasury

LEGISLATIVE RECOMMENDATIONS

In this Chapter

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 their 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's authority to assess the impact of third-party relationships on the safe and sound operations of its regulated entities is limited. With regard to the Enterprises, FHFA relies on conservatorship authority to require that the Enterprises include provisions in their third-party contracts on access to information about service providers and to exercise the Enterprise's contractual right to obtain such information as is necessary to fulfill FHFA's statutory safety and soundness responsibilities. FHFA does not have similar authority over 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 the authorities conferred upon the federal banking agencies through a provision in the Bank Service Company Act.[85] The Financial Stability Oversight Council (FSOC) made a similar recommendation in its *2022 Annual Report*, as it has for the past several years.[86] 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 examine the records, operations, and facilities of each material service provider to a regulated entity with regard to the services provided to the regulated entity. 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.

If given express examination authority, FHFA would also 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.

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

86 *See* **2022 Annual Report, Financial Stability Oversight Council**, p. 72.

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. Unlike the U.S. banking framework, these statutory definitions 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). FHFA's authorizing statute does not expressly permit FHFA to adjust the statutory capital definitions by regulation.

The shortcomings in the statutory definitions of capital could pose safety and soundness risks. During the financial crisis, market confidence in the Enterprises collapsed in mid-2008 even when Fannie Mae and Freddie Mac had total capital, as defined by statute, of $55.6 billion and $42.9 billion and net DTAs of $20.6 billion and $18.4 billion, respectively. Questions about the Enterprises' solvency likely arose in part because of their sizeable DTAs, which had less loss-absorbing capacity during a period of negative income but still counted toward regulatory capital. Specifically, while the Enterprises' combined total capital per the statute totaled $98.5 billion, their combined *adjusted* total capital per the definition in the U.S. banking framework totaled only $29.6 billion – a marked difference.

FHFA's Enterprise Regulatory Capital Framework (ERCF), as set forth by regulation in 2020 and amended in 2022, mitigates the risk posed by the existing statutory definitions of capital by prescribing supplemental minimum and buffer capital requirements based on definitions of regulatory capital used by the federal banking regulators. While these supplemental requirements should ensure that each Enterprise maintains adequate high-quality regulatory capital throughout the economic cycle, the supplemental requirements introduce some

additional complexity to an already complex capital framework. If Congress were to give FHFA the same flexibility as the federal banking regulators by amending or removing the statutory capital definitions, FHFA could streamline the capital regulation.

HOUSING FINANCE REFORM

The Enterprises entered conservatorships in September 2008 and have now been in this state for more than 14 years. When the conservatorships were initiated, it was not expected that they would continue for such a long period of time.

As conservator, FHFA has taken actions to improve the condition of the Enterprises. Since 2008, FHFA has directed reforms to their practices and standards, management and transfer of risks, underwriting and loss mitigation policies, and securitization infrastructure. The Enterprises have begun to build their capital reserves to meet the requirements of the ERCF, although each Enterprise remains undercapitalized. However, there are other matters that could be addressed to further ensure a safe, sound, and equitable secondary housing finance system. Addressing such matters may require authority FHFA does not currently possess. For example, changes to the Enterprises' charter acts, adjustments to their statutory business model, the nature of any government guarantee and the creation of reserves funded by Enterprise guarantee fees to be accessed in the case of losses, the ability to charter new Enterprises, and other structural reforms involve policy decisions that are beyond FHFA's statutory authority. It remains with Congress to determine the structure of the Enterprises and the secondary mortgage market for the post-conservatorship environment.

Moreover, Congress and FHFA are not the only organizations that must be involved in addressing the Enterprises' conservatorships and the future of the U.S. housing finance system. The U.S. Department of the Treasury, which holds a significant economic interest in the Enterprises, and other Federal agencies will need to resolve a series of outstanding issues as part of the process to end the conservatorships. In the meantime, the Agency will focus on building the Enterprises' capital reserves, improving their safety and soundness, and ensuring that they continue to meet their mission obligations.

APPENDIX

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Table 1. Fannie Mae Mortgage Purchases

Period	Purchases ($ in Millions)			
	Single-Family Mortgages	Multifamily Mortgages	Total Mortgage Purchases[a] ($)	Mortgage-Related Securities[b]
Q4 2022	85,711	18,579	104,290	1,159
Q3 2022	118,157	15,943	134,100	1,097
Q2 2022	172,981	18,674	191,655	1,642
Q1 2022	240,185	16,018	256,203	2,634
Annual Data				
2022	617,034	69,214	686,248	6,532
2021	1,356,149	69,404	1,425,553	14,163
2020	1,359,973	75,652	1,435,625	28,237
2019	597,987	69,798	667,785	60,883
2018	452,026	65,079	517,105	80,982
2017	504,119	65,438	569,557	85,535
2016	583,744	55,024	638,768	72,175
2015	475,031	42,032	517,063	49,554
2014	382,747	28,620	411,367	24,885
2013	733,242	28,558	761,800	36,848
2012	835,994	33,394	869,388	26,874
2011	558,249	24,226	582,475	20,760
2010	607,827	17,302	625,129	44,495
2009	700,253	19,912	720,165	161,562
2008	582,947	34,288	617,235	77,523
2007	659,366	45,302	704,668	69,236
2006	524,379	20,646	545,025	102,666
2005	537,004	21,485	558,489	62,232
2004	588,119	16,386	604,505	176,385
2003	1,322,193	31,196	1,353,389	408,606
2002	804,192	16,772	820,964	268,574
2001	567,673	19,131	586,804	209,124
2000	227,069	10,377	237,446	129,716
1999	316,136	10,012	326,148	169,905
1998	354,920	11,428	366,348	147,260
1997	159,921	6,534	166,455	50,317
1996	164,456	6,451	170,907	46,743
1995	126,003	4,966	130,969	36,258
1994	158,229	3,839	162,068	25,905
1993	289,826	4,135	293,961	6,606
1992	248,603	2,956	251,559	5,428
1991	133,551	3,204	136,755	3,080
1990	111,007	3,180	114,187	1,451
1989	80,510	4,325	84,835	Not Applicable Before 1990
1988	64,613	4,170	68,783	
1987	73,942	1,733	75,675	
1986	77,223	1,877	79,100	
1985	42,543	1,200	43,743	
1984	27,713	1,106	28,819	
1983	26,339	140	26,479	
1982	25,929	10	25,939	
1981	6,827	2	6,829	
1980	8,074	27	8,101	
1979	10,798	9	10,807	
1978	12,302	3	12,305	
1977	4,650	134	4,784	
1976	3,337	295	3,632	
1975	3,646	674	4,320	
1974	4,746	2,273	7,019	
1973	4,170	2,082	6,252	
1972	2,596	1,268	3,864	
1971	2,742	1,298	4,040	

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

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

Table 1a. Fannie Mae Mortgage Purchases Detail by Type of Loan

Period	Purchases ($ in Millions)[a]											
	Single-Family Mortgages								Multifamily Mortgages			Total Mortgage Purchases ($)
	Conventional				FHA/VA/RD[c]			Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD[c] ($)	Total Multifamily Mortgages ($)	
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate[c] ($)	Adjustable-Rate($)	Total ($)					
Q4 2022	83,967	1,617	—	85,584	10	117	127	85,711	18,579		18,579	104,290
Q3 2022	116,159	1,883	—	118,042	14	101	115	118,157	15,943		15,943	134,100
Q2 2022	171,350	1,519	—	172,869	12	100	112	172,981	18,674		18,674	191,655
Q1 2022	238,402	1,684	—	240,086	14	85	99	240,185	16,018		16,018	256,203
Annual Data												
2022	609,878	6,703	—	616,581	50	403	453	617,034	69,214	—	69,214	686,248
2021	1,348,700	6,966	0	1,355,666	116	367	483	1,356,149	69,404	0	69,404	1,425,553
2020	1,354,899	4,296	0	1,359,195	163	615	778	1,359,973	75,652	0	75,652	1,435,625
2019	592,235	4,523	0	596,758	90	1,139	1,229	597,987	69,798	0	69,798	667,785
2018	442,778	7,736	0	450,514	114	1,398	1,512	452,026	65,079	0	65,079	517,105
2017	489,487	13,160	1	502,648	111	1,360	1,471	504,119	65,438	0	65,438	569,557
2016	573,415	8,834	3	582,252	98	1,394	1,492	583,744	55,024	0	55,024	638,768
2015	459,201	14,245	4	473,450	73	1,508	1,581	475,031	42,032	0	42,032	517,063
2014	363,716	17,324	8	381,048	11	1,688	1,699	382,747	28,620	0	28,620	411,367
2013	713,326	17,785	13	731,124	210	1,908	2,118	733,242	28,558	0	28,558	761,800
2012	806,065	27,142	19	833,226	613	2,155	2,768	835,994	33,394	0	33,394	869,388
2011	517,469	36,837	27	554,333	524	3,392	3,916	558,249	24,226	0	24,226	582,475
2010	565,531	38,023	68	603,622	516	3,689	4,205	607,827	17,299	3	17,302	625,129
2009	663,763	23,108	0	686,871	1,136	12,246	13,382	700,253	19,517	395	19,912	720,165
2008	517,673	46,910	6	564,589	1,174	17,184	18,358	582,947	34,288	0	34,288	617,235
2007	583,253	64,133	34	647,420	1,237	10,709	11,946	659,366	45,302	0	45,302	704,668
2006	429,930	85,313	130	515,373	1,576	7,430	9,006	524,379	20,644	2	20,646	545,025
2005	416,720	111,935	116	528,771	2,285	5,948	8,233	537,004	21,343	142	21,485	558,489
2004	527,456	46,772	51	574,279	9,967	3,873	13,840	588,119	13,684	2,702	16,386	604,505
2003	1,236,045	64,980	93	1,301,118	18,032	3,043	21,075	1,322,193	28,071	3,125	31,196	1,353,389
2002	738,177	48,617	40	786,834	15,810	1,548	17,358	804,192	15,089	1,683	16,772	820,964
2001	534,115	25,648	1,137	560,900	5,671	1,102	6,773	567,673	17,849	1,282	19,131	586,804
2000	187,236	33,809	726	221,771	4,378	920	5,298	227,069	9,127	1,250	10,377	237,446
1999	293,188	12,138	1,198	306,524	8,529	1,084	9,613	316,137	8,858	1,153	10,011	326,148
1998	334,367	14,273	1	348,641	5,768	511	6,279	354,920	10,844	584	11,428	366,348
1997	136,329	21,095	3	157,427	2,062	432	2,494	159,921	5,936	598	6,534	166,455
1996	146,154	15,550	3	161,707	2,415	334	2,749	164,456	6,199	252	6,451	170,907
1995	104,901	17,978	9	122,888	3,009	106	3,115	126,003	4,677	289	4,966	130,969
1994	139,815	16,340	8	156,163	1,953	113	2,066	158,229	3,620	219	3,839	162,068
1993	274,402	14,420	29	288,851	855	120	975	289,826	3,919	216	4,135	293,961
1992	226,332	21,001	136	247,469	1,055	79	1,134	248,603	2,845	111	2,956	251,559
1991	114,321	17,187	705	132,213	1,300	38	1,338	133,551	3,183	21	3,204	136,755
1990	95,011	14,528	654	110,193	799	15	814	111,007	3,165	15	3,180	114,187
1989	60,794	17,692	521	79,007	1,489	14	1,503	80,510	4,309	16	4,325	84,835
1988	35,767	27,492	433	63,692	823	98	921	64,613	4,149	21	4,170	68,783
1987	60,434	10,675	139	71,248	2,649	45	2,694	73,942	1,463	270	1,733	75,675
1986	58,251	7,305	498	66,054	11,155	14	11,169	77,223	1,877	0	1,877	79,100
1985	29,993	10,736	871	41,600	927	16	943	42,543	1,200	0	1,200	43,743
1984	17,998	8,049	937	26,984	729	0	729	27,713	1,106	0	1,106	28,819
1983	18,136	4,853	1,408	24,397	1,942	0	1,942	26,339	128	12	140	26,479
1982	19,311	3,210	1,552	24,073	1,856	0	1,856	25,929	0	10	10	25,939
1981	4,260	107	176	4,543	2,284	0	2,284	6,827	0	2	2	6,829
1980	2,802	0	0	2,802	5,272	0	5,272	8,074	0	27	27	8,101
1979	5,410	0	0	5,410	5,388	0	5,388	10,798	0	9	9	10,807
1978	5,682	0	0	5,682	6,620	0	6,620	12,302	0	3	3	12,305
1977	2,366	0	0	2,366	2,284	0	2,284	4,650	0	134	134	4,784
1976	2,513	0	0	2,513	824	0	824	3,337	0	295	295	3,632
1975	547	0	0	547	3,099	0	3,099	3,646	0	674	674	4,320
1974	1,128	0	0	1,128	3,618	0	3,618	4,746	0	2,273	2,273	7,019
1973	939	0	0	939	3,231	0	3,231	4,170	0	2,082	2,082	6,252
1972	55	0	0	55	2,541	0	2,541	2,596	0	1,268	1,268	3,864
1971	0	0	0	0	2,742	0	2,742	2,742	0	1,298	1,298	4,040

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

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

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

Table 1b. Fannie Mae Purchases of Mortgage-Related Securities - Part 1

Period	Purchases ($ in millions)[a]														
	Fannie Mae Securities				Other Securities									Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities ($)
	Single-Family		Multifamily ($)	Total Fannie Mae ($)	Freddie Mac				Ginnie Mae				Total Private-Label ($)		
	Fixed-Rate ($)	Adjustable-Rate ($)			Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multifamily ($)	Total Freddie Mac ($)	Single-Family Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Ginnie Mae ($)			
Q4 2022	52	21	1,003	**1,076**	29	—	—	**29**	54	—	—	54	—	—	**1,159**
Q3 2022	5	—	1,062	**1,067**	22	—	—	**22**	8	—	—	8	—	—	**1,097**
Q2 2022	22	3	1,571	**1,596**	1	—	—	**1**	45	—	—	45	—	—	**1,642**
Q1 2022	7	16	2,553	**2,576**	3	—	—	**3**	55	—	—	55	—	—	**2,634**
Annual Data															
2022	86	40	6,189	**6,315**	55	—	—	**55**	162	—	—	162	—	—	**6,532**
2021	1,368	341	11,202	12,911	131	0	0	131	913	208	0	1,121	0	0	14,163
2020	7,818	86	12,529	20,433	159	0	0	159	6,899	746	0	7,645	0	0	28,237
2019	34,332	299	12,795	47,426	136	10	0	146	12,164	1,147	0	13,311	0	0	60,883
2018	48,622	781	12,980	62,383	105	12	0	117	16,546	1,936	0	18,482	0	0	80,982
2017	52,765	1,382	16,337	70,484	1,341	0	0	1,341	13,150	560	0	13,710	0	0	85,535
2016	38,597	1,062	16,119	55,778	3,416	20	0	3,436	12,593	368	0	12,961	0	0	72,175
2015	26,384	1,214	10,710	38,308	3,417	21	0	3,438	7,519	289	0	7,808	0	0	49,554
2014	9,097	1,538	9,939	20,574	1,433	124	0	1,557	2,557	197	0	2,754	0	0	24,885
2013	21,506	1,017	7,422	29,945	3,832	217	0	4,049	2,792	62	0	2,854	0	0	36,848
2012	14,327	842	8,786	23,955	1,102	16	0	1,118	1,745	56	0	1,801	0	0	26,874
2011	6,052	1,025	11,020	18,097	1,908	207	0	2,115	447	93	8	548	0	0	20,760
2010	27,694	301	8,000	35,995	7,095	117	0	7,212	1,263	1	24	1,288	0	0	44,495
2009	92,189	326	5,531	98,046	61,861	158	0	62,019	1,495	0	0	1,495	0	2	161,562
2008	56,894	10,082	1,023	67,999	3,649	3,168	0	6,817	0	128	0	128	2,295	284	77,523
2007	16,126	8,277	506	24,909	2,017	4,055	0	6,072	0	35	0	35	37,435	785	69,236
2006	23,177	14,826	429	38,432	1,044	5,108	0	6,152	77	0	0	77	57,787	218	102,666
2005	8,273	6,344	888	15,505	121	3,449	0	3,570	0	0	0	0	41,369	1,788	62,232
2004	42,214	21,281	1,159	64,654	6,546	8,228	0	14,774	0	0	0	0	90,833	6,124	176,385
2003	341,461	5,842	1,225	348,528	19,340	502	0	19,842	36	0	0	36	34,032	6,168	408,606
2002	238,711	4,219	1,572	244,502	7,856	101	0	7,957	4,425	0	0	4,425	7,416	4,273	268,574
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	180,582	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	20,072	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	333	3,513	4,624	209,124
2000				104,904				10,171				2,493	8,466	3,682	129,716
1999				125,498				6,861				17,561	16,511	3,474	169,905
1998				104,728				21,274				2,738	15,721	2,799	147,260
1997				39,033				2,119				3,508	4,188	1,469	50,317
1996				41,263				779				2,197	777	1,727	46,743
1995				30,432				2,832				20	752	2,222	36,258
1994				21,660				571				2,321	0	1,353	25,905
1993				6,275				0				0	0	331	6,606
1992				4,930				0				0	0	498	5,428
1991				2,384				0				0	0	696	3,080
1990				977				0				0	0	474	1,451

Source: Fannie Mae

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

Table 1b. Fannie Mae Purchases of Mortgage-Related Securities - Part 2, Private-Label Detail

Period	Purchases ($ in millions)[a]								
	Private-Label								
	Single-Family							Multifamily ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A		Other			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
Q4 2022	0	0	0	0	0	0	0	0	0
Q3 2022	0	0	0	0	0	0	0	0	0
Q2 2022	0	0	0	0	0	0	0	0	0
Q1 2022	0	0	0	0	0	0	0	0	0
Annual Data									
2022	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
2008	0	0	637	175	0	0	987	496	2,295
2007	0	343	15,628	38	5,250	0	178	15,998	37,435
2006	0	0	35,606	1,504	10,469	0	518	9,690	57,787
2005	0	0	24,469	3,574	12,535	118	571	102	41,369
2004	0	176	66,827	7,064	14,935	221	1,509	101	90,833
2003	0	0	25,769	7,734	370	98	0	61	34,032
2002	56	181	4,963	1,756	0	43	381	36	7,416
2001	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	3,513
2000									8,466
1999									16,511
1998									15,721
1997									4,188
1996									777
1995									752

Source: Fannie Mae

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

Table 2. Fannie Mae MBS Issuances

Period	Business Activity ($ in millions)			
	MBS Issuances[a]			
	Single-Family MBS ($)	Multifamily MBS ($)	Total MBS ($)	Multiclass MBS[b,c] ($)
Q4 2022	**84,574**	**18,579**	**103,153**	**7,668**
Q3 2022	**125,846**	**15,943**	**141,789**	**8,659**
Q2 2022	**174,453**	**18,674**	**193,127**	**17,302**
Q1 2022	**243,131**	**16,018**	**259,149**	**21,992**
Annual Data				
2022	628,004	69,214	697,218	55,621
2021	1,387,747	69,420	1,457,167	75,060
2020	1,336,377	75,715	1,412,092	105,656
2019	591,088	69,862	660,950	68,026
2018	470,478	64,327	534,805	57,940
2017	514,000	66,363	580,363	68,883
2016	582,817	55,020	637,837	73,269
2015	472,471	43,923	516,394	63,433
2014	375,676	31,997	407,673	59,608
2013	733,111	31,403	764,514	121,237
2012	827,749	37,738	865,487	151,239
2011	564,606	34,066	598,672	139,819
2010	603,247	26,499	629,746	179,767
2009	791,418	16,435	807,853	100,846
2008	536,951	5,862	542,813	67,559
2007	622,458	7,149	629,607	112,563
2006	476,161	5,543	481,704	124,856
2005	500,759	9,379	510,138	123,813
2004	545,635	6,847	552,482	94,686
2003	1,196,730	23,336	1,220,066	260,919
2002	731,133	12,497	743,630	170,795
2001	514,621	13,801	528,422	139,403
2000	204,066	7,596	211,662	39,544
1999	292,192	8,497	300,689	55,160
1998	315,120	11,028	326,148	84,147
1997	143,615	5,814	149,429	85,415
1996	144,201	5,668	149,869	30,780
1995	106,269	4,187	110,456	9,681
1994	128,385	2,237	130,622	73,365
1993	220,485	959	221,444	210,630
1992	193,187	850	194,037	170,205
1991	111,488	1,415	112,903	112,808
1990	96,006	689	96,695	68,291
1989	66,489	3,275	69,764	41,715
1988	51,120	3,758	54,878	17,005
1987	62,067	1,162	63,229	9,917
1986	60,017	549	60,566	2,400
1985	23,142	507	23,649	Not Issued Before 1986
1984	13,087	459	13,546	
1983	13,214	126	13,340	
1982	13,970	Not Issued Before 1983	13,970	
1981	717		717	

Source: Fannie Mae

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

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

[c] Beginning with the introduction of single security in June 2019, includes the portion of Freddie Mac-issued securities.

Table 3. Fannie Mae Earnings

Period	Earnings ($ in Millions)					
	Net Interest Income[a,b]	Guarantee Fee Income[a]	Administrative Expenses	Credit Related Expense (Income)[c]	Net Income (Loss)	Return on Equity[d]
Q4 2022	7,092	4	856	3,398	1,426	N/A
Q3 2022	7,124	4	870	2,521	2,436	N/A
Q2 2022	7,808	3	795	251	4,653	N/A
Q1 2022	7,399	3	808	201	4,408	N/A
2022	29,423	14	3,329	6,371	12,923	N/A
2021	29,587	57	3,065	(5,097)	22,176	N/M
2020	24,866	62	3,068	855	11,805	N/M
2019	20,962	69	3,023	3,496	14,160	N/M
2018	20,951	171	3,059	2,692	15,959	N/M
2017	20,733	96	2,737	(1,520)	2,463	N/M
2016	21,295	109	2,741	(1,511)	12,313	N/M
2015	21,409	128	3,050	834	10,954	N/M
2014	19,968	175	2,777	(3,822)	14,208	N/M
2013	22,404	205	2,545	(11,788)	83,963	N/M
2012	21,501	212	2,367	(1,106)	17,224	N/M
2011	19,281	227	2,370	27,498	(16,855)	N/M
2010	16,409	202	2,597	26,614	(14,014)	N/M
2009	14,510	7,211	2,207	73,536	(71,969)	N/M
2008	8,782	7,621	1,979	29,809	(58,707)	N/M
2007	4,581	5,071	2,669	5,012	(2,050)	(8)
2006	6,752	4,250	3,076	783	4,059	11
2005	11,505	4,006	2,115	428	6,347	20
2004	18,081	3,784	1,656	363	4,967	17
2003	19,477	3,432	1,454	353	8,081	28
2002	18,426	2,516	1,156	273	3,914	15
2001	8,090	1,482	1,017	78	5,894	40
2000	5,674	1,351	905	94	4,448	26
1999	4,894	1,282	800	127	3,912	25
1998	4,110	1,229	708	261	3,418	25
1997	3,949	1,274	636	375	3,056	25
1996	3,592	1,196	560	409	2,725	24
1995	3,047	1,086	546	335	2,144	21
1994	2,823	1,083	525	378	2,132	24
1993	2,533	961	443	305	1,873	25
1992	2,058	834	381	320	1,623	27
1991	1,778	675	319	370	1,363	28
1990	1,593	536	286	310	1,173	34
1989	1,191	408	254	310	807	31
1988	837	328	218	365	507	25
1987	890	263	197	360	376	24
1986	384	175	175	306	105	10
1985	139	112	142	206	(7)	(1)
1984	(90)	78	112	86	(71)	(7)
1983	(9)	54	81	48	49	5
1982	(464)	16	60	36	(192)	(19)
1981	(429)	-	49	(28)	(206)	(17)
1980	21	Not Available Before 1981	44	19	14	1
1979	322		46	35	162	11
1978	294		39	36	209	17
1977	251		32	28	165	15
1976	203		30	25	127	14
1975	174		27	16	115	14
1974	142		23	17	107	15
1973	180		18	12	126	20
1972	138		13	5	96	19
1971	49		15	4	61	14

Source: Fannie Mae

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

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

[b] Interest income net of interest expense.

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

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

Table 4. Fannie Mae Balance Sheet

End of Period	Balance Sheet ($ in Millions)								
	Total Assets [a,b]	Total Mortgage Assets[a,c]	Nonmortgage Investments[d]	Total Debt Outstanding[a]	Shareholders' Equity (Deficit)[a]	Senior Preferred Stock	Fair Value of Net Assets[a]	Mortgage Assets Held for Investment (Gross)[e]	Indebtedness[f]
Q4 2022	4,305,288	4,129,690	61,483	4,221,888	60,277	120,836	90,984	77,742	139,252
Q3 2022	4,289,453	4,117,322	78,652	4,207,814	58,840	120,836	80,729	83,982	134,914
Q2 2022	4,288,967	4,102,680	76,287	4,208,647	56,407	120,836	69,692	91,320	148,316
Q1 2022	4,285,029	4,061,869	97,910	4,208,797	51,758	120,836	68,653	102,750	183,351
Annual Data									
2022	4,305,288	4,129,690	61,483	4,221,888	60,277	120,836	90,984	77,742	139,252
2021	4,229,166	3,979,314	104,343	4,158,191	47,357	120,836	54,883	109,221	202,484
2020	3,985,749	3,672,154	158,729	3,935,736	25,259	120,836	(9,423)	162,650	290,019
2019	3,503,319	3,354,125	53,158	3,467,386	14,608	120,836	16,762	153,611	182,247
2018	3,418,318	3,273,303	68,529	3,391,920	6,240	120,836	22,640	179,153	232,471
2017	3,345,529	3,207,909	48,692	3,330,054	(3,686)	117,149	16,389	230,783	277,469
2016	3,287,968	3,119,826	62,732	3,262,316	6,071	117,149	103	272,354	328,824
2015	3,221,917	3,078,248	56,835	3,197,671	4,059	117,149	(4,177)	345,103	389,496
2014	3,248,176	3,097,727	50,416	3,222,155	3,720	117,149	(16,754)	413,313	464,464
2013	3,270,108	3,122,719	55,281	3,234,523	9,591	117,149	(33,318)	490,701	534,211
2012	3,222,422	3,094,127	50,450	3,189,517	7,224	117,149	(66,451)	633,054	621,779
2011	3,211,484	3,072,709	95,848	3,189,872	(4,571)	112,578	(127,795)	708,414	742,293
2010	3,221,972	3,103,772	44,503	3,197,000	(2,517)	88,600	(120,212)	788,771	793,878
2009	869,141	745,271	57,782	774,554	(15,281)	60,900	(98,701)	769,252	785,775
2008	912,404	767,989	71,550	870,393	(15,314)	1,000	(105,150)	Not Applicable Before 2009	Not Applicable Before 2009
2007	882,547	723,620	86,875	796,299	44,011	Not Applicable Before 2008	35,799		
2006	843,936	726,434	56,983	767,046	41,506		43,699		
2005	834,168	736,803	46,016	764,010	39,302		42,199		
2004	1,020,934	925,194	47,839	953,111	38,902		40,094		
2003	1,022,275	919,589	59,518	961,280	32,268		28,393		
2002	904,739	820,627	39,376	841,293	31,899		22,130		
2001	799,948	706,347	65,982	763,467	18,118		22,675		
2000	675,224	607,731	52,347	642,682	20,838		20,677		
1999	575,308	523,103	37,299	547,619	17,629		20,525		
1998	485,146	415,434	58,515	460,291	15,453		14,885		
1997	391,673	316,592	64,596	369,774	13,793		15,982		
1996	351,041	286,528	56,606	331,270	12,773		14,556		
1995	316,550	252,868	57,273	299,174	10,959		11,037		
1994	272,508	220,815	46,335	257,230	9,541		10,924		
1993	216,979	190,169	21,396	201,112	8,052		9,126		
1992	180,978	156,260	19,574	166,300	6,774		9,096		
1991	147,072	126,679	9,836	133,937	5,547		Not Available Before 1992		
1990	133,113	114,066	9,868	123,403	3,941				
1989	124,315	107,981	8,338	116,064	2,991				
1988	112,258	100,099	5,289	105,459	2,260				
1987	103,459	93,665	3,468	97,057	1,811				
1986	99,621	94,123	1,775	93,563	1,182				
1985	99,076	94,609	1,466	93,985	1,009				
1984	87,798	84,135	1,840	83,719	918				
1983	78,383	75,247	1,689	74,594	1,000				
1982	72,981	69,356	2,430	69,614	953				
1981	61,578	59,629	1,047	58,551	1,080				
1980	57,879	55,589	1,556	54,880	1,457				
1979	51,300	49,777	843	48,424	1,501				
1978	43,506	42,103	834	40,985	1,362				
1977	33,980	33,252	318	31,890	1,173				
1976	32,393	31,775	245	30,565	983				
1975	31,596	30,820	239	29,963	861				
1974	29,671	28,666	466	28,168	772				
1973	24,318	23,589	227	23,003	680				
1972	20,346	19,652	268	19,239	559				
1971	18,591	17,886	349	17,672	460				

Source: Fannie Mae

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

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

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

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

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

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

Table 4a. Fannie Mae Total MBS Outstanding Detail

End of Period	Single-Family Mortgages ($ in Millions)[a, b]							Multifamily Mortgages ($ in Millions)[a]			($ in Millions)	
	Conventional				FHA/VA[c]			Conventional ($)	FHA/RD[b] ($)	Total Multifamily ($)	Total MBS Outstanding[a] ($)	Multiclass MBS Outstanding[d] ($)
	Fixed-Rate ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)					
4Q 2022	3,554,873	30,362	34	3,585,269	2,041	417	2,458	429,306	533	429,839	4,017,566	345,222
3Q 2022	3,550,525	30,107	35	3,580,667	2,116	436	2,552	419,402	556	419,958	4,003,177	351,138
2Q 2022	3,537,042	29,999	37	3,567,078	2,168	462	2,630	414,181	595	414,776	3,984,484	356,272
1Q 2022	3,497,079	30,601	41	3,527,721	2,274	509	2,783	406,792	617	407,409	3,937,913	359,979
Annual Data												
2022	3,554,873	30,362	34	3,585,269	2,041	417	2,458	429,306	533	429,839	4,017,566	345,222
2021	3,420,679	31,065	44	3,451,788	2,365	541	2,906	402,289	647	402,936	3,857,630	358,753
2020	3,131,865	38,388	64	3,170,317	2,563	873	3,436	369,598	711	370,309	3,544,062	397,124
2019	2,825,663	53,902	86	2,879,651	2,896	1,629	4,525	322,147	953	323,100	3,207,276	400,188
2018	2,722,503	68,267	111	2,790,881	3,355	1,966	5,321	285,996	1,028	287,024	3,083,226	401,777
2017	2,628,581	81,011	147	2,709,739	3,801	2,266	6,067	254,569	1,061	255,630	2,971,436	412,927
2016	2,546,156	87,681	200	2,634,037	4,372	2,795	7,167	214,199	1,145	215,344	2,856,548	421,442
2015	2,445,482	106,130	258	2,551,870	4,787	3,842	8,629	176,071	1,204	177,275	2,737,774	436,544
2014	2,418,717	114,519	329	2,533,565	9,964	83	10,047	147,117	1,237	148,354	2,691,966	460,997
2013	2,386,128	119,084	402	2,505,614	11,383	97	11,480	125,045	1,276	126,321	2,643,415	480,200
2012	2,267,031	137,836	515	2,405,382	14,188	114	14,302	99,899	1,463	101,362	2,521,046	503,349
2011	2,192,594	149,825	643	2,343,062	16,243	130	16,373	72,634	1,639	74,273	2,433,708	516,471
2010	2,172,092	150,378	805	2,323,275	17,167	144	17,311	57,206	1,785	58,991	2,399,577	507,268
2009	2,190,357	179,655	25	2,370,037	15,026	171	15,197	46,628	927	47,555	2,432,789	480,057
2008	2,035,020	203,206	31	2,238,257	12,903	214	13,117	37,298	787	38,085	2,289,459	481,137
2007	1,850,150	214,245	0	2,064,395	14,982	275	15,257	38,218	1,039	39,257	2,118,909	490,692
2006	1,484,147	230,667	0	1,714,814	18,615	454	19,069	42,184	1,483	43,667	1,777,550	456,970
2005	1,290,354	232,689	0	1,523,043	23,065	668	23,733	50,346	1,796	52,142	1,598,918	412,060
2004	1,243,343	75,722	0	1,319,065	31,389	949	32,336	47,386	9,260	56,646	1,408,047	368,567
2003	1,112,849	87,373	0	1,200,222	36,139	1,268	37,407	53,720	9,171	62,891	1,300,520	398,516
2002	875,260	75,430	0	950,690	36,057	1,247	37,304	47,025	5,420	52,445	1,040,439	401,406
2001	752,211	60,842	772	813,825	4,519	1,207	5,726	42,713	1,181	43,894	863,445	392,457
2000	599,999	61,495	1,165	662,659	6,778	1,298	8,076	35,207	780	35,987	706,722	334,508
1999	586,069	51,474	1,212	638,755	7,159	1,010	8,169	31,518	703	32,221	679,145	335,514
1998	545,680	56,903	98	602,681	5,340	587	5,927	28,378	157	28,535	637,143	361,613
1997	483,982	70,106	7	554,095	3,872	213	4,085	20,824	134	20,958	579,138	388,360
1996	460,866	65,682	9	526,557	4,402	191	4,593	16,912	111	17,023	548,173	339,798
1995	431,755	63,436	13	495,204	5,043	91	5,134	12,579	313	12,892	513,230	353,528
1994	415,692	55,780	18	471,490	5,628	0	5,628	8,908	319	9,227	486,345	378,733
1993	405,383	49,987	28	455,398	7,549	0	7,549	8,034	325	8,359	471,306	381,865
1992	360,619	45,718	43	406,380	9,438	0	9,438	8,295	331	8,626	424,444	312,369
1991	290,038	45,110	89	335,237	11,112	0	11,112	8,599	336	8,935	355,284	224,806
1990	225,981	42,443	121	268,545	11,380	0	11,380	7,807	343	8,150	288,075	127,278
1989	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	Not Available Before 1990	216,512	64,826
1988											170,097	26,660
1987											135,734	11,359
1986											95,568	Not Issued Before 1987
1985											54,552	
1984											35,738	
1983											25,121	
1982											14,450	
1981											717	
1980											Not Issued before 1981	

Source: Fannie Mae

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

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

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

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

Table 5. Fannie Mae Mortgage Assets Held for Investment Details

	($ in Millions) [a]			
End of Period	**Whole Loans[b,c]**	**Fannie Mae Securities[b,d]**	**Other Mortgage-Related Securities[b,d,e]**	**Mortgage Assets Held for Investment (Gross)[f]**
Q4 2022	55,717	19,577	2,448	77,742
Q3 2022	55,942	25,331	2,709	83,982
Q2 2022	64,599	23,780	2,941	91,320
Q1 2022	68,271	31,315	3,164	102,750
Annual Data				
2022	55,717	19,577	2,448	77,742
2021	67,637	38,240	3,344	109,221
2020	119,479	39,085	4,086	162,650
2019	105,558	41,994	6,059	153,611
2018	126,675	45,405	7,073	179,153
2017	177,365	48,792	4,626	230,783
2016	220,069	42,054	10,231	272,354
2015	253,592	68,697	22,814	345,103
2014	285,610	92,819	34,884	413,313
2013	314,664	129,841	46,196	490,701
2012	371,708	183,964	77,382	633,054
2011	398,271	220,061	90,082	708,414
2010	427,074	260,429	101,268	788,771
2009	416,543	220,245	132,464	769,252
2008	429,493	228,950	133,753	792,196
2007	403,577	180,163	144,163	727,903
2006	383,045	199,644	146,243	728,932
2005	366,680	234,451	136,758	737,889
2004	400,157	344,404	172,648	917,209
2003	397,633	405,922	105,313	908,868
2002	323,244	380,383	96,152	799,779
2001	167,405	431,776	109,270	708,452
2000	152,634	351,066	106,551	610,251
1999	149,231	281,714	93,122	524,067
1998	155,779	197,375	61,361	414,515
1997	160,102	130,444	26,132	316,678
1996	167,891	102,607	16,554	287,052
1995	171,481	69,729	12,301	253,511
1994	170,909	43,998	7,150	222,057
1993	163,149	24,219	3,493	190,861
1992	134,597	20,535	2,987	158,119
1991	109,251	16,700	3,032	128,983
1990	101,797	11,758	3,073	116,628
1989	95,729	11,720	3,272	110,721
1988	92,220	8,153	2,640	103,013
1987	89,618	4,226	2,902	96,746
1986	94,167	1,606	2,060	97,833
1985	97,421	435	793	98,649
1984	87,205	477	427	88,109
1983	77,983	Not Available Before 1984	273	78,256
1982	71,777		37	71,814
1981	61,411		1	61,412
1980	57,326		1	57,327
1979	51,096		1	51,097
1978	43,315		Not Available Before 1979	43,315
1977	34,377			34,377
1976	32,937			32,937
1975	31,916			31,916
1974	29,708			29,708
1973	24,459			24,459
1972	20,326			20,326
1971	18,515			18,515

Source: Fannie Mae

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

[b] Unpaid principal balance.

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

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

[e] Includes mortgage revenue bonds.

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

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

End of Period	Whole Loans ($ in Millions) [a]								
	Single-Family					Multifamily			Total Whole Loans
	Conventional					Conventional	Total FHA/RD[c]	Total	
	Fixed-Rate[b]	Adjustable-Rate	Seconds	Total	Total FHA/VA/RD[c]				
Q4 2022	44,560	3,274	27	47,861	6,929	888	39	927	55,717
Q3 2022	43,942	3,699	28	47,669	7,252	970	51	1,021	55,942
Q2 2022	51,729	4,241	30	56,000	7,601	933	65	998	64,599
Q1 2022	52,642	4,723	31	57,396	9,813	996	66	1,062	68,271
Annual Data									
2022	44,560	3,274	27	47,861	6,929	888	39	927	55,717
2021	89,252	11,424	52	100,728	11,959	1,387	84	1,471	114,158
2020	92,257	12,865	55	105,177	12,745	1,472	85	1,557	119,479
2019	68,373	18,036	72	86,481	17,493	1,432	151	1,584	105,558
2018	72,945	28,629	84	101,658	22,244	2,597	176	2,773	126,675
2017	89,138	56,656	101	145,895	26,879	4,391	200	4,591	177,365
2016	107,307	73,317	115	180,739	29,923	9,198	209	9,407	220,069
2015	198,255	8,453	143	206,851	33,376	13,141	224	13,365	253,592
2014	214,830	10,810	160	225,800	36,442	23,125	243	23,368	285,610
2013	224,174	13,171	156	237,501	39,399	37,497	267	37,764	314,664
2012	251,081	18,008	170	269,259	40,886	61,251	312	61,563	371,708
2011	255,914	23,490	185	279,589	41,555	76,765	362	77,127	398,271
2010	248,335	31,526	207	280,068	51,783	94,792	431	95,223	427,074
2009	208,915	34,602	213	243,730	52,399	119,829	585	120,414	416,543
2008	223,881	44,157	215	268,253	43,799	116,742	699	117,441	429,493
2007	240,090	43,278	261	283,629	28,202	90,931	815	91,746	403,577
2006	255,490	46,820	287	302,597	20,106	59,374	968	60,342	383,045
2005	261,214	38,331	220	299,765	15,036	50,731	1,148	51,879	366,680
2004	307,048	38,350	177	345,575	10,112	43,396	1,074	44,470	400,157
2003	335,812	19,155	233	355,200	7,284	33,945	1,204	35,149	397,633
2002	282,899	12,142	416	295,457	6,404	19,485	1,898	21,383	323,244
2001	140,454	10,427	917	151,798	5,069	8,987	1,551	10,538	167,405
2000	125,786	13,244	480	139,510	4,763	6,547	1,814	8,361	152,634
1999	130,614	6,058	176	136,848	4,472	5,564	2,347	7,911	149,231
1998	135,351	7,633	206	143,190	4,404	5,590	2,595	8,185	155,779
1997	134,543	10,389	268	145,200	4,631	7,388	2,883	10,271	160,102
1996	137,507	12,415	323	150,245	4,739	9,756	3,151	12,907	167,891
1995	137,032	14,756	423	152,211	4,780	11,175	3,315	14,490	171,481
1994	133,882	16,475	537	150,894	4,965	11,681	3,369	15,050	170,909
1993	123,308	19,175	772	143,255	5,305	11,143	3,446	14,589	163,149
1992	91,500	22,637	1,355	115,492	6,097	9,407	3,601	13,008	134,597
1991	69,130	19,763	2,046	90,939	6,962	7,641	3,709	11,350	109,251
1990	61,873	19,558	1,851	83,282	8,524	6,142	3,849	9,991	101,797
1989	55,638	20,751	1,614	78,003	9,450	3,926	4,350	8,276	95,729
1988	53,090	20,004	1,561	74,655	10,480	2,699	4,386	7,085	92,220
1987	55,913	13,702	1,421	71,036	11,652	2,448	4,482	6,930	89,618
1986	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	Not Available Before 1987	94,167
1985									97,421
1984									87,205
1983									77,983
1982									71,777
1981									61,411
1980									57,326
1979									51,096
1978									43,315
1977									34,377
1976									32,937
1975									31,916
1974									29,708
1973									24,459
1972									20,326
1971									18,515

Source: Fannie Mae

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

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

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

Table 5b. Fannie Mae Mortgage Assets Held for Investment Detail - Part 1, Mortgage-Related Securities

End of Period	Mortgage-Related Securities ($ in Millions)[a]													
	Fannie Mae Securities ($)[b]				Other Securities									
	Single-Family[c]		Multifamily	Total Fannie Mae	Freddie Mac				Ginnie Mae				Total Private-Labeld	Total Other Securities[d]
					Single-Family		Multifamily	Total Freddie Mac	Single-Family		Multifamily	Total Ginnie Mae		
	Fixed-Rate	Adjustable-Rate			Fixed-Rate	Adjustable-Rate			Fixed-Rate	Adjustable-Rate				
Q4 2022	13,056	3,581	2,940	19,577	2	9	—	11	—	2,033	—	2,033	281	2,325
Q3 2022	18,530	3,553	3,248	25,331	2	9	—	11	—	2,273	—	2,273	293	2,577
Q2 2022	15,690	3,622	4,468	23,780	2	10	—	12	6	2,485	—	2,491	304	2,807
Q1 2022	21,589	3,862	5,864	31,315	2	11	—	13	1	2,685	—	2,686	325	3,024
Annual Data														
2022	13,056	3,581	2,940	19,577	2	9	0	11	0	2,033	0	2,033	281	2,325
2021	27,929	3,983	6,328	38,240	3	11	0	14	2	2,844	0	2,846	340	3,200
2020	28,340	4,776	5,969	39,085	172	16	0	188	72	3,171	0	3,243	441	3,872
2019	29,703	5,715	6,576	41,994	360	23	0	383	1,330	2,824	0	4,154	1,209	5,746
2018	30,347	7,390	7,668	45,405	422	35	0	457	1,134	2,065	0	3,199	2,986	6,642
2017	29,841	11,091	7,860	48,792	518	58	0	576	284	557	0	841	2,544	3,961
2016	21,886	12,475	7,693	42,054	1,292	92	0	1,384	950	165	0	1,115	6,455	8,954
2015	40,739	17,022	10,936	68,697	2,856	2,376	0	5,232	734	6	8	748	13,729	19,709
2014	64,904	9,257	18,658	92,819	3,506	2,862	0	6,368	555	9	8	572	23,388	30,328
2013	94,722	12,710	22,409	129,841	4,758	3,366	0	8,124	859	8	32	899	30,854	39,877
2012	140,118	15,717	28,129	183,964	6,911	4,363	0	11,274	1,012	5	32	1,049	56,573	68,896
2011	172,502	19,189	28,370	220,061	8,888	5,621	0	14,509	1,003	7	33	1,043	63,631	79,183
2010	217,075	23,406	19,948	260,429	10,005	7,327	0	17,332	1,393	8	24	1,425	69,986	88,743
2009	203,577	16,272	396	220,245	29,783	11,607	0	41,390	1,119	137	21	1,277	75,344	118,011
2008	207,867	20,637	446	228,950	18,420	14,963	0	33,383	1,343	153	21	1,517	83,406	118,306
2007	158,863	20,741	559	180,163	16,954	14,425	0	31,379	1,575	34	50	1,659	94,810	127,848
2006	194,702	4,342	600	199,644	17,304	12,773	0	30,077	1,905	0	56	1,961	97,281	129,319
2005	230,546	3,030	875	234,451	18,850	9,861	0	28,711	2,273	0	57	2,330	86,915	117,956
2004	339,138	3,869	1,397	344,404	29,328	8,235	0	37,563	4,131	1	68	4,200	108,809	150,572
2003	400,863	3,149	1,910	405,922	30,356	558	0	30,914	6,993	0	68	7,061	46,979	84,954
2002	373,958	3,827	2,598	380,383	32,617	207	0	32,824	15,436	0	85	15,521	28,157	76,502
2001	417,796	5,648	8,332	431,776	42,516	287	26	42,829	18,779	1	109	18,889	29,175	90,893
2000	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	351,066	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	33,290	Not Available Before 2001	Not Available Before 2001	Not Available Before 2001	23,768	34,266	91,324
1999				281,714				25,577				23,701	31,673	80,951
1998				197,375				23,453				8,638	19,585	51,676
1997				130,444				5,262				7,696	5,554	18,512
1996				102,607				3,623				4,780	1,486	9,889
1995				69,729				3,233				2,978	747	6,958
1994				43,998				564				3,182	1	3,747
1993				24,219				Not Available Before 1994				972	2	974
1992				20,535								168	3	171
1991				16,700								180	93	273
1990				11,758								191	352	543
1989				11,720								202	831	1,033
1988				8,153								26	810	836
1987				4,226								Not Available Before 1988	1,036	1,036
1986				1,606									1,591	1,591
1985				435									Not Available Before 1986	Not Available
1984				477										
1983				Not Available Before 1984										

Source: Fannie Mae

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

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

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

[d] Excludes mortgage revenue bonds.

Table 5b. Fannie Mae Mortgage Assets Held for Investment Detail - Part 2, Mortgage-Related Securities, Private-Label Detail

End of Period	Mortgage-Related Securities ($ in Millions)[a]								
	Private-Label								
	Single-Family[b]							Multifamily ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt-A		Other			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
Q4 2022	0	0	113	1	1	3	163	0	281
Q3 2022	0	0	116	1	1	3	172	0	293
Q2 2022	0	0	121	1	2	3	176	0	304
Q1 2022	0	0	130	1	2	3	189	0	325
Annual Data									
2022	0	0	113	1	1	3	163	0	281
2021	0	0	138	1	2	5	194	0	340
2020	28	0	169	1	2	4	237	0	441
2019	36	0	832	2	40	5	294	0	1,209
2018	43	0	2,392	2	218	6	325	0	2,986
2017	51	0	1,135	3	965	8	358	24	2,544
2016	72	4	2,487	4	1,881	33	407	1,567	6,455
2015	460	5	5,208	567	2,914	89	970	3,516	13,729
2014	1,699	194	8,719	4,329	3,416	149	1,194	3,688	23,388
2013	1,902	218	12,104	3,512	7,641	168	1,322	3,987	30,854
2012	2,140	299	14,794	6,423	10,656	190	1,477	20,594	56,573
2011	2,387	331	16,207	6,232	13,438	208	1,590	23,238	63,631
2010	2,660	361	17,678	7,119	15,164	237	1,700	25,067	69,986
2009	2,485	391	20,136	7,515	16,990	255	1,849	25,723	75,344
2008	2,840	438	24,113	8,444	19,414	286	2,021	25,850	83,406
2007	3,316	503	31,537	9,221	23,254	319	1,187	25,473	94,810
2006	3,902	268	46,608	10,722	24,402	376	1,282	9,721	97,281
2005	4,622	431	46,679	11,848	21,203	634	1,455	43	86,915
2004	5,461	889	73,768	11,387	14,223	2,535	487	59	108,809
2003	6,522	1,437	27,738	8,429	383	1,944	428	98	46,979
2002	9,583	2,870	6,534	3,905	20	3,773	1,325	147	28,157
2001	10,708	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	Not Available Before 2002	299	29,175
2000	Not Available Before 2001							Not Available Before 2001	34,266
1999									31,673
1998									19,585
1997									5,554
1996									1,486
1995									747
1994									1
1993									2
1992									3
1991									93
1990									352
1989									831
1988									810
1987									1,036
1986									1,591

Source: Fannie Mae

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

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

Table 5b. Fannie Mae Mortgage Assets Held for Investment Detail - Part 3, Mortgage-Related Securities

End of Period	Mortgage-Related Securities ($ in Millions)			($ in Millions)		
	Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[a,b] ($)	Unamortized Premiums, Discounts, Deferred Adjustments, and Fair Value Adjustments on Securities and Loans[b,c] ($)	Mortgage Assets Held for Investment (Net)[b] ($)	Mortgage Assets Held for Investment (Gross)[b,d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
Q4 2022	123	22,025	(598)	77,144	77,742	225,000
Q3-2022	132	28,040	(691)	83,291	83,982	250,000
Q2-2022	134	26,721	(697)	90,623	91,320	250,000
Q1-2022	140	34,479	(869)	101,880	102,750	250,000
Annual Data						
2022	123	22,025	(598)	77,144	77,742	225,000
2021	144	41,584	(172)	109,049	109,221	250,000
2020	214	43,171	375	163,025	162,650	250,000
2019	313	48,053	(2,284)	151,327	153,611	250,000
2018	431	52,478	(3,619)	175,534	179,153	250,000
2017	665	53,418	(6,044)	224,739	230,783	288,400
2016	1,278	52,285	(9,570)	262,784	272,354	339,300
2015	3,105	91,511	(8,446)	336,657	345,103	399,200
2014	4,556	127,703	(6,861)	406,452	413,313	422,700
2013	6,319	176,037	(10,302)	480,399	490,701	552,500
2012	8,486	261,346	(6,267)	626,787	633,054	650,000
2011	10,899	310,143	(9,784)	698,630	708,414	729,000
2010	12,525	361,697	(12,284)	776,487	788,771	810,000
2009	14,453	352,709	(23,981)	745,271	769,252	900,000
2008	15,447	362,703	(24,207)	767,989	Not Applicable Before 2009	Not Applicable Before 2009
2007	16,315	324,326	(4,283)	723,620		
2006	16,924	345,887	(2,498)	726,434		
2005	18,802	371,209	(1,086)	736,803		
2004	22,076	517,052	7,985	925,194		
2003	20,359	511,235	10,721	919,589		
2002	19,650	476,535	20,848	820,627		
2001	18,377	541,046	(2,104)	706,347		
2000	15,227	457,617	(2,520)	607,731		
1999	12,171	374,836	(964)	523,103		
1998	9,685	258,736	919	415,434		
1997	7,620	156,576	(86)	316,592		
1996	6,665	119,161	(525)	286,527		
1995	5,343	82,030	(643)	252,868		
1994	3,403	51,148	(1,242)	220,815		
1993	2,519	27,712	(692)	190,169		
1992	2,816	23,522	(1,859)	156,260		
1991	2,759	19,732	(2,304)	126,679		
1990	2,530	14,831	(2,562)	114,066		
1989	2,239	14,992	(2,740)	107,981		
1988	1,804	10,793	(2,914)	100,099		
1987	1,866	7,128	(3,081)	93,665		
1986	469	Not Available Before 1987	(3,710)	94,123		
1985	Not Available Before 1986		(4,040)	95,250		
1984			(3,974)	84,695		
1983			(3,009)	75,782		
1982			(2,458)	69,842		
1981			(1,783)	59,949		
1980			(1,738)	55,878		
1979			(1,320)	49,777		
1978			(1,212)	42,103		
1977			(1,125)	33,252		
1976			(1,162)	31,775		
1975			(1,096)	30,821		
1974			(1,042)	28,665		
1973			(870)	23,579		
1972			(674)	19,650		
1971			(629)	17,886		

Source: Fannie Mae

[a] Unpaid principal balance.

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

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

[d] Amounts for 2010 and later meet the definition of mortgage assets in the Treasury Senior Preferred Stock Purchase Agreement for the purpose of determining the maximum amount of mortgage assets that may be held. The amount for 2009 includes consolidation of variable interest entities. The 2009 amount would have been $772.5 billion excluding consolidation of variable interest entities. Amounts does not include 10% of the notional value of interest-only securities.

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

Table 6. Fannie Mae Financial Derivatives

Financial Derivatives - Notional Amount Outstanding ($ in Millions)							
End of Period	Interest Rate Swaps[a]	Interest Rate Caps, Floors, and Corridors	Foreign Currency Contracts	Over-the-Counter Futures, Options, and Forward Rate Agreements[b]	Mandatory Mortgage Purchase & Sell Commitments	Other[c]	Total
Q4 2022	277,715	0	300	7,422	55,706	23,784	364,927
Q3 2022	266,698	0	277	7,422	110,522	24,456	409,375
Q2 2022	243,612	0	302	6,112	123,961	24,099	398,086
Q1 2022	205,555	0	326	5,332	190,310	21,620	423,143
Annual Data							
2022	277,715	0	300	7,422	55,706	23,784	364,927
2021	158,974	0	336	5,432	182,386	19,256	366,384
2020	226,306	0	476	76,008	408,192	28,197	739,179
2019	170,464	0	461	38,957	192,341	37,918	440,141
2018	240,741	0	444	35,881	117,007	34,350	428,423
2017	294,339	0	470	30,565	177,613	13,240	516,227
2016	307,034	0	430	25,205	148,472	15,078	496,219
2015	384,184	0	553	41,191	125,443	0	551,371
2014	404,375	0	617	67,900	119,026	0	591,918
2013	413,738	500	1,042	137,450	72,937	0	625,667
2012	572,349	6,500	1,195	121,910	159,057	0	861,011
2011	426,688	7,000	1,032	178,470	101,435	0	714,625
2010	502,578	7,000	1,560	176,010	119,870	0	807,018
2009	661,990	7,000	1,537	174,680	121,947	0	967,154
2008	1,023,384	500	1,652	173,060	71,236	0	1,269,832
2007	671,274	2,250	2,559	210,381	55,366	0	941,830
2006	516,571	14,000	4,551	210,271	39,928	0	785,321
2005	317,470	33,000	5,645	288,000	39,194	0	683,309
2004	256,216	104,150	11,453	318,275	40,600	0	730,694
2003	598,288	130,350	5,195	305,175	43,560	0	1,082,568
2002	253,211	122,419	3,932	275,625	Not Available Before 2003	0	655,187
2001	299,953	75,893	8,493	148,800		0	533,139
2000	227,651	33,663	9,511	53,915		0	324,740
1999	192,032	28,950	11,507	41,081		1,400	274,970
1998	142,846	14,500	12,995	13,481		3,735	187,557
1997	149,673	100	9,968	0		1,660	161,401
1996	158,140	300	2,429	0		350	161,219
1995	125,679	300	1,224	29		975	128,207
1994	87,470	360	1,023	0		1,465	90,317
1993	49,458	360	1,023	0		1,425	52,265
1992	24,130	0	1,177	0		1,350	26,658
1991	9,100	0	Not Available Before 1992	50		1,050	10,200
1990	4,800	0		25		1,700	6,525

Source: Fannie Mae

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

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

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

Table 7. Fannie Mae Nonmortgage Investments

End of Period	Nonmortgage Investments ($ in Millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements[b] ($)	Commercial Paper and Corporate Debt[c] ($)	Other[d] ($)	Total ($)
Q4 2022	0	0	14,565	20	46,898	61,483
Q3 2022	0	0	23,950	15	54,687	78,652
Q2 2022	0	0	15,391	13	60,883	76,287
Q1 2022	0	0	17,907	16	79,987	97,910
Annual Data						
2022	0	0	14,565	20	46,898	61,483
2021	0	0	20,743	19	83,581	104,343
2020	0	0	28,200	73	130,456	158,729
2019	0	0	13,578	79	39,501	53,158
2018	0	0	32,938	89	35,502	68,529
2017	0	0	19,470	0	29,222	48,692
2016	0	0	30,415	0	32,317	62,732
2015	0	0	27,350	0	29,485	56,835
2014	0	0	30,950	0	19,466	50,416
2013	0	0	38,975	0	16,306	55,281
2012	0	0	32,500	0	17,950	50,450
2011	0	2,111	46,000	0	47,737	95,848
2010	5,000	5,321	6,750	0	27,432	44,503
2009	44,900	8,515	4,000	364	3	57,782
2008	45,910	10,598	8,000	6,037	1,005	71,550
2007	43,510	15,511	5,250	13,515	9,089	86,875
2006	9,410	18,914	0	27,604	1,055	56,983
2005	8,900	19,190	0	16,979	947	46,016
2004	3,860	25,644	70	16,435	1,829	47,839
2003	12,575	26,862	111	17,700	2,270	59,518
2002	150	22,312	181	14,659	2,074	39,376
2001	16,089	20,937	808	23,805	4,343	65,982
2000	7,539	17,512	87	8,893	18,316	52,347
1999	4,837	19,207	122	1,723	11,410	37,299
1998	7,926	20,993	7,556	5,155	16,885	58,515
1997	19,212	16,639	6,715	11,745	10,285	64,596
1996	21,734	14,635	4,667	6,191	9,379	56,606
1995	19,775	9,905	10,175	8,629	8,789	57,273
1994	17,593	3,796	9,006	7,719	8,221	46,335
1993	4,496	3,557	4,684	0	8,659	21,396
1992	6,587	4,124	3,189	0	5,674	19,574
1991	2,954	2,416	2,195	0	2,271	9,836
1990	5,329	1,780	951	0	1,808	9,868
1989	5,158	1,107	0	0	2,073	8,338
1988	4,125	481	0	0	683	5,289
1987	2,559	25	0	0	884	3,468
1986	1,530	0	0	0	245	1,775
1985	1,391	0	0	0	75	1,466
1984	1,575	0	0	0	265	1,840
1983	9	0	0	0	227	236
1982	1,799	0	0	0	631	2,430
1981	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	Not Available Before 1982	1,047
1980						1,556
1979						843
1978						834
1977						318
1976						245
1975						239
1974						466
1973						227
1972						268
1971						349

Source: Fannie Mae

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

[b] Since 2005, advances to lenders have not been included in the data. Amounts for years before 2005 may include or consist of advances to lenders. Includes tri-party repurchase agreements. Amounts include repurchase agreements held by consolidated trusts and exclude short-term repurchase agreements classifed as cash equivalents.

[c] Includes corporate bonds.

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

Table 8. Fannie Mae Mortgage Asset Quality

End of Period	Mortgage Asset Quality				
	Single-Family Serious Delinquency Rate[a] (%)	Multifamily Serious Delinquency Rate[b] (%)	Credit (Income) Losses as a Proportion of the Guarantee Book of Business[c,d] (%)	REO as a Proportion of the Guarantee Book of Business[d] (%)	Credit-Enhanced Outstanding as a Proportion of the Guarantee Book of Business[e] (%)
Q4 2022	0.65 %	0.24 %	0.03 %	0.04 %	47.75 %
Q3 2022	0.69 %	0.26 %	0.04 %	0.04 %	47.53 %
Q2 2022	0.81 %	0.34 %	0.02 %	0.04 %	45.71 %
Q1 2022	1.01 %	0.38 %	0.00 %	0.04 %	43.64 %
Annual Data					
2022	0.65 %	24.00 %	3.00 %	4.00 %	47.75 %
2021	1.25	0.04	(0.06)	0.03	41.17
2020	2.87	0.98	(0.03)	0.04	47.75
2019	0.66	0.04	0.05	0.07	57.42
2018	0.76	0.06	0.07	0.08	51.00
2017	1.24	0.11	0.10	0.10	44.30
2016	1.20	0.05	0.12	0.15	37.20
2015	1.55	0.07	0.35	0.22	23.10
2014	1.89	0.05	0.20	0.35	20.90
2013	2.38	0.10	0.15	0.38	19.60
2012	3.29	0.24	0.48	0.35	18.80
2011	3.91	0.59	0.61	0.37	18.40
2010	4.48	0.71	0.77	0.53	19.10
2009	5.38	0.63	0.45	0.30	21.20
2008	2.42	0.30	0.23	0.23	23.90
2007	0.98	0.08	0.05	0.13	23.70
2006	0.65	0.08	0.02	0.09	22.30
2005	0.79	0.32	0.01	0.08	21.80
2004	0.63	0.11	0.01	0.07	20.50
2003	0.60	0.29	0.01	0.06	22.60
2002	0.57	0.08	0.01	0.05	26.80
2001	0.55	0.27	0.01	0.04	34.20
2000	0.45	0.07	0.01	0.05	40.40
1999	0.47	0.11	0.01	0.06	20.90
1998	0.56	0.23	0.03	0.08	17.50
1997	0.62	0.37	0.04	0.10	12.80
1996	0.58	0.68	0.05	0.11	10.50
1995	0.56	0.81	0.05	0.08	10.60
1994	0.47	1.21	0.06	0.10	10.20
1993	0.48	2.34	0.04	0.10	10.60
1992	0.53	2.65	0.04	0.09	15.60
1991	0.64	3.62	0.04	0.07	22.00
1990	0.58	1.70	0.06	0.09	25.90
1989	0.69	3.20	0.07	0.14	Not Available Before 1990
988	0.88	6.60	0.11	0.15	
1987	1.12	Not Available Before 1988	0.11	0.18	
1986	1.38		0.12	0.22	
1985	1.48		0.13	0.32	
1984	1.65		0.09	0.33	
1983	1.49		0.05	0.35	
1982	1.41		0.01	0.20	
1981	0.96		0.01	0.13	
1980	0.90		0.01	0.09	
1979	0.56		0.02	0.11	
1978	0.55		0.02	0.18	
1977	0.46		0.02	0.26	
1976	1.58		0.03	0.27	
1975	0.56		0.03	0.51	
1974	0.51		0.02	0.52	
1973	Not Available Before 1974		-	0.61	
1972			0.02	0.98	
1971			0.01	0.59	

Source: Fannie Mae

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

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

[c] Beginning in 2020, credit (income) losses consists of write-offs, recoveries, foreclosed property income (expense), write-offs on the redesignation of mortgage loans and gains on sales and other valuation adjustments. Before 2020 credit (income) losses consisted of charge-offs, net of recoveries and foreclosed property expense (income). Average balances used to calculate ratios subsequent to 1994. Quarterly data are annualized. Beginning in 2005, credit losses exclude the impact of fair-value losses of credit impaired loans acquired from MBS trusts. Beginning in 2008, credit losses also exclude the effect of HomeSaver Advance program fair-value losses.

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

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

Table 9. Fannie Mae Statutory Capital

End of Period	Capital ($ in Millions)[a]									
	Minimum Capital Requirement			Risk-Based Capital Requirement						
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Minimum Capital Surplus (Deficit)[d] ($)	Total Capital[e] ($)	Risk-Based Capital Requirement[f] ($)	Risk-Based Capital Surplus (Deficit)[g] ($)	Market Capitalization[h] ($)	Core Capital/Total Assets[i] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i,j] (%)	Common Share Dividend Payout Rate[k] (%)
Q4 2022	(61,000)	113,800	(174,800)	(74,000)	184,000	(258,000)	405	(1.42)%	(1.42)%	N/A
Q3 2022	(62,000)	113,499	(175,499)	(75,000)	183,000	(258,000)	602	(1.45)%	(1.44)%	N/A
Q2 2022	(64,000)	113,625	(177,625)	(77,000)	185,000	(262,000)	498	(1.49)%	(1.49)%	N/A
Q1 2022	(69,110)	113,000	(182,110)	(82,000)	190,000	(272,000)	915	(1.61)%	(1.61)%	N/A
Annual Data										
2022	(61,000)	113,800	(174,800)	(74,000)	184,000	(258,000)	405	(1.42)%	(1.42)%	N/A
2021	(73,517)	26,810	(100,327)	N/A	N/A	N/A	950	(1.74)	(1.74)	N/A
2020	(95,694)	28,603	(124,297)	N/A	N/A	N/A	2,768	(2.40)	(2.40)	N/A
2019	(106,360)	22,392	(128,752)	N/A	N/A	N/A	3,613	(3.03)	(3.03)	N/A
2018	(114,919)	22,216	(137,135)	N/A	N/A	N/A	1,228	(3.36)	(3.36)	N/A
2017	(121,389)	23,007	(144,396)	N/A	N/A	N/A	3,069	(3.63)	(3.62)	N/A
2016	(111,836)	24,351	(136,187)	N/A	N/A	N/A	4,517	(3.40)	(3.39)	N/A
2015	(114,526)	25,144	(139,670)	N/A	N/A	N/A	1,899	(3.55)	(3.54)	N/A
2014	(115,202)	27,044	(142,246)	N/A	N/A	N/A	2,380	(3.55)	(3.53)	N/A
2013	(108,811)	28,472	(137,283)	N/A	N/A	N/A	3,486	(3.33)	(3.31)	N/A
2012	(110,350)	30,862	(141,212)	N/A	N/A	N/A	295	(3.42)	(3.41)	N/A
2011	(115,967)	32,463	(148,430)	N/A	N/A	N/A	233	(3.61)	(3.59)	N/A
2010	(89,516)	33,676	(123,192)	N/A	N/A	N/A	336	(2.78)	(2.76)	N/A
2009	(74,540)	33,057	(107,597)	N/A	N/A	N/A	1,314	(8.58)	(2.26)	N/A
2008	(8,641)	33,552	(42,193)	N/A	N/A	N/A	825	(0.95)	(0.27)	N/M
2007	45,373	31,927	13,446	48,658	24,700	23,958	38,946	5.14	1.51	N/M
2006	41,950	29,359	12,591	42,703	26,870	15,833	57,735	4.97	1.60	32.4
2005	39,433	28,233	11,200	40,091	12,636	27,455	47,373	4.73	1.62	17.2
2004	34,514	32,121	2,393	35,196	10,039	25,157	69,010	3.38	1.42	42.1
2003	26,953	31,816	(4,863)	27,487	27,221	266	72,838	2.64	1.16	20.8
2002	20,431	27,688	(7,257)	20,831	17,434	3,397	63,612	2.26	1.05	34.5
2001	25,182	24,182	1,000	25,976	Not Applicable Before 2002	Not Applicable Before 2002	79,281	3.15	1.51	23
2000	20,827	20,293	533	21,634			86,643	3.08	1.51	26
1999	17,876	17,770	106	18,677			63,651	3.11	1.43	28.8
1998	15,465	15,334	131	16,257			75,881	3.19	1.38	29.5
1997	13,793	12,703	1,090	14,575			59,167	3.52	1.42	29.4
1996	12,773	11,466	1,307	13,520			39,932	3.64	1.42	30.4
1995	10,959	10,451	508	11,703			33,812	3.46	1.32	34.6
1994	9,541	9,415	126	10,368			19,882	3.50	1.26	30.8
1993	8,052	7,064	988	8,893			21,387	3.71	1.17	26.8
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993			20,874	Not Applicable Before 1993	Not Applicable Before 1993	23.2
1991							18,836			21.3
1990							8,490			14.7
1989							8,092			12.8
1988							3,992			11.2
1987							2,401			11.7
1986							3,006			8
1985							1,904			30.1
1984							1,012			N/A
1983							1,514			13.9
1982							1,603			N/A
1981							502			N/A
1980							702			464.2
1979							Not Available Before 1980			45.7
1978										30.3
1977										31.8
1976										33.6
1975										31.8
1974										29.6
1973										18.1
1972										15.2
1971										18.7

Source: Fannie Mae and FHFA
All Numbers presented for 2022 are calulated in accordance with the ERCF.

N/A = not applicable

[a] On October 9, 2008, the Federal Housing Finance Agency (FHFA) suspended capital classifications of Fannie Mae. As of the fourth quarter of 2008, neither the existing statutory nor the FHFA-directed regulatory capital requirements were binding and will not be binding during conservatorship. The Enterprise Regulatory Capital Framework, which became effective on February 16, 2021, introduced new risk-based capital requirements to be met with statutory total capital and increased the minimum capital requirement to be met with statutory core capital per authority provided in the Housing and Economic Recovery Act of 2008. The Enterprise began reporting the new capital figures in corporate disclosures starting in 2022.

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

[c] Beginning in the third quarter of 2005, FHFA required Fannie Mae to maintain an additional 30 percent capital in excess of the statutory minimum capital requirement. The regulator reduced the requirement to 20 percent as of the first quarter of 2008 and to 15 percent as of the second quarter of 2008. The minimum capital requirement and minimum capital surplus numbers stated in this table do not reflect these additional capital requirements. FHFA published a final rule establishing a new enterprise regulatory capital framework for the GSEs in December 2020. FHFA published three additional final rules amending the enterprise regulatory capital framework in March 2022 and June 2022. We refer to the rule's requirements, as amended, as the enterprise regulatory capital framework (ERCF). The minimim capital requirement in the table above is calculated using the ERCF.

[d] Minimum capital surplus (deficit) is the difference between core capital and minimum capital requirement.

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

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

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

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

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

[j] Unconsolidated MBS are those held by third parties.

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

Table 9a. Fannie Mae Supplemental Capital

End of Period	Supplemental Capital ($ in billions)														
	Adjusted Total Assets	Risk Weighted Assets	Leverage Capital			Common Equity Tier 1 (CET1) Capital			Tier 1 Capital			Adjusted Total Capital			
			Required*	Available	Surplus (Shortfall)	Required*	Available	Surplus (Shortfall)	Required*	Available	Surplus (Shortfall)	Required*	Available	Surplus (Shortfall)
4Q 2022	4,552	1,316	137	(74)	(211)	138	(93)	(231)	158	(74)	(232)	184	(74)	(258)
3Q 2022	4,540	1,298	136	(75)	(211)	137	(94)	(231)	157	(75)	(232)	183	(75)	(258)
2Q 2022	4,545	1,325	137	(77)	(214)	139	(96)	(235)	159	(77)	(236)	185	(77)	(262)
1Q 2022	4,529	1,391	136	(82)	(218)	142	(101)	(243)	162	(82)	(244)	190	(82)	(272)
Annual Data														
2022	4,552	1,316	137	(74)	(211)	138	(93)	(231)	158	(74)	(232)	184	(74)	(258)

All Numbers presented for 2022 are calulated in accordance with the ERCF.

*For purposes of this table, any applicable buffers have been included in the required capital amounts.

Table 10. Freddie Mac Mortgage Purchases

Period	Business Activity ($ in Millions)			
	Purchases[a]			
	Single-Family ($)	Multifamily ($)	Total Mortgages[b] ($)	Mortgage Related-Securities[c,d] ($)
4Q22	74,657	28,545	103,202	30,157
3Q22	121,215	14,701	135,916	43,107
2Q22	137,665	14,661	152,326	46,044
1Q22	207,088	14,926	222,014	69,278
Annual Data				
2022	540,625	72,833	613,458	188,586
2021	1,219,579	69,999	1,289,578	283,740
2020	1,090,067	82,534	1,172,601	158,086
2019	453,481	77,853	531,334	93,267
2018	308,197	77,457	385,654	66,763
2017	343,566	73,201	416,767	81,592
2016	392,507	56,830	449,337	77,239
2015	350,560	47,264	397,824	58,580
2014	255,253	28,336	283,589	59,690
2013	422,742	25,872	448,614	49,383
2012	426,849	28,774	455,623	16,627
2011	320,793	20,325	341,118	108,281
2010	386,378	15,372	401,750	46,134
2009	475,350	16,571	491,921	236,856
2008	357,585	23,972	381,557	297,614
2007	466,066	21,645	487,711	231,039
2006	351,270	13,031	364,301	241,205
2005	381,673	11,172	392,845	325,575
2004	354,812	12,712	367,524	223,299
2003	701,483	15,292	716,775	385,078
2002	533,194	10,654	543,848	299,674
2001	384,124	9,510	393,634	248,466
2000	168,013	6,030	174,043	91,896
1999	232,612	7,181	239,793	101,898
1998	263,490	3,910	267,400	128,446
1997	115,160	2,241	117,401	35,385
1996	122,850	2,229	125,079	36,824
1995	89,971	1,565	91,536	39,292
1994	122,563	847	123,410	19,817
1993	229,051	191	229,242	Not Available Before 1994
1992	191,099	27	191,126	
1991	99,729	236	99,965	
1990	74,180	1,338	75,518	
1989	76,765	1,824	78,589	
1988	42,884	1,191	44,075	
1987	74,824	2,016	76,840	
1986	99,936	3,538	103,474	
1985	42,110	1,902	44,012	
1984	Not Available Before 1985	Not Available Before 1985	21,885	
1983			22,952	
1982			23,671	
1981			3,744	
1980			3,690	
1979			5,716	
1978			6,524	
1977			4,124	
1976			1,129	
1975			1,716	
1974			2,185	
1973			1,334	
1972			1,265	
1971			778	

Source: Freddie Mac

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

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

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

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

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

Purchases ($ in Millions)[a]													
Period	Single-Family Mortgages								Multifamily Mortgages				
	Conventional				FHA/VA[d]			Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD ($)	Total Multifamily Mortgages ($)	Total Mortgage Purchases ($)
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)					
4Q22	73,369	1,277	0	74,646	11	0	11	74,657	28,545	0	28,545	103,202
3Q22	119,272	1,928	0	121,200	15	0	15	121,215	14,701	0	14,701	135,916
2Q22	135,976	1,671	0	137,647	18	0	18	137,665	14,661	0	14,661	152,326
1Q22	205,432	1,627	0	207,059	29	0	29	207,088	14,926	0	14,926	222,014
Annual Data												
2022	534,049	6,503	0	540,552	73	0	73	540,625	72,833	0	72,833	613,458
2021	1,214,085	5,229	0	1,219,314	265	0	265	1,219,579	69,999	0	69,999	1,289,578
2020	1,085,983	3,788	0	1,089,771	296	0	296	1,090,067	82,534	0	82,534	1,172,601
2019	448,060	5,257	0	453,317	164	0	164	453,481	77,853	0	77,853	531,334
2018	304,246	3,848	0	308,094	103	0	103	308,197	77,457	0	77,457	385,654
2017	333,612	9,841	0	343,453	113	0	113	343,566	73,201	0	73,201	416,767
2016	385,806	6,555	0	392,361	146	0	146	392,507	56,830	0	56,830	449,337
2015	337,637	12,760	0	350,397	163	0	163	350,560	47,264	0	47,264	397,824
2014	239,469	15,711	0	255,180	73	0	73	255,253	28,336	0	28,336	283,589
2013	406,605	16,007	0	422,612	130	0	130	422,742	25,872	0	25,872	448,614
2012	408,576	18,075	0	426,651	198	0	198	426,849	28,774	0	28,774	455,623
2011	294,918	25,685	0	320,603	190	0	190	320,793	20,325	0	20,325	341,118
2010	368,352	17,435	0	385,787	591	0	591	386,378	15,372	0	15,372	401,750
2009	470,355	3,615	0	473,970	1,380	0	1,380	475,350	16,571	0	16,571	491,921
2008	327,006	30,014	0	357,020	565	0	565	357,585	23,972	0	23,972	381,557
2007	387,760	78,149	0	465,909	157	0	157	466,066	21,645	0	21,645	487,711
2006	272,875	77,449	0	350,324	946	0	946	351,270	13,031	0	13,031	364,301
2005	313,842	67,831	0	381,673	0	0	0	381,673	11,172	0	11,172	392,845
2004	293,830	60,663	0	354,493	319	0	319	354,812	12,712	0	12,712	367,524
2003	617,796	82,270	0	700,066	1,417	0	1,417	701,483	15,292	0	15,292	716,775
2002	468,901	63,448	0	532,349	845	0	845	533,194	10,654	0	10,654	543,848
2001	353,056	30,780	0	383,836	288	0	288	384,124	9,507	3	9,510	393,634
2000	145,744	21,201	0	166,945	1,068	0	1,068	168,013	6,030	0	6,030	174,043
1999	224,040	7,443	0	231,483	1,129	0	1,129	232,612	7,181	0	7,181	239,793
1998	256,008	7,384	0	263,392	98	0	98	263,490	3,910	0	3,910	267,400
1997	106,174	8,950	0	115,124	36	0	36	115,160	2,241	0	2,241	117,401
1996	116,316	6,475	0	122,791	59	0	59	122,850	2,229	0	2,229	125,079
1995	75,867	14,099	0	89,966	5	0	5	89,971	1,565	0	1,565	91,536
1994	105,902	16,646	0	122,548	15	0	15	122,563	847	0	847	123,410
1993	208,322	20,708	1	229,031	20	0	20	229,051	191	0	191	229,242
1992	175,515	15,512	7	191,034	65	0	65	191,099	27	0	27	191,126
1991	91,586	7,793	206	99,585	144	0	144	99,729	236	0	236	99,965
1990	56,806	16,286	686	73,778	402	0	402	74,180	1,338	0	1,338	75,518
1989	57,100	17,835	1,206	76,141	624	0	624	76,765	1,824	0	1,824	78,589
1988	34,737	7,253	59	42,049	835	0	835	42,884	1,191	0	1,191	44,075
1987	69,148	4,779	69	73,996	828	0	828	74,824	2,016	0	2,016	76,840
1986	96,105	2,262	90	98,457	1,479	0	1,479	99,936	3,538	0	3,538	103,474
1985	40,226	605	34	40,865	1,245	0	1,245	42,110	1,902	0	1,902	44,012

Source: Freddie Mac

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

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

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

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

Table 10b. Freddie Mac Purchases of Mortgage-Related Securities - Part 1

Period	Purchases ($ in Millions)[a]														
	Freddie Mac Securities[b]				Other Securities									Mortgage Revenue Bonds ($)	Total Mortgage-Related Securities[c] ($)
	Single-Family		Multifamily ($)	Total Freddie Mac ($)	Fannie Mae				Ginne Mae[c]				Total Private-Label[d] ($)		
	Fixed-Rate ($)	Adjustable-Rate ($)			Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multifamily ($)	Total Fannie Mae ($)	Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multifamily ($)	Total Ginnie Mae ($)			
4Q22	29,909	208	20	30,137	20	0	0	20	0	0	0	0	0	0	30,157
3Q22	41,855	799	0	42,654	453	0	0	453	0	0	0	0	0	0	43,107
2Q22	45,118	612	0	45,730	313	1	0	314	0	0	0	0	0	0	46,044
1Q22	64,721	1,186	0	65,907	3,343	28	0	3,371	0	0	0	0	0	0	69,278
Annual Data															
2022	181,603	2,805	20	184,428	4,129	29	0	4,158	0	0	0	0	0	0	188,586
2021	270,491	2,547	9	273,047	10,633	60	0	10,693	0	0	0	0	0	0	283,740
2020	147,467	487	0	147,954	10,051	81	0	10,132	0	0	0	0	0	0	158,086
2019	75,624	2,583	24	78,231	14,912	124	0	15,036	0	0	0	0	0	0	93,267
2018	61,614	3,339	321	65,274	18	1,471	0	1,489	0	0	0	0	0	0	66,763
2017	72,631	2,833	0	75,464	5,117	437	0	5,554	0	24	0	24	0	550	81,592
2016	65,274	5,981	12	71,267	5,345	485	0	5,830	0	142	0	142	0	0	77,239
2015	48,764	5,532	97	54,393	1,624	2,239	0	3,863	0	324	0	324	0	0	58,580
2014	43,922	7,568	392	51,882	2,695	5,005	0	7,700	0	73	0	73	35	0	59,690
2013	44,760	296	0	45,056	4,251	50	0	4,301	0	0	0	0	26	0	49,383
2012	13,272	3,045	119	16,436	0	170	0	170	0	0	0	0	21	0	16,627
2011	94,543	5,057	472	100,072	5,835	2,297	0	8,132	0	0	0	0	77	0	108,281
2010	40,462	923	382	41,767	0	373	0	373	0	0	0	0	3,994	0	46,134
2009	176,974	5,414	0	182,388	43,298	2,697	0	45,995	0	0	27	27	8,266	180	236,856
2008	192,701	26,344	111	219,156	49,534	18,519	0	68,053	0	0	8	8	10,316	81	297,614
2007	111,976	26,800	2,283	141,059	2,170	9,863	0	12,033	0	0	0	0	76,134	1,813	231,039
2006	76,378	27,146	0	103,524	4,259	8,014	0	12,273	0	0	0	0	122,230	3,178	241,205
2005	106,682	29,805	0	136,487	2,854	3,368	0	6,222	64	0	0	64	179,962	2,840	325,575
2004	72,147	23,942	146	96,235	756	3,282	0	4,038	0	0	0	0	121,082	1,944	223,299
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	266,989	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	47,806	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	166	69,154	963	385,078
2002				192,817				45,798				820	59,376	863	299,674
2001				157,339				64,508				1,444	24,468	707	248,466
2000				58,516				18,249				3,339	10,304	1,488	91,896
1999				69,219				12,392				3,422	15,263	1,602	101,898
1998				107,508				3,126				319	15,711	1,782	128,446
1997				31,296				897				326	1,494	1,372	35,385
1996				33,338				Not Available Before 1997				Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	36,824
1995				32,534											39,292
1994				19,817											19,817

Source: Freddie Mac

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

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

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

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

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

Period	Purchases ($ in Millions)[a]								
	Private-Label								
	Single-Family							Multifamily[d] ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime	Adjustable-Rate ($)	Alt A[b]		Other[c]			
		Fixed-Rate ($)		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q22	0	0	0	0	0	0	0	0	0
3Q22	0	0	0	0	0	0	0	0	0
2Q22	0	0	0	0	0	0	0	0	0
1Q22	0	0	0	0	0	0	0	0	0
Annual Data									
2022	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	35	35
2013	0	0	0	0	0	26	0	0	26
2012	0	0	0	0	0	21	0	0	21
2011	0	0	0	0	0	77	0	0	77
2010	0	0	0	0	0	3,172	0	822	3,994
2009	0	0	0	0	0	7,874	0	392	8,266
2008	0	60	46	0	618	8,175	0	1,417	10,316
2007	127	843	42,824	702	9,306	48	0	22,284	76,134
2006	0	116	74,645	718	29,828	48	0	16,875	122,230
2005	0	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	2,191	162,931	14,840	179,962
2004	0					1,379	108,825	10,878	121,082
2003	0					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	69,154
2002	318								59,376
2001	0								24,468
2000	15								10,304
1999	3,293								15,263
1998	1,630								15,711
1997	36								1,494

Source: Freddie Mac

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

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

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

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

Table 11. Freddie Mac MBS Issuances

Business Activity ($ in Millions)				
MBS Issuances[a]				
Period	Single-Family MBS[b] ($)	Multifamily MBS ($)	Total MBS[b] ($)	Multiclass MBS[c] ($)
4Q22	74,578	15,695	90,273	18,344
3Q22	125,347	13,635	138,982	20,778
2Q22	139,774	16,799	156,573	75,403
1Q22	213,604	16,161	229,765	96,488
Annual Data				
2022	553,303	62,290	615,593	211,013
2021	1,252,689	73,611	1,326,300	276,863
2020	1,065,070	70,508	1,135,578	305,223
2019	453,747	67,908	521,655	135,912
2018	317,910	64,087	381,997	183,615
2017	354,131	62,571	416,702	126,752
2016	395,459	47,744	443,203	123,435
2015	356,599	33,392	389,991	82,620
2014	259,763	19,770	279,533	105,174
2013	435,499	25,267	460,766	111,436
2012	446,162	20,317	466,479	124,376
2011	304,629	12,632	317,261	166,539
2010	384,719	8,318	393,037	136,366
2009	472,461	2,951	475,412	86,202
2008	352,776	5,085	357,861	64,305
2007	467,342	3,634	470,976	133,321
2006	358,184	1,839	360,023	169,396
2005	396,213	1,654	397,867	208,450
2004	360,933	4,175	365,108	215,506
2003	705,450	8,337	713,787	298,118
2002	543,716	3,596	547,312	331,672
2001	387,234	2,357	389,591	192,437
2000	165,115	1,786	166,901	48,202
1999	230,986	2,045	233,031	119,565
1998	249,627	937	250,564	135,162
1997	113,758	500	114,258	84,366
1996	118,932	770	119,702	34,145
1995	85,522	355	85,877	15,372
1994	116,901	209	117,110	73,131
1993	208,724	0	208,724	143,336
1992	179,202	5	179,207	131,284
1991	92,479	0	92,479	72,032
1990	71,998	1,817	73,815	40,479
1989	72,931	587	73,518	39,754
1988	39,490	287	39,777	12,985
1987	72,866	2,152	75,018	0
1986	96,798	3,400	100,198	2,233
1985	37,583	1,245	38,828	2,625
1984	Not Available Before 1985	Not Available Before 1985	18,684	1,805
1983			19,691	1,685
1982			24,169	Not Issued Before 1983
1981			3,526	
1980			2,526	
1979			4,546	
1978			6,412	
1977			4,657	
1976			1,360	
1975			950	
1974			46	
1973			323	
1972			494	
1971			65	

Source: Freddie Mac

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

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

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

Table 12. Freddie Mac Earnings

Earnings ($ in Millions)						
Period	Net Interest Income[a] ($)	Guarantee Income[a] ($)	Administrative Expenses ($)	Credit-Related (Benefit) Expenses[b,c] ($)	Net Income (Loss) ($)	Return on Equity[d] ($)
4Q22	4,588	383	(761)	1,083	1,763	N/M
3Q22	4,554	125	(713)	2,122	1,313	N/M
2Q22	4,759	205	(682)	860	2,453	N/M
1Q22	4,104	70	(649)	(370)	3,798	N/M
Annual Data						
2022	18,005	783	(2,805)	3,695	9,327	N/M
2021	17,580	1,032	(2,651)	1,031	12,109	N/M
2020	12,771	1,442	2,535	2,336	7,326	N/M
2019	11,848	1,089	2,564	191	7,214	N/M
2018	12,021	866	2,293	(150)	9,235	N/M
2017	14,164	662	2,106	105	5,625	N/M
2016	14,379	513	2,005	(516)	7,815	N/M
2015	14,946	369	1,927	(2,327)	6,376	N/M
2014	14,263	329	1,881	254	7,690	N/M
2013	16,468	271	1,805	(2,605)	48,668	N/M
2012	17,611	201	1,561	1,949	10,982	N/M
2011	18,397	170	1,506	11,287	(5,266)	N/M
2010	16,856	143	1,597	17,891	(14,025)	N/M
2009	17,073	3,033	1,685	29,837	(21,553)	N/M
2008	6,796	3,370	1,505	17,529	(50,119)	N/M
2007	3,099	2,635	1,674	3,060	(3,094)	(21)
2006	3,412	2,393	1,641	356	2,327	10
2005	4,627	2,076	1,535	347	2,113	8
2004	9,137	1,382	1,550	140	2,937	9
2003	9,498	1,653	1,181	2	4,816	18
2002	9,525	1,527	1,406	126	10,090	47
2001	7,448	1,381	1,024	39	3,158	20
2000	3,758	1,243	825	75	3,666	39
1999	2,926	1,019	655	159	2,223	26
1998	2,215	1,019	578	342	1,700	23
1997	1,847	1,082	495	529	1,395	23
1996	1,705	1,086	440	608	1,243	23
1995	1,396	1,087	395	541	1,091	22
1994	1,112	1,108	379	425	983	23
1993	772	1,009	361	524	786	22
1992	695	936	329	457	622	21
1991	683	792	287	419	555	24
1990	619	654	243	474	414	20
1989	517	572	217	278	437	25
1988	492	465	194	219	381	28
1987	319	472	150	175	301	28
1986	299	301	110	120	247	29
1985	312	188	81	79	208	30
1984	213	158	71	54	144	52
1983	125	132	53	46	86	45
1982	30	77	37	26	60	22
1981	34	36	30	16	31	13
1980	54	23	26	23	34	15
1979	55	18	19	20	36	16
1978	37	14	14	13	25	13
1977	31	9	12	8	21	12
1976	18	3	10	(1)	14	10
1975	31	3	10	11	16	12
1974	42	2	8	33	5	4
1973	31	2	7	15	12	10
1972	10	1	5	4	4	4
1971	10	1	Not Available Before 1972	Not Available Before 1972	6	5.5

Source: Freddie Mac

N/M = Not Meaningful

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

[b] 2018 and 2019 have been revised to conform to current period presentation.

[c] For years 2018 through the current period, defined as provision/benefit for credit losses, credit enhancement expense, benefit for (decrease in) credit enhancement recoveries, and real-estate owned operations income/expense. For years 2002 through 2017, defined as provision/benefit for credit losses and real-estate owned operations income/expense. For years 2000 and 2001, includes only provision for credit losses.

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

Table 13. Freddie Mac Balance Sheet

Balance Sheet ($ in Millions)[a]									
End of Period	Total Assets ($)	Total Mortgage Assets[b] ($)	Nonmortgage Investments ($)	Total Debt Outstanding ($)	Stockholders' Equity ($)	Senior Preferred Stock ($)	Fair Value of Net Assets ($)	Mortgage Assets Held for Investment (Gross)[c] ($)	Indebtedness[d] ($)
4Q22	3,208,333	3,056,774	115,693	3,145,832	37,018	72,648	Not Available	92,730	178,078
3Q22	3,190,656	3,030,924	129,942	3,137,222	35,230	72,648	Not Available	79,773	175,225
2Q22	3,145,581	2,989,380	124,636	3,093,178	34,098	72,648	Not Available	80,846	168,596
1Q22	3,108,854	2,954,619	114,409	3,059,125	31,711	72,648	Not Available	92,803	168,224
Annual Data									
2022	3,208,333	3,056,774	115,693	3,145,832	37,018	72,648	Not Available	92,730	178,078
2021	3,025,586	2,873,299	112,169	2,980,185	28,033	72,648	Not Available	111,011	181,661
2020	2,627,415	2,422,493	139,208	2,592,546	16,413	72,648	Not Available	182,184	286,541
2019	2,203,623	2,073,090	98,327	2,179,528	9,122	72,648	Not Available	212,673	283,157
2018	2,063,060	1,983,053	55,751	2,044,950	4,477	72,648	Not Available	218,080	255,700
2017	2,049,776	1,941,680	79,991	2,034,630	(312)	72,336	Not Available	253,455	316,729
2016	2,023,376	1,906,843	72,685	2,002,004	5,075	72,336	Not Available	298,426	356,743
2015	1,985,892	1,866,588	80,795	1,970,269	2,940	72,336	Not Available	346,911	418,021
2014	1,945,360	1,852,646	58,585	1,929,363	2,651	72,336	(30,400)	408,414	454,029
2013	1,965,831	1,855,095	69,019	1,940,521	12,835	72,336	(41,200)	461,024	511,345
2012	1,989,557	1,912,929	58,076	1,966,743	8,827	72,336	(58,300)	557,544	552,472
2011	2,147,216	2,062,713	39,342	2,131,983	(146)	72,171	(78,400)	653,313	674,314
2010	2,261,780	2,149,586	74,420	2,242,588	(401)	64,200	(58,600)	696,874	728,217
2009	841,784	716,974	26,271	780,604	4,278	51,700	(62,500)	755,272	805,073
2008	850,963	748,747	18,944	843,021	(30,731)	14,800	(95,600)	804,762	Not Applicable Before 2009
2007	794,368	710,042	41,663	738,557	26,724	Not Applicable Before 2008	12,600	720,813	
2006	804,910	700,002	68,614	744,341	26,914		31,800	703,959	
2005	798,609	709,503	57,324	740,024	25,691		30,900	710,346	
2004	795,284	664,582	62,027	731,697	31,416		30,900	653,261	
2003	803,449	660,531	53,124	739,613	31,487		27,300	645,767	
2002	752,249	589,899	91,871	665,696	31,330		22,900	567,272	
2001	641,100	503,769	89,849	578,368	19,624		18,300	497,639	
2000	459,297	385,451	43,521	426,899	14,837		Not Available Before 2001	385,693	
1999	386,684	322,914	34,152	360,711	11,525			324,443	
1998	321,421	255,670	42,160	287,396	10,835			255,009	
1997	194,597	164,543	16,430	172,842	7,521			164,421	
1996	173,866	137,826	22,248	156,981	6,731			137,755	
1995	137,181	107,706	12,711	119,961	5,863			107,424	
1994	106,199	73,171	17,808	93,279	5,162			73,171	
1993	83,880	55,938	18,225	49,993	4,437			55,938	
1992	59,502	33,629	12,542	29,631	3,570			33,629	
1991	46,860	26,667	9,956	30,262	2,566			26,667	
1990	40,579	21,520	12,124	30,941	2,136			21,520	
1989	35,462	21,448	11,050	26,147	1,916			21,448	
1988	34,352	16,918	14,607	26,882	1,584			16,918	
1987	25,674	12,354	10,467	19,547	1,182			12,354	
1986	23,229	13,093	Not Available Before 1987	15,375	953			13,093	
1985	16,587	13,547		12,747	779			13,547	
1984	13,778	10,018		10,999	606			10,018	
1983	8,995	7,485		7,273	421			7,485	
1982	5,999	4,679		4,991	296			4,679	
1981	6,326	5,178		5,680	250			5,178	
1980	5,478	5,006		4,886	221			5,006	
1979	4,648	4,003		4,131	238			4,003	
1978	3,697	3,038		3,216	202			3,038	
1977	3,501	3,204		3,110	177			3,204	
1976	4,832	4,175		4,523	156			4,175	
1975	5,899	4,878		5,609	142			4,878	
1974	4,901	4,469		4,684	126			4,469	
1973	2,873	2,521		2,696	121			2,521	
1972	1,772	1,726		1,639	110			1,726	
1971	1,038	935		915	107			935	

Source: Freddie Mac

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

[b] Excludes allowance for loan losses.

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

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

Table 13a. Freddie Mac Total MBS Outstanding Detail[a,g]

End of Period	Single-Family Mortgages ($ in Millions)					Multifamily Mortgages ($ in Millions)			($ in Millions)	
	Conventional				Total FHA/VA[d] ($)	Conventional ($)	FHA/RD ($)	Multifamily Morgages ($)	Total MBS Outstanding[e] ($)	Multiclass MBS Outstanding[f] ($)
	Fixed-Rate[b] ($)	Adjustable-Rate[c] ($)	Seconds[d] ($)	Total ($)						
4Q22	2,906,935	23,096	0	2,930,031	1,008	353,662	0	353,662	3,284,701	563,460
3Q22	2,899,793	22,898	0	2,922,691	1,038	351,349	0	351,349	3,275,078	569,474
2Q22	2,858,472	22,783	0	2,881,255	1,079	351,674	0	351,674	3,234,008	574,234
1Q22	2,817,547	23,013	0	2,840,560	1,124	348,496	0	348,496	3,190,180	577,328
Annual Data										
2022	2,906,935	23,096	0	2,930,031	1,008	353,662	0	353,662	3,284,701	563,460
2021	2,718,977	23,292	0	2,742,269	1,179	345,374	0	345,374	3,088,822	585,275
2020	2,222,450	25,872	0	2,248,322	1,332	308,532	0	308,532	2,558,186	590,935
2019	1,821,287	30,461	0	1,851,748	1,354	265,344	0	265,344	2,118,446	546,166
2018	1,694,596	37,568	0	1,732,164	1,532	230,892	0	230,892	1,964,588	528,413
2017	1,598,054	45,791	0	1,643,845	1,783	199,168	0	199,168	1,844,796	475,624
2016	1,510,170	48,467	0	1,558,637	2,110	152,236	0	152,236	1,712,983	422,528
2015	1,409,898	68,234	0	1,478,132	2,413	114,130	0	114,130	1,594,675	411,016
2014	1,338,926	72,095	0	1,411,021	2,835	87,836	0	87,836	1,501,692	410,133
2013	1,306,504	72,187	1	1,378,692	3,152	71,793	0	71,793	1,453,637	402,309
2012	1,269,642	76,095	1	1,345,738	3,452	49,542	0	49,542	1,398,732	427,630
2011	1,303,916	81,977	2	1,385,895	4,106	32,080	0	32,080	1,422,081	451,716
2010	1,357,124	84,471	2	1,441,597	4,434	21,954	0	21,954	1,467,985	429,115
2009	1,364,796	111,550	3	1,476,349	3,544	15,374	0	15,374	1,495,267	448,329
2008	1,242,648	142,495	4	1,385,147	3,970	13,597	0	13,597	1,402,714	517,654
2007	1,206,495	161,963	7	1,368,465	4,499	8,899	0	8,899	1,381,863	526,604
2006	967,580	141,740	12	1,109,332	5,396	8,033	0	8,033	1,122,761	491,696
2005	836,023	117,757	19	953,799	6,289	14,112	0	14,112	974,200	437,668
2004	736,332	91,474	70	827,876	9,254	15,140	0	15,140	852,270	390,516
2003	649,699	74,409	140	724,248	12,157	15,759	0	15,759	752,164	347,833
2002	647,603	61,110	5	708,718	12,361	8,730	0	8,730	729,809	392,545
2001	609,290	22,525	10	631,825	14,127	7,132	0	7,132	653,084	299,652
2000	533,331	36,266	18	569,615	778	5,708	0	5,708	576,101	309,185
1999	499,671	33,094	29	532,794	627	4,462	0	4,462	537,883	316,168
1998	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	Not Available Before 1999	478,351	260,504
1997									475,985	233,829
1996									473,065	237,939
1995									459,045	246,336
1994									460,656	264,152
1993									439,029	265,178
1992									407,514	218,747
1991									359,163	146,978
1990									316,359	88,124
1989									272,870	52,865
1988									226,406	15,621
1987									212,635	3,652
1986									169,186	5,333
1985									99,909	5,047
1984									70,026	3,214
1983									57,720	1,669
1982									42,952	Not Issued Before 1983
1981									19,897	
1980									16,962	
1979									15,316	
1978									12,017	
1977									6,765	
1976									2,765	
1975									1,643	
1974									780	
1973									791	
1972									444	
1971									64	

Source: Freddie Mac

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

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

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

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

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

[f] Amounts are included in total MBS outstanding column.

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

Table 14. Freddie Mac Mortgage Assets Held for Investment Detail

($ in Millions)

End of Period	Whole Loans[a] ($)	Freddie Mac Securities[a] ($)	Other Mortgage-Related Securities[a] ($)	Mortgage Assets Held for Invesment (Gross)[b,c] ($)
4Q22	64,420	27,209	28,310	119,939
3Q22	52,764	24,771	27,009	104,544
2Q22	55,287	23,586	25,559	104,432
1Q22	57,738	31,950	35,065	124,753
		Annual Data		
2022	64,420	27,209	28,310	119,939
2021	64,553	42,755	46,458	153,766
2020	110,750	67,091	4,343	182,184
2019	83,652	118,647	10,374	212,673
2018	91,618	120,148	6,314	218,080
2017	107,171	135,552	10,732	253,455
2016	127,549	136,184	34,693	298,426
2015	145,664	147,824	53,423	346,911
2014	164,472	161,541	82,401	408,414
2013	181,308	168,034	111,682	461,024
2012	221,313	186,763	149,468	557,544
2011	253,970	223,667	175,676	653,313
2010	234,746	263,603	198,525	696,874
2009	138,816	374,615	241,841	755,272
2008	111,476	424,524	268,762	804,762
2007	82,158	356,970	281,685	720,813
2006	65,847	354,262	283,850	703,959
2005	61,481	361,324	287,541	710,346
2004	61,360	356,698	235,203	653,261
2003	60,270	393,135	192,362	645,767
2002	63,886	341,287	162,099	567,272
2001	62,792	308,427	126,420	497,639
2000	59,240	246,209	80,244	385,693
1999	56,676	211,198	56,569	324,443
1998	57,084	168,108	29,817	255,009
1997	48,454	103,400	Not Available Before 1998	164,421
1996	46,504	81,195		137,755
1995	43,753	56,006		107,424
1994	Not Available Before 1995	30,670		73,171
1993		15,877		55,938
1992		6,394		33,629
1991		Not Available Before 1992		26,667
1990				21,520
1989				21,448
1988				16,918
1987				12,354
1986				13,093
1985				13,547
1984				10,018
1983				7,485
1982				4,679
1981				5,178
1980				5,006
1979				4,003
1978				3,038
1977				3,204
1976				4,175
1975				4,878
1974				4,469
1973				2,521
1972				1,726
1971				935

Source: Freddie Mac

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

[b] Excludes allowance for credit losses.

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

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

End of Period	Whole Loans ($ in Millions)[a]								
	Single-Family					Multifamily			Total Whole Loans ($)
	Conventional								
	Fixed-Rate[b] ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Total FHA/VA[c] ($)	Conventional ($)	FHA/RD ($)	Total ($)	
4Q22	36,298	212	0	36,510	560	27,350	0	27,350	64,420
3Q22	35,506	227	0	35,733	558	16,473	0	16,473	52,764
2Q22	38,189	279	0	38,468	549	16,268	2	16,270	55,287
1Q22	37,102	258	0	37,360	536	19,840	2	19,842	57,738
Annual Data									
2022	36,298	212	0	36,510	560	27,350	0	27,350	64,420
2021	40,989	276	0	41,265	516	22,770	2	22,772	64,553
2020	76,208	692	0	76,900	443	33,405	2	33,407	110,750
2019	52,649	892	0	53,541	326	29,783	2	29,785	83,652
2018	55,311	1,214	0	56,525	306	34,785	2	34,787	91,618
2017	66,926	1,675	0	68,601	331	38,222	17	38,239	107,171
2016	82,295	2,439	0	84,734	398	42,415	2	42,417	127,549
2015	92,931	3,185	0	96,116	461	49,084	3	49,087	145,664
2014	106,499	4,544	0	111,043	473	52,953	3	52,956	164,472
2013	115,073	6,511	0	121,584	553	59,168	3	59,171	181,308
2012	133,506	9,953	0	143,459	1,285	76,566	3	76,569	221,313
2011	156,361	13,804	0	170,165	1,494	82,308	3	82,311	253,970
2010	130,722	16,643	0	147,365	1,498	85,880	3	85,883	234,746
2009	50,980	2,310	0	53,290	1,588	83,935	3	83,938	138,816
2008	36,071	2,136	0	38,207	548	72,718	3	72,721	111,476
2007	21,578	2,700	0	24,278	311	57,566	3	57,569	82,158
2006	19,211	1,233	0	20,444	196	45,204	3	45,207	65,847
2005	19,238	903	0	20,141	255	41,082	3	41,085	61,481
2004	22,055	990	0	23,045	344	37,968	3	37,971	61,360
2003	25,889	871	1	26,761	513	32,993	3	32,996	60,270
2002	33,821	1,321	3	35,145	705	28,033	3	28,036	63,886
2001	38,267	1,073	5	39,345	964	22,480	3	22,483	62,792
2000	39,537	2,125	9	41,671	1,200	16,369	Not Available Before 2001	16,369	59,240
1999	43,210	1,020	14	44,244	77	12,355		12,355	56,676
1998	47,754	1,220	23	48,997	109	7,978		7,978	57,084
1997	40,967	1,478	36	42,481	148	5,825		5,825	48,454
1996	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	Not Available Before 1997	4,746		4,746	46,504
1995						3,852		3,852	43,753

Source: Freddie Mac

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

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

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

Table 14b. Freddie Mac Mortgage Assets Held for Investment Detail - Part 1, Mortgage-Related Securities

Mortgage-Related Securities ($ in Millions)[a]														
	Freddie Mac Securities[b,c,d,e]				Other Securities[c]									
	Single-Family				Fannie Mae				Ginne Mae[c]					
End of Period	Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multifamily ($)	Total Freddie Mac ($)	Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multifamily ($)	Total Fannie Mae ($)	Single-Family Fixed-Rate ($)	Single-Family Adjustable-Rate ($)	Multifamily ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities ($)
4Q22	17,170	3,183	6,856	27,209	194	41	0	235	0	0	11	11	774	1,020
3Q22	15,697	3,141	5,933	24,771	1,300	41	0	1,341	0	0	11	11	798	2,150
2Q22	16,556	2,715	4,315	23,586	832	43	0	875	0	0	11	11	996	1,882
1Q22	25,682	2,650	3,618	31,950	1,904	42	0	1,946	0	0	11	11	1,060	3,017
Annual Data														
2022	17,170	3,183	6,856	27,209	194	41	0	235	0	0	11	11	774	1,020
2021	37,165	2,577	3,013	42,755	2,542	15	0	2,557	0	1	11	12	1,038	3,607
2020	56,028	7,007	4,055	67,090	2,872	45	0	2,917	0	2	11	13	1,273	4,203
2019	97,710	15,227	5,710	118,647	7,756	962	0	8,718	16	3	11	30	1,452	10,200
2018	95,705	17,282	7,161	120,148	1,520	2,419	0	3,939	25	4	11	40	2,099	6,078
2017	107,213	21,258	7,081	135,552	2,861	2,191	0	5,052	36	123	12	171	5,157	10,380
2016	102,778	27,651	5,755	136,184	7,650	3,876	0	11,526	56	178	12	246	22,266	34,038
2015	119,072	22,873	5,879	147,824	6,038	6,753	0	12,791	90	77	12	179	39,265	52,235
2014	131,683	26,532	3,326	161,541	6,852	9,303	0	16,155	119	67	12	198	63,879	80,232
2013	137,164	28,083	2,787	168,034	7,240	9,421	3	16,664	150	78	15	243	91,237	108,144
2012	147,751	36,630	2,382	186,763	10,864	12,518	84	23,466	202	91	15	308	120,038	143,812
2011	174,440	46,219	3,008	223,667	16,543	15,998	128	32,669	253	104	16	373	134,841	167,883
2010	206,974	54,534	2,095	263,603	21,238	18,139	316	39,693	296	117	27	440	148,515	188,648
2009	294,958	77,708	1,949	374,615	36,549	28,585	528	65,662	341	133	35	509	163,816	229,987
2008	328,965	93,498	2,061	424,524	35,142	34,460	674	70,276	398	152	26	576	185,041	255,893
2007	269,896	84,415	2,659	356,970	23,140	23,043	922	47,105	468	181	82	731	218,914	266,750
2006	282,052	71,828	382	354,262	25,779	17,441	1,214	44,434	707	231	13	951	224,631	270,016
2005	299,167	61,766	391	361,324	28,818	13,180	1,335	43,333	1,045	218	30	1,293	231,594	276,220
2004	304,555	51,737	406	356,698	41,828	14,504	1,672	58,004	1,599	81	31	1,711	166,411	226,126
2003	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	393,135	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	74,529	Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	2,760	107,301	184,590
2002				341,287				78,829				4,878	70,752	154,459
2001				308,427				71,128				5,699	42,336	119,163
2000				246,209				28,303				8,991	35,997	73,291
1999				211,198				13,245				6,615	31,019	50,879
1998				168,108				3,749				4,458	16,970	25,177
1997				103,400				Not Available Before 1998				6,393	Not Available Before 1998	Not Available Before 1998
1996				81,195								7,434		
1995				56,006								Not Available Before 1996		
1994				30,670										
1993				15,877										
1992				6,394										

Source: Freddie Mac

a Based on unpaid principal balances.

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

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

d From 3Q 2019 to the current periods, amounts include the Fannie Mae-backed portion of partially-owned Freddie Mac issued commingled securities.

e From 2Q 2019 to the current periods, amounts include the Fannie Mae-backed portion of 100%-owned Freddie Mac-issued commingled securities.

Table 14b. Freddie Mac Mortgage Assets Held for Investment Detail - Part 2, Mortgage-Related Securities, Private-Label Detail

End of Period	Mortgage-Related Securities ($ in Millions)[a/d]								
	Private-Label								
	Single-Family							Multifamily ($)	Total Private-Label ($)
	Manufactured Housing ($)	Subprime		Alt A[b]		Other[c]			
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q22	216	0	520	10	28	0	0	0	774
3Q22	224	0	534	11	29	0	0	0	798
2Q22	234	1	622	11	31	0	97	0	996
1Q22	244	1	668	12	36	0	99	0	1,060
Annual Data									
2022	216	0	520	10	28	0	0	0	774
2021	254	1	696	13	12	0	62	0	1,038
2020	290	2	807	33	70	0	71	0	1,273
2019	325	3	896	39	77	0	82	30	1,452
2018	358	3	1,383	45	187	0	91	32	2,099
2017	428	3	3,315	58	410	0	812	131	5,157
2016	566	9	10,311	340	1,461	0	3,176	6,403	22,266
2015	630	10	17,285	753	3,045	0	5,309	12,233	39,265
2014	704	11	27,675	955	5,035	0	8,287	21,212	63,879
2013	778	116	39,583	1,417	9,594	0	10,426	29,323	91,237
2012	862	311	44,086	1,774	13,036	0	12,012	47,957	120,038
2011	960	336	48,696	2,128	14,662	0	13,949	54,110	134,841
2010	1,080	363	53,855	2,405	16,438	0	15,646	58,728	148,515
2009	1,201	395	61,179	2,845	18,594	0	17,687	61,915	163,816
2008	1,326	438	74,413	3,266	21,801	0	19,606	64,191	185,041
2007	1,472	498	100,827	3,720	26,343	0	21,250	64,804	218,914
2006	1,510	408	121,691	3,626	31,743	0	20,893	44,760	224,631
2005	1,680	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	Not Available Before 2006	4,749	181,678	43,487	231,594
2004	1,816					8,243	115,168	41,184	166,411
2003	2,085					Not Available Before 2004	Not Available Before 2004	Not Available Before 2004	107,301
2002	2,394								70,752
2001	2,462								42,336
2000	2,896								35,997
1999	4,693								31,019
1998	1,711								16,970

Source: Freddie Mac

[a] Based on unpaid principal balances.

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

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

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

Table 14b. Freddie Mac Mortgage Assets Held for Investment Detail - Part 3, Mortgage-Related Securities

End of Period	Mortgage-Related Securities ($ in Millions)					
	Mortgage Revenue Bonds[a] ($)	Total Mortgage-Related Securities[a] ($)	Unamortized Premiums, Discounts, Deferred Fees, Plus Unrealized Gains/Losses on Available for Sale Securities[b] ($)	Mortgage Assets Held for Investment (Net)[c] ($)	Mortgage Assets Held for Investment (Gross)[d] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q22	81	28,310	N/A	N/A	92,730	225,000
3Q22	88	27,009	N/A	N/A	79,773	225,000
2Q22	92	25,559	N/A	N/A	80,846	225,000
1Q22	97	35,065	N/A	N/A	92,803	225,000
Annual Data						
2022	81	28,310	N/A	N/A	92,730	225,000
2021	98	46,458	N/A	N/A	111,011	250,000
2020	140	71,434	N/A	N/A	182,184	250,000
2019	174	129,021	N/A	N/A	212,673	250,000
2018	236	126,462	N/A	N/A	218,080	250,000
2017	352	146,284	N/A	N/A	253,455	288,408
2016	657	170,877	N/A	N/A	298,426	339,304
2015	1,188	201,247	N/A	N/A	346,911	399,181
2014	2,169	243,942	N/A	N/A	408,414	469,625
2013	3,538	279,716	N/A	N/A	461,024	552,500
2012	5,656	336,231	N/A	N/A	557,544	650,000
2011	7,793	399,343	N/A	N/A	653,313	729,000
2010	9,877	462,128	N/A	N/A	696,874	810,000
2009	11,854	616,456	(38,298)	716,974	755,272	900,000
2008	12,869	693,286	(56,015)	748,747	804,762	Not Applicable Before 2009
2007	14,935	638,655	(10,771)	710,042	720,813	
2006	13,834	638,112	(3,957)	700,002	703,959	
2005	11,321	648,865	(843)	709,503	710,346	
2004	9,077	591,901	11,321	664,582	653,261	
2003	7,772	585,497	14,764	660,531	645,767	
2002	7,640	503,386	22,627	589,899	567,272	
2001	7,257	434,847	6,130	503,769	497,639	
2000	6,953	326,453	(242)	385,451	385,693	
1999	5,690	267,767	(1,529)	322,914	324,443	
1998	4,640	197,925	661	255,670	255,009	
1997	3,031	Not Available Before 1998	122	164,543	164,421	
1996	1,787		71	137,826	137,755	
1995	Not Available Before 1996		282	107,706	107,424	
1994			Not Available Before 1995 and after 2009	73,171	73,171	
1993				55,938	55,938	
1992				33,629	33,629	
1991				26,667	26,667	
1990				21,520	21,520	
1989				21,448	21,448	
1988				16,918	16,918	
1987				12,354	12,354	
1986				13,093	13,093	
1985				13,547	13,547	
1984				10,018	10,018	
1983				7,485	7,485	
1982				4,679	4,679	
1981				5,178	5,178	
1980				5,006	5,006	
1979				4,003	4,003	
1978				3,038	3,038	
1977				3,204	3,204	
1976				4,175	4,175	
1975				4,878	4,878	
1974				4,469	4,469	
1973				2,521	2,521	
1972				1,726	1,726	
1971				935	935	

Source: Freddie Mac

N/A = Not Available

[a] Based on unpaid principal balances.

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

[c] Excludes allowance for loan losses.

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

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

Table 15. Freddie Mac Financial Derivatives

	Financial Derivatives - Notional Amount Outstanding ($ in millions)									
End of Period	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Cooridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury Based Contracts[b] ($)	Exchange-Trade Futures, Options, and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other[e] ($)	Total ($)
4Q22	662,122	10,000	0	128,111	18,879	163,451	0	29,354	46,073	1,057,990
3Q22	692,030	10,000	0	122,715	19,342	151,034	0	42,564	47,749	1,085,434
2Q22	698,722	29,000	0	103,494	21,020	90,900	0	57,686	46,445	1,047,267
1Q22	712,697	29,000	0	125,838	20,747	126,315	0	84,949	42,685	1,142,231
Annual Data										
2022	662,122	10,000	0	128,111	18,879	163,451	0	29,354	46,073	1,057,990
2021	716,212	29,000	0	140,066	18,192	112,004	0	83,656	37,686	1,136,816
2020	740,282	29,000	0	176,046	5,656	159,254	0	219,109	32,978	1,362,325
2019	804,941	29,000	0	161,014	13,296	259,365	0	217,051	31,677	1,516,344
2018	739,925	10,000	0	169,187	22,162	309,004	0	188,487	25,078	1,463,843
2017	739,727	10,000	0	176,966	60,649	263,482	0	189,656	24,211	1,464,691
2016	586,033	10,000	0	114,392	28,763	109,531	2,951	45,353	2,879	899,902
2015	429,712	10,000	0	99,463	1,332	55,000	3,899	29,114	3,033	631,553
2014	418,844	10,000	0	95,260	7,471	40,000	5,207	27,054	3,204	607,040
2013	524,624	19,000	528	103,010	270	50,000	5,386	18,731	3,477	725,026
2012	547,491	28,000	1,167	90,585	1,185	39,938	8,307	25,530	3,628	745,831
2011	503,893	28,000	1,722	182,974	2,250	41,281	10,190	14,318	3,621	788,249
2010	721,259	28,000	2,021	207,694	4,193	211,590	12,833	14,292	3,614	1,205,496
2009	705,707	35,945	5,669	287,193	540	159,659	14,198	13,872	3,521	1,226,304
2008	766,158	36,314	12,924	251,426	28,403	106,610	13,631	108,273	3,281	1,327,020
2007	711,829	0	20,118	313,033	0	196,270	7,667	72,662	1,302	1,322,881
2006	440,879	0	29,234	252,022	2,000	20,400	2,605	10,012	957	758,109
2005	341,008	45	37,850	193,502	0	86,252	2,414	21,961	738	683,770
2004	178,739	9,897	56,850	224,204	2,001	127,109	10,926	32,952	114,100	756,778
2003	287,592	11,308	46,512	349,650	8,549	122,619	15,542	89,520	152,579	1,083,871
2002	290,096	11,663	43,687	277,869	17,900	210,646	17,301	191,563	117,219	1,177,944
2001	442,771	12,178	23,995	187,486	13,276	358,500	10,984	121,588	0	1,170,778
2000	277,888	12,819	10,208	113,064	2,200	22,517	N/A	N/A	35,839	474,535
1999	126,580	19,936	1,097	172,750	8,894	94,987	Not Applicable Before 2000	Not Applicable Before 2000	0	424,244
1998	57,555	21,845	1,464	63,000	11,542	157,832			0	313,238
1997	54,172	21,995	1,152	6,000	12,228	0			0	95,547
1996	46,646	14,095	544	0	651	0			0	61,936
1995	45,384	13,055	0	0	24	0			0	58,463
1994	21,834	9,003	0	0	0	0			0	30,837
1993	17,888	1,500	0	0	0	0			0	19,388

Source: Freddie Mac

[a] Amounts for 2010 through the current period include exchange-settled interest rate swaps.

[b] Amounts for years 2002 through the current period include exchange-traded.

[c] Includes prepayment management agreement and swap guarantee derivatives. Beginning 4Q 2019, certain derivatives related to our credit risk transfer transactions were reclassified to other.

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

[e] Beginning in 1Q 2020, includes certain derivatives previously reported as credit derivatives.

Table 16. Freddie Mac Nonmortgage Investments

End of Period	Nonmortgage Investments ($ in millions)[a]					
	Federal Funds and Eurodollars ($)	Asset-Backed Securities ($)	Repurchase Agreements ($)	Commerical Paper and Corporate Debt ($)	Other[b] ($)	Total ($)
4Q22	0	0	87,295	0	28,398	115,693
3Q22	0	0	97,643	0	32,299	129,942
2Q22	0	0	86,496	0	38,140	124,636
1Q22	0	0	69,617	0	44,792	114,409
Annual Data						
2022	0	0	87,295	0	28,398	115,693
2021	0	0	71,203	0	40,966	112,169
2020	0	0	105,003	0	34,205	139,208
2019	0	0	66,114	0	32,213	98,327
2018	0	0	34,771	0	20,980	55,751
2017	0	0	55,903	0	24,088	79,991
2016	0	0	51,548	0	21,137	72,685
2015	0	0	63,644	0	17,151	80,795
2014	0	0	51,903	0	6,682	58,585
2013	0	0	62,383	0	6,636	69,019
2012	0	292	37,563	0	20,221	58,076
2011	0	302	12,044	2,184	24,812	39,342
2010	3,750	44	42,774	441	27,411	74,420
2009	0	4,045	7,000	439	14,787	26,271
2008	0	8,794	10,150	0	0	18,944
2007	162	16,588	6,400	18,513	0	41,663
2006	19,778	32,122	3,250	11,191	2,273	68,614
2005	9,909	30,578	5,250	5,764	5,823	57,324
2004	18,647	21,733	13,550	0	8,097	62,027
2003	7,567	16,648	13,015	5,852	10,042	53,124
2002	6,129	34,790	16,914	13,050	20,988	91,871
2001	15,868	26,297	17,632	21,712	8,340	89,849
2000	2,267	19,063	7,488	7,302	7,401	43,521
1999	10,545	10,305	4,961	3,916	4,425	34,152
1998	20,524	7,124	1,756	7,795	4,961	42,160
1997	2,750	2,200	6,982	3,203	1,295	16,430
1996	9,968	2,086	6,440	1,058	2,696	22,248
1995	110	499	9,217	1,201	1,684	12,711
1994	7,260	0	5,913	1,234	3,401	17,808
1993	9,267	0	4,198	1,438	3,322	18,225
1992	5,632	0	4,060	53	2,797	12,542
1991	2,949	0	4,437	0	2,570	9,956
1990	1,112	0	9,063	0	1,949	12,124
1989	3,527	0	5,765	0	1,758	11,050
1988	4,469	0	9,107	0	1,031	14,607
1987	3,177	0	5,859	0	1,431	10,467

Source: Freddie Mac

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

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

Table 17. Freddie Mac Mortgage Asset Quality

End of Period	Mortgage Asset Quality				
	Single-Family Delinquency Rate[a] (%)	Multifamily Delinquency Rate[b] (%)	Credit Losses/ Mortgage Portfolio[c] (%)	REO/Mortgage Portfolio[d] (%)	Credit-Enhanced[e]/ Mortgage Portfolio[d] (%)
4Q22	0.66 %	0.12 %	0.00 %	0.01 %	65.0 %
3Q22	0.67 %	0.13 %	0.00 %	0.01 %	65.0 %
2Q22	0.76 %	0.07 %	0.00 %	0.01 %	63.0 %
1Q22	0.92 %	0.08 %	0.00 %	0.01 %	60.0 %
Annual Data					
2022	0.66 %	0.12 %	0.00 %	0.01 %	65.0 %
2021	1.12	0.08	0.01	0.01	58.0
2020	2.64	0.16	0.01	0.01	54.0
2019	0.63	0.08	0.07	0.02	60.0
2018	0.69	0.01	0.11	0.04	58.0
2017	1.08	0.02	0.19	0.04	48.0
2016	1.00	0.03	0.09	0.06	40.0
2015	1.32	0.02	0.26	0.09	33.0
2014	1.88	0.04	0.22	0.14	26.0
2013	2.39	0.09	0.27	0.25	16.0
2012	3.25	0.19	0.64	0.24	13.0
2011	3.58	0.22	0.68	0.30	14.0
2010	3.84	0.26	0.72	0.36	15.0
2009	3.98	0.20	0.41	0.23	16.0
2008	1.83	0.05	0.20	0.17	18.0
2007	0.65	0.02	0.03	0.08	17.0
2006	0.42	0.06	0.01	0.04	16.0
2005	0.53	0.00	0.01	0.04	17.0
2004	0.73	0.06	0.01	0.05	19.0
2003	0.86	0.05	0.01	0.06	21.0
2002	0.77	0.13	0.01	0.05	27.4
2001	0.62	0.15	0.01	0.04	34.7
2000	0.49	0.04	0.01	0.04	31.8
1999	0.39	0.14	0.02	0.05	29.9
1998	0.50	0.37	0.04	0.08	27.3
1997	0.55	0.96	0.08	0.11	15.9
1996	0.58	1.96	0.10	0.13	10.0
1995	0.60	2.88	0.11	0.14	9.7
1994	0.55	3.79	0.08	0.18	7.2
1993	0.61	5.92	0.11	0.16	5.3
1992	0.64	6.81	0.09	0.12	Not Available Before 1993
1991	0.61	5.42	0.08	0.14	
1990	0.45	2.63	0.08	0.12	
1989	0.38	2.53	0.08	0.09	
1988	0.36	2.24	0.07	0.09	
1987	0.36	1.49	0.07	0.08	
1986	0.42	1.07	Not Available Before 1987	0.07	
1985	0.42	0.63		0.10	
1984	0.46	0.42		0.15	
1983	0.47	0.58		0.15	
1982	0.54	1.04		0.12	
1981	0.61	Not Available Before 1982		0.07	
1980	0.44			0.04	
1979	0.31			0.02	
1978	0.21			0.02	
1977	Not Available Before 1978			0.03	
1976				0.04	
1975				0.03	
1974				0.02	

Source: Freddie Mac

[a] Based on the number of mortgages 90 days or more delinquent or in foreclosure. Rates are based on loans in the single-family mortgage portfolio (previously the single-family credit guarantee portfolio), which includes securitized mortgage loans, unsecuritized mortgage loans, and other mortgage-related guarantees. Rates for years 2005 and 2007 exclude other guarantee transactions.

[b] Based on the unpaid principal balance of loans, 60 days or more delinquent or in foreclosure and include other guarantee transactions.

[c] Credit losses equal to real estate owned operations expense (income) plus net charge-offs and exclude other market-based valuation losses. Beginning in 2021, calculated as credit losses divided by the average balance of the mortgage portfolio. Prior to 2020, calculated as credit losses divided by mortgage loans in the total mortgage portfolio, excluding non-Freddie Mac MBS and the portion of REMICs and other structured securities backed by Ginnie Mae MBS.

[d] Beginning in 2021, calculated based on the mortgage portfolio. Prior to 2021, calculated based on the balance of mortgage loans in the total mortgage portfolio excluding non-Freddie Mac MBS and the portion of REMICS and other structured securities backed by Ginnie Mae certificates. Since 2004, the credit enhanced percentage of our total mortgage portfolio has been rounded to the nearest whole percent.

[e] Includes loans with a portion of the primary default risk retained by the lender or a third party who pledged collateral or agreed to accept losses on loans that default. In many cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective. Also includes credit enhancement coverage, such as

through STACR debt notes or other risk transfer transactions that were completed by the end of each period.

Table 18. Freddie Mac Statutory Capital[a,k]

End of Period	Freddie Mac Statutory Capital ($ in Millions)									
	Minimum Capital Requirement			Risk-Based Capital Requirement			Market Capitalization[g] ($)	Core Capital/ Total Assets[h,i] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i] (%)	Common Share Dividend Payout Rate[j] (%)
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Regulatory Capital Surplus (Deficit)[c] ($)	Total Capital[d] ($)	Risk-Based Capital Requirement[e] ($)	Risk-Based Capital Surplus (Deficit)[f] ($)				
4Q22	(35,442)	92,753	(128,195)	(27,547)	71,925	(99,472)	228	(1.10)%	(1.00)%	N/A
3Q22	(37,205)	92,367	(129,572)	(29,896)	68,386	(98,282)	338	(1.17)%	(1.02)%	N/A
2Q22	(38,517)	91,381	(129,898)	(33,094)	67,571	(100,665)	273	(1.22)%	(1.06)%	N/A
1Q22	(40,971)	90,256	(131,227)	(36,049)	73,482	(109,531)	514	(1.32)%	(1.14)%	N/A
Annual Data										
2022	(35,442)	92,753	(128,195)	(27,547)	71,925	(99,472)	228	(1.10)%	(1.00)%	N/A
2021	(44,769)	24,302	(69,071)	N/A	N/A	N/A	540	(1)	(1)	N/A
2020	(56,878)	22,694	(79,572)	N/A	N/A	N/A	1,515	(2)	(2)	N/A
2019	(63,964)	19,123	(83,087)	N/A	N/A	N/A	1,950	(3)	(3)	N/A
2018	(68,036)	17,553	(85,589)	N/A	N/A	N/A	689	(3)	(3)	N/A
2017	(73,037)	18,431	(91,468)	N/A	N/A	N/A	1,638	(4)	(3)	N/A
2016	(67,717)	18,933	(86,650)	N/A	N/A	N/A	2,431	(3)	(3)	N/A
2015	(70,549)	19,687	(90,236)	N/A	N/A	N/A	1,053	(4)	(3)	N/A
2014	(71,415)	20,090	(91,505)	N/A	N/A	N/A	1,339	(4)	(4)	N/A
2013	(59,495)	21,404	(80,899)	N/A	N/A	N/A	1,885	(3)	(3)	N/A
2012	(60,571)	22,063	(82,634)	N/A	N/A	N/A	169	(3)	(3)	N/A
2011	(64,322)	24,405	(88,727)	N/A	N/A	N/A	136	(3)	(3)	N/A
2010	(52,570)	25,987	(78,557)	N/A	N/A	N/A	195	(2)	(2)	N/A
2009	(23,774)	28,352	(52,126)	N/A	N/A	N/A	953	(3)	(1)	N/A
2008	(13,174)	28,200	(41,374)	N/A	N/A	N/A	473	(2)	(1)	N/M
2007	37,867	26,473	11,394	40,929	14,102	26,827	22,018	4.77	1.74	N/M
2006	35,365	25,607	9,758	36,742	15,320	21,422	44,896	4.39	1.83	63.9
2005	35,043	24,791	10,252	36,781	11,282	25,499	45,269	4.35	1.97	56.4
2004	34,106	23,715	10,391	34,691	11,108	23,583	50,898	4.29	2.07	30.7
2003	32,416	23,362	9,054	33,436	5,426	28,010	40,158	4.03	2.08	15.6
2002	28,990	22,339	6,651	24,222	4,743	19,479	40,590	3.85	1.96	6.2
2001	20,181	19,014	1,167	Not Applicable Before 2002	Not Applicable Before 2002	Not Applicable Before 2002	45,473	3.15	1.56	18.9
2000	14,380	14,178	202				47,702	3.13	1.39	20
1999	12,692	12,287	405				32,713	3.28	1.37	20.1
1998	10,715	10,333	382				44,797	3.33	1.34	20.7
1997	7,376	7,082	294				28,461	3.79	1.1	21.1
1996	6,743	6,517	226				19,161	3.88	1.04	21.3
1995	5,829	5,584	245				14,932	4.25	0.98	21.1
1994	5,169	4,884	285				9,132	4.87	0.91	20.5
1993	4,437	3,782	655				9,005	5.29	0.85	21.6
1992	Not Applicable Before 1993	Not Applicable Before 1993	Not Applicable Before 1993				8,721	Not Applicable Before 1993	Not Applicable Before 1993	23.1
1991							8,247			21.6
1990							2,925			23.2
1989							4,024			24.3

Source: Freddie Mac

N/A = Not Applicable

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

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

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

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

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

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

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

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

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

[j] Common dividends paid as a percentage of net income available to common stockholders. As a result of conservatorship and the Senior Preferred Stock Purchase Agreement with Treasury, no amounts are available to distribute as dividends to common or preferred stockholders (other than Treasury as the holder of the Senior Preferred Stock).

[k] The Enterprise Regulatory Capital Framework, which became effective on February 16, 2021, introduced new risk-based capital requirements to be met with statutory total capital and increased the minimum capital requirement to be met with statutory core capital per authority provided in the Housing and Economic Recovery Act of 2008. The Enterprise began reporting the new capital figures in corporate disclosures starting in 2022. In addition, for purposes of this table, any applicable buffers have been included in the required capital amounts.

Table 18a. Freddie Mac Supplemental Capital[a,b]

End of Period	Supplemental Capital ($ in Millions)														
	Adjusted Total Assets ($)	Risk Weighted Assets ($)	Leverage Capital			Common Equity Tier 1 (CET1) Capital			Tier 1 Capital			Adjusted Total Capital		
			Required* ($)	Available ($)	Surplus (Shortfall) ($)	Required* ($)	Available ($)	Surplus (Shortfall) ($)	Required* ($)	Available ($)	Surplus (Shortfall) ($)	Required* ($)	Available ($)	Surplus (Shortfall) ($)
4Q22	3,710,125	899,068	104,050	(41,384)	(145,434)	90,763	(55,493)	(146,256)	104,249	(41,384)	(145,633)	122,230	(41,384)	(163,614)
3Q22	3,694,697	854,830	103,665	(42,944)	(146,609)	88,476	(57,053)	(145,529)	101,299	(42,944)	(144,243)	118,395	(42,944)	(161,339)
2Q22	3,655,231	844,633	102,678	(44,059)	(146,737)	87,680	(58,167)	(145,847)	100,350	(44,059)	(144,409)	117,242	(44,059)	(161,301)
1Q22	3,610,252	918,530	101,554	(46,731)	(148,285)	90,320	(60,839)	(151,159)	104,098	(46,731)	(150,829)	122,468	(46,731)	(169,199)
Annual Data														
2022	3,710,125	899,068	104,050	(41,384)	(145,434)	90,763	(55,493)	(146,256)	104,249	(41,384)	(145,633)	122,230	(41,384)	(163,614)

Source: Freddie Mac

[a] Represents supplemental capital requirements established by the Enterprise Regulatory Capital Framework relating to the amount and form of the capital Freddie Mac holds, based largely on definitions of capital used in U.S. banking regulators' regulatory capital fromework.

[b] For purposes of this table, any applicable buffers have been included in the required capital amounts.

Table 19. Federal Home Loan Banks Combined Statement of Income

End of Period	($ in Millions)				
	Net Interest Income ($)	Operating Expenses ($)	Affordable Housing Program Assessment ($)	REFCORP Assessment[a,b] ($)	Net Income ($)
4Q22	1,720	338	127	0	1,140
3Q22	1,379	309	103	0	917
2Q22	1,078	304	69	0	607
1Q22	972	295	56	0	502
Annual Data					
2022	5,149	1,246	355	0	3,166
2021	3,747	1,207	201	0	1,771
2020	4,441	1,325	315	0	2,791
2019	4,682	1,228	362	0	3,190
2018	5,256	1,131	404	0	3,562
2017	4,481	1,064	384	0	3,376
2016	3,835	1,025	392	0	3,408
2015	3,548	1,085	332	0	2,856
2014	3,522	932	269	0	2,245
2013	3,415	889	293	0	2,527
2012	4,052	839	296	0	2,606
2011	4,104	853	188	160	1,593
2010	5,234	860	229	498	2,081
2009	5,432	813	258	572	1,855
2008	5,243	732	188	412	1,206
2007	4,516	714	318	703	2,827
2006	4,293	671	295	647	2,612
2005	4,207	657	282	625	2,525
2004	4,171	547	225	505	1,994
2003	3,877	450	218	490	1,885
2002	3,722	393	168	375	1,507
2001	3,446	364	220	490	1,970
2000	3,313	333	246	553	2,211
1999	2,534	282	199	Not Applicable Before 2000	2,128
1998	2,116	258	169		1,778
1997	1,772	229	137		1,492
1996	1,584	219	119		1,330
1995	1,401	213	104		1,300
1994	1,230	207	100		1,023
1993	954	197	75		884
1992	736	207	50		850
1991	1,051	264	50		1,159
1990	1,510	279	60		1,468

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

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

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

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

Table 20. Federal Home Loan Banks Combined Balance Sheet

End of Period	($ in Millions)								
	Total Assets ($)	Advances Outstanding ($)	Mortgage Loans Held ($)	Mortgage-Related Securities ($)	Consolidated Obligations ($)	GAAP Capital Stock ($)	Retained Earnings ($)	Regulatory Capital ($)	Regulatory Capital/ Total Assets (%)
4Q22	1,247,247	819,121	56,048	137,604	1,161,430	44,006	24,554	69,268	5.55
3Q22	1,094,921	655,032	56,012	128,888	1,012,019	37,347	23,928	61,846	5.65
2Q22	946,710	518,883	55,753	121,553	869,747	32,362	23,373	56,151	5.93
1Q22	762,192	374,570	55,484	119,084	691,162	26,124	23,025	50,109	6.57
Annual Data									
2022	1,247,247	819,121	56,048	137,604	1,161,430	44,006	24,554	69,268	5.55
2021	723,238	351,278	55,497	120,877	651,921	25,065	22,760	48,223	6.67
2020	820,740	422,639	62,842	131,812	748,518	27,398	21,998	50,168	6.11
2019	1,099,113	641,519	72,492	145,616	1,026,196	34,495	20,588	56,461	5.14
2018	1,102,850	728,767	62,534	142,991	1,029,525	38,498	19,504	59,064	5.36
2017	1,103,451	731,544	53,827	141,299	1,033,081	37,657	18,099	57,027	5.17
2016	1,056,712	705,225	48,476	138,650	988,742	36,234	16,330	54,318	5.14
2015	969,353	634,022	44,585	133,680	905,982	34,185	14,325	49,449	5.10
2014	913,343	570,726	43,563	139,180	848,334	33,705	13,244	49,577	5.43
2013	834,200	498,599	44,442	140,309	767,141	33,375	12,206	50,578	6.06
2012	762,454	425,750	49,425	138,522	692,138	33,535	10,524	50,989	6.69
2011	766,086	418,157	53,377	140,154	697,124	35,542	8,577	52,936	6.91
2010	878,109	478,589	61,191	146,881	800,998	41,735	7,552	57,356	6.53
2009	1,015,583	631,159	71,437	152,028	934,876	44,982	6,033	60,153	5.92
2008	1,349,053	928,638	87,361	169,170	1,258,267	49,551	2,936	59,625	4.42
2007	1,271,800	875,061	91,610	143,513	1,178,916	50,253	3,689	56,051	4.41
2006	1,016,469	640,681	97,974	130,228	934,214	42,001	3,143	47,247	4.65
2005	997,389	619,860	105,240	122,328	915,901	42,043	2,600	46,102	4.62
2004	924,751	581,216	113,922	124,417	845,738	40,092	1,744	42,990	4.65
2003	822,418	514,037	113,438	97,867	740,721	37,703	1,098	38,801	4.72
2002	763,052	489,338	60,455	96,386	673,383	35,186	716	35,904	4.71
2001	696,254	472,540	27,641	86,730	621,003	33,288	749	34,039	4.89
2000	653,687	437,861	16,149	77,385	591,606	30,537	728	31,266	4.78
1999	583,212	395,747	2,026	62,531	525,419	28,361	654	29,019	4.98
1998	434,002	288,189	966	52,232	376,715	22,287	465	22,756	5.24
1997	348,575	202,265	37	47,072	304,493	18,833	341	19,180	5.50
1996	292,035	161,372	0	42,960	251,316	16,540	336	16,883	5.78
1995	272,661	132,264	0	38,029	231,417	14,850	366	15,213	5.58
1994	239,076	125,893	0	29,967	200,196	13,095	271	13,373	5.59
1993	178,897	103,131	0	22,217	138,741	11,450	317	11,766	6.58
1992	162,134	79,884	0	20,123	114,652	10,102	429	10,531	6.50
1991	154,556	79,065	0	Not Available Before 1992	108,149	10,200	495	Not Available Before 1992	Not Available Before 1992
1990	165,742	117,103	0		118,437	11,104	521		

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

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

Table 21. Federal Home Loan Banks Net Income

End of Period	($ in Millions)												
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment	System Total
4Q22	74	55	134	104	116	146	70	154	96	117	--	73	1	1,140
3Q22	47	60	95	91	94	131	46	130	75	80	--	67	1	917
2Q22	27	41	91	41	66	99	32	76	37	48	--	51	(2)	607
1Q22	36	28	95	16	41	54	29	57	19	78	--	50	(1)	502
Annual Data														
2022	184	184	415	252	317	430	177	417	227	323	--	241	(1)	3,166
2021	133	69	275	42	164	206	94	266	86	287	--	161	(12)	1,771
2020	255	120	374	276	198	362	88	442	210	335	--	118	13	2,791
2019	367	191	300	276	227	384	142	473	317	327	--	185	1	3,190
2018	416	217	303	339	199	460	195	560	347	360	--	170	(4)	3,562
2017	349	190	317	314	150	518	156	479	340	376	--	197	(10)	3,376
2016	278	173	327	268	79	649	113	401	260	712	--	162	(14)	3,408
2015	301	289	349	249	67	131	121	415	257	638	(32)	93	(22)	2,856
2014	271	150	392	244	49	121	117	315	256	205	60	106	(41)	2,245
2013	338	212	343	261	88	110	218	305	148	308	61	119	16	2,527
2012	270	207	375	235	81	111	143	361	130	491	71	110	21	2,606
2011	184	160	224	138	48	78	110	244	38	216	84	77	(8)	1,593
2010	278	107	366	164	105	133	111	276	8	399	21	34	79	2,081
2009	283	(187)	(65)	268	148	146	120	571	(37)	515	(162)	237	18	1,855
2008	254	(116)	(119)	236	79	127	184	259	19	461	(199)	28	(7)	1,206
2007	445	198	111	269	130	101	122	323	237	652	71	150	18	2,827
2006	414	196	188	253	122	89	118	285	216	542	26	136	27	2,612
2005	344	135	244	220	242	228	153	230	192	369	2	136	30	2,525
2004	294	90	365	227	65	100	131	161	119	293	83	93	(27)	1,994
2003	207	92	437	171	113	135	134	46	69	323	144	88	(74)	1,885
2002	267	76	205	178	(50)	46	81	234	(27)	292	147	58	0	1,507
2001	162	113	164	189	114	74	104	285	85	425	178	77	0	1,970
2000	298	146	129	193	129	124	127	277	173	377	139	99	0	2,211
1999	282	137	131	173	109	132	125	244	184	332	165	90	24	2,128
1998	221	116	111	176	99	116	111	186	143	294	154	81	(30)	1,778
1997	192	103	99	135	87	110	98	144	110	249	129	65	(29)	1,492
1996	165	96	92	116	95	111	80	131	97	219	118	58	(48)	1,330
1995	159	92	73	91	91	103	74	136	82	200	87	50	63	1,300
1994	120	69	57	68	78	76	71	126	58	196	75	45	(16)	1,024
1993	114	57	49	33	39	50	53	117	62	163	122	35	(12)	884
1992	124	52	51	41	26	47	59	141	58	131	93	33	(5)	850
1991	158	88	58	51	38	46	64	156	57	316	58	64	7	1,159

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

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

Table 22. Federal Home Loan Banks Advances Outstanding

End of Period	($ in Millions)											
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	System Total
4Q22	109,595	41,600	66,288	67,019	68,922	111,202	36,683	115,293	68,856	89,400	--	44,263	819,121
3Q22	93,071	33,665	59,667	59,748	44,238	82,196	31,196	91,871	58,402	65,658	--	35,319	655,032
2Q22	72,320	30,318	52,811	55,771	36,376	52,731	30,507	80,062	35,244	43,221	--	29,523	518,883
1Q22	51,538	11,817	46,907	33,529	26,763	44,773	26,588	70,629	16,292	20,246	--	25,488	374,570
Annual Data													
2022	109,595	41,600	66,288	67,019	68,922	111,202	36,683	115,293	68,856	89,400	--	44,263	819,121
2021	45,415	12,340	48,049	23,055	24,637	44,111	27,498	71,536	14,124	17,027	--	23,484	351,278
2020	52,168	18,817	46,695	25,362	32,479	46,530	31,347	92,067	24,971	30,976	--	21,227	422,639
2019	97,167	34,596	50,508	47,370	37,117	80,360	32,480	100,695	65,610	65,374	--	30,241	641,519
2018	108,462	43,193	52,628	54,822	40,794	106,323	32,728	105,179	82,476	73,434	--	28,730	728,767
2017	102,440	37,566	48,085	69,918	36,461	102,613	34,055	122,448	74,280	77,382	--	26,296	731,544
2016	99,077	39,099	45,067	69,882	32,506	131,601	28,096	109,257	76,809	49,845	--	23,986	705,225
2015	104,168	36,076	36,778	73,292	24,747	89,173	26,909	93,874	74,505	50,919	--	23,580	634,022
2014	99,644	33,482	32,485	70,406	18,942	65,168	20,790	98,797	63,408	38,986	10,314	18,303	570,726
2013	89,588	27,517	23,489	65,270	15,979	45,650	17,337	90,765	50,247	44,395	10,935	17,425	498,599
2012	87,503	20,790	14,530	53,944	18,395	26,614	18,130	75,888	40,498	43,750	9,135	16,573	425,750
2011	86,971	25,195	15,291	28,424	18,798	26,591	18,568	70,864	30,605	68,164	11,292	17,394	418,157
2010	89,258	28,035	18,901	30,181	25,456	29,253	18,275	81,200	29,708	95,599	13,355	19,368	478,589
2009	114,580	37,591	24,148	35,818	47,263	35,720	22,443	94,349	41,177	133,559	22,257	22,254	631,159
2008	165,856	56,926	38,140	53,916	60,920	41,897	31,249	109,153	62,153	235,664	36,944	35,820	928,638
2007	142,867	55,680	30,221	53,310	46,298	40,412	26,770	82,090	68,798	251,034	45,524	32,057	875,061
2006	101,476	37,342	26,179	41,956	41,168	21,855	22,282	59,013	49,335	183,669	27,961	28,445	640,681
2005	101,265	38,068	24,921	40,262	46,457	22,283	25,814	61,902	47,493	162,873	21,435	27,087	619,860
2004	95,867	30,209	24,192	41,301	47,112	27,175	25,231	68,508	38,980	140,254	14,897	27,490	581,216
2003	88,149	26,074	26,443	43,129	40,595	23,272	28,925	63,923	34,662	92,330	19,653	26,882	514,037
2002	82,244	26,931	24,945	40,063	36,869	23,971	28,944	68,926	29,251	81,237	20,036	25,921	489,338
2001	71,818	24,361	21,902	35,223	32,490	20,745	26,399	60,962	29,311	102,255	24,252	22,822	472,540
2000	58,249	21,594	18,462	31,935	30,195	21,158	24,073	52,396	25,946	110,031	26,240	17,582	437,861
1999	45,216	22,488	17,167	28,134	27,034	22,949	19,433	44,409	36,527	90,514	26,284	15,592	395,747
1998	33,561	15,419	14,899	17,873	22,191	18,673	14,388	31,517	26,050	63,990	21,151	8,477	288,189
1997	23,128	12,052	10,369	14,722	13,043	10,559	11,435	19,601	16,979	49,310	15,223	5,844	202,265
1996	16,774	9,655	10,252	10,882	10,085	10,306	9,570	16,486	12,369	39,222	10,850	4,921	161,372
1995	13,920	8,124	8,282	8,287	9,505	11,226	7,926	15,454	9,657	25,664	9,035	5,185	132,264
1994	14,526	8,504	6,675	7,140	8,039	9,819	7,754	14,509	8,475	25,343	8,899	6,212	125,893
1993	11,340	7,208	4,380	4,274	10,470	6,362	6,078	12,162	6,713	23,847	5,889	4,407	103,131
1992	9,301	5,038	2,873	2,415	7,322	3,314	5,657	8,780	3,547	23,110	5,025	3,502	79,884
1991	8,861	5,297	1,773	2,285	4,634	2,380	5,426	11,804	2,770	24,178	5,647	4,011	79,065

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

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

Table 23. Federal Home Loan Banks Regulatory Capital

End of Period	($ in Millions)													
	Atlanta	Boston	Chicago	Cincinnati	Dallas	Des Moines	Indianapolis	New York	Pittsburgh	San Francisco	Seattle	Topeka	Combining Adjustment[a]	System Total
4Q22	7,680	3,732	7,801	6,569	5,826	8,883	3,782	8,488	4,992	7,757	--	3,761	-3	69,268
3Q22	6,501	3,384	7,393	6,022	4,767	7,640	3,609	7,370	4,558	7,256	--	3,348	-2	61,846
2Q22	5,689	3,175	7,119	5,748	4,469	6,351	3,508	6,910	3,515	6,649	--	3,019	-1	56,151
1Q22	4,898	2,514	6,766	4,826	3,903	5,942	3,360	6,427	2,748	5,979	--	2,747	-1	50,109
Annual Data														
2022	7,680	3,732	7,801	6,569	5,826	8,883	3,782	8,488	4,992	7,757	--	3,761	-3	69,268
2021	4,612	2,516	6,656	3,804	3,758	5,783	3,473	6,434	2,648	5,896	--	2,643	0	48,223
2020	5,276	2,772	6,361	3,964	3,523	5,744	3,596	7,279	3,047	5,966	--	2,627	13	50,168
2019	7,142	3,388	5,807	4,483	3,706	6,888	3,412	7,585	4,725	6,605	--	2,769	-49	56,461
2018	7,597	3,956	5,547	5,366	3,643	7,719	3,178	7,766	5,327	6,522	--	2,442	1	59,064
2017	7,157	3,628	5,051	5,211	3,266	7,292	2,998	8,316	4,822	6,797	--	2,486	3	57,027
2016	6,848	3,661	5,032	5,026	2,757	8,083	2,550	7,751	4,746	5,883	--	1,965	16	54,318
2015	6,956	3,507	4,688	5,232	2,311	5,812	2,377	6,875	4,427	5,369	--	1,863	32	49,449
2014	6,914	3,613	4,317	5,019	1,928	4,213	2,344	6,682	3,879	6,356	2,659	1,605	48	49,577
2013	6,563	4,297	3,703	5,435	1,782	3,379	2,379	6,594	3,648	7,925	2,958	1,824	90	50,578
2012	6,373	4,259	3,347	4,759	1,794	2,694	2,677	5,714	3,806	10,750	2,987	1,752	77	50,989
2011	7,258	4,251	4,527	3,845	1,765	2,684	2,515	5,292	3,871	12,176	2,958	1,738	56	52,936
2010	8,877	4,004	4,962	3,887	2,061	2,746	2,695	5,304	4,419	13,640	2,871	1,826	64	57,356
2009	9,185	3,876	4,502	4,151	2,897	2,953	2,830	5,874	4,415	14,657	2,848	1,980	-15	60,153
2008	8,942	3,658	4,327	4,399	3,530	3,174	2,701	6,112	4,157	13,539	2,687	2,432	-33	59,625
2007	8,080	3,421	4,343	3,877	2,688	3,125	2,368	5,025	4,295	13,859	2,660	2,336	-26	56,051
2006	6,394	2,542	4,208	4,050	2,598	2,315	2,111	4,025	3,655	10,865	2,303	2,225	-44	47,247
2005	6,225	2,675	4,507	4,130	2,796	2,346	2,349	3,900	3,289	9,698	2,268	1,990	-71	46,102
2004	5,681	2,240	4,793	4,002	2,846	2,453	2,132	4,005	2,791	7,959	2,166	2,023	-101	42,990
2003	5,030	2,490	4,542	3,737	2,666	2,226	1,961	3,765	2,344	5,858	2,456	1,800	-74	38,801
2002	4,577	2,323	3,296	3,613	2,421	1,889	1,935	4,296	1,824	5,687	2,382	1,661	0	35,904
2001	4,165	2,032	2,507	3,240	2,212	1,574	1,753	3,910	1,970	6,814	2,426	1,436	0	34,039
2000	3,649	1,905	1,701	2,841	2,166	1,773	1,581	3,747	2,175	6,292	2,168	1,267	0	31,266
1999	3,433	1,868	1,505	2,407	1,862	2,264	1,446	3,093	2,416	5,438	2,098	1,190	0	29,019
1998	2,427	1,530	1,299	1,952	1,570	1,526	1,179	2,326	1,827	4,435	1,813	894	-24	22,756
1997	2,077	1,344	1,159	1,694	1,338	1,320	1,090	1,881	1,440	3,545	1,495	791	6	19,180
1996	1,846	1,239	1,091	1,377	1,150	1,245	903	1,616	1,230	3,150	1,334	666	35	16,883
1995	1,615	1,201	941	1,128	1,168	1,217	799	1,531	1,030	2,719	1,148	632	83	15,213
1994	1,488	1,091	749	961	944	905	676	1,281	924	2,627	1,094	612	20	13,373
1993	1,423	927	648	692	914	652	584	1,251	740	2,440	934	526	36	11,766
1992	1,333	843	564	563	661	515	548	1,181	566	2,453	782	474	48	10,531
1991	1,367	807	525	517	645	450	515	1,234	492	2,924	652	514	53	10,695

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

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

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

Table 24. Loan Limit Values

Period	Single-Family Conforming Loan Limit Values[a]			
	One Unit	Two Units	Three Units	Four Units
2023[b]	726,200-1,089,300	929,850-1,394,775	1,123,900-1,685,850	1,396,800-2,095,200
2022[b]	647,200-970,800	828,700-1,243,050	1,001,650-1,502,475	1,244,850-1,867,275
2021[b]	548,250-822,375	702,000-1,053,000	848,500-1,272,750	1,054,500-1,581,750
2020[b]	510,400-765,600	653,550-980,325	789,950-1,184,925	981,700-1,472,550
2019[b]	484,350-726,525	620,200-930,300	749,650-1,124,475	931,600-1,397,400
2018[b]	453,100-679,650	580,150-870,225	701,250-1,051,875	871,450-1,307,175
2017[b]	424,100-636,150	543,000-814,500	656,350-984,525	815,650-1,223,475
2016[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2015[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2014[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2013[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2012[b]	417,000-625,500	533,850-800,775	645,300-967,950	801,950-1,202,925
2011[c]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2010[d]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2009[e]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2008[f]	417,000-729,750	533,850-934,200	645,300-1,129,250	801,950-1,403,400
2007	417,000	533,850	645,300	801,950
2006	417,000	533,850	645,300	801,950
2005	359,650	460,400	556,500	691,600
2004	333,700	427,150	516,300	641,650
2003	322,700	413,100	499,300	620,500
2002	300,700	384,900	465,200	578,150
2001	275,000	351,950	425,400	528,700
2000	252,700	323,400	390,900	485,800
1999	240,000	307,100	371,200	461,350
1998	227,150	290,650	351,300	436,600
1997	214,600	274,550	331,850	412,450
1996	207,000	264,750	320,050	397,800
1995	203,150	259,850	314,100	390,400
1994	203,150	259,850	314,100	390,400
1993	203,150	259,850	314,100	390,400
1992	202,300	258,800	312,800	388,800
1991	191,250	244,650	295,650	367,500
5/1/1990 - 12/31/1990	187,450	239,750	289,750	360,150
1989 - 4/30/1990	187,600	239,950	290,000	360,450
1988	168,700	215,800	260,800	324,150
1987	153,100	195,850	236,650	294,150
1986	133,250	170,450	205,950	256,000
1985	115,300	147,500	178,200	221,500
1984	114,000	145,800	176,100	218,900
1983	108,300	138,500	167,200	207,900
1982	107,000	136,800	165,100	205,300
1981	98,500	126,000	152,000	189,000
1980	93,750	120,000	145,000	170,000
10/27/1977 - 1979	75,000	75,000	75,000	75,000
1975 - 10/26/1977	55,000	55,000	55,000	55,000

Sources: Federal Housing Finance Agency

[a] Conforming loan limit values are 50 percent higher in Alaska, Hawaii, Guam, and the U.S. Virgin Islands.

[b] Maximum loan limit values for loans acquired between 2012 and 2022 were determined based on the formula established in the Housing and Economic Recovery Act of 2008.

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

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

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

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

Period	FHA Single-Family Insurable Limit Values							
	One Unit		Two Units		Three Units		Four Units	
	Low Cost Area Max	High Cost Area Max	Low Cost Area Max	High Cost Area Max	Low Cost Area Max	High Cost Area Max	Low Cost Area Max	High Cost Area Max
2023[a]	472,030	1,089,300	604,400	1,394,775	730,525	1,685,850	907,900	2,095,200
2022[a]	420,680	970,800	538,650	1,243,050	651,050	1,502,475	809,150	1,867,275
2021[a]	356,362	822,375	456,275	1,053,000	551,500	1,272,750	685,400	1,581,750
2020[a]	331,760	765,600	424,800	980,325	513,450	1,184,925	638,100	1,472,550
2019[a]	314,827	726,525	403,125	930,300	487,250	1,124,475	605,525	1,397,400
2018[a]	294,515	679,650	377,075	870,225	455,800	1,051,875	566,425	1,307,175
2017[a]	275,665	636,150	352,950	814,500	426,625	984,525	530,150	1,223,475
2016[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2015[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2014[a]	271,050	625,500	347,000	800,775	419,425	967,950	521,250	1,202,925
2013[b]	271,050	729,750	347,000	934,200	419,425	1,129,250	521,250	1,403,400
2012[b]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2011[b]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2010[c]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2009[d]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2008[e]	271,050	729,750	347,000	934,200	419,400	1,129,250	521,250	1,403,400
2007	200,160	362,790	256,248	464,449	309,744	561,411	384,936	697,696
2006	200,160	362,790	256,248	464,449	309,744	561,411	384,936	697,696
2005	172,632	312,895	220,992	400,548	267,120	484,155	331,968	601,692
2004	160,176	290,319	205,032	371,621	247,824	449,181	307,992	558,236
2003	154,896	280,749	198,288	359,397	239,664	434,391	297,840	539,835
2002	144,336	261,609	184,752	334,863	223,296	404,724	277,512	502,990
2001	132,000	239,250	168,936	306,196	204,192	370,098	253,776	459,969
2000	121,296	219,849	155,232	281,358	187,632	340,083	233,184	422,646
1999	115,200	208,800	147,408	267,177	178,176	322,944	221,448	401,375
1998	109,032	197,621	139,512	252,866	168,624	305,631	209,568	379,842
1997	81,546	170,362	104,310	205,875	126,103	248,888	156,731	309,338

Source: Federal Housing Administration

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

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

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

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

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

Table 25. Mortgage Interest Rates

Period	Average Commitment Rates on Loans		Effective Rates on Closed Loans	
	Conventional		Conventional	
	30-Year Fixed Rate (%)	One-Year Adjustable Rate (%)	Fixed Rate (%)	Adjustable Rate (%)
4Q22	6.4	Discontinued*	Discontinued*	N/A
3Q22	6.7	Discontinued*	Discontinued*	N/A
2Q22	5.7	Discontinued*	Discontinued*	N/A
1Q22	4.7	Discontinued*	Discontinued*	N/A
Annual Data				
2022	6.4	Discontinued*	Discontinued*	N/A
2021	3.1	2.8	Discontinued*	N/A
2020	2.7	2.8	Discontinued*	N/A
2019	3.7	3.1	Discontinued*	N/A
2018	4.6	3.5	4.7	N/A
2017	4.0	2.9	4.1	N/A
2016	4.3	2.8	4.0	N/A
2015	4.0	2.7	4.0	N/A
2014	3.8	2.4	4.3	N/A
2013	4.5	2.6	4.1	N/A
2012	3.4	2.6	4.7	N/A
2011	4.0	2.8	4.8	N/A
2010	4.9	3.3	4.9	N/A
2009	5.1	4.3	5.2	N/A
2008	5.1	5.0	6.2	5.8
2007	6.2	5.5	6.5	6.3
2006	6.2	5.5	6.7	6.4
2005	6.2	5.2	6.1	5.5
2004	5.8	4.2	6.0	5.2
2003	5.8	3.7	5.9	5.0
2002	5.9	4.0	6.7	5.7
2001	7.2	5.3	7.1	6.4
2000	7.1	6.9	8.3	7.1
1999	8.1	6.6	7.4	6.5
1998	6.8	5.6	7.2	6.5
1997	7.0	5.5	7.9	6.9
1996	7.6	5.6	8.0	7.1
1995	7.1	5.6	8.2	7.1
1994	9.2	6.8	8.2	6.4
1993	7.1	4.2	7.5	5.7
1992	8.1	5.4	8.5	6.6
1991	8.4	6.0	9.7	8.3
1990	9.7	7.9	10.4	9.2
1989	9.8	8.4	10.5	9.4
1988	10.8	8.5	10.4	8.5
1987	10.6	8.0	9.9	8.5
1986	9.3	7.6	10.5	9.4
1985	11.1	9.2	12.4	10.9
1984	13.1	10.9	13.2	12.0
1983	13.4	Not Available Before 1984	13.0	12.3
1982	13.6		Not Available Before 1983	Not Available Before 1983
1981	17.0			
1980	15.0			
1979	12.9			
1978	10.4			
1977	9.0			
1976	8.8			
1975	9.1			
1974	9.6			
1973	8.6			
1972	7.5			
1971	Not Available Before 1972			

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

N/A = not available

* Data at end of period as reported by Bloomberg

Discontinued*: In November 2022, Freddie Mac changed its process and stopped providing ARM rates. Also, FHFA's Monthly Interest Rate Survey was discontinued following the May 2019 release. See the Research and Publication section for more.

Table 26. Housing Market Activity[a]

Period	Housing Starts (units in thousands)			Home Sales (units in thousands)	
	One- to Four-Unit Housing Starts	Multifamily Housing Starts	Total Housing Starts	Sales of New One- to Four-Unit Homes	Sales of Existing One- to Four-Unit Homes
4Q22	890	458	1,348	622	4,030
3Q22	910	555	1,465	550	4,680
2Q22	1,021	554	1,575	571	5,130
1Q22	1,205	511	1,716	707	5,690
Annual Data					
2022	890	458	1,348	622	4,030
2021	1,187	521	1,708	839	6,090
2020	1,325	336	1,661	943	6,530
2019	1,032	515	1,547	733	5,450
2018	797	298	1,095	566	5,010
2017	832	350	1,182	658	5,570
2016	812	440	1,252	561	5,520
2015	782	364	1,146	546	5,440
2014	740	333	1,073	497	5,090
2013	668	334	1,002	433	4,860
2012	632	344	976	399	4,890
2011	545	149	694	341	4,350
2010	438	101	539	326	4,270
2009	497	84	581	352	4,400
2008	411	149	560	377	4,010
2007	816	221	1,037	619	4,410
2006	1,299	350	1,649	998	6,400
2005	1,659	335	1,994	1,239	6,840
2004	1,761	281	2,042	1,242	6,890
2003	1,676	381	2,057	1,129	6,490
2002	1,474	314	1,788	1,048	5,970
2001	1,302	266	1,568	979	5,490
2000	1,265	267	1,532	983	5,100
1999	1,401	307	1,708	873	5,080
1998	1,439	353	1,792	949	Not Available Before 1999
1997	1,211	355	1,566	793	
1996	1,105	265	1,370	805	
1995	1,197	234	1,431	709	
1994	1,188	267	1,455	629	
1993	1,338	195	1,533	812	
1992	1,110	117	1,227	650	
1991	989	90	1,079	558	
1990	766	203	969	464	
1989	959	292	1,251	630	
1988	1,193	370	1,563	658	
1987	1,085	315	1,400	595	
1986	1,338	495	1,833	784	
1985	1,209	733	1,942	721	
1984	1,213	399	1,612	597	
1983	1,141	547	1,688	773	
1982	943	360	1,303	521	
1981	639	271	910	457	
1980	1,061	421	1,482	532	
1979	1,124	374	1,498	559	
1978	1,581	463	2,044	805	
1977	1,677	465	2,142	835	
1976	1,416	388	1,804	767	
1975	1,102	219	1,321	669	
1974	799	176	975	417	
1973	908	618	1,526	519	
1972	1,402	964	2,366	772	

Sources: U.S. Census Bureau for housing starts and sales of new one- to four-unit properties; National Association of Realtors for sales of existing one- to four-unit properties

N/A = not available

Seasonally adjusted annual rates.

[a] Components may not add to totals due to rounding.

** Data at end of period as reported by Bloomberg. Historical values in this table are subject to revision and therefore may not match values for the same period in previous Annual Reports to Congress.

Table 27. Weighted Repeat Sales House Price Index (Annual Data)[a]

Period	USA	New England	Mid-Atlantic	South Atlantic	East North Central	West North Central	East South Central	West South Central	Mountain	Pacific
4Q22	0.34	0.55	0.80	0.80	0.81	0.56	0.71	0.66	(0.84)	(1.24)
3Q22	0.10	(0.10)	0.46	0.73	0.80	0.68	1.41	0.41	(1.96)	(1.90)
2Q22	3.49	3.64	3.25	4.86	2.69	2.91	3.56	4.30	3.83	1.95
1Q22	4.29	3.68	3.70	5.55	3.66	3.51	4.46	3.73	5.15	4.22
Annual Data										
2022	8.41	7.94	8.42	12.37	8.16	7.85	10.48	9.35	6.14	2.94
2021	17.87	16.62	14.15	20.65	14.38	13.86	19.08	18.19	23.44	19.53
2020	11.25	12.98	11.38	11.22	11.14	10.06	11.08	9.18	13.70	12.08
2019	5.51	4.83	4.82	6.16	5.59	5.24	5.70	4.50	7.34	5.16
2018	5.63	4.76	4.70	5.99	5.74	5.61	5.98	4.45	8.05	5.51
2017	6.22	5.31	4.69	6.16	5.66	5.16	5.41	6.01	8.57	8.26
2016	5.88	4.54	4.04	6.54	5.46	4.98	4.98	5.34	7.83	7.61
2015	5.43	3.65	2.41	6.35	4.07	4.42	4.50	5.75	7.86	8.04
2014	4.58	2.50	1.83	4.82	4.06	3.97	3.20	5.55	5.65	7.19
2013	6.79	3.04	2.61	7.22	5.53	3.90	3.10	5.35	10.57	15.04
2012	4.84	0.40	1.16	4.76	2.69	3.67	2.50	4.73	11.86	10.05
2011	(2.54)	(2.16)	(3.82)	(2.57)	(2.72)	(1.29)	(1.31)	0.72	(3.78)	(4.95)
2010	(4.00)	(2.32)	(1.84)	(5.46)	(3.08)	(3.42)	(4.11)	(2.27)	(7.44)	(5.11)
2009	(2.52)	(2.01)	(1.95)	(4.05)	(2.24)	(0.49)	(1.29)	0.83	(7.35)	(3.40)
2008	(10.14)	(6.69)	(5.31)	(14.27)	(7.99)	(4.64)	(3.93)	(2.01)	(14.02)	(21.84)
2007	(2.74)	(2.62)	(0.10)	(3.67)	(3.63)	(0.81)	1.72	3.19	(3.54)	(10.06)
2006	2.83	(2.03)	2.31	4.67	(0.15)	1.99	5.88	6.12	6.76	0.20
2005	10.24	6.39	10.00	14.89	3.37	4.85	7.49	6.80	17.82	18.20
2004	10.17	10.50	12.19	12.88	4.25	5.48	5.17	4.40	12.83	21.87
2003	7.82	10.66	10.93	8.53	4.62	5.57	4.06	3.14	6.80	15.52
2002	7.62	13.44	11.63	8.09	4.44	5.56	3.33	3.65	5.49	13.95
2001	6.72	11.95	9.37	7.33	4.76	6.13	3.26	4.00	5.36	9.65
2000	6.93	12.53	8.34	6.38	5.15	6.37	2.75	5.53	5.44	11.32
1999	6.13	9.96	6.80	5.70	5.09	5.49	3.84	5.37	5.59	8.62
1998	5.68	7.91	4.85	4.51	4.87	6.51	4.73	5.57	4.66	8.77
1997	3.30	4.42	2.01	3.19	3.39	3.59	2.83	3.08	3.11	4.31
1996	2.77	2.50	0.85	2.78	4.43	3.98	3.88	2.31	3.81	0.99
1995	2.72	1.05	0.15	2.55	4.93	4.79	4.74	2.97	4.92	(0.51)
1994	2.87	0.38	(0.77)	3.44	4.88	4.35	5.22	3.19	8.54	(1.12)
1993	2.77	(1.90)	0.03	2.38	4.71	6.18	4.71	4.63	9.54	(2.49)
1992	2.70	(0.45)	1.74	2.10	4.64	4.23	3.98	3.70	6.72	(1.10)
1991	3.12	(2.24)	1.55	3.02	4.72	3.78	4.01	3.96	5.65	1.90
1990	1.21	(7.19)	(2.48)	0.38	3.80	1.12	0.48	0.65	2.41	5.71
1989	5.61	0.81	2.50	4.43	5.95	3.28	2.80	2.57	2.55	18.32
1988	5.62	4.20	6.67	5.77	6.43	2.59	2.27	(1.76)	0.88	16.35
1987	5.45	15.09	16.00	5.80	7.64	2.43	3.39	(8.22)	(2.75)	8.62
1986	7.30	21.10	17.60	6.65	7.21	3.78	5.47	(0.00)	2.42	6.44
1985	5.71	22.44	13.54	5.08	4.82	3.67	5.58	(1.67)	2.29	4.71
1984	4.68	14.98	11.11	4.50	2.83	3.79	4.14	0.10	2.79	4.04
1983	5.33	13.64	11.90	5.90	4.74	4.24	4.26	4.11	(0.60)	1.64
1982	3.93	7.34	6.48	4.86	(2.74)	1.95	8.02	6.84	5.82	3.35
1981	2.76	6.48	1.63	2.71	1.76	0.54	(3.02)	6.27	6.14	3.88
1980	6.46	5.45	8.79	9.56	1.05	3.85	5.04	7.90	6.20	10.07
1979	12.30	14.18	15.76	11.75	7.81	10.39	7.96	14.82	14.49	16.25
1978	13.33	17.65	4.74	10.29	15.34	13.59	11.57	16.60	17.21	16.99
1977	14.80	8.15	12.73	10.01	14.90	15.72	10.76	14.49	17.94	25.53
1976	8.04	8.68	(1.44)	4.34	7.34	7.97	6.12	9.32	12.56	20.55

Source: Federal Housing Finance Agency

[a] Percentage changes based on FHFA's purchase-only index for 1992 through 2022 (SA) and all-transactions index for prior years (NSA). Annual data are measured based on fourth quarter to fourth quarter percentage change. Quarterly data for 2022 show percentage changes for each quarter. Because quarterly index estimates are subject to revision, the historical values in this table may not exactly match values for the same period in previous Annual Reports to Congress.

Regional Divisions

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

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