2023 REPORT TO

CONGRESS

FEDERAL HOUSING FINANCE AGENCY

FHFA

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FEDERAL HOUSING FINANCE AGENCY

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FEDERAL HOUSING FINANCE AGENCY OFFICE OF THE DIRECTOR

June 14, 2024

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Tim Scott
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Dear Chairs and Ranking Members:

I am pleased to transmit the Federal Housing Finance Agency's (FHFA's) 2023 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 2023, 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 2023 examinations of these entities as well as FHFA's actions as conservator of Fannie Mae and Freddie Mac during 2023. The Report also describes FHFA's regulatory activities, research, and publications issued during the year. As required by HERA, the Report also includes the Federal Housing Finance Oversight Board's assessment of the factors listed in Section 1103 of that Act. I am proud to report on FHFA's progress and achievements over the course of 2023.

Underpinning all our work is the understanding that safety and soundness and sustainable access to credit work together to strengthen the mutual interests of families, financial institutions, 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 regulations.

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 and challenges for certain sectors in the multifamily industry. The Enterprises continue to monitor counterparty risks, particularly in light of declining earnings throughout 2023 among many sellers and servicers of Enterprise-backed loans. Market risk exposures are low because of shrinking retained portfolios and effective funding and hedging strategies for both 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 as many models rely on data with long time series. Past market characteristics found in those data may be fundamentally different from the characteristics of housing markets today. Such differences include programmatic changes in loan servicing that occurred during the COVID-19 pandemic, and long-lasting constraints on home sales resulting from widespread refinancing activity at historically low interest rates from 2020 to 2022.

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 amendments to the Enterprise Regulatory Capital Framework (ERCF) in 2022. These amendments 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. Under these 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. FHFA further amended the ERCF in 2023 to implement targeted enhancements to better align the capital requirements to the risks posed by the Enterprises’ businesses.

In 2023, FHFA continued its comprehensive review of the Enterprises’ pricing framework. The objectives of this review were to maintain support for creditworthy 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 2023 to achieve these objectives. FHFA announced targeted upfront 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, designed to better align these fees with the risks and required capital associated with the underlying loans. 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.

Throughout 2023, the Enterprises and FHLBanks completed a variety of activities that supported the financing of affordable housing for homeowners and renters across the country amidst challenging market conditions for housing affordability. Despite challenging market conditions, the regulated entities were able to complete statutorily required and additional activities while operating in a safe and sound manner. These included financing affordable homeownership and rental housing, advancing equitable access to housing for underserved populations, and promoting resident-centered housing practices.

In support of homeownership, the Enterprises incorporated Payment Deferral as a permanent home retention solution into the loss mitigation toolkit and continued to refine methods for assessing borrower income to positively influence automated underwriting system credit recommendations. Additionally, in February 2024, the Enterprises introduced temporary enhancements to their Home Possible and HomeReady programs, such as the provision of a $2,500 credit for very low-income borrowers to use for down payment or closing cost assistance.

The Enterprises released their Equitable Housing Finance Plans for 2022-2024 in June 2022. These Plans 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.

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. After publishing these proposals in a notice-and-comment rulemaking, FHFA issued the final rule in April 2024.

FHFA continued to work with the regulated entities to strengthen compliance with fair lending requirements in 2023. The Enterprises strengthened compliance 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.

As part of its efforts to advance fairness and equity in the housing finance system, FHFA published Advisory Bulletin AB 2023-05, *Enterprise Fair Lending and Fair Housing Rating System*, in September 2023. This first-of-its-kind fair lending rating system is designed to target Enterprise compliance management and fair lending and equity efficacy. This rating system complements FHFA's Policy Statement on Fair Lending and Advisory Bulletin AB 2021-04, *Enterprise Fair Lending and Fair Housing Compliance*, both of which were issued in 2021.

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. FHFA's Office of Financial Technology supports 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 July 2023, FHFA hosted the Velocity TechSprint, a four-day, team-based event that brought together technology and housing finance experts to explore innovative solutions that promote efficiency and cost savings in mortgage origination processes. FHFA announced that it will host its second TechSprint, focused on the responsible use of generative artificial intelligence in the housing finance system, in July 2024.

FHFA published the *FHLBank System at 100: Focusing on the Future* Report in November 2023. The first comprehensive review of the FHLBank System in decades, the report establishes a vision for an effectively governed System that efficiently provides stable and reliable funding to creditworthy members and delivers innovative products and services to support the housing and community development needs of the communities its members serve, all in a safe and sound manner. It identifies actions FHFA will take to achieve this vision and ensure the FHLBanks are well positioned to fulfill their mission in the years ahead, as well as recommendations for consideration by Congress.

Following publication of the report, FHFA published an Advisory Bulletin communicating its expectation that each FHLBank establish a framework for pilot and voluntary programs. In April 2024, FHFA published a regulatory interpretation that clarifies how cooperativas in Puerto Rico can pursue membership in the FHLBank System. Cooperativas are a critical part of the financial system in Puerto Rico, and many are Treasury-certified Community Development Financial Institutions (CDFIs). To date, no cooperativa has become a member of the FHLBank System.

Looking forward, key priorities in 2024 include clarifying the FHLBank System mission, aligning eligibility requirements for different types of FHLBank members, and streamlining requirements related to the Affordable Housing Program.

In 2023, the FHLBanks experienced significant member advance demand because of banking sector volatility caused by the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank, and the voluntary dissolution of Silvergate Bank. All of these institutions were members and active borrowers of the FHLBanks, and all encountered significant challenges through the end of 2022 and into early 2023 as interest rates rose. As these members came under increased stress, the FHLBanks worked with federal and state bank regulators and the Federal Reserve discount window to minimize disruption to the financial system.

Advance balances declined from peak March 2023 levels as banking sector contagion fears lessened, and by the end of the year were back to pre-March 2023 levels. The FHLBanks maintained strong liquidity and lending capacity through the sector disruption and did not incur an advance credit loss. However, these bank failures and the ongoing market stress highlighted the need for a clearer distinction between the appropriate role of the FHLBanks, which provide funding to support their members' liquidity needs across the economic cycle, and that of the Federal Reserve, which maintains the primary financing facility for troubled institutions with immediate, emergency liquidity needs.

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 contributed, for example, to the withdrawal of property insurance coverage by some insurance companies in certain climate vulnerable regions. Where insurance coverage remains available, the cost of obtaining that coverage often has risen, in part due to the increasing frequency and severity of natural disasters striking those areas and the increased cost of rebuilding.

FHFA hosted economic summits in 2022 and 2023 that focused on climate risk. In addition, FHFA held a Single-Family Property Insurance Symposium on November 2023, during which stakeholders shared their perspectives on a variety of issues, including building codes and standards. Following this event, in March 2024, FHFA held a Multifamily Property Insurance Symposium. Through events such as these, FHFA engages with a broad set of stakeholders in continued discussion about ways to effectively address climate risk.

The Legislative Recommendations section of this Report outlines 10 areas for which necessary actions by FHFA will require Congressional intervention. The *FHLBank System at 100: Focusing on the Future* report included seven recommendations for statutory changes intended to help ensure that the FHLBanks effectively fulfill their public policy mission in a safe and sound manner. The Legislative Recommendations also address three longstanding potential risk areas – 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 2023, 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.

SThompson

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

ESG – Environmental, Social, and Governance

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

NMDB – National Mortgage Database Program

OF – Office of Finance (of the FHLBanks)

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

TPRM – Third-Party Risk Management

UMBS – Uniform Mortgage-Backed Security

UPB – Unpaid Principal Balance

URLA – Uniform Residential Loan Application

TABLE OF CONTENTS

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.

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 2023 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 2023,[2] FHFA's examination activities included risk-based targeted 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,* (AB 2012-03), 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.

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

[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 2023.

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. (CSS is only rated on the "M" and "O" components.) The annual ROE is signed by the Examiner-in-Charge (EIC) and issued to the regulated entity's board of directors.

Supervision of Fannie Mae, Freddie Mac, and Common Securitization Solutions

FHFA's Division of Enterprise Regulation (DER) is responsible for carrying out examinations and ongoing supervision of the Enterprises and of Common Securitization Solutions, LLC (CSS), a joint venture equally owned by the Enterprises. DER examinations are led by an EIC and conducted by examination teams supported by subject matter experts. DER conducts both targeted examinations and ongoing monitoring to assess the safety and soundness of each Enterprise and of CSS. In 2023, DER conducted targeted examinations covering:

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

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

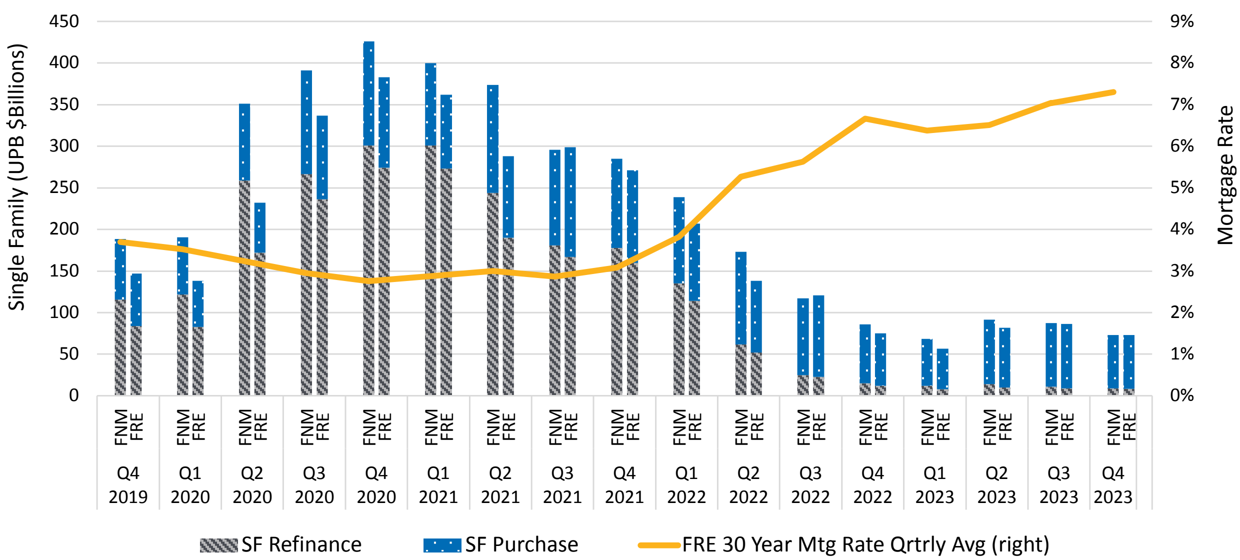
REPORTS OF ANNUAL EXAMINATIONS OF FANNIE MAE, FREDDIE MAC, AND CSS

Financial Overview

The Enterprises' financial performance, as measured by earnings, improved in 2023 while mortgage purchase activities remained low relative to historic activity. Both Enterprises reversed provisions for credit losses in 2023 after recording them in 2022, which were primary contributors to their improved financial performance. Sustained high interest rates in 2023 significantly affected Enterprise activity, depressing home purchase and refinance activity and slowing or reversing house price appreciation, while also contributing to increased income from short-term portfolio investments.

Figure 1 shows that origination volume remained depressed at both Enterprises in 2023 in an elevated interest rate environment.

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



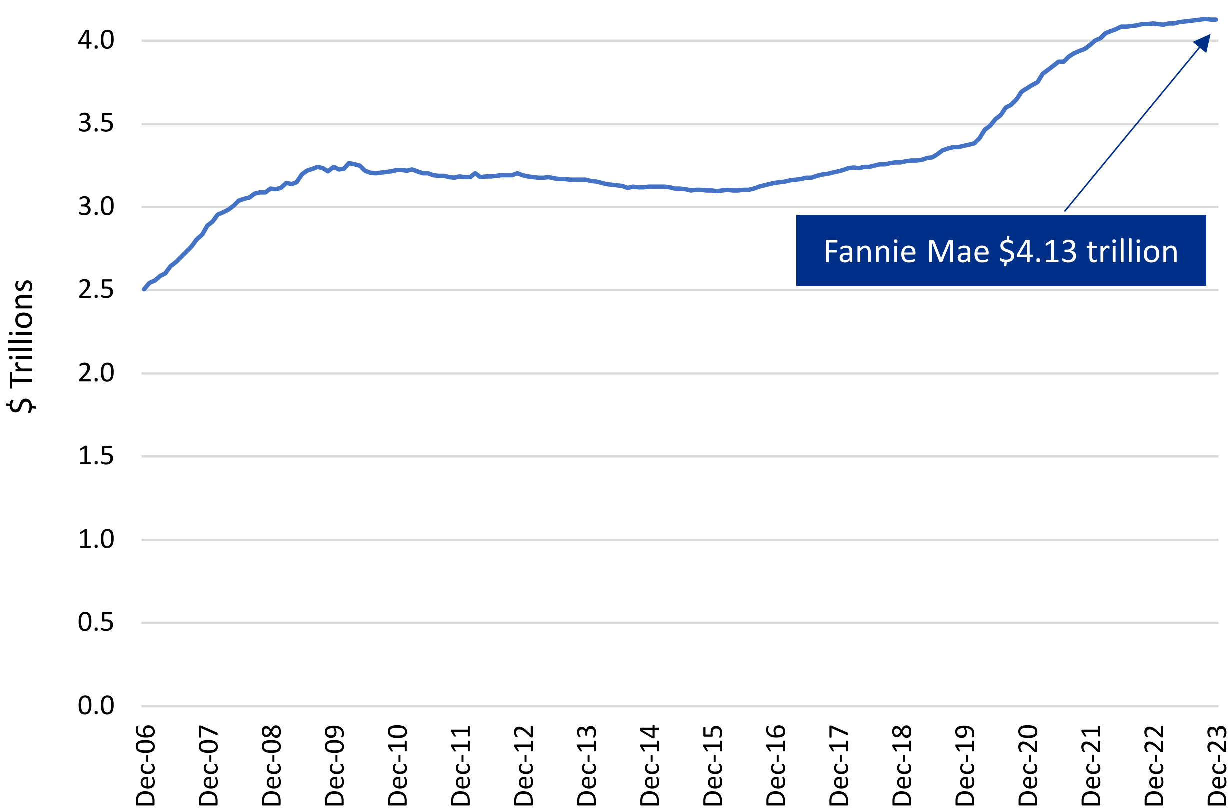
Fannie Mae

Fannie Mae reported annual net income and comprehensive income of $17.4 billion each in 2023, compared to $12.9 billion each in 2022. A $1.7 billion reversal in 2023 of the $6.3 billion provision for credit losses recorded in 2022 was a key driver of the $4.5 billion increase in earnings. Non-interest income also contributed to higher earnings with a $182 million year-over-year improvement. However, these positive developments were partially offset by a change in expected credit enhancement recoveries that resulted in a $920 million adverse effect on year-over-year earnings.

Fannie Mae's total assets increased 0.5 percent, down from 1.8 percent one year earlier, reflecting the low origination environment. Fannie Mae's total mortgage portfolio accounted for the growth in total assets, growing $21.2 billion or 0.5 percent. While originations have been low, they continue to outpace liquidations due to the low incentive for borrowers to refinance. Single-family (SF) mortgages made up 88.6 percent of the total guarantee book. Conventional acquisition volume was $316 billion in 2023, down 48.6 percent from 2022 and 76.7 percent from 2021. Fannie Mae's multifamily (MF) guarantee portfolio made up 11.4 percent of the total guarantee book. The year-end MF portfolio was $470 billion, as new acquisition volume decreased from $69 billion in 2022 to $53 billion in 2023.

Figure 2 shows Fannie Mae's total mortgage portfolio historical unpaid principal balances (UPB). The metric includes mortgages, mortgage-related securities held as investments, and mortgages pooled into mortgage-backed securities (MBS).

Figure 2: Fannie Mae Mortgage Portfolio Growth 2006-2023



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.

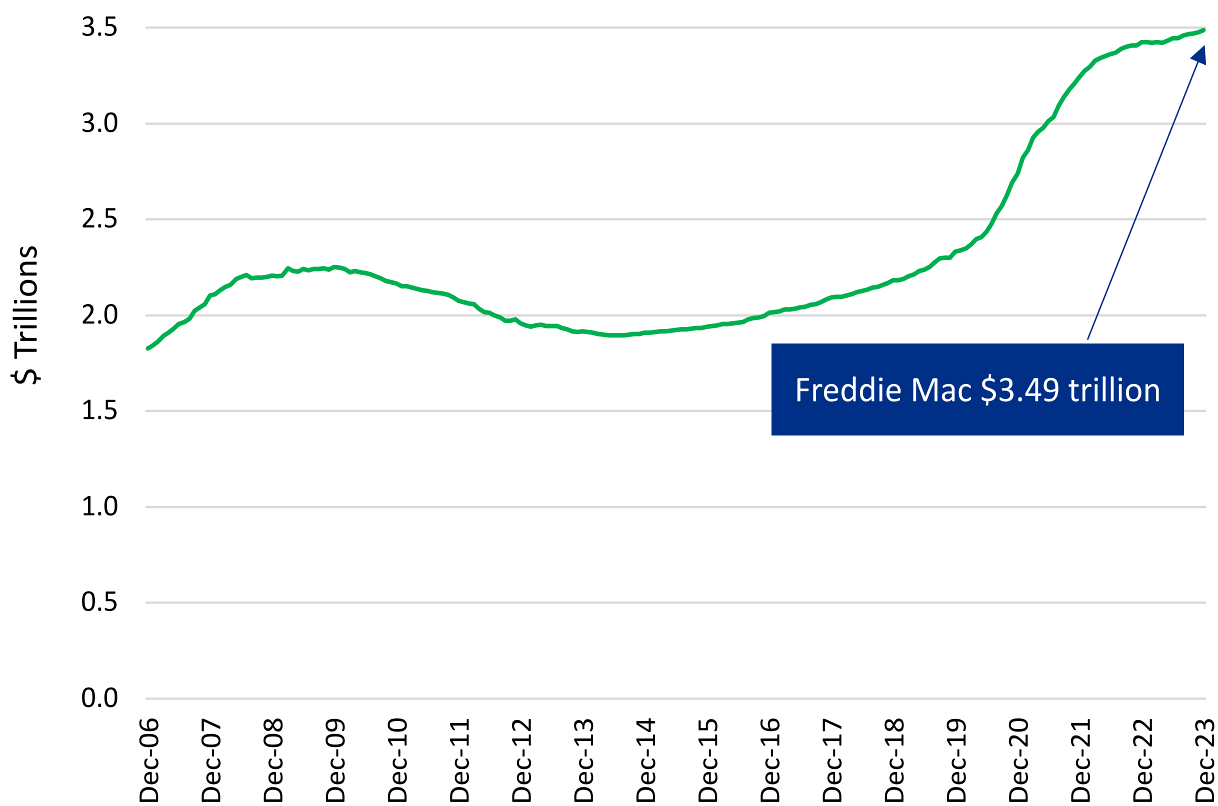
Freddie Mac

Freddie Mac reported annual net income of $10.5 billion and comprehensive income of $10.7 billion in 2023, compared to $9.3 billion and $9.0 billion, respectively, in 2022. Freddie Mac's increase in net income was primarily driven by changes in provisioning for credit losses and improvements in net interest income. As with Fannie Mae, Freddie Mac recorded a benefit in 2023 compared to a provision in 2022, resulting in a $2.7 billion year-over-year increase in earnings. Additionally, net interest income coupled with guarantee income rose $1.4 billion year-over-year primarily due to the effect of higher short-term interest rates. These positive drivers were partially offset by lower investment gains of $1.3 billion.

Freddie Mac's total assets increased 2.3 percent in 2023, slower than the 6.0 percent growth in 2022, primarily because of slower expansion of the guarantee portfolio. In 2023, Freddie Mac's total mortgage portfolio increased 2.0 percent as acquisitions exceeded paydowns. SF mortgages made up 87.3 percent of the total mortgage portfolio at year-end 2023. In 2023, Freddie Mac's SF acquisition volume was $300 billion, a 44.6 percent decrease from 2022. New MF business volume was $48 billion in 2023, compared to $73 billion in 2022. The MF mortgage portfolio grew 2.8 percent in 2023 to $441 billion.

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

Figure 3: Freddie Mac Mortgage Portfolio Growth 2006-2023



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

CSS uses the Common Securitization Platform (CSP) to administer the Enterprises' portfolios of MBS and for the issuance of the Uniform Mortgage-Backed Security (UMBS). Operating the CSP involves storing, processing, and transmitting large volumes of data, as CSS acts as an agent for the Enterprises to facilitate 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 $6.5 trillion bond portfolio funding SF mortgages and is currently the largest issuing agent and administrator of MBS, representing approximately 75 percent of total market share. In 2023, CSS facilitated the registration and settlement of, on average, approximately $210 billion of UMBS monthly on behalf of the Enterprises and provided security administration to over 30.5 million mortgages in MBS.

FHFA conducts a similar examination process for CSS as it does 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

When reviewing capital, FHFA examiners evaluate the level and composition of capital relative to the regulated entity's risk profile. At the end of 2023, both Enterprises lacked adequate capital to support the risks associated with their business models and did not meet minimum regulatory capital requirements established by the Enterprise Regulatory Capital Framework. Through the Senior Preferred Stock Purchase Agreements (PSPAs) with the U.S. Treasury Department, as amended, the Treasury Department continues to provide capital support to the Enterprises. The amended PSPAs allow each Enterprise to retain all of its earnings. While earnings and net worth can absorb potential losses that arise from credit risk and earnings volatility, both Enterprises still exhibit accumulated deficits (negative retained earnings). The Enterprises' capital positions are improved from 2008, but are not robust enough to prevent a Treasury draw in the event of a large loss.

Asset Quality

To assess asset quality, FHFA examiners evaluate the existing and potential credit risk associated with loan and investment portfolios, as well as management's ability to identify, measure, monitor, and control credit risk. In 2023, the Enterprises' credit risk metrics associated with newly acquired SF loans deteriorated slightly. The Enterprises' volume of SF new acquisitions also declined in 2023, due to higher interest rates, home price appreciation, and limited housing supply.

Although the Enterprises' MF portfolios grew in 2023, acquisition levels remained within the limits set by FHFA as conservator. Senior living facilities remain an elevated concern as they continue to face higher operating expenses, vacancies, and interest rates that negatively affect their financial performance. Each Enterprise's risk management of MF credit exposure needs improvement, particularly considering the recent stress in the commercial real estate sector.

In addition, Enterprise counterparty exposures require continued monitoring. The Enterprises monitor the financial performance of nonbank mortgage company seller/servicers, which continue to gain market share, account for the majority of mortgages sold to the Enterprises, and provide servicing for millions of homeowners.

Management

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

FHFA identified that Fannie Mae's board and senior management governance needs further improvement, particularly in the areas of model risk and MF risk management. Management made meaningful progress in the areas of SF risk management, counterparty risk management, operational risk management, enterprise risk management (ERM), and internal audit, but further improvements are needed.

Freddie Mac's board and senior management governance also needs improvement in the oversight of model risk and MF risk management. While progress was noted in several areas such as business resiliency and counterparty credit risk management, Freddie Mac continues efforts to strengthen its ability to identify, monitor, and control risks associated with seller/servicer oversight, information technology, and data management.

CSS's board of managers and senior management have satisfactory performance, oversight, and risk management practices. CSS continues to strengthen corporate governance and risk management processes. In addition, CSS is generally 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.

Both Enterprises continued to build net worth through retained earnings, but earnings at each remain too low to build capital to the minimum requirements of the Enterprise Regulatory Capital Framework (ERCF) in the near future. Each Enterprise maintains a liquidity portfolio of more than $100 billion in high-quality liquid assets and reliable access to funding, on acceptable terms, to meet current and anticipated liquidity needs. Market risk metrics are within board-approved limits.

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 continues to work on matters related to information technology, data classification, and capital market operations. It also made significant progress in migrating information technology assets to a cloud environment and is on schedule to complete the process as planned. Fannie Mae's exposure to information security risk persists because of both elevated levels of cyber threats and notable opportunities for improvement in information security risk management.

Freddie Mac has made progress in reducing operational risk in the areas of payment systems infrastructure and business resiliency. It continues to work on matters related to information security, 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 2023, FHFA continued its supervision and oversight to ensure that the FHLBanks operate in a safe and sound manner and remain focused on their statutory mission of providing stable and reliable liquidity to their members and supporting housing and community development. Under their mission, the FHLBanks provide to their members and housing associates[3] financial products and services, including but not limited to secured 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 the purchase of 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 has provided the FHLBanks with guidance in developing their strategic plans with respect to core mission, including a description of the measure FHFA uses to assess the FHLBanks' core mission achievement (CMA).[6]

FHFA measures each FHLBank's CMA 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 CMA annually and prefers that FHLBanks' calculated ratios 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 2023 CMA ratio of 76.8 percent, up from 74.1 percent in 2022. Every FHLBank had a CMA ratio that exceeded 70.0 percent. Two FHLBanks had CMA ratios exceeding 80.0 percent, seven FHLBanks had CMA ratios exceeding 75.0 percent, and the remaining two FHLBanks had CMA ratios of 72.8 percent and 72.0 percent.

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

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

FHFA published the ***FHLBank System at 100: Focusing on the Future*** report in November 2023. The first comprehensive review of the FHLBank System in decades, the report establishes a vision for an effectively governed System that efficiently provides stable and reliable funding to creditworthy members and delivers innovative products and services to support the housing and community development needs of the communities its members serve, all in a safe and sound manner. It identifies actions FHFA will take to achieve this vision and ensure the FHLBanks are well positioned to fulfill their mission in the years ahead, as well as recommendations for consideration by Congress. These actions and recommendations are categorized under four broad themes:

1. *Mission of the FHLBank System*
   Update and clarify FHFA's regulatory statement of the mission of the FHLBank System to reflect the FHLBanks' two core objectives: 1) providing stable and reliable liquidity to their members, and 2) supporting housing and community development.

2. *Stable and reliable source of liquidity*
   Distinguish the role of the FHLBanks in providing secured advances from the Federal Reserve's financing facilities and better position the FHLBanks to perform their liquidity mission.

3. *Housing and community development*
   Expand the FHLBanks' housing and community development focus to ensure the liquidity they provide to their members adequately promotes the housing and community development components of their mission.

4. *FHLBank System operational efficiency, structure, and governance*
   Ensure the FHLBanks are structured to be efficient and stable, membership eligibility requirements promote sufficient mission orientation, and governance requirements enable the FHLBanks' boards to effectively address emerging risks and oversee safety and soundness and mission achievement.

When preparing the report, FHFA considered feedback received through an extensive public engagement process. The Agency remains committed to transparency during the implementation phase and continues to provide opportunities for stakeholder input to inform guidance and rulemaking. In May 2024, FHFA issued a request for input on key issues related to the mission of the FHLBank System, including the metrics and thresholds the Agency could use to evaluate the FHLBanks' mission performance and the development of FHLBank member incentive programs that could provide added benefits to members that demonstrate a meaningful commitment to the housing and community development mission of the FHLBanks.

Other priorities in 2024 include improving the FHLBanks' evaluation of member creditworthiness, standardizing and strengthening membership eligibility requirements, and streamlining and updating program requirements to enhance the effectiveness of the Affordable Housing Program (AHP). As implementation continues, FHFA will post on its website regular updates on actions taken to address these and other issues.

FHLBANK SYSTEM OVERVIEW

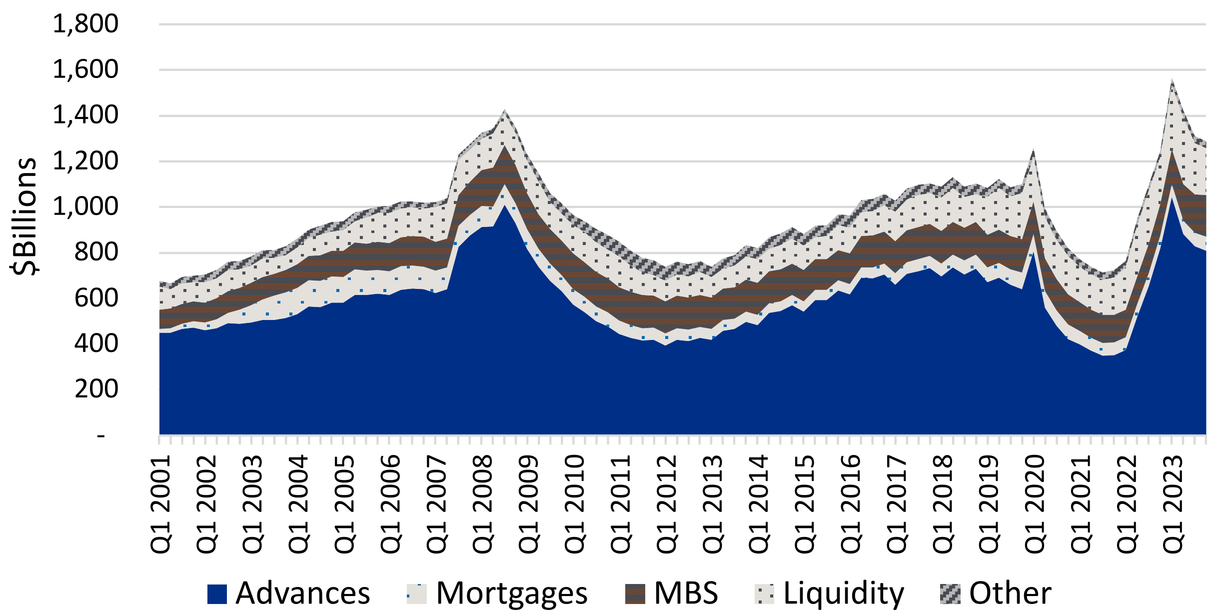
Financial Condition

The FHLBank System's total assets were $1.29 trillion on December 31, 2023, up from $1.25 trillion at year-end 2022. The FHLBanks reported aggregate net income of $6.7 billion in 2023, up from $3.2 billion in 2022. The FHLBanks remain well capitalized and hold the highest retained earnings balance in their history.

Aggregate asset levels increased in 2023, driven by several asset classes. Cash and investments increased $44.0 billion, or 12.1 percent, while mortgage loan portfolios increased $5.3 billion, or 9.4 percent, as new purchases outpaced paydowns during the year.

At year-end, the FHLBanks held 62.8 percent of total assets as advances, 31.7 percent as cash and investments, and 4.8 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]

System aggregate advances declined by $9.5 billion to $809.6 billion during 2023, with six FHLBanks reporting growth and five reporting declines in borrowing. While relatively flat year-over-year, advance balances reached a quarter-end high of $1.04 trillion on March 31, 2023, due to banking sector volatility caused by the failures of Silicon Valley Bank, Signature Bank, and First

[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 2023, the CFI asset threshold was $1.417 billion. *See* 87 FR 80184 (Dec. 29, 2022). The threshold for 2024 is $1.461 billion. *See* 89 FR 2225 (Jan. 12, 2024). 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.

Republic Bank, and the voluntary dissolution of Silvergate Bank, before steadily declining through the rest of the year. Prior to 2023, the FHLBanks reported significant advance growth of $467.8 billion in 2022 driven by increased member liquidity needs preceded by four years with lower year-end balances.

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[9] 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 $61.3 billion of mortgage loans on their balance sheets as of December 31, 2023, up from $56.0 billion at year-end 2022. This change resulted from mortgage purchases of $10.4 billion and mortgage principal payments of $5.0 billion.[10]

Under the off-balance sheet programs in operation through 2023, 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 2023, FHLBank members delivered $673 million of mortgage loans under MPF Xtra through the FHLBanks to Fannie Mae. Members also delivered $115 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 50.5 percent cash and highly liquid investments such as U.S. Treasury obligations, 44.2 percent MBS, and 5.3 percent other investments (principally agency debt securities and for the FHLBank of Chicago, federally backed student loan asset-backed securities). The FHLBanks held $180.4 billion of MBS, primarily consisting of MBS securitized by Freddie Mac and Fannie Mae. At year-end 2023, the FHLBanks held $206.3 billion of cash and liquidity investments.[11] The FHLBanks are also significant participants in the federal funds market.

The FHLBanks' standby letters of credit portfolio increased $33.8 billion over 2023 to $203.3 billion at year-end. Standby letters of credit are often used by members to secure public unit deposits, which are demand deposits controlled by municipalities or political subdivisions (e.g., school districts, sanitation districts, or municipal subdivisions). 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 $1.19 trillion and consisted of $904.6 billion of bonds (75.9 percent) and $287.0 billion of discount notes (24.1 percent). Short-term funding by par value (funding with a remaining maturity of less than one year) made up 94.0 percent of consolidated obligations at year-end 2022.

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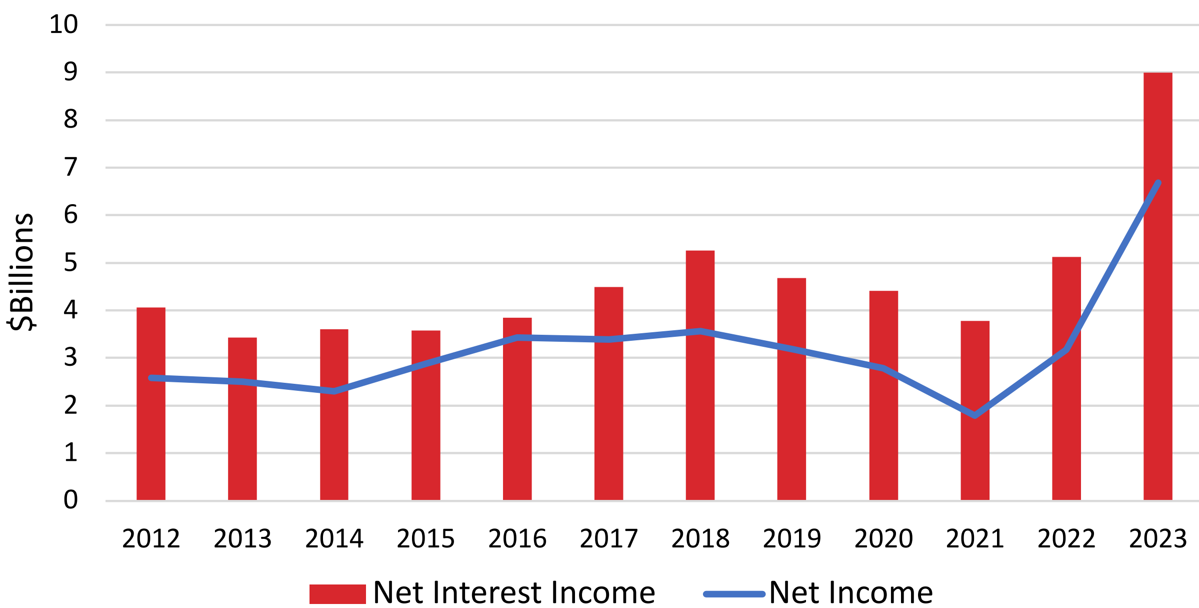
9 Conforming loans are single-family mortgages with origination balances below a specific amount, known as the "conforming loan limit" (CLL) value. These loans are eligible for purchase by Fannie Mae and Freddie Mac. FHFA sets the CLL annually and it varies geographically using guidelines specified in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

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

11 This measure includes Treasury securities.

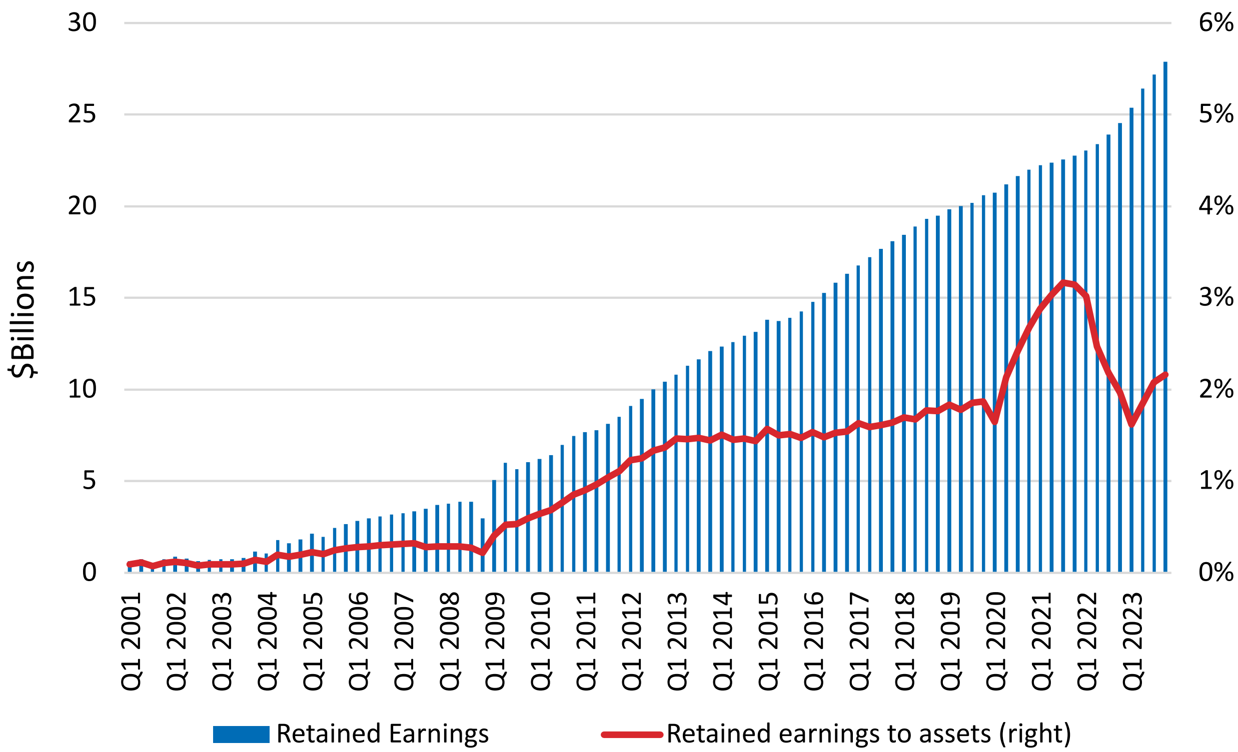
Net income was $6.7 billion in 2023, and all FHLBanks were profitable. Net income increased $3.5 billion year-over-year due to higher levels of earning assets and higher interest rates that drove a $3.9 billion increase in net interest income (Figure 5). In addition, non-interest income increased by $369 million, partially offset by non-interest expense increasing $321 million year-over-year.

Figure 5: Annual FHLBank Net Interest Income and Net Income



The aggregate return on assets ratio was 0.48 percent in 2023, up from 0.33 percent in 2022. The aggregate return on equity ratio was 9.17 percent, up from 5.61 percent. Continued profitability allowed the FHLBanks to build retained earnings in 2023. Aggregate retained earnings totaled $27.9 billion, or 2.2 percent of assets, at the end of 2023, up $3.3 billion from $24.6 billion, or 2.0 percent of assets, the prior year. Retained earnings growth outpaced asset growth, increasing 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, 2023, aggregate regulatory capital consisted of $45.9 billion capital stock, of which $1.2 billion was mandatorily redeemable capital stock (MRCS), and $27.9 billion in retained earnings.[12]

Comparisons

The size and composition of FHLBank assets varies across the System. Individual FHLBanks ranged from total assets of $67.1 billion to $184.4 billion as of December 31, 2023. The ratio of advances to assets ranged from 46.4 percent to 69.9 percent. The ratio of mortgage loans to assets was 4.8 percent overall, ranging between 0.1 percent to 11.2 percent. The market value to par value of capital stock ratio was above 100 percent at each FHLBank.

[12] Banks reclassify capital stock subject to redemption as 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- $	1,289.427	67.142	158.333	112.148	152.370	123.996	76.608	118.384	184.406	128.265	74.947	92.828
Advances- % of Assets	62.8%	62.5%	68.8%	69.9%	63.4%	59.3%	46.4%	55.2%	66.4%	62.3%	60.6%	66.1%
% of Advances with remaining maturity < 1 year	53.3%	51.9%	59.5%	59.0%	72.7%	42.9%	27.3%	39.9%	42.9%	55.5%	65.2%	57.1%
Mortgages- % of Assets	4.8%	4.6%	1.4%	4.2%	0.1%	5.7%	11.2%	9.6%	5.4%	4.0%	11.1%	0.8%
Cash & Investments- % of Assets	31.7%	31.6%	29.3%	25.0%	35.7%	34.4%	41.3%	34.5%	27.0%	33.3%	27.4%	32.6%
MBS Investments - % of Assets	14.0%	13.5%	12.4%	10.1%	18.0%	15.5%	15.6%	16.3%	12.5%	11.4%	12.9%	16.5%
MBS to regulatory capital ratio	2.54	2.56	2.30	1.97	3.38	2.98	3.00	2.82	2.35	2.10	2.48	2.12
Liquidity- % of Assets	16.0%	16.9%	15.7%	13.6%	16.8%	16.9%	23.3%	13.8%	13.5%	19.1%	14.0%	15.3%
Consolidated Obligations- $	1,191.687	62.249	145.476	104.485	141.571	115.447	71.053	108.499	171.498	118.134	69.791	83.484
Discount Notes- % of COs	24.1%	35.3%	32.9%	13.1%	18.3%	20.5%	31.8%	25.9%	31.8%	7.3%	29.7%	23.0%
% of COs with remaining maturity < 1 year	94.0%	63.2%	72.4%	72.6%	77.6%	71.8%	59.1%	57.5%	69.2%	73.7%	69.8%	73.7%
Regulatory Capital Ratio	5.72%	5.72%	5.30%	5.15%	5.33%	5.26%	5.46%	7.04%	5.44%	5.58%	5.35%	8.02%
Retained Earnings- $	27.895	1.791	2.338	1.832	2.524	1.658	1.532	4.979	3.137	2.413	1.402	4.290
Market Value of Equity as of a Percent of Capital Stock	158%	170%	139%	143%	135%	123%	156%	256%	142%	157%	153%	233%

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

Financial performance was not uniform across the FHLBanks in 2023, but it remained adequate. Net income ranged from $257.3 million to $961.5 million, while return on assets ratios ranged from 0.36 percent to 0.56 percent. At the aggregate level, FHLBank operating expenses made up 15.7 percent of net interest income.

Figure 8: Selected Income Statement Items and Ratio

($ Millions)	SYS[a]	BOS	NYK	PIT	ATL	CIN	IND	CHI	DSM	DAL	TOP	SFR
Net Income- $	6,690	257	751	582	649	668	377	660	962	874	370	539
Return on Assets	0.48%	0.37%	0.46%	0.52%	0.36%	0.49%	0.53%	0.47%	0.52%	0.56%	0.49%	0.47%
Return on Equity	9.17%	7.33%	9.11%	10.65%	7.43%	9.63%	10.57%	8.03%	10.30%	10.94%	9.56%	7.60%
Net Interest Income (NII)- $	8,991	375	994	735	890	864	496	1,059	1,305	1,018	461	795
Net Interest Spread	0.34%	0.21%	0.34%	0.38%	0.20%	0.38%	0.45%	0.41%	0.43%	0.33%	0.32%	0.35%
Yield on Advances	5.35%	5.01%	5.43%	5.40%	5.33%	5.35%	5.38%	5.41%	5.44%	5.40%	5.22%	5.25%
Yield on Investments	5.27%	5.29%	4.60%	5.20%	5.08%	5.09%	5.82%	5.71%	5.28%	5.47%	5.29%	5.51%
Yield of Mortgage Loans	3.31%	3.28%	3.27%	3.22%	5.45%	3.02%	3.17%	3.32%	3.54%	3.72%	3.24%	3.33%
Cost of Funds on COs	4.90%	4.83%	4.82%	4.88%	5.06%	4.76%	4.84%	4.93%	4.88%	5.03%	4.71%	4.96%
Operating Expenses to NII	15.7%	19.9%	18.9%	13.5%	14.7%	10.0%	19.9%	22.4%	10.6%	11.1%	16.3%	21.6%

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

Membership

The FHLBanks had a total of 6,505 members at year-end 2023, up from 6,497 at year-end 2022, primarily due to new member approvals. Membership at individual FHLBanks ranged from 283 to 1,257 members. The aggregate membership consisted of 3,660 commercial banks, 1,623 credit unions, 579 insurance companies, 572 savings institutions, and 71 non-depository community development financial institutions (CDFIs). Approximately 57.8 percent of FHLBank members were borrowers. At each of the FHLBanks of New York, Pittsburgh, Atlanta, Cincinnati, and San Francisco, more than 70 percent of total advances were attributable to the FHLBank's 10 largest borrowers. Commercial banks accounted for 56.2 percent of member advances at the end of 2023, down from 58.9 percent of advances at the end of 2022. Conversely, insurance companies increased to 18.3 percent from 16.9 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	6,505	427	325	283	795	609	350	654	1,257	792	677	336
Commercial Banks	3,660	48	102	125	426	331	141	418	868	536	534	131
Credit Unions	1,623	159	106	67	246	146	138	104	270	135	90	162
Saving Associate	287	22	28	17	36	56	17	26	31	25	21	8
Savings Bank	285	116	33	31	14	15	6	31	10	28	0	1
Insurance Companies	579	79	47	41	60	54	44	68	72	61	28	25
Non-depository CDFIs	71	3	9	2	13	7	4	7	6	7	4	9
Ten Largest Borrowers- % of Advances		43.8%	72.8%	85.7%	72.7%	75.9%	53.9%	55.5%	57.0%	69.1%	64.3%	71.0%

REPORTS OF ANNUAL EXAMINATIONS FOR THE FHLBANKS

Rating Component Overview

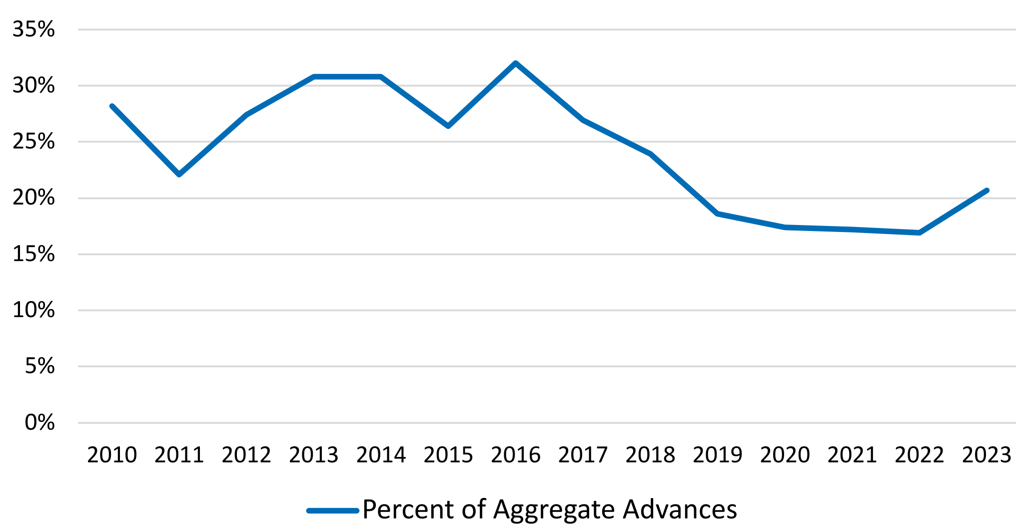
Capital – Capital management practices were satisfactory at all the FHLBanks in 2023. Levels of both capital stock and retained earnings grew year-over-year, and the System regulatory capital ratio increased to 5.72 percent at year-end 2023 from 5.55 percent one year prior, well above the 4.00 percent regulatory minimum.

The FHLBanks all had generally adequate levels of capital, including retained earnings, relative to their risk profiles. However, examiners identified areas for improvement at several FHLBanks including improving monitoring of members' minimum required capital investment, enhancing credit risk-based capital methodology and documentation, and improving alignment between retained earnings targets, risk profile, and market conditions.

Asset Quality – Asset quality was satisfactory at most of the FHLBanks in 2023. However, asset quality or credit risk management practices needed improvement at four FHLBanks. Examiners identified a variety of areas for improvement of the FHLBanks' asset quality practices, including addressing deficiencies in collateral verification review; mitigating credit risk exposure in response to recent bank failures; addressing weaknesses in AMA pricing, modeling, and monitoring practices; addressing concentration risk and exposure to large members; improving collateral stress test and haircut methodologies; improving collateral lien practices; improving member credit model performance monitoring; and improving evaluation of members' credit risks.

In general, advances are low-risk loans, but they are subject to concentration risk. In 2023, the concentration of advances to subsidiaries of large bank holding companies rose approximately 2 percent. This represented their highest level since 2019, relative to other borrowers in the System. In 2023, the five largest aggregate borrowers at the holding company level (JPMorgan Chase & Co., PNC Financial Services Group, Inc., Wells Fargo & Company, Charles Schwab Corporation, and Truist Financial Corporation) accounted for $169 billion of advances, approximately 20.7 percent of aggregate advances System-wide.

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. The Charles Schwab Corporation became a top five borrower for the first time in 2023, though it had previously been a top ten borrower in 2017.

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

Management – Examination conclusions regarding management were satisfactory at most FHLBanks in 2023. However, performance by the board of directors and management and/or risk management practices need improvement at two FHLBanks, beyond the credit risk management concerns noted in the Asset Quality section above. Examiners identified several areas of concern, including low staffing levels, overall risk governance, internal audit standards, model risk management and membership management practices, failure to hold required stakeholder meetings, conflict of interest policy, and general regulatory compliance.

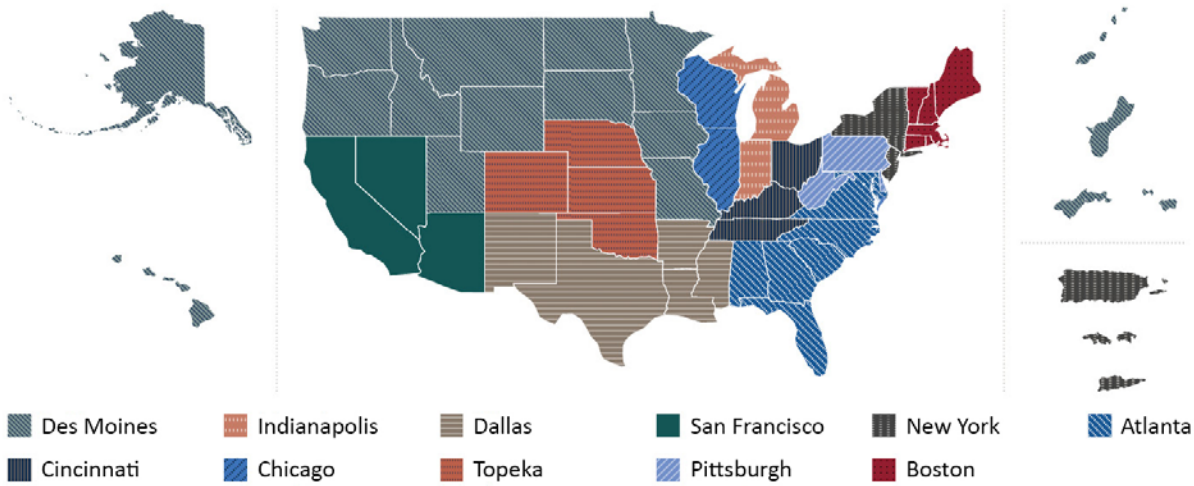
Earnings – In 2023, earnings were strong or satisfactory at all FHLBanks. While earnings and earnings quality continue to be satisfactory at the FHLBanks overall, examiners recommended that one FHLBank improve its risk assessment of member advance strategies.

Liquidity – Liquidity risk management was strong or satisfactory at all FHLBanks in 2023. Examiners identified isolated opportunities for the FHLBanks to strengthen their liquidity reporting and measurement systems, including strengthening their contingency funding plans.

Sensitivity to Market Risk – Overall, the FHLBanks had moderate levels of market risk exposure. Market risk management was well controlled or satisfactory at all FHLBanks in 2023, 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, model benchmarking, stress testing, monitoring of their callable bond portfolio, MBS oversight, and adherence to FHFA guidance.

Operational Risk – In 2023, operational risk was generally satisfactory at most FHLBanks. However, operational risk management needed improvement at four FHLBanks. The FHLBanks continued to face elevated cyber and information security risk from cyberattacks such as spoofing and ransomware. Across the FHLBanks, examiners identified areas that exhibited or could exhibit unacceptable operational risks in information security management, business continuity policy, internal controls over wire transfers, data security, user access management, third-party management and oversight, FHFA and other federal agency reporting practices, internal system controls, and vulnerability management. Several FHLBanks continued 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.

Overview of Annual Examination Results



District 1: The Federal Home Loan Bank of Boston

At the time of its July 2023 examination, the overall condition and operations of the FHLBank of Boston were satisfactory. The financial performance of the FHLBank was satisfactory, with adequate capital and liquidity levels and increasing earnings from higher advance balances. Credit risk was moderate with satisfactory member creditworthiness. Management and board of director oversight was adequate overall, although the FHLBank faced challenges in resource investment, systems upgrades, and staffing. Primary examination concerns related to an increasing level of operational risk, with many operational events occurring in the FHLBank's wire transfer function as the result of deficient payment systems controls. Oversight and risk management of the AHP were satisfactory.

District 2: The Federal Home Loan Bank of New York

At the time of its April 2023 examination, FHFA had elevated supervisory concerns regarding the FHLBank of New York. Board and senior management oversight of the FHLBank's member credit functions were deficient, with significant concerns in secured credit underwriting. Further concerns related to the FHLBank's collateral evaluation and haircut methodology and large member lending limits. Additional management concerns included deficiencies in conflict-of-interest policies and practices and model risk management. The FHLBank's sustained earnings and adequate capital base provided sufficient resources required to make necessary risk management improvements. Management of the FHLBank's liquidity risk, market risk, and operational risk were generally adequate, and the FHLBank's AHP and community investment activities were satisfactory.

District 3: The Federal Home Loan Bank of Pittsburgh

At the time of its July 2023 examination, the overall condition and operations of the FHLBank of Pittsburgh were satisfactory, but the FHLBank needed to improve its secured credit underwriting and administration practices. The FHLBank had strong capital and liquidity to support operations and meet members' advance demand, along with satisfactory earnings to support affordable housing mission and provide a competitive dividend. Oversight of operations by the board and senior management was satisfactory. Sensitivity to market risk was manageable and stable, and operational risk was moderate. Primary examination concerns related to the FHLBank's member credit assessment and extensions of credit, member credit risk management, member lending limits, model risk management, operating incident governance, and vendor risk management. Oversight and risk management of the AHP were satisfactory.

District 4: The Federal Home Loan Bank of Atlanta

At the time of its January 2023 examination, the overall condition and operations of the FHLBank of Atlanta were satisfactory. The FHLBank had sound capital, and financial performance improved notably over the prior year, returning earnings to both a satisfactory level and composition. Board and senior management oversight was satisfactory. Primary examination concerns related to asset quality because of an overall elevated risk environment and increasing risks reflected in the depository failures in March 2023, lower than average liquidity levels, and the need to enhance certain liquidity management practices. Oversight and execution of the AHP were satisfactory.

District 5: The Federal Home Loan Bank of Cincinnati

At the time of its January 2023 examination, the overall condition and operations of the FHLBank of Cincinnati were satisfactory. The FHLBank's financial condition was satisfactory, evidenced by adequate capitalization, earnings, and liquidity, and oversight of the FHLBank's sensitivity to market risk was adequate. Operational risk management practices related to business resiliency required improvement, as did the credit enhancement framework for the FHLBank's acquired member assets program. Execution and oversight of the AHP were satisfactory.

District 6: The Federal Home Loan Bank of Indianapolis

At the time of its October 2023 examination, the overall condition and operations of the FHLBank of Indianapolis were satisfactory. The FHLBank had sufficient capital and earnings; satisfactory market risk, credit risk, and operational risk profiles; and a strong liquidity position. Oversight by the board and senior management was satisfactory. Administration of the AHP and community investment activities was effective. Primary examination concerns related to credit risk management, collateral lien practices, acquired mortgages pricing methodology, backup data storage controls, operational event reporting, mortgage credit modeling practices, and compliance control testing.

District 7: The Federal Home Loan Bank of Chicago

At the time of its April 2023 examination, 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 MPF Provider, the FHLBank adequately managed the MPF program and collaborated with participating FHLBanks. Primary examination concerns related to business resiliency, credit risk management, collateral verification reviews, mortgage credit modeling, MPF servicer and custodian oversight, model risk management, access management, and Community Investment Cash Advance database controls. Oversight and execution of the AHP were satisfactory.

District 8: The Federal Home Loan Bank of Des Moines

At the time of its September 2023 examination, the overall condition and operations of the FHLBank of Des Moines were satisfactory. Oversight by the board of directors and management remained effective. The FHLBank's financial condition was satisfactory, with strong earnings performance, sound liquidity position, and satisfactory capital management. The risk profile remained adequate, with satisfactory asset quality, sensitivity to market risk, and operational risk. Primary examination concerns related to credit and collateral risk management, model risk governance and performance, and vulnerability management. Oversight and execution of the AHP were satisfactory.

District 9: The Federal Home Loan Bank of Dallas

At the time of its October 2023 examination, the overall condition and operations of the FHLBank of Dallas were satisfactory. The board and senior management effectively managed risks to the institution and remediated findings from the previous examination. The FHLBank's capital position remained satisfactory, and the liquidity position and earnings were strong. Market risks were appropriately identified and controlled. Despite weaknesses regarding risk oversight of large member credit concentrations, the FHLBank's asset quality was satisfactory with overall low credit risk. Operational risk management warranted improvement in project planning and oversight of the FHLBank's core banking system implementation, which resulted in increased information security risk exposure. Oversight and execution of the AHP were satisfactory.

District 10: The Federal Home Loan Bank of Topeka

At the time of its April 2023 examination, the overall condition and operations of the FHLBank of Topeka were satisfactory. Board and senior management oversight of the FHLBank remained satisfactory. The FHLBank had satisfactory earnings and capital positions sufficient to support operations and pay a reasonable dividend to members. The FHLBank's liquidity position was strong, and sensitivity to market risk practices improved since the prior examination to become satisfactory. Operational risk warranted improvement in the areas of business resiliency, risk management, information technology practices, and risk event analysis. Asset quality was satisfactory with overall low credit risk despite deficiencies in credit and collateral risk oversight. Oversight and execution of the AHP were satisfactory.

District 11: The Federal Home Loan Bank of San Francisco

At the time of its July 2023 examination, FHFA had elevated supervisory concerns regarding the FHLBank of San Francisco. Board and senior management oversight of the FHLBank's member credit functions were deficient, with significant concerns in secured credit administration. Other examination concerns related to outside counsel and legal fees oversight, information technology and security controls, and reverse-repurchase agreement counterparty credit. The FHLBank's sustained earnings and capital base provided sufficient resources required to make necessary risk management improvements. The FHLBank maintained a strong liquidity position with effective market risk oversight and operational risk management. Execution and oversight of the AHP were satisfactory.

Office of Finance

At the time of its January 2023 examination, the overall condition and operations of the OF were satisfactory. Oversight by the board and senior management was satisfactory, and operational risk management was adequate. Primary examination concerns related to oversight of unsupported software and third- party relationship management.

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 directors to be member directors (meaning officers or directors of member institutions) and at least 40 percent to be independent directors. Independent directors must reside in the district of the FHLBank they serve as a director and cannot be officers of an 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 service 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 $117,987 in 2023.

FHFA administers its oversight of FHLBank 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 2023, each FHLBank and the OF submitted to FHFA reports of attendance and compensation paid to their directors. The FHLBanks and the OF adjusted (reduced) director compensation for nonattendance or failure to contribute in accordance with their 2023 Policies. Figure 11 shows the approved maximum compensation amounts available in 2023 for the listed board positions at each FHLBank and the OF.

Figure 11: 2023 Annual Maximum Compensation for FHLBank Directors

Federal Home Loan Bank	Chair	Vice Chair	Audit Committee Chair	Other Committee Chairs	Directors
Atlanta	$150,000	$135,000	$130,000	$125,000	$115,000
Boston	$148,500	$126,900	$126,900	$126,900	$116,100
Chicago	$165,000	$142,000	$137,000	$127,000	$120,000
Cincinnati	$155,000	$133,658	$133,030	$130,210	$118,690
Dallas[a]	$148,835	$133,900	$129,780	$125,145	$114,330
Des Moines	$155,000	$140,000	$135,000	$130,000	$120,000
Indianapolis	$150,520	$134,090	$133,030	$129,850	$118,720
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	$152,000	$130,000	$130,000	$130,000	$120,000
San Francisco	$150,000	$136,500	$132,500	$130,000	$123,000
Topeka	$155,000	$134,500	$130,000	$130,000	$120,000
Average	$152,071	$134,459	$130,812	$127,634	$117,987
Median	$151,260	$134,090	$130,000	$129,925	$119,360

[a] The chair of the Risk Management Committee for Dallas receives $129,780.

[b] The compensation at the OF is for independent directors only. FHLBank Presidents do not receive compensation for these responsibilities. The Vice Chair is an FHLBank President.

[c] The Chair of the Risk Committee for OF also receives $122,500.

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 2023 and its component parts: compensation paid in cash, compensation deferred, and amounts paid for spouse and guest expenses.

Figure 12: FHLBank Director Compensation for 2023

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]	$85,663	$1,199,286	$31,429	$440,000	$128	$1,788	$117,220	$1,641,074
Boston	$47,927	$718,902	$75,373	$1,130,598	$0	$0	$123,300	$1,849,500
Chicago	$117,306	$2,111,500	$9,250	$166,500	$579	$10,414	$127,134	$2,288,414
Cincinnati[b]	$124,404	$2,114,866	$0	$0	$1,771	$30,100	$126,174	$2,144,966
Dallas	$108,801	$1,849,623	$12,436	$211,408	$1,392	$23,669	$122,629	$2,084,699
Des Moines	$106,716	$2,347,750	$19,648	$432,250	$222	$4,876	$126,585	$2,784,876
Indianapolis[c]	$112,353	$1,685,294	$10,430	$156,456	$798	$11,964	$123,581	$1,853,714
New York[d]	$122,105	$2,320,000	$0	$0	$1,193	$22,673	$123,299	$2,342,673
Office of Finance[e,f]	$121,500	$607,500	$0	$0	$0	$0	$121,500	$607,500
Pittsburgh	$104,157	$1,666,516	$22,500	$359,992	$400	$6,397	$127,057	$2,032,905
San Francisco	$85,400	$1,281,000	$44,533	$668,000	$285	$4,276	$130,218	$1,953,276
Topeka	$108,047	$1,836,800	$17,806	$302,700	$2,482	$42,188	$128,335	$2,181,688
Total (all directors)	$1,244,379	$19,739,036	$243,404	$3,867,904	$9,248	$158,345	$1,497,032	$23,765,285
Average	$103,698	$1,644,920	$20,284	$322,325	$771	$13,195	$124,753	$1,980,440
Median	$108,424	$1,761,047	$15,121	$257,054	$489	$8,405	$124,878	$2,058,802

[a] Atlanta had a vacancy occur on 4/25/23, and it was filled on 6/29/23. A director passed away on 7/29/23.

[b] Cincinnati had a director resign on 6/30/23.

[c] Indianapolis appointed two directors to fill vacancies on 4/1/23.

[d] New York had a director pass away on 6/11/23.

[e] Group expenses for the OF are divided by the full 16 board members rather than just the 5 independent directors.

[f] The OF had a director's term expire on 7/20/23 and a new director appointed the same day.

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 include all travel-related expenses for which the directors are reimbursed, including transportation, lodging, and food. Director Training Expenses include the costs of external speakers at board meetings, board member attendance at training conferences, and educational materials. Other Director Expenses include the costs of attendance at FHLBank-related events, such as annual member meetings, chair and vice chair meetings, and Council of FHLBanks meetings. Group Expenses include costs not directly attributable to individuals, such as food and beverages at meetings, audio-visual services, and meeting space rentals.

Figure 13: FHLBank Directors' Expenses in 2023

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	$17,697	$247,752	$3,941	$55,168	$253	$3,543	$4,245	$59,436
Boston	$5,213	$78,201	$377	$5,657	$358	$5,376	$4,097	$61,448
Chicago	$8,986	$161,743	$2,054	$36,967	$749	$13,486	$5,121	$92,183
Cincinnati	$4,652	$79,082	$1,287	$21,881	$53	$907	$4,379	$74,441
Dallas	$6,369	$108,275	$3,334	$56,672	$1,336	$22,713	$5,743	$97,629
Des Moines	$9,407	$206,953	$2,853	$62,769	$588	$12,941	$3,186	$70,098
Indianapolis	$7,587	$113,808	$2,822	$42,328	$1,298	$19,476	$8,711	$130,671
New York	$7,980	$151,621	$784	$14,892	$481	$9,136	$3,652	$69,395
Office of Finance[a]	$7,633	$38,165	$3,978	$19,889	$1,096	$5,482	$7,642	$122,272
Pittsburgh	$7,387	$118,199	$1,397	$22,353	$2,295	$36,716	$15,594	$249,502
San Francisco	$12,554	$188,305	$2,739	$41,090	$6,340	$95,105	$9,973	$149,590
Topeka	$10,417	$177,094	$1,150	$19,558	$959	$16,306	$5,047	$85,792
Total (all directors)	$105,882	$1,669,197	$26,716	$399,223	$15,808	$241,187	$77,390	$1,262,457
Average	$8,824	$139,100	$2,226	$33,269	$1,317	$20,099	$6,449	$105,205
Median	$7,806	$134,910	$2,397	$29,660	$854	$13,214	$5,084	$88,988

[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 2023

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]	$117,220	$1,641,074	$26,136	$365,899	$143,355	$2,006,973
Boston	$123,300	$1,849,500	$10,045	$150,682	$133,345	$2,000,182
Chicago	$127,134	$2,288,414	$16,910	$304,380	$144,044	$2,592,794
Cincinnati[b]	$126,174	$2,144,966	$10,371	$176,311	$136,546	$2,321,277
Dallas	$122,629	$2,084,699	$16,782	$285,289	$139,411	$2,369,988
Des Moines	$126,585	$2,784,876	$16,035	$352,761	$142,620	$3,137,637
Indianapolis[c]	$123,581	$1,853,714	$20,419	$306,282	$144,000	$2,159,996
New York[d]	$123,299	$2,342,673	$12,897	$245,044	$136,196	$2,587,717
Office of Finance[e,f]	$121,500	$607,500	$20,349	$185,808	$141,849	$793,308
Pittsburgh	$127,057	$2,032,905	$26,673	$426,770	$153,730	$2,459,675
San Francisco	$130,218	$1,953,276	$31,606	$474,090	$161,824	$2,427,366
Topeka	$128,335	$2,181,688	$17,574	$298,750	$145,908	$2,480,438
Total (all directors)	$1,497,032	$23,765,285	$225,796	$3,572,065	$1,722,828	$27,337,350
Average	$124,753	$1,980,440	$18,816	$297,672	$143,569	$2,278,113
Median	$124,878	$2,058,802	$17,242	$301,565	$142,988	$2,398,677

[a] Atlanta had a vacancy occur on 4/25/23, and it was filled on 6/29/23. A director passed away on 7/29/23.

[b] Cincinnati had a director resign on 6/30/23.

[c] Indianapolis appointed two directors to fill vacancies on 4/1/23.

[d] New York had a director pass away on 6/11/23.

[e] Group expenses for the OF are divided by the full 16 board members rather than just the 5 independent directors.

[f] The OF had a director's term expire on 7/20/23 and a new director appointed the same day.

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

Summary

Section165(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. 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.

Because no FHLBank meets the total consolidated asset threshold of $250 billion, none of them is subject to the stress test requirements of the statute. However, as the collective FHLBank System is significant in size, public perception of its viability adds to the confidence in the overall financial system. FHFA plans to initiate a rulemaking to require certain stress testing protocols for the FHLBanks. FHFA will propose adjusting the scenarios published by the Board of Governors of the Federal Reserve System (Federal Reserve Board), as warranted, to reflect the risks present in the FHLBank System, which may differ in some ways from the risks faced by financial institutions that are subject to stress testing under the Dodd-Frank Act.

The 2023 Dodd-Frank Act stress tests conducted by the Enterprises were based on their portfolios as of December 31, 2022. The stress tests covered two distinct scenarios, each over the nine-quarter period from January 1, 2023, through March 31, 2025.

First, the Baseline scenario models an environment of economic expansion in the United States, under which average nominal house prices increase gradually by about 2 percent per year throughout the scenario. The unemployment rate rises steadily to 4.9 percent by the first quarter of 2024, before declining to 4.6 percent by the end of the nine-quarter scenario. Mortgage interest rates decrease 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 38 percent and 40 percent, respectively. The unemployment rate increases significantly from 3.6 percent at the beginning of the scenario period to a peak of 10 percent in the third quarter of 2024. Short-term interest rates fall to near zero by the third quarter of 2023 and remain there through the scenario period. Long-term interest rates fall to a trough of 0.8 percent in the second quarter of 2023, remain at that level through the fourth quarter of 2023, and then gradually increase to 1.3 percent by the end of the scenario period. Mortgage interest rates fall to 3.7 percent in the second quarter of 2023, then remain stable over the next three quarters, before falling gradually to 3.3 percent by the end of the nine-quarter scenario.

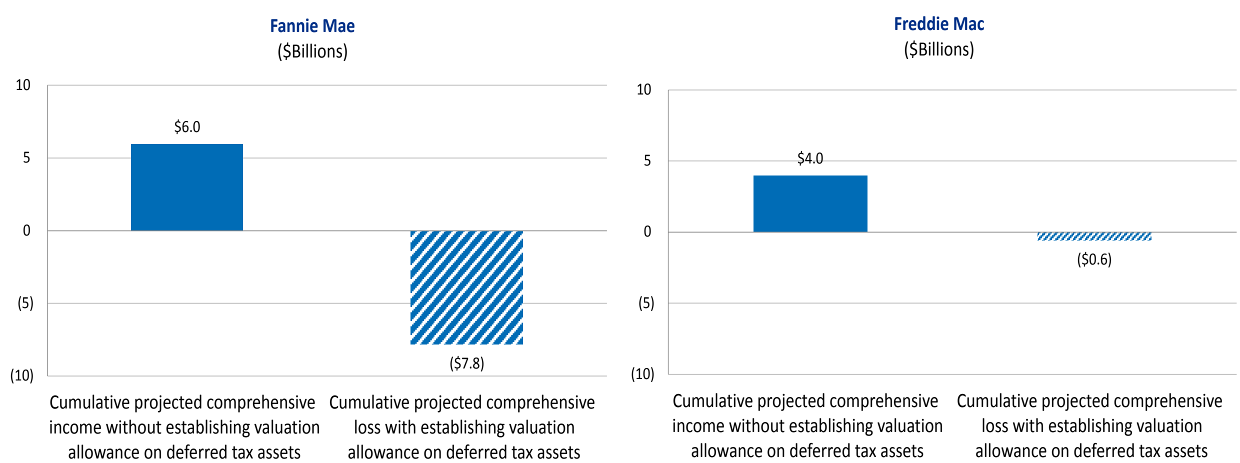
FHFA generally aligns the stress test scenario variables and assumptions with those used by the Federal Reserve Board in its annual Dodd-Frank Act stress tests. Like the stress testing assumptions used by the Federal Reserve Board for the Severely Adverse scenario, FHFA requires the Enterprises to apply 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/reverse repurchase agreements and derivative exposures, credit risk transfer reinsurance counterparties, nonbank servicers, single-family mortgage insurance providers, and providers of multifamily credit enhancements.

2023 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 10, 2023. In the Severely Adverse scenario, each Enterprise projected 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 projected total comprehensive income of $6.0 billion (without allowance) and losses of $7.8 billion (with allowance), and Freddie Mac projected total comprehensive income of $4.0 billion (without allowance) and losses of $0.6 billion (with allowance). The largest contributor to losses at both Enterprises was the provision for credit losses. The second largest expense at Fannie Mae was mark-to-market losses. At Freddie Mac, the second largest expense was the global market shock impact on trading securities and available-for-sale securities, including the counterparty default scenario component.

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



MISSION ACTIVITIES

Throughout 2023, the Enterprises and FHLBanks completed a variety of mission activities that supported the financing of affordable housing for homeowners and renters across the country amidst challenging market conditions for housing affordability. Despite market conditions, the regulated entities were able to complete statutorily-required, as well as voluntary, activities while operating in a safe and sound manner. These activities included financing affordable homeownership and rental housing, advancing equitable access to housing for underserved populations, and promoting resident-centered housing practices.[13]

In support of homeownership, the Enterprises incorporated Payment Deferral as a permanent home retention solution into the loss mitigation toolkit and continued to refine methods for assessing borrower income to positively influence automated underwriting system credit recommendations. The Enterprises also provided information to the public on discriminatory restrictive covenants and climate related property risks. Additionally, in February 2024, the Enterprises introduced temporary enhancements to their flagship affordable programs (Freddie Mac's Home Possible and Fannie Mae's HomeReady), such as the provision of a $2,500 credit for very low-income borrowers to use for down payment or closing cost assistance.[14]

As a result of these efforts, the Enterprises aided nearly 758,000 first-time homebuyers in purchasing a home.[15] Additionally, the Enterprises helped nearly 399,000 low-income borrowers (earning at or below 80 percent of area median income) to purchase a home in 2023. Of these borrowers, over 94,000 were very low-income (earning at or below 50 percent of the area median income). The Enterprises also helped nearly 189,000 borrowers at or below 100 percent area median income purchase primary homes in minority census tracts.[16]

Additionally, the Enterprises supported nearly 33,000 single-family borrowers in underserved market segments through their Duty to Serve (DTS) programs.[17] Other notable Enterprise activities included helping approximately 15,000 households purchase homes via Special Purpose Credit Program (SPCP) loans through both lender-sponsored initiatives and their proprietary SPCPs.[18]

The Enterprises also collectively helped over 400,000 renters establish or improve their credit scores by helping to establish rental payment reporting to credit reporting agencies, and both Enterprises exceeded the 2023 Scorecard mission-driven multifamily loan purchase requirements.[19] In 2023, the Enterprises enhanced their oversight of multifamily housing asset management and expanded tenant protections in multifamily housing.[20] The Enterprises also supported the financing of about 549,000 housing goal-eligible units affordable to low-income renters, almost 149,000 units affordable to very low-income renters, and over 27,000 units in small multifamily properties (5-50 units) affordable to low-income renters.[21] In 2023, 74 percent of Fannie Mae's and 66 percent of Freddie Mac's total multifamily volume, respectively, were classified as mission-driven.[22]

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13 *See* 2023 Mission Report*, available at* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2023-Housing-Mission-Report.pdf.**

14 Ibid.

15 Tabulated from Enterprise Annual Mortgage Reports.

16 Ibid.

17 Reported by Enterprises, Finalized.

18 *See* 2023 Mission Report, *available at* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2023-Housing-Mission-Report.pdf.**

19 *See* 2023 Mission Report, *available at* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2023-Housing-Mission-Report.pdf.**

20 Ibid.

21 Tabulated from Enterprise Annual Mortgage Reports & Annual Housing Activities Reports.

22 *See* 2023 Mission Report, *available at* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2023-Housing-Mission-Report.pdf.**

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 90 percent, or $1.6 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.[23]

In 2023, the FHLBanks continued to support programs for low-income housing and targeted economic development. The FHLBanks provided financing to support over 33,000 units under the Affordable Housing Program (AHP) and almost 32,000 housing units under the Community Investment Program (CIP). The FHLBanks awarded about $446.9 million through their AHP in 2023, almost $180 million more than in 2022. LIHTC properties represented more than 43 percent of the FHLBanks' total AHP General Fund projects and 55 percent of their total AHP General Fund rental projects.[24]

The FHLBanks in 2023 also provided approximately $4.2 billion in CIP housing advances, more than $1 billion of which supported rural projects. Additionally, the FHLBanks provided about $2.6 billion in targeted economic development advances under their Community Investment Cash Advances (CICA) programs.[25]

In April 2023, FHFA published a Notice of Proposed Rulemaking designed to improve FHFA's fair housing and fair lending oversight ofthe regulated entities. Following review of public comments, FHFA published the final rule on May 16, 2024.[26] The rule will codify existing practices and programs including the Enterprises' Equitable Housing Finance Plans and fair lending data reporting, FHFA's fair lending oversight of the Enterprises and the FHLBanks, and requirements for the Enterprises to collect and report homeownership education, housing counseling, and language preference information from the Supplemental Consumer Information Form (SCIF). The rule also reinforces standards for the regulated entities' boards of directors to consider fair lending and related topics in decision-making and codifies obligations related to Unfair or Deceptive Acts or Practices (UDAP).

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.[27] 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.[28] 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.[29]

Figure 16 shows the total amounts paid by each Enterprise into these Funds each year from 2016 through 2024. In March 2023, the Enterprises made, as directed, a total of $545 million in affordable housing allocation payments.

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23 Ibid.

24 *See* 2023 Mission Report, *available at* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2023-Housing-Mission-Report.pdf.**

25 Reported by FHLBanks, finalized.

26 *See* 89 FR 42768 (May 16, 2024).

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

28 *See* 12 U.S.C. § 4567(a).

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

Figure 16: Affordable Housing Allocation Payments

Enterprise	Affordable Housing Allocation Payments ($ in millions)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Fannie Mae	$217	$268	$239	$215	$280	$603	$598	$287	$155	$2,575
Freddie Mac	$165	$187	$175	$162	$222	$491	$540	$258	$146	$2,346
Total	$382	$455	$414	$377	$502	$1,090	$1,138	$545	$301	$5,204

In February 2024, the Enterprises disbursed approximately $301 million in payments. These affordable housing allocation payments were calculated based on each Enterprise's total new business purchases in the prior year.[30] Fannie Mae's new business purchases in 2023 amounted to approximately $369 billion, resulting in a $155 million affordable housing allocation payment in 2024.[31] Freddie Mac's total new business purchases in 2023 amounted to approximately $300 billion, resulting in a $146 million affordable housing allocation payment in 2024.[32]

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 2023, FHFA evaluated the mortgages purchased by the Enterprises in 2022 based on the following housing goals.[33]

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 minority census tracts home purchase subgoal and the low-income census tracts home purchase subgoal plus an annual adjustment for families with incomes no greater than 100 percent of AMI who live in designated disaster areas.

4. **Minority Census Tracts Home Purchase Subgoal:** Home purchase mortgages on single-family, owner-occupied properties to borrowers with incomes no greater than 100 percent of AMI in minority census tracts.[34]

5. **Low-Income Census Tracts Home Purchase Subgoal:** (i) Home purchase mortgages on single-family, owner-

30 *See* Fannie Mae, Form 10-K for the Fiscal Year Ended December 31, 2023, at 71 (Feb. 15, 2024); Freddie Mac, Form 10-K for the Fiscal Year Ended December 31, 2023, at 109 (Feb. 14, 2024). *See* https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-301-Million-for-Affordable-Housing-Programs.aspx.

31 Ibid.

32 Ibid.

33 *See* 12 CFR part 1282, subpart B.

34 Census tracts that have a minority population of at least 30 percent and a median income of less than 100 percent of AMI.

occupied properties to borrowers (regardless of income) in low-income census tracts[35] 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.

6. **Low-Income Refinance Goal:** Refinance mortgages on single-family, owner-occupied properties for families with incomes no greater than 80 percent of AMI.
7. **Low-Income Multifamily Goal:** Rental units in multifamily properties that are affordable to families with incomes no greater than 80 percent of AMI.
8. **Very Low-Income Multifamily Subgoal:** Rental units in multifamily properties that are affordable to families with incomes no greater than 50 percent of AMI.
9. **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.

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.

Prior to 2023, FHFA evaluated whether an Enterprise had met a multifamily housing goal by comparing the number of units in properties secured by a mortgage purchased by an Enterprise that met the goal to the benchmark level for the goal that was established in advance by FHFA regulation. Since 2023, FHFA compares the percentage of affordable units in properties secured by a mortgage purchased by an Enterprise that meet the goal to a benchmark level established in advance by FHFA regulation.

Figure 17(A) summarizes Enterprise housing goals performance in 2022. Enterprise 2022 performance figures are derived from FHFA's analysis of loan-level data provided by the Enterprises in 2023. In October 2023, FHFA finalized its determinations of Enterprise performance in 2022.

FHFA determined that both Fannie Mae and Freddie Mac met all the single-family housing goals in 2022, as each Enterprise's performance surpassed the benchmark or market level for each goal. FHFA also determined that both Enterprises met all the multifamily goals in 2022, as each Enterprise's performance surpassed the benchmark level for each goal.

[35] Census tracts where the median income is no greater than 80 percent of AMI.

Figure 17(A): 2022 Enterprise Housing Goals Performance

Enterprise Housing Goals Performance for 2022				
Category	**Benchmarks**	**Market[a]**	**Official Performance[b]**	**FHFA Goals Determination**
Single-Family Goals				
Low-Income Home Purchase Goal	28%	26.8%	Fannie Mae: 27.4%	Fannie Mae: Met
			Freddie Mac: 29.0%	Freddie Mac: Met
Very Low-Income Home Purchase Goal	7%	6.8%	Fannie Mae: 6.9%	Fannie Mae: Met
			Freddie Mac: 7.1%	Freddie Mac: Met
Low-Income Areas Home Purchase Goal	20%	28.0%	Fannie Mae: 29.6%	Fannie Mae: Met
			Freddie Mac: 28.7%	Freddie Mac: Met
Minority Census Tracts Home Purchase Subgoal	10%	12.1%	Fannie Mae: 13.5%	Fannie Mae: Met
			Freddie Mac: 12.8%	Freddie Mac: Met
Low-Income Census Tracts Home Purchase Subgoal	4%	9.7%	Fannie Mae: 9.3%	Fannie Mae: Met
			Freddie Mac: 9.1%	Freddie Mac: Met
Low-Income Refinance Goal	26%	37.3%	Fannie Mae: 34.7%	Fannie Mae: Met
			Freddie Mac: 37.1%	Freddie Mac: Met
Multifamily Goals (units)				
Low-Income Multifamily Goal	415,000	NA	Fannie Mae: 419,361	Fannie Mae: Met
			Freddie Mac: 420,107	Freddie Mac: Met
Very Low-Income Multifamily Subgoal	88,000	NA	Fannie Mae: 127,905	Fannie Mae: Met
			Freddie Mac: 127,733	Freddie Mac: Met
Small Multifamily Property Low-Income Subgoal	Fannie Mae Benchmark: 17,000	NA	Fannie Mae: 21,436	Fannie Mae: Met
	Freddie Mac Benchmark: 23,000		Freddie Mac: 27,103	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 2022 HMDA data.

[b] Official performance in 2022 as determined by FHFA, based on analysis of Enterprise loan-level data.

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.

FHFA's assessment of the Enterprises' 2023 housing goals performance is currently underway. In 2023, elevated interest rates from pandemic-era lows limited opportunities for borrowers to refinance their mortgages. Additionally, home prices and housing supply shortages resulted in affordability challenges for borrowers, so that loan origination volume for home purchases also declined.

Figure 17(B) shows the goal levels and preliminary performance figures for 2023 based on information released in March 2024 in each Enterprise's Annual Housing Activities Report and Annual Mortgage Report. Later in 2024, FHFA will make final determinations on the Enterprises' housing goals performance and market levels for 2023.

Figure 17(B): 2023 Enterprise Housing Goals Performance (Preliminary)

Enterprise Housing Goals Performance for 2023		
Category	**Benchmark**	**Reported Performance[a]**
Single-Family Goals		
Low-Income Home Purchase Goal	28%	Fannie Mae: 26.1%
		Freddie Mac: 28.5%
Very Low-Income Home Purchase Goal	7%	Fannie Mae: 6.0%
		Freddie Mac: 6.8%
Low-Income Areas Home Purchase Goal	20%	Fannie Mae: 28.1%
		Freddie Mac: 29.5%
Minority Census Tracts Home Purchase Subgoal	10%	Fannie Mae: 12.6%
		Freddie Mac: 13.2%
Low-Income Census Tracts Home Purchase Subgoal	4%	Fannie Mae: 9.3%
		Freddie Mac: 9.4%
Low-Income Refinance Goal	26%	Fannie Mae: 38.4%
		Freddie Mac: 43.2%
Multifamily Goals		
Low-Income Multifamily Goal	61%	Fannie Mae: 76.3%
		Freddie Mac: 67.1%
Very Low-Income Multifamily Subgoal	12%	Fannie Mae: 18.7%
		Freddie Mac: 20.6%
Small Multifamily Property Low-Income Subgoal	2.5%	Fannie Mae: 3.2%
		Freddie Mac: 4.1%

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

[a] Performance as reported by the Enterprises in their March 2024 Annual Housing Activities Reports. Official performance on all goals in 2023 will be determined by FHFA after analysis of Enterprise loan-level data is completed.

Duty to Serve

The Safety and Soundness Act provides that the Enterprises have a duty to serve certain statutorily defined 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.[36] 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.

FHFA's regulation implementing the Duty to Serve (DTS) statutory requirements[37] 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.

In April 2023, FHFA published a final rule, which took effect in July 2023, that amends the DTS regulation to allow Fannie Mae and Freddie Mac activities in all census tracts containing colonias to be eligible for Duty to Serve credit in the rural housing market. The amendments expand the Enterprises' ability to provide liquidity and to help meet the needs of people living in colonia census tracts by addressing operational challenges with the previous regulatory provision that required identifying and verifying DTS-eligible loan purchases and outreach activities in colonias. The amendments treat colonia census tracts similarly to high-needs regions under the regulation and will allow the Enterprises to better serve these areas in both multifamily and single-family lending.

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 from FHFA for each market in these Plans on April 26, 2022.[38]

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36 *See* 12 U.S.C. § 4565.

37 [12 CFR part 1282, subpart C.]

38 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.

2022-2024 Plan Modifications

Under FHFA's Evaluation Guidance applicable to the Enterprises' 2022-2024 DTS Plans, 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 only occur in response to special circumstances beyond an Enterprise's control that either: (1) materially alter its ability to execute an objective through the actions in its Plan or (2) strengthen an Enterprise's commitment to an underserved market. Examples include making a target more ambitious, broadening the scope of an activity, or adding a new baseline to an objective.[39]

The DTS regulation provides that all Plan modification requests are subject to FHFA Non-Objection, and that FHFA may seek public input on Plan modification requests if FHFA "determines that public input would assist its consideration of the proposed modifications."[40] In 2023, the Enterprises submitted a combined 31 modification requests including five technical edits. Fannie Mae's proposals included modifications to 16 existing objectives and added four new objectives. Freddie Mac's proposals included 11 modifications to existing objectives.

In November 2023, FHFA posted a 30-day Request for Input (RFI) on its website seeking feedback on the Enterprises' most significant modification proposals. The RFI included seven proposed modifications from Fannie Mae and eight proposed modifications from Freddie Mac. FHFA received 15 input submissions providing feedback on the proposed modifications and broader feedback on the Enterprises' Plans. After reviewing all of the modification requests and the input received, FHFA issued Non-Objection determinations for all three underserved markets of each Enterprise's modified Plan on January 9, 2024.

2023 Activities

In 2023, in the manufactured housing market, both Enterprises exceeded their objectives for purchasing blanket loans for Manufactured Housing Communities (MHCs) with certain pad lease protections specified in the DTS regulation. Fannie Mae purchased loans with $2.87 billion in unpaid principal balance (UPB) and a total of 61,833 eligible units, exceeding its target of $2.0 billion in UPB, and Freddie Mac purchased loans with a total of 28,994 eligible units, exceeding its target of 11,000 units.

In the affordable housing preservation market, the Enterprises' Plans included objectives to support Residential Economic Diversity.[41] Both Enterprises exceeded their loan purchase targets for this market. Fannie Mae purchased 39 loans, exceeding its target of 30 loans. Freddie Mac purchased loans on 7,867 units, exceeding its target of 4,200 units.

Both Enterprises also purchased properties supported by state or local affordable housing programs comparable to federal programs eligible for DTS Credit. Fannie Mae purchased 69 loans with 9,694 units, exceeding its goal of 66 loans. Freddie Mac purchased loans on 471 properties with 55,750 units exceeding its modified target of 40,000 units. Freddie Mac's original target had been 45,000 units.

For the rural housing market, each Enterprise included in its Plan single-family loan purchase

39 Revised Evaluation Guidance 2022-6, *available at* **https://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/Evaluation-Guidance-2022-6.pdf.**

40 **12 CFR 1282.32(h).**

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

targets in high-needs rural regions.[42] Fannie Mae purchased 6,470 purchase-money mortgage (PMM) loans in 2023, exceeding its modified target of 5,400 loans. Freddie Mac purchased 9,503 loans (including both PMM and refinance loans) in 2023, exceeding its modified target of 6,400 loans.

In October 2023, Freddie Mac launched its HeritageOne loan product for assisting Native American borrowers in purchasing a home on tribal lands. The product aims to provide expanded access to conventional mortgages on tribal lands, with the goal of expanding homeownership and credit access within these communities. Through HeritageOne, Freddie Mac has set a 2024 Duty to Serve target to purchase 15-50 conventional loans made to federally recognized tribe members in tribal areas.

Additionally, Freddie Mac has developed training in support of the HeritageOne product that deepens appraisers' knowledge and capabilities in appraising homes in tribal areas.

Fannie Mae included a loan product objective in its Plan to increase effectiveness of its Native American Lending Conventional Initiative (NACLI) to serve Native American homebuyers on trust lands. This entailed performing mortgage origination and servicing research to simplify trust land lending. Fannie Mae solicited industry engagement by participating in at least two industry forums.

Figure 18 and 19 below outline Fannie Mae and Freddie Mac's actual DTS loan purchases in 2023 compared to the targets in their DTS Plans.

[42] 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 (changed to colonia census tract effective in July 2023), or a tract located in a persistent poverty county outside of these three regions. **12 CFR 1282.1.**

Figure 18: 2023 Fannie Mae DTS Loan Purchase Performance Relative to Plan Targets[43]

Market	Activity[a]	2023 Target[b]	2023 Modified Target	2023 Purchases[c]	Performance Relative to Target
Manufactured Housing	Manufactured Homes Titled as Real Property	9,300 loans	4,800 loans	5,689 loans	Met Target
	Manufactured Housing Communities (MHC) Not Privately Owned	7 properties		0 properties 0 units	Below Target
	Purchases of Loans Financing Manufactured Homes Purchased by an MHC Owner for Purpose of Renting to MHC Tenants	2,100 units		11,247 units	Met Target
	Manufactured Housing Communities with Certain Tenant Pad Lease Protections	$2.0 B		$2.87 B 331 properties 61,833 units	Met Target
Affordable Housing Preservation	Section 8	159 loans		105 loans 14,139 units	Below Target
	USDA Section 515	9 loans		4 loans 248 units	Below Target
	Purchases of Loans on Properties supported by LIHTC Debt	205 loans		202 loans 27,552 units	Below Target
	Properties supported by State or Local Affordable Housing Programs Comparable to Federal Programs Eligible for DTS Credit	66 loans		67 loans 9,694 units	Met Target
	Rental Assistance Demonstration Program (RAD)	1,100 units		4 loans 2,035 units	Met Target
	Residential Economic Diversity – Affordable Housing in High Opportunity Areas or Mixed-Income Housing in Areas of Concentrated Poverty	30 loans		39 loans 5,026 units	Met Target
	Energy and Water Efficiency Improvements on Single-Family, First Lien Properties	187 loans	28-33 loans	36 loans	Met Target
	Shared Equity	175 loans	155 loans	301 loans	Met Target
Rural Housing	LIHTC Investment in Rural Areas	70 investments	20-40 investments	33 investments 1,342 units	Met Target
	High-Needs Rural Regions – Middle Appalachia, Lower Mississippi Delta, Persistent Poverty Counties, and Colonias (Single Family)	7,900 loans	5,400 loans	6,470 loans	Met Target
	High-Needs Rural Regions – Middle Appalachia, Lower Mississippi Delta, Persistent Poverty Counties, and Colonias (Multifamily)	50 loans		64 loans 7,649 units	Met Target
	Small Financial Institutions (with an asset cap of $304 million)	6,339 loans	2,200 loans	2,885 loans	Met Target
	Small Rental Properties (5-50 units) in Rural Areas	72 loans		73 loans 2,641 units	Met Target

[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 between the Enterprises.

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

[c] A loan purchase may qualify for DTS credit under multiple DTS objectives. Data is Enterprise reported and subject to FHFA review.

[43] Assessment of loan purchase performance is preliminary while FHFA conducts its annual review process.

Figure 19: 2023 Freddie Mac DTS Loan Purchase Performance Relative to Plan Targets[44]

Market	Activity[a]	2023 Target[b]	2023 Modified Target	2023 Purchases[a,c]	Performance Relative to Target
Manufactured Housing	Manufactured Homes Titled as Real Property	5,800 loans		7,963 loans	Met Target
	MHCs not Privately Owned-ROC/NPO/Gov	4 transactions		1 transaction 150 units	Below Target
	MHCs with Certain Pad Lease Protections specified in DTS Regulation	110 transactions or 11,000 units		161 transactions 28,994 units	Met Target
Affordable Housing Preservation	Section 8	27,200 units	20,400 units	427 properties 27,849 units	Met Target
	USDA Section 515	9 loans	2 transactions	0 transactions	Below Target
	Properties supported by State or Local Affordable Housing Programs Comparable to Federal Programs Eligible for DTS Credit	45,000 units	40,000 units	471 properties 55,750 units	Met Target
	Purchases of Loans on Properties supported by LIHTC Debt	55,000 units	34,100 units	339 properties 43,127 units	Met Target
	Small (5-50 unit) Rentals from Small Financial Institutions whose Total Assets do not exceed $10 billion	3 transactions $450 M		1 transaction $26 M	Below Target
	Residential Economic Diversity – Affordable Housing in High Opportunity Areas or Mixed-Income Housing in Areas of Concentrated Poverty	4,200 units		92 properties 7,867 units	Met Target
	Shared Equity Programs that Preserve Affordable Homeownership via Resale Restrictions or Shared Appreciation	125 loans		154 loans	Met Target
Rural Housing	High-Needs Rural Regions – Middle Appalachia, Lower Mississippi Delta, Persistent Poverty Counties, and Colonias (Single Family)	13,900 loans	6,400 loans	9,503 loans	Met Target
	Small Financial Institutions (with an asset cap of $304 million)	2,400 loans	1,475 loans	1,937 loans	Met Target
	USDA Section 515 Direct Loans for Affordable Rental Housing	2 properties		0 properties	Below Target
	LIHTC Equity Investments	22 transactions		26 transactions	Met Target
	LIHTC High Needs Rural Populations	3 transactions		4 transactions	Met Target
	LIHTC High Needs Rural Regions	7 transactions		7 transactions	Met Target

[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 between the Enterprises.

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

[c] A loan purchase may qualify for DTS credit under multiple DTS objectives. Data is Enterprise reported and subject to FHFA review.

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

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 FHLBank 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.[45] 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 the Bank Act to fund its AHP with at least 10 percent of its net earnings from the prior year, provided that all 11 FHLBanks meet a total contribution minimum of $100 million.[46] In 2023, the FHLBanks made available approximately $355.2 million in AHP subsidies (Figure 20).

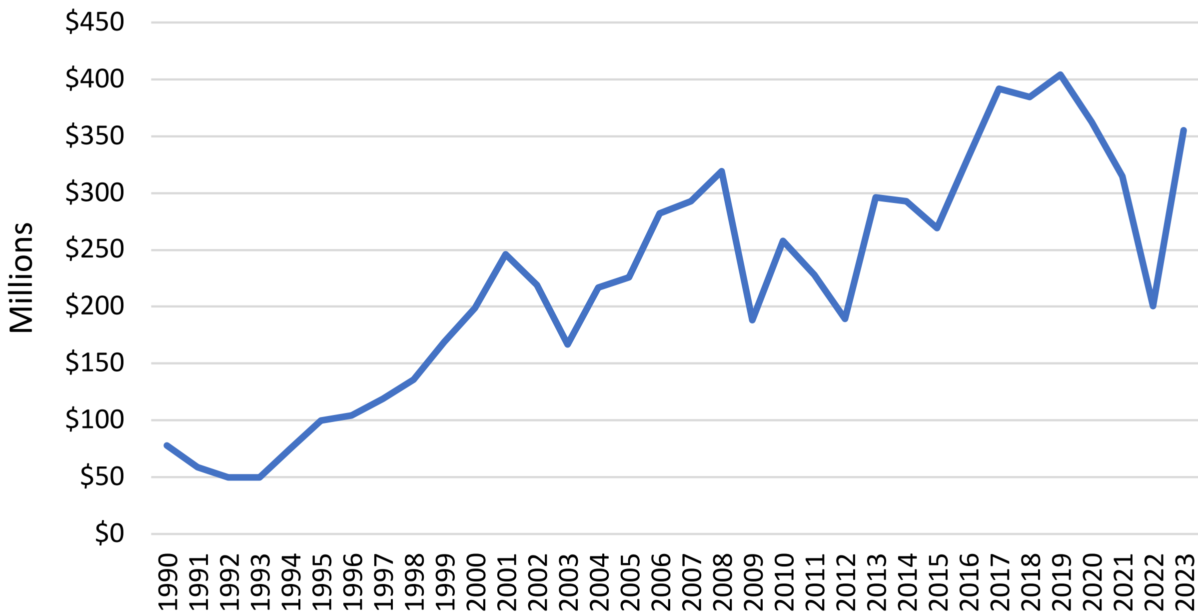
The Bank Act requires that AHP subsidies be used either to fund homeownership for households with incomes at or below 80 percent of area median income (AMI), or to purchase, construct, or rehabilitate rental housing in which at least 20 percent of the units will be occupied by, and affordable to, households with incomes at or below 50 percent of AMI. The AHP statutory provisions are implemented pursuant to FHFA's AHP regulation.[47]

45 *See* 12 U.S.C. § 1430(j).

46 *See* 12 U.S.C. § 1430(j)(5)(C).

47 *See* **12 CFR part 1291.**

Figure 20: Federal Home Loan Banks' AHP Statutory Contributions



AHP General Fund and Targeted Funds

The AHP regulation requires each FHLBank to implement a competitive application program (referred to as the General Fund). Under the General Funds, 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 2023, rental housing units represented approximately 87 percent of all units funded under the General Fund, a slight increase from 86 percent in 2022 (Figure 21).

The AHP regulation also authorizes an FHLBank, in its discretion, to establish a Targeted Fund to address specific and unmet affordable housing needs within its district that are either difficult to address through the FHLBank's AHP General Fund, or that align with objectives identified in its strategic plan. Targeted Fund awards must be made through a competitive application scoring process, with members applying for funds on behalf of project sponsors.[48] In 2023, the FHLBank of San Francisco offered a Nevada Targeted Fund in 2023, under which five project applications received awards totaling approximately $3.9 million. This funding will support 221 rental units located in Nevada.[49]

48 **12 CFR 1291.1** (definition of "targeted fund"); **12 CFR 1291.20(b)**.

49 Six project applications were originally awarded funds through the FHLBank of San Francisco's Targeted Fund, totaling approximately $4.9 million in awards, but one project, which was awarded $1 million, withdrew its application.

Figure 21: 2023 AHP General Fund Overview[a]

	Rental Housing Projects	Owner-Occupied Housing Projects	Total Housing Projects
Total Number of Awarded Projects	343	100	443
Subsidy Awarded ($ in Millions)	$266.2M	$52.8M	$319M
Number of Housing Units	17,598	2,703	20,301
Average Subsidy per Unit	$15,126	$19,536	$15,714
Number of Very Low-Income Housing Units[b]	12,206	1,414	13,620

a Data, which exclude withdrawn projects, are current as of December 31, 2023. Numbers expressed in dollars have been rounded to the nearest dollar.

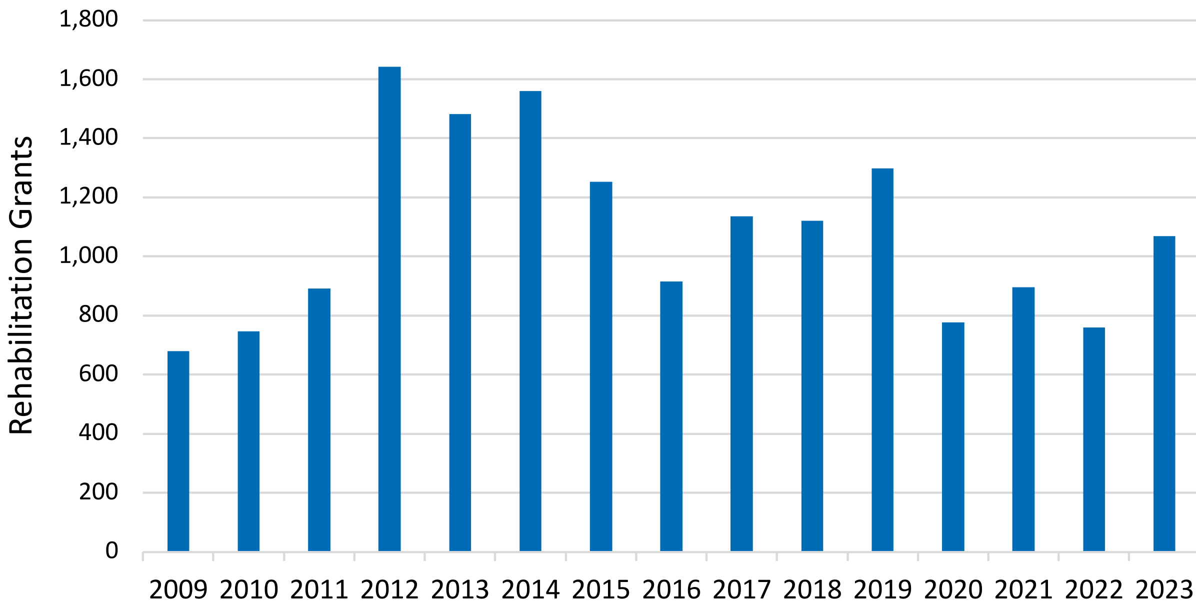
b "Very low-income" is defined as households with incomes at or below 50 percent of AMI.

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 2023, with total funding of approximately $124 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 2023 was $29,192. The FHLBanks' average set-aside grant per recipient household in 2023 was $9,865. The most common use of set-aside grants was to defray borrower down payments and closing costs, with 11,502 grants provided for such payments and costs in 2023. In 2023, 11,029 set-aside grants were provided to first-time homebuyers, and 1,069 set-aside grants funded the rehabilitation of owner-occupied homes, an increase from 760 set-aside grants for owner-occupied rehabilitation in 2022 (see Figure 22).

Figure 22: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2009-2023)



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 2023, approximately 55 percent of AHP General Fund projects received funding from other federal programs (Figure 23), such as the HOME Investment Partnerships program, Community Development Block Grant program, and LIHTC programs. The LIHTC program was the most common source of funding, supporting about 56 percent of all approved AHP applications for rental housing.

Figure 23: Number of AHP General Fund Projects Approved in 2023 Receiving Federal Funding[a]

Federal Funding Source	Projects	Funding ($Million)
Community Development Block Grant Program	31	$25.0
HOME Investment Partnerships Program	94	$69.4
LIHTC Program	189	$161.3
Federal Housing Administration Programs	9	$6.0
Other Federal Housing Programs	62	$47.3
Projects Not Receiving Funding from Federal Sources	199	$125.5

[a] Data, which exclude withdrawn projects, are current as of December 31, 2023. 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. The Bank Act requires each FHLBank to offer CIP advances to its members at the cost of the FHLBanks' consolidated obligations of comparable maturities after considering reasonable administrative costs.[50] CIP advances must be used to assist the financing of either housing for households with incomes at or below 115 percent of AMI or for economic development projects located in low- and moderate-income neighborhoods or that benefit low- and moderate-income households. In 2023, the FHLBanks provided approximately $4.2 billion in CIP advances for housing projects and approximately $270.7 million in CIP advances for economic development projects

Each FHLBank may also offer optional CICA programs, which are authorized under the Bank Act and FHFA's CICA regulation.[51] Under CICA programs, FHLBanks may offer regular or discounted long-term advances and grants through their members or housing associates (eligible state and local housing finance agencies and economic development finance authorities) to support the financing of qualified targeted economic development projects. In 2023, the FHLBanks provided approximately $2.6 billion in CICA advances and approximately $11 million in CICA grants for targeted 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.

Figure 24: CIP and CICA Program Characteristics

Program Characteristics		CIP	CICA
Type		Statutorily Required (Bank Act)	Voluntary
Participants		FHLBank members	FHLBank members and housing associates[a]
Eligible Uses		Economic Development, Mixed-Use, or Housing	Economic Development or Mixed-Use
Targeted Income	**Housing**	Household incomes are 115 percent or less of AMI	N/A
	Economic Development	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	Includes designated redevelopment areas, Empowerment Zones and Champion Communities[b], and areas where rural households' incomes are 115 percent or less of AMI, or urban households' incomes are 100 percent or less of AMI
Advance Pricing		Cost of funds plus reasonable administrative costs	Regular advance pricing or discounted advance pricing

[a] 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.

[b] *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.

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50 *See* 12 U.S.C. § 1430(i).

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

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, 2023, 440 insured depository (banks, thrifts, and credit unions) CDFIs were FHLBank members. In addition, 71 non-depository CDFIs were members of the FHLBank System, up from 70 such members in 2022.[52] In 2023, non-depository CDFIs accounted for 0.04 percent of advances outstanding.

Acquired Member Assets Purchase Activity

Under the FHLBanks' Acquired Member Assets (AMA) programs, the FHLBanks purchase qualifying residential mortgage loans from participating members. When a member sells eligible mortgage loans to an FHLBank, the FHLBank serves as a funding source for the member's housing finance lending. Figure 25 provides a summary of System-wide AMA loan purchase activity.

Figure 25: FHLBank System Acquired Mortgage Assets Acquisitions, 2023

		UPB ($ billions)	% Share of Total Acquisition UPB	Loan Count	% Share of Total Loan Count
All Acquisitions		10.419	100%	34,273	100%
Acquisitions by Selected Categories					
Loan Type	**Conventional/Conforming Loans**	10.19	97.80%	33,261	97.05%
	Loans Insured or Guaranteed by Government Agencies[a]	0.23	2.20%	1,012	2.95%
Financing Type	**Purchase**	8.60	82.55%	27,639	80.64%
	Refinance	1.82	17.45%	6,634	19.36%
Home Type	**Primary Residence**	9.30	89.22%	30,969	90.36%
	Second Home	1.12	10.78%	3,304	9.64%
Borrower Characteristics	**Moderate-Income Homeowner (80-100% AMI)**	1.00	9.62%	4,234	12.35%
	Low-Income Homeowner (50-80% AMI)	0.84	8.06%	4,776	13.94%
	Very Low-Income Homeowner (30-50% AMI)	0.16	1.51%	1,456	4.25%
	First-time Homebuyers	2.37	22.77%	8,431	24.60%

[a] Includes FHA, VA, USDA, and HUD loans.

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

FHLBank Housing Goals

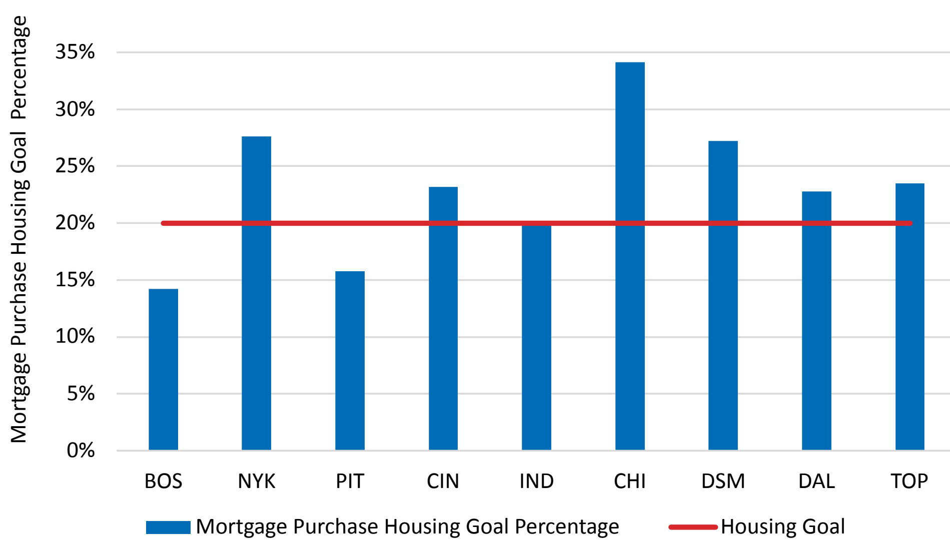
The Bank Act requires that FHFA establish housing goals with respect to the purchase of mortgage loans, if any, by the FHLBanks, and that these goals be consistent with those established for the Enterprises, considering the FHLBanks' unique mission and ownership structure. FHFA's housing goals regulation establishes housing goals for single-family loans purchased by the FHLBanks from their members through their AMA programs.[53] 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. FHFA has preliminarily determined that six of the FHLBanks that participated in the AMA program in 2023 met both the housing goals, and that three FHLBanks met the community-based user housing goal but did not meet the mortgage purchase housing goal. The regulation allows FHLBanks to propose different target levels for each housing goal, subject to FHFA approval. No FHLBanks proposed different target levels for 2023.

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 26 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 such institutions must have assets not exceeding a threshold adjusted annually by FHFA. For AMA mortgage purchase activity in 2023, this threshold was $1.417 billion. AMA program users with assets below this limit are referred to in the regulation as "community-based AMA users." FHLBank performance on this goal is shown in Figure 27 below.

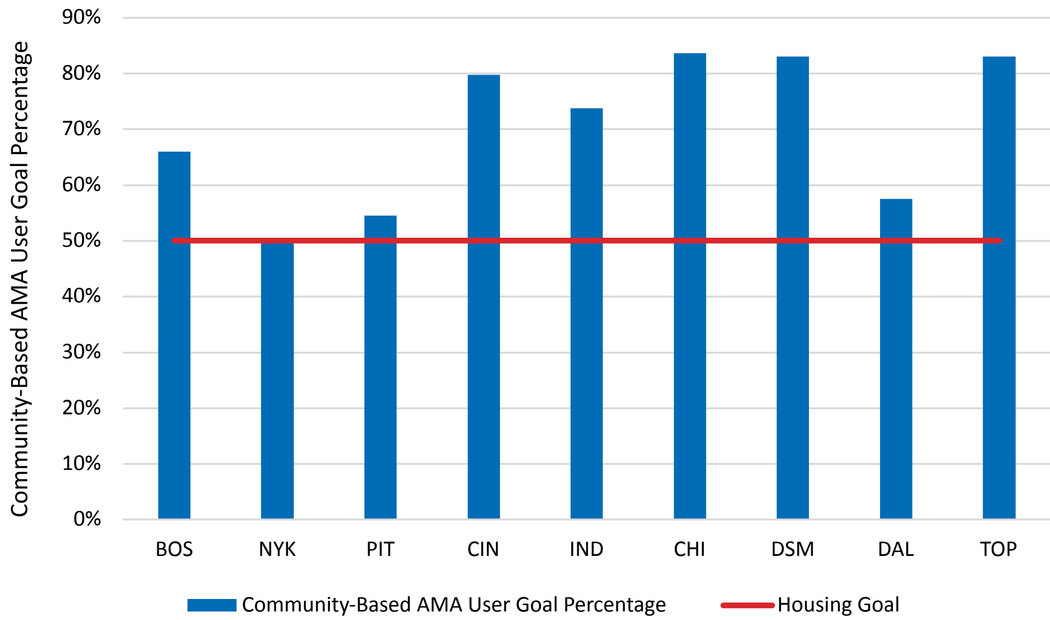
Figure 26: 2023 Federal Home Loan Bank Mortgage Purchase Housing Goal: Preliminary Performance Determinations



Note: The FHLBank of Indianapolis had 19.8 percent of its AMA loan purchases qualify for goals credit and therefore did not meet the goal target.

53 *See* 12 CFR part 1281.

Figure 27: 2023 Federal Home Loan Bank Small Member Participation Housing Goal: Preliminary Performance Determinations



Note: The FHLBank of New York had 50.0 percent of its member institutions qualify as community-based AMA users and therefore met the goal target.

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.[54] 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.[55] FHFA's Community Support Program (CSP) regulation implements these statutory provisions by establishing standards and procedures for the submission and review of FHLBank members' performance.[56] 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, and CICA programs will be restricted.[57] FHFA gives each FHLBank member one of three community support review results: compliance, probation, or restriction.

The 2023 biennial review period began on April 3, 2023, and ended on October 31, 2023. FHFA's standards for its determinations on members' community support compliance and the ensuing actions are set forth in Figure 28.

Figure 28: 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 Community Support Statement; • 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.

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[54] 12 U.S.C. § 1430(g)(1).

[55] 12 U.S.C. § 1430(g)(2).

[56] **12 CFR part 1290.**

[57] For purposes of the CSP 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

FHFA continued to work with the regulated entities to strengthen compliance with fair lending requirements in 2023. The Enterprises strengthened compliance 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.

FHFA conducts targeted fair lending examinations and other supervisory reviews of the regulated entities pursuant to Advisory Bulletin AB 2021-04, *Enterprise Fair Lending and Fair Housing Compliance*, and FHFA's Policy Statement on Fair Lending. FHFA completed two targeted fair lending examinations, completed fieldwork in additional fair lending examinations, and continued ongoing monitoring and oversight activities.

Fair lending activities by FHFA include oversight and enforcement related to federal laws intended to ensure fair, equitable, and nondiscriminatory access to credit for both individuals and communities. In 2023, FHFA took meaningful steps to advance fairness and equity in the housing finance system. FHFA published Advisory Bulletin AB 2023-05, *Enterprise Fair Lending and Fair Housing Rating System*, on September 27, 2023.[58] The first-of-its-kind fair lending rating system is designed to target Enterprise compliance management and fair lending and equity efficacy. Fannie Mae and Freddie Mac will be rated on: 1) Enterprise Operations and Efficacy, 2) Fair Lending Oversight Program, 3) Supervision Process and Legal Compliance, and 4) Equitable Housing Finance. The first nonpublic ratings were issued in early 2024 based on 2023 engagements with the Enterprises. This rating system is intended to accompany FHFA's Policy Statement on Fair Lending and Advisory Bulletin[59] to provide comprehensive fair lending oversight of the Enterprises.

58 **Advisory Bulletin AB 2023-05** (Sept. 27, 2023).

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

CLIMATE CHANGE AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Over the course of 2023, FHFA made significant progress in identifying options for incorporating climate-related financial risks into regulated entity governance. Each of FHFA's eight Agency-wide working groups achieved continued progress in their designated focus areas: data and research, assessing climate exposure, governance, reporting and disclosure, consumer protection, green bonds, 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 2023, the Data and Research working group continued coordinating with FHFA's regulated entities to identify climate risk and sources of data gaps. FHFA publicly released two climate risk-related papers in 2023: a literature review of research on climate change and mortgage finance[60] and a paper evaluating the effects of hurricanes on public transit infrastructure and house prices.[61] FHFA continued to make progress on research related to the regulated entities' exposure to risk and natural disaster impacts on housing prices and loan performance.

The Assessing Exposure to Climate Change working group continued evaluating existing modeling approaches and the addition of third-party climate models with the regulated entities. The working group also engaged with the Enterprises on the development and internal testing of climate scenario methodologies, and continued discussions on issues faced by the Federal Home Loan Banks in conducting climate-based modeling.

The Governance working group continued working with the Enterprises on further integration of climate and ESG into their risk management frameworks and the development of longer-term strategies to address the effects of climate risk on their businesses.

The Reporting and Disclosure working group continued engaging with the regulated entities to ensure their climate and ESG reports were harmonized to the extent practical and helped the Enterprises prepare for new climate reporting standards later finalized in March 2024. For example, the group reviewed the Enterprises' 2022 voluntary ESG reports[62] and worked with both Enterprises on the development of quantitative sustainability accounting metrics—including greenhouse gas (GHG) emissions.

The Consumer Protection working group consulted with the Enterprises on identifying metrics that may enhance consumer understanding of climate risks. The working group also published a blog post on the Agency's climate change and ESG website, highlighting past accomplishments and continuing areas of focus.[63]

The Green Bonds working group maintained engagement with the Enterprises and other stakeholders to review ways to further encourage efficiency and resiliency efforts.

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60 *See* **https://www.fhfa.gov/PolicyProgramsResearch/Research/Pages/wp2305.aspx**.

61 *See* **https://www.fhfa.gov/PolicyProgramsResearch/Research/Pages/wp2306.aspx**.

62 Fannie Mae's 2022 Environmental, Social, and Governance (ESG) report was published in June 2023 and is *available at* **https://www.fanniemae.com/media/48156/display**. Freddie Mac's 2022 Sustainability report was published in September 2023 and is *available at* **https://www.freddiemac.com/about/pdf/2022_Sustainability_Report.pdf.**

63 *See* **https://www.fhfa.gov/Media/Blog/Pages/Understanding-Climates-Impact-on-Vulnerable-Populations.aspx.**

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

During 2023, the Division of Federal Home Loan Bank Regulation completed an assessment of the responses from the Federal Home Loan Banks to the Agency's Climate Change, ESG, and Natural Disaster Horizontal Review.[64] In March 2023, FHFA also conducted an ***FHLBank System at 100: Focusing on the Future*** roundtable discussion on climate resiliency.[65] The roundtable included topics such as resilient building, disaster recovery efforts, risk management, consumer awareness, consumer protections, and transition risk.

FHFA recognizes the value of working collaboratively with other organizations to address climate change. During 2023, FHFA staff continued participating in outreach and engagement with a range of federal and industry stakeholders.

For example, over the course of the year, FHFA collaborated with the Consumer Financial Protection Bureau to assess consumer awareness of flood risk and flood insurance through the 2023 American Survey of Mortgage Borrowers.[66] FHFA additionally continued using the Agency's climate change and ESG website as a platform to detail ongoing climate initiatives.[67]

In 2023, FHFA staff remained active 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. FHFA also remained a participating member in workstreams related to supervision, scenario design, and capacity building within the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). In April 2023, FHFA became a member agency of the Mitigation Framework Leadership Group.[68] FHFA contributed to many projects and deliverables as an active member of these organizations. Deliverables have included Agency progress reports, member surveys, and reviewing and/or providing comments on draft workstream charters, project plans, and draft climate reports.

In October 2023, FHFA held its second Economic Summit on Climate Risk. The Summit brought together a range of stakeholders from government, industry, and academia to engage in shared discourse on the following topics: climate change and insurance; land use regulations, disclosures, and risk modeling; and disaster risk and house prices. In November 2023, FHFA held a Single-Family Insurance Symposium which included panels with insurance commissioners, insurance companies, and other industry stakeholders. The event entailed discussion on current trends in the insurance market related to climate risk and perspectives from insurers, investors, and consumers.

FHFA's ongoing work on climate risk issues will entail a continued focus on data collection and coordination with the regulated entities to conduct research contributing toward further analysis and reduction of climate data gaps, particularly in measuring and reporting of greenhouse gas emissions. FHFA staff will also continue working with the regulated entities on their testing and implementation of climate scenario analyses, and on the adoption of best practices in the areas of ESG reporting, governance, and consumer protection.

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64 The horizontal review, initiated in 2022, had collected information on the FHLBanks' consideration of climate change risk, plans for reporting and disclosures, and actions and strategies for responding to natural disasters.

65 *See* **https://www.fhfa.gov/Videos/Pages/FHLBank-System-at-100-Past-Regional-Roundtables.aspx**.

66 *See* **https://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/ASMB_2023_Questionnaire.pdf**.

67 FHFA's climate change and ESG website is *available at* **https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Climate-Change-and-ESG.aspx**.

68 *See* "Federal Membership." Mitigation Framework Leadership Group (MitFLG), Federal Emergency Management Agency, last updated September 7, 2023, **https://www.fema.gov/emergency-managers/national-preparedness/frameworks/mitigation/mitflg**.

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[69] (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 of minorities, women, and individuals with disabilities, and the businesses they own in all business activities at all levels of the regulated entity, including in management, employment, procurement, insurance, and all types of contracts.[70] The MWI Rule provides the FHFA Director with examination 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."[71]

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, FHFA recognized the importance of aligning the D&I examination ratings with other supervisory offices and divisions within the Agency 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. In 2023, the D&I examination function introduced a revamped, pilot D&I examination rating system to provide consistency and focus on critical "pillar" areas and management. Under the pilot rating system, examiners assign ratings to the component areas of Employment, Procurement, Integration of D&I into Financial Activities, and Corporate Governance (EPIC).

Diversity and Inclusion Examination Results

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 2023, FHFA completed its seventh year of examinations of the regulated entities' D&I programs. FHFA examined the D&I programs of the Enterprises and CSS, as well as four FHLBanks. FHFA communicated examination

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69 *See* **12 CFR part 1223.**

70 *See* 12 U.S.C. § 4520(b).

71 *See* **12 CFR 1223.24.**

concerns through the issuance of written examination findings and prepared reports of examination for delivery to the regulated entities, including the first D&I report of examination under the pilot EPIC rating system. The regulated entities prepared remediation plans to address identified issues in timeframes acceptable to FHFA.

ENTERPRISE NEW PRODUCTS

The Safety and Soundness Act requires FHFA to review new Enterprise activities to determine whether an activity is a new product that is subject to FHFA's approval before the product can be offered to the market.[72] Before making a decision on a new product proposal, the Safety and Soundness Act requires FHFA to provide the public with notice and an opportunity to comment on the proposal and prescribes a 30-day public notice period. The Safety and Soundness Act also specifies the standards that must be considered by the Agency in acting on a new product proposal.

The Prior Approval for Enterprise Products regulation implements these statutory requirements and establishes a process for identifying new activities and new products. The statute and the regulation are intended to provide transparency to the public regarding Enterprise activities, acknowledging the significant impact that the Enterprises' activities have on the U.S. housing finance system, market participants, and the broader economy. The regulation formalizes FHFA's commitment to "make public information related to the Director's determinations on new activity and new product submissions within a reasonable time period after the end of the calendar year during which either Enterprise filed such a submission."[73]

The regulation became effective on April 28, 2023. Between April 28, 2023, and April 28, 2024, FHFA completed its review of 10 new activities and, based on factors set forth in the regulation, determined that three should be treated as new products that merit pubic notice and comment about whether they are in the public interest. The regulatory factors taken into consideration fall into three broad categories: (1) the impact of the proposed new product on the Enterprise's public mission; (2) the impact of the proposed new product on the stability of the mortgage finance or financial system; and (3) the impact of the proposed new product on the competitiveness of the housing finance market. On April 22, 2024, FHFA published in the Federal Register a notice for public comment on Freddie Mac's request to purchase closed-end second mortgages on properties for which it already holds the first mortgage as a new product. [74] In accordance with the regulation, FHFA will seek public comment on additional proposed new products only after an Enterprise requests approval to proceed with the new product.

REGULATORY ACTIVITIES

FHFA's regulatory activities support the accomplishment of its mission as regulator of the Enterprises and the FHLBanks. In 2023, FHFA issued 19 proposed rules, final rules, policy guidance documents, regulatory orders, and regulatory waivers, which are summarized in the following tables. The tables also indicate if a proposed 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.

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72 *See* 12 U.S.C. § 4541.

73 **12 CFR 1253.10.**

74 89 FR 29429 (Apr. 22, 2024), *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Publishes-New-Product-Notice-for-Freddie-Mac-Second-Mortgage-Proposal.aspx.**

Proposed Rules: Regulated Entities			
Rule/Regulation Title	**Reference**	**Date (2023)**	**Description/Explanation/Comments**
Exception to Restrictions on Private Transfer Fee Covenants for Loans Meeting Certain Duty To Serve Shared Equity Loan Program Requirements Proposed Rule	88 FR 65827; 12 CFR part 1228	September 26	Proposed changes would establish an additional exception to the restrictions for loans on properties with private transfer fee covenants, and related securities, if the loans meet certain shared equity loan program requirements for Resale Restriction Programs in FHFA's Duty to Serve Underserved Markets Regulation. The amendments were adopted in final form on March 12, 2024.
Suspended Counterparty Program Amendments Proposed Rule	88 FR 47077; 12 CFR part 1227	July 21	Proposed changes would expand the categories of covered misconduct on which a suspension could be based to include sanctions arising from certain forms of civil enforcement. The proposed rule would also eliminate the requirement that any final suspension order be preceded by a proposed suspension order, but only when the suspension is based on an administrative sanction.
Quality Control Standards for Automated Valuation Models Proposed Rule	88 FR 40638; 12 CFR part 1222	June 21	This is a proposed rule by FHFA, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Federal Reserve Board), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), and the Consumer Financial Protection Bureau (CFPB) – collectively, the agencies. The proposed rule would implement the quality control standards mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for the use of automated valuation models (AVMs) by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling. Under the proposal, the agencies would require institutions that engage in certain credit decisions or securitization determinations to adopt policies, practices, procedures, and control systems to ensure that AVMs used in these transactions to determine the value of mortgage collateral adhere to quality control standards designed to ensure a high level of confidence in the estimates produced by AVMs; protect against the manipulation of data; seek to avoid conflicts of interest; require random sample testing and reviews; and comply with applicable nondiscrimination laws.
Prudential Management and Operations Standards Proposed Rule	88 FR 28433; 12 CFR part 1236	May 4	Proposed changes would clarify that the rule's procedures related to corrective plans and orders apply to Standards established as regulations in addition to Standards established as guidelines, consistent with FHFA's statutory authority. The proposed amendments would also revise definitions and make other conforming changes. FHFA is not proposing to establish new Standards or to revise Standards already established. However, FHFA is proposing that the rule and some of the existing Standards in the appendix to the rule be made applicable to the Office of Finance of the Federal Home Loan Bank System (OF). The amendments were adopted in final form on January 19, 2024.
Fair Lending, Fair Housing, and Equitable Housing Finance Plans Proposed Rule	88 FR 25293; 12 CFR part 1293	April 26	Proposed rule would address barriers to sustainable housing opportunities for underserved communities by codifying existing FHFA practices in regulation and adding new requirements related to fair lending, fair housing, and equitable housing finance plans. The proposed rule would also improve FHFA's fulfillment of its statutory purposes and its oversight of the regulated entities and their fulfillment of their statutory purposes. The rule was adopted in final form on May 16, 2024.
Enterprise Regulatory Capital Framework – Commingled Securities, Multifamily Government Subsidy, Derivatives, and Other Enhancements Proposed Rule	88 FR 15306; 12 CFR part 1240	March 13	See final rules table; final rule was published on November 30, 2023.

Final Rules: Regulated Entities			
Rule/Regulation Title	**Reference**	**Date (2023)**	**Description/Explanation/Comments**
Enterprise Regulatory Capital Framework – Commingled Securities, Multifamily Government Subsidy, Derivatives, and Other Enhancements Final Rule	88 FR 83467; 12 CFR part 1240	November 30	Amends the ERCF by adopting several provisions for the Enterprises. The final rule includes modifications related to guarantees on commingled securities, multifamily mortgage exposures secured by government-subsidized properties, and derivatives and cleared transactions, among other items. The rule went into effect on April 1, 2024, except for the amendments to §§ 1240.36, 1240.37, and 1240.39 which are effective on January 1, 2026.
Enterprise Duty to Serve Underserved Markets – Colonia Census Tract Amendments Final Rule	88 FR 23559; 12 CFR part 1282	April 18	Amends FHFA's Enterprise Duty to Serve Underserved Markets regulation to facilitate the Enterprises' ability to operationalize their Duty to Serve activities and thereby help increase liquidity in underserved communities. The amendments added 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 make activities by the Enterprises in all colonia census tracts eligible for Duty to Serve credit. The rule went into effect on July 1, 2023.
Prior Approval for Enterprise Products Final Rule – Delay of Effective Date	88 FR 11779; 12 CFR part 1253	February 24	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 effective date of the final rule, published December 27, 2022, at 87 FR 79217, was delayed until April 28, 2023, by Notice dated February 24, 2023.

Policy Guidance: Regulated Entities and the Office of Finance			
Policy Subject	**Reference**	**Date (2023)**	**Description/Explanation/Comments**
Advisory Bulletin on Federal Home Loan Bank Framework for Pilot and Voluntary Programs	AB 2023-06	November 9	Communicates to the FHLBanks FHFA's guidance about the Agency's expectations that each FHLBank's board of directors establish a framework that sets specific prudential parameters and operational standards for the FHLBank's development and implementation of, and reporting on, pilot programs and voluntary programs. Each FHLBank's board should adopt its pilot and voluntary program framework as soon as practicable, but no later than March 29, 2024.
Advisory Bulletin on Enterprise Fair Lending and Fair Housing Rating System	AB 2023-05	September 27	Communicates the rating system to be used when assessing the Enterprises for fair lending, fair housing, and equitable housing compliance. The Enterprise Fair Lending and Fair Housing Rating System is a risk-focused rating system under which each Enterprise is assigned a composite rating based on an evaluation of its fair lending compliance practices and outcomes. Specifically, the composite rating of an Enterprise is based on an evaluation and rating of four components: Enterprise Operations and Efficacy, Fair Lending Oversight Program, Supervision Process and Legal Compliance, and Equitable Housing Finance. FHFA considers ensuring Enterprise compliance with fair lending laws part of FHFA's obligation to affirmatively further the purposes of the Fair Housing Act.
Supplemental Guidance to Advisory Bulletin 2021-03: Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention	AB 2023-04	August 17	Communicates to the Enterprises FHFA's supplemental guidance to FHFA AB 2021-03: Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention (Advisory Bulletin 2021-03), published on August 25, 2021. AB 2023-04 is intended to clarify FHFA's existing guidance applicable to the Enterprises.
Advisory Bulletin on FHLBank Changes to Internal Market Risk Models	AB 2023-03	April 17	Communicates to the FHLBanks and updates FHFA's previous guidance on how a FHLBank should obtain approval to implement significant changes to a previously approved internal market risk model after proper notification to FHFA. AB 2023-03 describes the procedures and documentation for the notification process and rescinds AB 2016-02, FHLBank Changes to Internal Market Risk Models.
Supplemental Guidance to Advisory Bulletin 2017-02 – Information Security Management	AB 2023-02	January 13	Communicates to the regulated entities and the OF FHFA's supplemental guidance to FHFA AB 2017-02: Information Security Management, published on September 28, 2017. AB 2023-02 clarifies FHFA's existing guidance, provides insight on industry trends, and outlines FHFA's expectation that the regulated entities' policies, procedures, and practices for ensuring safe and sound information security risk management should evolve as the cyber landscape changes.
Advisory Bulletin on Valuation of Mortgage Servicing Rights for Managing Counterparty Credit Risk	AB 2023-01	January 12	Communicates FHFA's supervisory expectations for the Enterprises to establish and implement risk management policies and procedures for monitoring and valuing seller/servicers' mortgage servicing rights (MSRs). Enterprise-wide risk management policies and procedures should be commensurate with an Enterprise's risk appetite and based on an assessment of seller/servicer financial strength and MSR risk exposure levels. Although seller/servicers assign values to their MSRs, the Enterprises should have their own processes to evaluate the reasonableness of seller/servicer MSR values. This AB applies to only MSRs for single-family mortgage loans and became effective April 1, 2023.

Regulatory Orders			
Subject	**Reference**	**Date (2023)**	**Description/Explanation/Comments**
Enterprise Appraisal Data Reporting	2023-OR-FHLMC-2; and 2023-OR-FNMA-2	December 13	The Enterprises collect data on the race, ethnicity, and sex of mortgage applicants and borrowers pursuant to their charters and public reporting requirements. These Director Orders require each Enterprise to quarterly provide to FHFA appraisal and valuation data in their possession, including the Uniform Appraisal Dataset ("the Appraisal Data"); and race, ethnicity, sex, and age data that can be matched to the Appraisal Data to the extent possible, as set out in the Reporting Instructions.
Designation of Federal Home Loan Bank Directorships for 2024	2023-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 2024, with the exception of the Dallas FHLBank.
Reporting by Regulated Entities of Stress Testing Results	88 FR 14871 (Mar. 10, 2023); 2023-OR-FNMA-1; and 2023-OR-FHLMC-1	March 7	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 2022 stress testing results (based on portfolios as of December 31, 2022), in the form and content required by the regulation and the summary instructions and guidance issued on March 7, 2023.

Regulatory Waivers: Regulated Entities		
Rule/Regulation Title	**Date (2023)**	**Description/Explanation/Comments**
Determination in Response to Change Lending, LLC's Request for Waiver of Deadline Applicable to Appeal of Federal Home Loan Bank Decisions under 12 CFR § 1263.5(a)(1)	September 18	Waives the 90-day deadline to file an appeal reflected in 12 CFR § 1263.5(a)(1) as to Change Lending, LLC, which sought to appeal the San Francisco FHLBank's denial of Change Lending, LLC's application for membership.

CONSERVATORSHIPS OF THE ENTERPRISES

In this Chapter

MANAGING THE CONSERVATORSHIPS

The ***FHFA Strategic Plan: Fiscal Years 2022-2026***[75] (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 January 4, 2023, FHFA released the ***2023 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions, LLC*** (2023 Scorecard).[76]

The 2023 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. Within those goals, the 2023 Scorecard focused on specific objectives for the Enterprises that address sustainable homeownership, affordable rental housing, equitable access to housing, and mortgage market efficiency, as well as Enterprise and CSS resilience and risk management.

The 2023 Scorecard also required the Enterprises to incorporate 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 have formalized processes to assess and integrate diversity, equity, and inclusion across their organizations and in their business activities, programs, and initiatives.[77] (See the Diversity and Inclusion section of this Report for additional detail on diversity and inclusion supervision activities.)

PROMOTE EQUITABLE ACCESS TO AFFORDABLE AND SUSTAINABLE HOUSING

The first goal under the 2023 Scorecard required the Enterprises to promote equitable access to affordable and sustainable housing. Within this category, FHFA established the following two specific objectives to guide the work of the Enterprises, each discussed further below:

- Take significant actions to ensure that all borrowers and renters have equitable access to sustainable long-term affordable housing opportunities, including efforts that further energy efficiency, resiliency, and cost savings in the mortgage process.
- Manage new multifamily purchases to remain within the multifamily cap requirements, including an expanded focus on workforce/moderate income housing.

The 2023 Scorecard required the Enterprises to develop and implement strategies in the following areas to support and advance equitable access to sustainable and affordable housing opportunities for borrowers and renters:

- Sustainable homeownership and affordable rental housing
- Equitable access to housing
- Efficiency in mortgage markets
- Climate risks

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

[76] *See* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2023-Scorecard.pdf.**

[77] *See* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-OMWI-2023-Annual-Report-to-Congress.pdf.**

Sustainable Homeownership and Affordable Rental Housing

The 2023 Scorecard required the Enterprises to develop and implement strategies to support and advance sustainable homeownership and affordable rental housing. To accomplish this objective, the 2023 Scorecard required the Enterprises to:

- Explore options to expand energy efficiency and to improve resiliency product offerings and policy guidelines.
- Explore the feasibility of expanding tenant protections in properties financed by the Enterprises.
- Identify strategies and activities to facilitate greater affordable housing supply within the limits of charter authorities.
- Plan for implementation of the approved credit score models, informed by stakeholder outreach.

Energy Efficiency and Resilience

In 2023, each Enterprise began a review of its energy efficiency and resiliency products. This review led to the implementation of certain policy changes in 2023, including Freddie Mac allowing for the combination of the CHOICERenovation and GreenCHOICE products.

The Enterprises continued to purchase single-family loans for newly constructed properties that met industry standards for energy efficiency, including through the installation of solar panels, and pooled those loans into “green” bonds[78] for investors.

Green bonds facilitate energy efficient new construction and home improvements by providing a dedicated source of financing for these properties. Each property is reviewed for certain energy standards before pooling to ensure the benefits target eligible properties.

The Enterprises also began exploring additional opportunities to improve energy efficiency for newly constructed single-family properties. FHFA and the Enterprises conducted stakeholder outreach to obtain feedback on how best to further the common goals of improving affordability, reducing energy costs, and mitigating climate risk for Enterprise-backed properties. That outreach elicited valuable insight from lenders, home builders, consumer advocates, research centers, and government agencies.

The Enterprises continued to develop strategies to support sustainable and affordable multifamily rental housing, including efforts that further energy efficiency and resiliency. FHFA and the Enterprises completed outreach and research to identify and understand best practices to encourage owners of multifamily properties to consider resiliency, electrification, and energy efficiency measures to reduce emissions and withstand adverse weather.

The Enterprises continued to provide the multifamily mortgage market with financing to support energy efficiency and resiliency. Fannie Mae’s and Freddie Mac’s Green commercial mortgage-backed securities (CMBS) products[79] provide lower cost financing for properties with a green loan certification or in exchange for reducing energy or water consumption.

In November 2023, FHFA hosted a Single-Family Property Insurance Symposium, followed by a Multifamily Property Insurance Symposium in

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78 A “green” bond is one backed by loans that finance verified energy efficiency upgrades to existing homes or newly constructed homes with verified energy scores meeting an industry standard.

79 *See* "Fannie Mae Multifamily Green MBS" *available at* **https://capitalmarkets.fanniemae.com/sustainable-bonds/green-bonds/multifamily-green-mbs** and “Freddie Mac Multifamily Green Advantage" *available at* **https://mf.freddiemac.com/product/green-advantage.**

March 2024.[80] The Enterprises assisted FHFA in planning and organizing both events and participated in panel discussions. Each event provided a forum to discuss challenges affecting the availability and affordability of property insurance coverage and potential solutions to these property insurance-related challenges. In addition, the single-family symposium included a focus on potential strategies to mitigate the impacts of climate change, and the multifamily symposium included a focus on the effects of insurance availability and affordability on the broader multifamily market.

FHFA and the Enterprises also facilitated meetings with the Department of Housing and Urban Development (HUD) and Department of Energy, and studied HUD's Preliminary Determination[81] of the adoption of energy efficiency standards for new construction published in May 2023 to develop a strong understanding of the 2021 International Energy Conservation Code along with other modern building and energy codes.

In 2024, FHFA and the Enterprises will continue industry outreach and analysis of potential improvements to residential energy efficiency and resiliency.

Resident-Centered Practices

As part of the 2023 Conservatorship Scorecard, the Enterprises worked to enhance protections for tenants at multifamily Enterprise-backed properties. Throughout the year, the Enterprises engaged in extensive research and outreach to determine how they can improve resident-centered practices.

In addition to their Scorecard obligations, the Enterprises and FHFA each conducted other tenant-focused activities. Fannie Mae conducted a survey of thousands of renters to better understand the housing challenges they face.[82] Fannie Mae's survey found that affordability and the availability of suitable housing were among renters' greatest concerns. Freddie Mac published a first-of-its-kind national survey on state-level tenant protections and compared tenant protections laws across the country.[83] In addition, FHFA published a Request for Input (RFI) in May 2023,[84] soliciting public feedback on the Enterprises' roles in tenant protections and resident-centered practices. FHFA received thousands of comments from a wide range of stakeholders.

In 2024, the Enterprises will continue to implement enhanced protections for tenants at Enterprise-financed multifamily properties. FHFA, together with the Enterprises, will evaluate a variety of policy solutions and work to identify foreseeable market, industry, and risk impacts of any policy changes.

Housing Supply

In response to the growing affordable rental housing crisis, the 2023 Scorecard included a focus on addressing supply shortages, with a particular emphasis on workforce housing (as

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80 *See* "FHFA to Host Property Insurance Symposium" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-to-Host-Property-Insurance-Symposium.aspx** and "FHFA to Host Multifamily Property Insurance Symposium" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-to-Host-Multifamily-Property-Insurance-Symposium.aspx**.

81 *See* "Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing: Preliminary Determination and Solicitation of Comment," 89 FR 33112 (Apr. 26, 2024), *available at* **https://www.govinfo.gov/content/pkg/FR-2023-05-18/pdf/2023-10596.pdf.**

82 *See* "Fannie Mae Research Identifies Challenges Faced by Today's Renters" *available at* **https://www.fanniemae.com/research-and-insights/perspectives/research-identifies-renter-challenges**.

83 *See* Freddie Mac "National Survey of Tenant Protections" *available at* **https://mf.freddiemac.com/research/insight/national-survey-tenant-protections**.

84 *See* "Tenant Protections for Enterprise-Backed Multifamily Properties: Request for Input" *available at* **https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/Multifamily-Tenant-Protections-RFI.pdf.**

defined in Appendix A of the Scorecard).[85] Throughout 2023, Fannie Mae and Freddie Mac developed and enhanced eligible workforce housing programs in which multifamily owners elect to restrict rents at affordable levels for the life of the loan in exchange for favorable pricing, without the use of public subsidy. In November 2023, FHFA announced that any qualified workforce loan purchased by an Enterprise in 2024 would be exempt from the volume caps.[86]

To support the development of affordable housing supply, FHFA also permits the Enterprises to invest in the Low-Income Housing Tax Credit (LIHTC) market as equity investors. More than 90 percent, or $1.6 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.

Implementation of Updated Credit Score Requirements

In October 2022, FHFA announced the validation and approval of the FICO® 10T and VantageScore® 4.0 credit score models for use by the Enterprises, as well as the transition to a "bi-merge" credit reporting requirement.[87] Under a "bi-merge" approach, credit reports from two, rather than three, of the nationwide consumer reporting agencies may be used, though lenders will retain the option to maintain a "tri-merge" approach if they choose.

Starting in March 2023, FHFA and the Enterprises initiated a public engagement process to solicit input on this initiative and gather information on how to ensure a smooth transition to the new credit score requirements.[88] The Enterprises conducted extensive outreach to stakeholders in the form of targeted discussions with a variety of market participants and engagement in industry conferences and webinars, as well as through a stakeholder survey, which generated nearly 1,000 responses. Respondents provided perspectives on the proposed timeline, the need for data to perform analysis of the new models and requirements, the importance of federal agency coordination, and potential mechanisms for FHFA and the Enterprises to receive feedback.

FHFA further expanded this engagement process in September 2023 with additional opportunities for ongoing stakeholder input.[89] These opportunities for input centered on public stakeholder forums addressing detailed implementation issues. As of April 2024, over 1,300 individuals had registered for these forums and FHFA has hosted eight sessions covering topics such as the use of historical data to support stakeholder analysis, sequencing of key implementation milestones, bi-merge implementation considerations, and transition period loan delivery considerations. The Enterprises have also continued to work with FICO, VantageScore, and the consumer reporting agencies to acquire and publish historical data on the new credit score models to better support market participants' transition efforts.

Fair Lending

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,

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85 2023 Scorecard. Workforce housing defined in the 2023 Scorecard Appendix A: Multifamily Definitions, p. 7., *available at* **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2023-Scorecard.pdf**.

86 *See* "FHFA Announces 2024 Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-2024-Multifamily-Loan-Purchase-Caps-for-Fannie-Mae-and-Freddie-Mac.aspx**.

87 *See* "FHFA Announces Validation of FICO 10T and VantageScore 4.0 for Use by Fannie Mae and Freddie Mac" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-Validation-of-FICO10T-and-Vantage-Score4-for-FNM-FRE.aspx**.

88 *See* "FHFA Announces Public Engagement Process for Implementation of Updated Credit Score Requirements" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-Public-Engagement-Process-for-Implementation-of-Updated-Credit-Score-Requirements.aspx.**

89 *See* "FHFA Announces Next Phase of Public Engagement Process for Updated Credit Score Requirements" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-Next-Phase-of-Public-Engagement-Process-for-Updated-Credit-Score-Requirements.aspx.**

including underserved communities. Likewise, FHFA conducts fair lending compliance and equity analysis of existing and proposed Enterprise policies.

The Enterprises and FHFA continued to perform these analyses throughout 2023. FHFA independently and continuously monitors the regulated entities for fair lending risk, conducts fair lending risk assessments on policies, programs, and activities, and oversees the integration of fair lending into key business processes.

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

Equitable Access to Housing

The 2023 Scorecard included two specific Enterprise objectives to support equitable access to housing:

- Take meaningful actions to achieve the goals and objectives of the Enterprises' Equitable Housing Finance Plans.
- Continue efforts to minimize single-family appraisal bias and improve valuation equity, including by supporting FHFA's implementation of the Property and Valuation Equity (PAVE) action plan.

In April 2023, the Enterprises released updates to their Equitable Housing Finance Plans.[90] The updates build upon the inaugural plans first published in 2022 and include adjustments based on initial research and findings.

Updates to the Enterprises' 2022-2024 plans include, but are not limited to:

- Inclusion of the Latino Housing Journey [91] and actions to remove barriers experienced by Latino renters and homeowners in Fannie Mae's plan,
- Enhanced focus on ensuring existing borrowers receive fair loss mitigation support and outcomes through monitoring and developing strategies to close any gaps,
- Provision of financial capabilities coaching to build credit and savings,
- Support for locally-owned modular construction facilities in communities of color, and
- Increases to the reach of each Enterprise's Special Purpose Credit Programs to support homeownership attainment and housing sustainability in underserved communities.

In addition, each Enterprise released a performance report describing progress under its Equitable Housing Finance Plan during 2022 and changes to its automated underwriting system to advance equitable access to housing finance, such as the inclusion of rental payments and cash flow underwriting and the use of advanced statistical techniques to improve model fairness.

In February 2023, FHFA issued a Request for Input[92] on the Enterprises' single-family social bond policy and program design. FHFA solicited input on opportunities and potential risks associated with single-family social bond issuances by the Enterprises, including information about borrower benefits and privacy. FHFA also sought input to help define criteria and appropriate impact measures for Enterprise-labeled single-family social bonds.

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90 *See* Fannie Mae's "2023 Equitable Housing Finance Plan" *available at* **https://www.fanniemae.com/media/46631/display** and Freddie Mac's "2023 Equitable Housing Finance Plan" *available at* **https://www.freddiemac.com/about/pdf/2023-Freddie-Mac-Equitable-Housing-Finance-Plan.pdf.**

91 *See* Fannie Mae's "The Latino homeowning journey" and "The Latino renting journey" *available at* **https://www.fanniemae.com/about-us/esg/social/housing-journey.**

92 *See* "Enterprise Single-Family Social Bond Policy: Request for Input" *available at* **https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/RFI-Enterprise-SF-Social-Bond-Policy.pdf.**

FHFA received input from individuals, trade associations, investors, lenders, research centers, and consumer advocates. In general, submissions acknowledged that certain markets continue to be underserved and viewed social bonds as a potential tool to increase access to credit for underserved borrowers. Some submissions also urged transparency in impact reporting and eligibility, and a willingness to be flexible and responsive to changing market conditions. In January 2024, the Enterprises jointly announced single-family social bond frameworks.[93] The Enterprises expect to assign the "social" label to single-family MBS meeting the social bond criteria beginning in June 2024. The Enterprises plan to provide impact reporting annually beginning in 2025, which will help the market understand the associated impact of the loans underlying these securities.

In August 2023, FHFA published a blog post analyzing valuation disparities in appraisals based on the Uniform Appraisal Dataset (UAD) Aggregate Statistics.[94] The UAD Aggregate Statistics data show a reduced appraisal gap in the period following the release of the PAVE action plan. While more analysis is needed to determine whether this is a causal relationship, the results represent an encouraging trend as public and private stakeholders continue efforts to eliminate appraisal bias.

In October 2023, FHFA published the new Uniform Appraisal Dataset Appraisal-Level Public Use File (PUF).[95] The PUF gives both stakeholders and the public new access to a broad set of data points and trends found in appraisal reports, while protecting borrower privacy. It contains appraisal-level data from a nationally representative sample of appraisals conducted between 2013 and 2021 and associated with mortgages acquired by the Enterprises. The dataset can be used to, among other things, study housing valuation, housing market disparities and inequities, and consumer preferences. The PUF provides the first-ever public access to appraisal-level records from the Enterprises and is the first available public dataset with borrower race and ethnicity matched to appraisal records.

In December 2023, FHFA issued orders[96] to the Enterprises to provide for long-term, regular appraisal data reporting to support FHFA's public appraisal data initiatives and FHFA supervisory oversight.

Efficiency in Mortgage Markets

The 2023 Scorecard included two specific actions for the Enterprises to foster efficiency in mortgage markets:

- Continue modernization of single-family appraisal processes and practices.
- Leverage data, technology, and other innovations to promote efficiency and cost savings in mortgage processes.

Throughout 2023, the Enterprises continued implementing new polices and testing alternate processes aimed at modernizing single-family residential valuation, improving data quality, reducing potential appraisal bias, and supporting effective risk management. This work included enhancements to their alternative valuation product offerings and ongoing engagement with industry stakeholders including lenders, appraisers, software providers, insurance companies, appraisal management companies,

93 *See* "Fannie Mae Announces Single-Family Social Bond Framework" *available at* **https://www.fanniemae.com/newsroom/fannie-mae-news/single-family-social-bond-framework**, and "Freddie Mac Releases Updated Single-Family Social Bond Framework" *available at* **https://freddiemac.gcs-web.com/news-releases/news-release-details/freddie-mac-releases-updated-single-family-social-bond-framework**.

94 *See* "Have Racial and Ethnic Valuation Gaps in Home Purchase Narrowed?" *available at* **https://www.fhfa.gov/Media/Blog/Pages/Have-Racial-and-Ethnic-Valuation-Gaps-in-Home-Purchase-Narrowed.aspx.**

95 *See* "FHFA Publishes New Uniform Appraisal Dataset Appraisal-Level Public Use File" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Publishes-New-Uniform-Appraisal-Dataset-Appraisal-Level-Public-Use-File.aspx**.

96 *See* "Order on Appraisal Data Reporting" *available at* **https://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Documents/Orders/Order-Enterprise-Appraisal-Data-Reporting-12-13-2023-FNMA.pdf** and **https://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Documents/Orders/Order-Enterprise-Appraisal-Data-Reporting-12-13-2023-FRE.pdf.**

inspection companies, mortgage insurers, and industry trade groups.

Alternative valuation methods, such as appraisal waivers, benefit borrowers by reducing cycle times, easing appraiser capacity constraints during periods of high loan volume, and, in many cases, lowering consumer costs. In March 2023, Fannie Mae introduced Value Acceptance + Property Data, an appraisal waiver accompanied by standardized property data collected by a trained, third-party workforce.[97] In August 2023, Freddie Mac expanded its existing Automated Collateral Evaluation + Property Data Report (ACE+PDR) offering to eligible purchase transactions.[98]

To further standardize property data and improve the lender and consumer experience, the Enterprises announced the joint Uniform Property Dataset (UPD) in July 2023.[99] This dataset contains all required, conditionally required, and optional data elements related to Enterprise-eligible property data collection. Adherence to the UPD was required by the Enterprises as of April 2024.[100]

In August 2023, the Enterprises jointly released updates to the Appraiser Independence Requirements (AIR) and introduced Property Data Collector Independence Requirements (PDCIR) for loans sold to the Enterprises.[101] Most notably, the AIR updates defined restricted parties and clarified that these parties are not allowed to order appraisals or be involved in the collateral valuation process. The new PDCIR sets forth standards that safeguard the independence, objectivity, and impartiality of property data collectors. In November 2023, Freddie Mac adopted the American National Standards Institute® (ANSI® Z765-2021) standard for measuring, calculating, and reporting gross living area and non-gross living area on single-family properties.[102] Fannie Mae previously adopted ANSI in December 2021, with compliance required by April 2022.[103] This alignment of the Enterprises' policies will facilitate and promote consistency of property data collected through UPD in alternative valuation products and promotes the adoption of ANSI across the valuation industry.

In June 2023, FHFA and HUD established a working group to develop more consistent reconsideration of value (ROV) standards. An ROV is a request to the appraiser to re-assess the appraised value of a property due to potential appraisal reporting deficiencies, or based upon additional information the appraiser should consider. The ROV policies were issued in May 2024, with compliance required by August 29, 2024.

FHFA worked with the OCC, FRB, FDIC, NCUA, and CFPB to issue the proposed rule on Quality Controls for Automated Valuation Models (AVMs) in June 2023. The proposed rule would implement the quality control standards mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for the use of AVMs by mortgage originators

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97 *See* "Valuation modernization" *available at* **https://singlefamily.fanniemae.com/media/33551/display**.

98 *See* "Appraisals and Property Data Collection" *available at* **https://guide.freddiemac.com/app/guide/bulletin/2023-16**.

99 *See* "Uniform Property Dataset Drives Property Data Quality" *available at* **https://sf.freddiemac.com/docs/pdf/upd-joint-announcement.pdf**.

100 *See* "Uniform Property Dataset" *available at* **https://singlefamily.fanniemae.com/delivering/uniform-mortgage-data-program/uniform-property-dataset** and "Uniform Property Dataset Drives Property Data Quality" *available at* **https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/upd#business-resources.**

101 *See* "Appraiser and Property Data Collector Independence Requirements" *available at* **https://singlefamily.fanniemae.com/media/36516/display** and "Updated Appraiser Independence Requirements (AIR) and introduction of Property Data Collector Independence Requirements (PDCIR)" *available at* **https://guide.freddiemac.com/app/servicing/bulletin/2023-16**.

102 *See* "American National Standards Institute (ANSI) Standard for 1-Unit Properties" *available at* **https://guide.freddiemac.com/app/guide/bulletin/2023-15.**

103 *See* "Standardized Property Measuring Guidelines" *available at* **https://singlefamily.fanniemae.com/media/30266/display**.

and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling. The agencies are considering comments while working to finalize this rule.

The Enterprises' Appraisal Diversity Initiative (ADI), a nationwide program to attract new and diverse entrants into the appraisal field, made significant progress. Throughout 2023, ADI engaged with over 600 aspiring appraisers working through the National Urban League's affiliate Entrepreneurship Centers, hosting 11 workshops, as well as university outreach and industry engagements. ADI sponsors are key to the program's success, and in 2023, ADI secured 12 new sponsors, exceeding the annual goal of five. This brings the total number of ADI sponsors to 34.

URLA/ULAD and UAD Initiatives

The Enterprises continued their efforts in 2023 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.

FHFA and the Enterprises required lenders to use the Supplemental Consumer Information Form (SCIF) by March 2023 as part of the conventional loan application process. The SCIF collects information both about the borrower's language preference, if any, and any homeownership education or housing counseling the borrower received. The Enterprises updated their respective Servicing Guides to require servicers to maintain fair lending data elements for the life of the loan. These changes help support fair lending compliance and promote better communication with borrowers, particularly if they can access services in their preferred languages. Post-mandate monitoring of SCIF data shows that most loans now include information on the borrower's preferred language or that the borrower has declined to provide any language preference information.

The Enterprises are also continuing a multiyear project, started in 2018, to improve appraisal data quality and consistency by updating the 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 appraisal data needs and provides the flexibility to adapt to future needs. The UAD and forms redesign project incorporates extensive feedback from and collaboration with appraisers, lenders, vendors, consumer advocates, and other industry stakeholders.

Throughout 2023, the Enterprises focused on stakeholder outreach and feedback to inform the update and expansion of published materials to support industry development efforts as part of their coordinated education and communication strategies. With joint publications in June, September, and December 2023,[104] the Enterprises provided additional resources to support ongoing efforts. In addition, the Enterprises updated and republished an expanded body of documentation to align across individual resources and provide further clarifications. The Enterprises continued development of both instructor-led and online training for appraisers, as well as online training for non-appraisers, focusing on the use and review of the updated URAR.

The UAD and forms redesign effort remains a priority on the 2024 Scorecard, and a more detailed initiative timeline was published in January 2024. The Enterprises will continue to seek stakeholder feedback to address any development challenges and complete training materials to support mortgage industry implementation efforts.

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[104] *See* **https://sf.freddiemac.com/docs/pdf/fact-sheet/uad-redesign-timeline.pdf.**

Fintech

In 2023, the Enterprises provided FHFA with support for its financial technology initiatives, including FHFA's first TechSprint[105] and for FHFA's analysis of the implications of financial technology for increasing efficiency and cost savings in housing finance markets. The Enterprises supported FHFA in the planning and execution of the Velocity TechSprint. Enterprise representatives served as on-site subject-matter experts during the TechSprint, answering questions about the Enterprises' mortgage technology offerings and sharing insights on mortgage technology matters.

The Velocity TechSprint brought together 80 participants from 60 entities who were divided into 10 teams and given a common challenge: ***How might data digitization drive transparency and increase access, fairness, affordability, and sustainability in mortgage lending?*** The TechSprint culminated with demonstrations from the teams of their proposed solutions. The Enterprises participated in FHFA's analysis of the solutions, providing feedback on themes as well as the potential impact of team proposals on the housing finance system. FHFA published a day-by-day recap of the TechSprint in October 2023[106] and an analysis of the key themes from the TechSprint in December 2023.[107] The key themes were:

- Enhancing consumer education and empowerment;
- Improving trust in a fragmented mortgage ecosystem;
- Optimizing mortgage technology solutions to further adoption;
- Building trust in digital solutions; and
- Unlocking affordable supply for underserved and first-time homebuyers.

MISMO Servicing Transfer

Common and consistent data standards help maintain continuity of servicer operations, including foreclosure prevention activities, and minimize adverse effects on borrowers due to errors during servicing transfers. The Enterprises continued to support the 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-backed loans, including data that need to be transferred to maintain servicing continuity. The Enterprises will continue to support the DWG in 2024.

Climate Risk

The 2023 Scorecard required that the Enterprises take the following actions to improve awareness of and resiliency to climate risk:

- Identify and pursue measures to enhance consumer awareness of climate risks in housing.
- Continue research to identify at-risk borrowers, properties, and communities to inform policy and improve climate-resiliency efforts.

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105 The Velocity TechSprint, held in July 2023, was a four-day, team-based event hosted by FHFA's Office of Financial Technology. It brought together technology and housing finance experts to explore innovative solutions that promote efficiency and cost savings in mortgage origination processes. *See* FHFA's Velocity TechSprint webpage *available at* **https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Velocity-Tech-Sprint.aspx**.

106 *See* "Recapping FHFA's Inaugural TechSprint" *available at* **https://www.fhfa.gov/Media/Blog/Pages/Recapping-FHFAs-Inaugural-TechSprint.aspx.**

107 *See* "FHFA's Velocity TechSprint: An Analysis of Key Themes in Data Digitization and Technology Innovations in Mortgage Originations" *available at* **https://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/FHFA-Velocity-TechSprint-An-Analysis-of-Key-Themes-December_2023.pdf**.

Throughout 2023, the Enterprises worked to better understand consumer perceptions of and experiences with climate risk. The Enterprises also assessed how to improve consumer awareness of their climate risk exposures.

The Enterprises analyzed and published the results of consumer surveys reflecting perceptions of climate-related risks and the exposure of properties. Freddie Mac conducted a national survey in March 2023 aimed at ascertaining how different generations are perceiving and adapting to weather-related events. Freddie Mac conducted a national survey in March 2023 aimed at ascertaining how different generations perceive and adapt to weather-related events. Freddie Mac then published a research brief in June 2023 summarizing survey results.[108] In December 2023, Fannie Mae published a blog underscoring comparisons between their 2020 and 2022 Consumer Flood Risk Awareness and Insurance Studies, which highlighted continuing challenges and opportunities to enhance consumer awareness about flood risk and flood insurance.[109]

Throughout 2023, both Enterprises worked with FHFA to identify metrics to enhance consumer awareness of their climate risk exposures. The Enterprises also drafted implementation strategies for disclosure of the metrics to enhance consumer understanding of climate risks and to encourage risk reduction actions.

Throughout 2023, the Enterprises continued to address data gaps and conduct research to better understand climate-related risks and identify the most vulnerable and exposed communities and properties.

Each Enterprise improved its capacity to assess the potential implications of climate change by acquiring climate risk analytics and models. The analytics will support the Enterprises in understanding how climate risk factors may affect their mortgage portfolios and enable them to conduct more granular analyses of property-level exposures to climate-related hazards such as floods and wildfires.

The Enterprises continued to participate in research conferences relevant to climate risk. At the 2023 American Real Estate and Urban Economics Association (AREUEA) summer research conference, Freddie Mac chaired and organized discussants for a session on climate risk and presented a research paper titled "Funding Household Disaster Recovery: Evidence on the Role of Insurance."[110] The Enterprises also hosted a Joint GSE Climate Risk Forum in October 2023, which included panel sessions, presentations, and individual speakers on topics related to climate resiliency within the housing finance sector.

Manage New Multifamily Purchases to Comply with Cap and Affordability Requirements

Beginning in 2015, FHFA, as conservator, has set a cap in the Scorecard that limits the amount of multifamily loans that each Enterprise may purchase during the year. 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.

108 *See* "Millennials More Concerned Than Other Generations by Weather-Related Effects on Housing" *available at* **https://www.freddiemac.com/research/consumer-research/20230602-millennials-more-concerned-than-other-generations-by-weather-related-effects-on-housing.**

109 *See* "Challenges Remain in Raising Consumer Awareness of Flood Risk" *available at* **https://www.fanniemae.com/research-and-insights/perspectives/challenges-remain-raising-consumer-awareness-flood-risk.**

110 *See* "2023 AREUEA National Conference Agenda," p. 9, *available at* **https://www.areuea.org/assets/docs/2023%20AREUEA%20Natl%20Conf%20Full%20Agenda.pdf.**

In November 2022, FHFA announced a cap for calendar year 2023 of $75 billion for each Enterprise, for a combined total of $150 billion.[111] To ensure a focus on affordable housing and underserved markets, FHFA required that at least 50 percent of each Enterprise's multifamily loan purchases be mission-driven.

The 2023 Scorecard generally defined mission-driven affordable housing as housing affordable for residents at 80 percent of area median income (AMI) or below, with special provisions for rural housing, manufactured housing communities, 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. Furthermore, a loan is mission-driven if unit rents are affordable to tenants at 100 percent of AMI or below in cost-burdened rental markets and at 120 percent of AMI or below in very cost-burdened rental markets.

FHFA added a new mission-driven category in the 2023 Scorecard for loans that preserve affordability for properties that support workforce housing with rent or income restrictions that meet market needs. This addition is intended to provide low- and moderate- income households with affordable housing opportunities at a time when supply is limited.

Each Enterprise remained below the $75 billion multifamily cap for 2023, with Fannie Mae purchasing $52.9 billion in multifamily loans and Freddie Mac purchasing $48.4 billion. In addition, each Enterprise surpassed the minimum requirement that at least 50 percent of multifamily acquisitions qualify as mission-driven. Figure 29 provides further information on each Enterprise's multifamily activity, including mission-driven activities.

[111] *See* "FHFA Announces 2023 Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac" *available at* **https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-2023-Multifamily-Loan-Purchase-Caps-for-Fannie-Mae-and-Freddie-Mac.aspx.**

Figure 29: Enterprise Multifamily Activity in 2023

	Fannie Mae		Freddie Mac	
	$ Billion	**Percent**	**$ Billion**	**Percent**
Total non-mission volume	$13.8	26.1%	$16.5	34.1%
Total mission-driven volume[a]	$39.1	73.9%	$31.8	65.9%
Loans on manufactured housing communities	$2.9	5.5%	$1.4	2.9%
Financing for targeted affordable housing properties	$5.8	11.0%	$10.0	20.7%
Loans to preserve affordability at workforce housing properties	$1.7	3.2%	$0.6	1.2%
Loans on properties located in rural areas	$2.0	3.8%	$0.9	1.9%
Loans on units affordable to those at 80% AMI[b]	$27.4	51.8%	$20.5	42.4%
Loans on units affordable to those at 100% AMI[b]	$2.6	4.9%	$2.1	4.3%
Loans on units affordable to those at 120% AMI[b]	$4.1	7.8%	$6.1	12.6%
Loans to finance energy or water efficiency improvements	$3.6	6.8%	$0.2	0.4%

Source: Fannie Mae and Freddie Mac

[a] For more information on mission-driven categories, *see* the 2023 Scorecard, Appendix A: Multifamily Definitions, p. 6: **https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2023-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] 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 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 2023 Scorecard, Appendix A: Multifamily Definitions, p. 6.

OPERATE THE BUSINESS IN A SAFE AND SOUND MANNER

The second goal under the 2023 Scorecard required the Enterprises to operate their businesses 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 meaningful amount of credit risk to private investors in a commercially reasonable and safe and sound manner, 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 2023 Scorecard required the Enterprises to:

- Address examination and supervision findings promptly.
- Maintain effective risk management systems appropriate for entities that need to minimize risk to capital as they rebuild their capital buffers.
- Take appropriate action to address risk exposure and enhance Enterprise counterparty risk controls.

- Strengthen risk management capabilities in identifying, assessing, controlling, monitoring, and reporting on climate risk and incorporating these capabilities into the overall Enterprise risk framework.
- Maintain ability to respond to operational events without significant disruption to the primary or secondary mortgage market.
- Maintain liquidity at levels required by FHFA and sufficient to sustain Enterprise operations through severe stress events.
- Continue to develop the pricing framework to maintain support for core mission single-family borrowers, ensure a level playing field for small and large sellers, foster capital accumulation, and achieve viable returns on capital.

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 2023, each Enterprise remediated 90 percent of FHFA-identified safety and soundness MRAs 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 Risk Management Systems

Under the 2023 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 goals, the Enterprises each continued to implement technology solutions to protect the security and confidentiality of sensitive information and to respond to emerging cybersecurity threats. FHFA also required the Enterprises to focus on ensuring that remediation programs were adequately funded and that any gaps or identified control weaknesses were adressed in a timely manner. The Enterprises monitored for system anomalies and cybersecurity incidents, which they reported to FHFA.

In 2023, 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.

Seller/Servicer Eligibility Requirements

In August 2022, FHFA and Government National Mortgage Association (Ginnie Mae) issued a joint announcement of their updated minimum financial eligibility requirements for Enterprise seller/servicers and Ginnie Mae issuers. 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.

The Enterprises assessed and re-proposed the minimum financial eligibility requirements considering lessons learned from market events in reaction to the COVID pandemic. Lessons learned include the:

- Increased levels of nonpayment on existing mortgages, as well as higher mortgage servicing costs, exposed the Enterprises to increased levels of counterparty risk;

- Need to address the risks associated with liquidity challenges experienced by mortgage sellers at the onset of the pandemic;
- Importance of higher requirements for large non-depository servicers that hold a substantial portion of Enterprise servicing; and
- Need to differentiate servicer liquidity requirements based on differences in remittance type.

The Enterprises updated their Seller/Servicer Guides to incorporate enhanced definitions of capital and liquidity, reduce the procyclicality of the existing liquidity requirements, and incorporate lessons learned from the pandemic. The updated requirements also include higher supplemental requirements applicable only to large non-depository servicers, defined as those having total single-family servicing with an unpaid principal balance (UPB) of $50 billion or more.

Most of the requirements became effective on September 30, 2023. The Enterprises worked with sellers and servicers throughout 2023 to ensure they increased capital and liquidity levels to comply with the updated requirements by the effective date.

Climate Risk

The Enterprises have remained engaged in addressing core climate change and environmental, social, and governance (ESG)[112] focus areas, including data and research, assessing climate exposure, ESG reporting and disclosure, governance, green bonds, and consumer protection.

In 2023, each Enterprise demonstrated progress in voluntary ESG reporting. In June 2023, Fannie Mae released its second annual ***Environmental, Social, and Governance Report,*** covering calendar year 2022, which detailed the Enterprise's progress and performance in advancing social impact, sustainability, and corporate governance.[113] Freddie Mac released its first ***Sustainability Report*** in September 2023, which detailed Freddie Mac's 2022 sustainability strategy and performance and contained Freddie Mac's Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) indices and metrics for 2020-2022.[114]

The Enterprises took further steps to integrate climate risk and ESG considerations into their board and management risk frameworks. The Enterprises also explored longer-term strategies to quantify and mitigate the effects of climate risk on their businesses. In addition, the Enterprises worked with FHFA on the development and internal testing of climate scenario methodologies to assess their physical and transition risks. In 2023, Fannie Mae established a management-level Climate Risk Committee, chaired by the Chief Risk Officer. The committee, which supports and reports to the Enterprise Risk Committee, provides executive-level engagement and oversight of Fannie Mae's activities to address climate risk.[115] Freddie Mac's cross-divisional Climate Risk Steering Committee also convened on a frequent basis to discuss and identify climate risk topics for escalation to the Enterprise's senior management and Board Risk Committee.[116]

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112 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.

113 *See* "HPE and Blackbaud named best governance teams at Corporate Governance Awards" *available at* **https://www.irmagazine.com/case-studies/hpe-and-blackbaud-named-best-governance-teams-corporate-governance-awards.**

114 *See* "Sustainability Report" *available at* **https://www.freddiemac.com/about/pdf/2022_Sustainability_Report.pdf.**

115 Detailed in Fannie Mae's "2023 Annual Report on Form 10-K" (pp. 132) *available at* **https://www.fanniemae.com/media/50336/display.**

116 Detailed in Freddie Mac's "2023 Annual Report on Form 10-K" (pp. 72-73) *available at* **https://www.freddiemac.com/investors/financials/pdf/10k_021424.pdf.**

The Enterprises' work in each area of climate risk is iterative and continues in 2024.

LIBOR Transition

On June 30, 2023, the publication of all U.S. Dollar London Interbank Offered Rate (LIBOR) settings ceased, although Intercontinental Exchange (ICE) Benchmark Administration temporarily continues to publish unrepresentative, synthetic forms of 1-, 3-, and 6-month U.S. dollar LIBOR settings, which it intends to cease after September 30, 2024. The Enterprises worked with FHFA to prepare for a prudent transition away from LIBOR in advance of the LIBOR discontinuation. The Enterprises transitioned away from LIBOR to the Secured Overnight Financing Rate (SOFR) for their debt, single-family and multifamily adjustable-rate mortgages (ARMs), collateralized mortgage rate obligations, and credit risk transfer (CRT) securities during 2020 and transitioned from LIBOR to SOFR-based derivative activity during 2022. During 2023, the Enterprises successfully transitioned remaining legacy LIBOR contracts to alternative rates, except for certain LIBOR-based single-family and multifamily ARM loans that will convert to SOFR at later dates due to their contracts.

Enterprise Liquidity

The Enterprises are required to maintain liquidity at levels specified by FHFA and sufficient to sustain Enterprise operations through severe stress events. In 2023, the Enterprises reported satisfactory liquidity levels daily to FHFA. The Enterprises' liquidity positions fully comply with FHFA liquidity requirements. In 2024, Enterprise liquidity was removed as a component of the Scorecard but will be monitored by FHFA as part of its continuous supervision activities.

Updated Single-Family Pricing Framework

The 2023 Scorecard required the Enterprises to continue developing single-family pricing frameworks that maintain support for core mission borrowers, ensure a level playing field for small and large sellers, foster capital accumulation, and achieve viable returns on capital. Beginning in 2022, the Enterprises took a series of targeted steps to update their upfront guarantee fees in support of these objectives. In January 2022, the Enterprises increased upfront fees for certain high balance loans and second home loans that are less central to the core mission of the Enterprises. In October 2022, the Enterprises eliminated upfront fees for several categories of borrowers and programs that are central to the core mission of the Enterprises: 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 (Fannie Mae and Freddie Mac's respective flagship affordable mortgage programs), HFA Preferred and HFA Advantage loans (Fannie Mae and Freddie Mac's respective Housing Finance Agency[117] loan programs), and single-family loans supporting the Duty to Serve program (which addresses rural housing, affordable housing preservation, and manufactured housing). In January 2023, the Enterprises released redesigned and recalibrated upfront fee grids, including the targeted changes made in 2022, which better aligned upfront fees with the risks associated with various types of loans and the capital required to be held against those mortgage exposures. 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.

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

Transfer a Meaningful Amount of Credit Risk to Private Investors

Single-Family Credit Risk Transfer

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

Under the 2023 Scorecard, FHFA required the Enterprises to transfer a meaningful amount of single-family credit risk to private investors. The Scorecard targeted fixed-rate loans with terms greater than 20 years and loan-to-value (LTV) ratios above 60 percent for risk transfer.

Such loans represent a substantial amount of the credit risk associated with all newly acquired single-family mortgages. In 2023, there was a sizable reduction in CRT volume at the Enterprises from the record level achieved in the prior year, primarily driven by significantly lower single-family mortgage acquisition volume that resulted from higher mortgage rates. The Enterprises transferred credit risk on single-family mortgage loans with a total unpaid principal balance (UPB) of approximately $422 billion and total risk in force (RIF) of approximately $13 billion. Since the beginning of the programs in 2013, the Enterprises have transferred a portion of credit risk on loans with approximately $6.7 trillion in UPB and total RIF of approximately $210 billion.

Multifamily Credit Risk Transfer

In 2023, transferring credit risk to the private sector also remained an integral part of the multifamily business models for both Enterprises.

Under the 2023 Scorecard, the Enterprises were required to transfer a meaningful amount of multifamily credit risk to private investors. In 2023, Fannie Mae transferred risk on approximately $53 billion of its multifamily production through its Delegated Underwriting and Servicing (DUS) program. Additionally, during the year, Fannie Mae executed two multifamily CRT transactions, one Multifamily Connecticut Avenue Securities (MCAS) transaction and one Multifamily Credit Insurance Risk Transfer (MCIRT) transaction, collectively transferring credit risk on approximately $31 billion of acquisitions.

Freddie Mac's program continued to transfer a significant amount of credit risk through its multifamily securitization program that focuses on senior/subordinate structures in capital markets transactions. Through its K-deal program, Freddie Mac transferred credit risk on approximately $33 billion of multifamily new acquisitions in 2023. Additionally, Freddie Mac executed two companion Multifamily Structured Credit Risk (MSCR)/Multifamily Credit Insurance Pool (MCIP) CRT transactions which collectively transferred credit risk on approximately $16 billion of acquisitions. Also, Freddie Mac executed three MSCR Notes transactions transferring credit risk on approximately $1.2 billion of reference obligations in 2023.

Non-Performing and Re-Performing Loan Sales

In 2023, FHFA completed a review of the Enterprises' non-performing loan (NPL) and re-performing loan (RPL) sales programs. This review resulted in several changes to the programs: (1) a new requirement for a buyer's servicer to offer payment deferral as an option in the borrower loss mitigation waterfall, (2) a new prohibition on including loans under a forbearance plan, or that were under a forbearance plan within the past 90 days, from inclusion in NPL or RPL sales, and (3) a requirement that RPL buyers and servicers, including subsequent servicers, must provide expanded loan-level reporting to the Enterprises for four years after the RPL sale. FHFA plans to utilize the enhanced RPL reporting to publish periodic reports on borrower performance following RPL sales.[118]

The Enterprises completed sales of RPLs representing approximately $1.19 billion in UPB through both structured and whole loan channels. The Enterprises also completed sales of NPLs representing approximately $1.06 billion in deeply delinquent UPB in 2023. The NPLs were sold as whole loans in both large national pools and smaller geographically concentrated pools. NPL and RPL sales reduce the number of deeply delinquent loans and loans with irregular payment histories in the Enterprises' portfolios. These sales transfer a significant amount of credit risk to private investors, thereby reducing risk to taxpayers. As the large majority of these borrowers have already exhausted Enterprise loss mitigation options, FHFA and the Enterprises impose requirements on NPL and RPL buyers designed to achieve more favorable outcomes for borrowers than would result from foreclosure. Semi-annual public reporting on NPL sales, based on data collected and submitted to the Enterprises, continues to show higher non-foreclosure outcomes for borrowers included in NPL sales than for borrowers who remained in Enterprise portfolios.

Ensure CSS Operates in a Safe and Sound Manner

Throughout 2023, 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 2023, CSS began efforts to further bolster its enterprise-wide risk management practices.

[118] *See* "Fact Sheet: Non-Performing and Re-Performing Loan Sale Requirements and Reporting Updates" *available at* **https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/NPL-RPL-Fact-Sheet-June2023.pdf.**

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 2023, FHFA reviewed and approved the elections of Michael Seelig and Chet Ragavan to serve on the Fannie Mae board of directors. Alberto G. Musalem, who had served on the Freddie Mac Board of Directors since June 2021, resigned from that position in February 2024. To date in 2024, FHFA, as conservator, has approved the election of Roy Swan to serve on the Freddie Mac Board of Directors and of Diane Lye to serve on the Fannie Mae Board of Directors. In addition, Lance Drummond began serving as non-executive chair of the Freddie Mac Board of Directors upon the retirement of the previous board chair, Sara Mathew, in February 2024.

In April 2024, FHFA instructed both Enterprises to implement an annual election schedule for all members of their board of directors.

Management

FHFA, as conservator, is working closely with Freddie Mac in its selection process to identify a new CEO after the retirement of its previous CEO, Michael DeVito, in March 2024. Freddie Mac selected its current president, Michael Hutchins, to serve as interim CEO until the earlier of the appointment of a permanent CEO or September 30, 2024.

Enterprise Compensation

No material changes were made to the Enterprises' Executive Compensation Plans in 2023, although FHFA provided the Enterprises with policy guidance and instruction on peers and position benchmarking that would conform to FHFA's view of (1) companies that are "other similar businesses" to the Enterprises and (2) an appropriate approach to assessing "similar duties and responsibilities" to Enterprise positions. As conservator, FHFA continues to require the Enterprises to defer at-risk compensation earned by executive officers[119] for two years. Compensation for the Enterprises' CEOs is maintained at a statutory limit that applies during any time the Enterprise is in conservatorship.[120] 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.

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[119] For this purpose, "executive officer" is defined at **12 CFR 1230.2**.

[120] *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.

RESEARCH AND PUBLICATIONS

In this Chapter

REPORTS TO CONGRESS

During 2023, FHFA published all reports required by statute, as well as data, research papers, and blogs related to housing and housing-market dynamics. Publicly released data, 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 2023. 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 May 2024, FHFA released its 15th annual Guarantee Fee Study Report. The report examines the fees charged by the Enterprises for guaranteeing conventional single-family mortgages in 2022, 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 15th Annual Housing Report to Congress in October 2023. This report details the Enterprises' performance in 2022 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 2023, FHFA released its 15th 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 2022.

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 Department of Treasury Judgment Fund for any settlement payments or awards made,[121] and notify employees and applicants for employment about their rights under the federal antidiscrimination and whistleblower laws. In March 2023, FHFA published the *Fiscal Year (FY) 2022 No FEAR Act Annual Report to Congress*, covering fiscal years 2018 through 2022.

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 2023, FHFA submitted its annual OMWI Report to Congress detailing the activities of FHFA's OMWI during 2022.

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

Federal Property Manager's Report/Foreclosure Prevention Report – The Emergency Economic Stabilization Act of 2008 directs Federal Property Managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. Each FPM is also required to report to Congress the number and types of loan modifications and the number of foreclosures during the reporting period. FHFA is a designated FPM in its role as conservator of Fannie Mae and Freddie Mac. FHFA delivered all monthly and quarterly FPM reports to Congress throughout 2023.

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" its responsibility to assure there are no racial disparities in interest rates charged on loans purchased by the Enterprises.[122] FHFA can require the Enterprises to submit information from which the Agency 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, it 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 2023, 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 2022. Referrals were made to each of the four federal bank regulatory agencies, as well as the Department of Housing and Urban Development (HUD) and the Consumer Financial Protection Bureau (CFPB).[123] A referral was commonly generated because of a disparity for Latino borrowers versus non-Latino white borrowers (69% of referrals), followed by Black borrowers (27%), Asian borrowers (10%), American Indian borrowers (8%), and Pacific Islander borrowers (1%).[124] APR disparities of 10 basis points or more, after regression adjustment, constituted 60 percent of the preliminary findings.

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 2022 CDO Annual Report to Congress in April 2023.

[122] *See* 12 U.S.C. § 4561(d).

[123] The federal bank regulatory agencies are the Federal Deposit Insurance Corporation (FDIC), Board of Governors of the Federal Reserve System (FRB), National Credit Union Administration (NCUA), and the Office of the Comptroller of the Currency (OCC).

[124] The figures sum to more than 100 percent because a referral can be generated due to a disparity for more than one group.

HOUSE PRICE INDEX

In 2023, 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 provide readings of house price movements at various geographic levels. FHFA produced these standard indexes on quarterly and monthly bases.

FHFA released quarterly HPI Dashboards in 2023. These included:

- FHFA HPI Top 100 Metro Area Rankings
- HPI Calculator
- HPI Summary Tables showing changes in HPI over the past quarter, past year, past 5 years, and since the first quarter of 1991 at three geographic levels
- FHFA HPI® four-quarter house price appreciation map for all states and the top 100 metro areas

FHFA also released annual county and Zip Code level HPI Dashboards in 2023.

PUBLIC USE DATABASE

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises in the reports required under Section 309(m) of Fannie Mae's Charter Act and Section 307(e) of Freddie Mac's Charter Act, except for certain proprietary information and personally identifiable information. FHFA is required to make publicly available Enterprise data elements analogous to those required to be reported by mortgage originators under 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 2023, FHFA released the required 2022 data to the public through its Public Use Database.[125] 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 robust 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 features a monthly mortgage market survey to collect data on the characteristics of individual mortgages and the credit history of borrowers. The survey covers both mortgages that are eligible and ineligible for purchase by Fannie Mae and Freddie Mac, including subprime and nontraditional mortgages.[126]

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[125] https://www.fhfa.gov/DataTools/Downloads/Pages/Public-Use-Databases.aspx.

[126] 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.

The NMDB and its components aggregate data for a nationally representative sample of mortgages. The quarterly NSMO survey collects information on borrower origination experiences. The 2023 annual ASMB survey focused for the first time on borrower perceptions of flood risk and their property hazard and flood insurance coverages.

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

UNIFORM APPRAISAL DATASET

In 2023, FHFA published two Uniform Appraisal Dataset (UAD) products, the UAD Appraisal-Level Public Use File (PUF) and the UAD Aggregate Statistics. These appraisal data promote a liquid, efficient, competitive, and resilient national housing market.

In October 2023, FHFA published the UAD Appraisal-Level PUF, the nation's first publicly available appraisal-level dataset of appraisal records, giving the public new access to a selected set of data fields found in appraisal reports. The data is based on a 5 percent nationally representative random sample of appraisals conducted between 2013 and 2021 and associated with single-family mortgages acquired by the Enterprises. Records in the data were created in a manner that protects borrower privacy.

The UAD Appraisal-Level PUF provides the public and policymakers with meaningful data about appraisals to identify trends, conduct research, promote compliance, and address potential discriminatory patterns. FHFA plans to update the UAD PUF data annually.

FHFA released updated UAD Aggregate Statistics Data files and dashboards quarterly in 2023. The Agency also added to the UAD Aggregate Statistics, including:

- Five new statistics on residential property sales comparisons ("comparables")
- Four new property characteristics —lot size categories, property condition ratings, presence of an accessory dwelling unit, and largest race/ethnicity group in a tract
- Two new UAD Aggregate Statistics dashboards, which present census tract data and appraisal gap statistics

ECONOMIC SUMMITS AND RESEARCH PUBLICATIONS

Economic Summits – FHFA hosted Economic Summits on May 30, 2023, and October 3, 2023. Those events brought external perspectives from experts and researchers working in areas relevant to FHFA's oversight of the safety and soundness of its regulated entities. The first summit focused on the prospect of a housing market correction as well as the impacts of increasing housing costs on existing and new homeowners. The second summit's theme was climate-related financial risk with a focus on the effects of climate change on the disaster insurance market and land use regulations, and the house price effects of disaster risk. Speakers from private industry, academia, FHFA, and other government agencies participated in the summits.

Research Publications – In 2023, FHFA published seven 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 author and not FHFA.

Working Paper 23-01: The Value of Intermediaries for GSE Loans – This study analyzes the costs and benefits of financial intermediaries on access to credit using confidential regulatory data on mortgages securitized by the government-sponsored enterprises (GSEs). It finds evidence of lenders pricing for observable and unobservable default risk independently from the GSEs. Findings are explained using a model of competitive mortgage lending with screening in which lenders acquire information beyond the GSEs' underwriting criteria and retain a positive loss given default. The model shows that the discretionary behavior of lenders, relative to a counterfactual in which lenders passively implement the GSEs' underwriting requirements and price competitively, benefits some borrowers with high observable risk at the expense of the majority of borrowers. Finally, the model suggests that the observed differences between banks and nonbanks are more consistent with differences in their expected loss given default rather than screening quality.

Working Paper 23-02: Housing Supply and Liquidity in the COVID-19 Era – This study explores the impact of geographic disaggregation of house price stress paths on single-family credit risk measurement. Specifically, it focuses on the value added of moving from national, to state-level and to core-based statistical area (CBSA)-level house price paths on estimates of mortgage credit related stress losses. To ensure the robustness of results, researchers estimate losses across two different loan portfolios and three credit models. They find that CBSA-level paths provide additional insight on localized credit risk and can be reliably constructed using quarterly house price indexes.

Further, the variation in results across credit models suggests an implicit confidence interval around any one stress loss estimate. Accounting for this uncertainty through a model risk add-on could potentially offer a more conservative view of portfolio credit risk.

Working Paper 23-03: The Credit Supply Channel of Monetary Policy Tightening and its Distributional Impacts – This paper studies how tightening monetary policy transmits to the economy through the mortgage market and sheds new light on the distributional consequences at both individual and regional levels. It finds that credit supply factors, specifically restrictions on the debt-to-income (DTI) ratio, account for most of the decline in mortgage originations. These effects are even more pronounced for minority and middle-income borrowers, who find themselves excluded from the credit market. Additionally, regions with historically high DTI ratios exhibit greater reductions in mortgage originations, house prices, and consumption.

Working Paper 23-04: How Do Students Value an Elite Education? Evidence on Residential Location and Applications to NYC Specialized Schools – This study explores the question of whether students are willing to endure long commutes for access to good schools. Using New York City Department of Education administrative data matched with Google transit directions, this study finds that longer commutes from home markedly deter students from applying to even the most elite high schools. For the top public school in New York State, a student with a 20-minute commute is 74 percent more likely to apply than one who lives 40 minutes away. For two other schools above the 99th percentile of performance, the differences are 234 percent and 137 percent. Additional findings show that eighth grade exam scores relate to how well students understand the admissions process. From a policy perspective, these findings imply that – while expanded school choice may be desirable – housing access near good schools is quite important.

Working Paper 23-05: When Climate Meets Real Estate: A Survey of the Literature – In this paper, FHFA researchers survey a growing body of academic research at the intersection of climate risks, housing, and mortgage markets, with a focus on the United States. With near unanimity, climate scientists project disasters to increase in frequency, severity, and geographic scope over the next century. While natural hazards, such as hurricanes, flooding, and wildfires have historically posed risks to regional housing markets, the systemic risk that climate change may pose to housing and mortgage market is of increasing concern. To understand the components of systemic climate risk, the study surveys existing work relating physical and transition risks to mortgage and housing markets, including both single-family and multifamily segments. The review of physical risks addresses price, loan performance, and migratory effects stemming from flooding, wildfires, and sea level rise. In surveying transition risks, the study reviews papers on energy use and decarbonization as they relate to real estate, housing affordability, and sustainability, especially for historically disadvantaged communities.

Working Paper 23-06: Valuing Public Transit: The L-Train Shutdown – This paper quantifies the value of access to public transit in New York City using the surprise, hurricane-related announcement of the temporary shutdown of an important piece of transportation infrastructure: the L-train connecting Brooklyn and Manhattan. The chosen approach allows measurement of changes in housing sales prices by using a change in public transit infrastructure that is (a) temporary and (b) not an outcome of city transit planning, but rather an unexpected consequence of a natural disaster. The principal finding is that the L-train's shutdown announcement caused a temporary 6.4 percent decrease in sales prices for affected housing units. This estimate suggests a monthly capitalization rate of public transit access of around $863 for housing units where the L-train is the nearest subway stop, demonstrating that households in New York City ascribe a high value to transit access. Using these estimates, the benefits of the repair outweigh the costs, with the benefit-to-cost ratio of the repairs ranging from 2.76 to 2.78.

Working Paper 23-07: Mortgage Debt and the Consumption Response to Fiscal Transfers – This paper studies how mortgage debt shapes the consumption response to fiscal transfers using an incomplete markets model with housing and defaultable long-term debt. The model is estimated to match the share of households in the data whose spending is constrained by low liquidity. Among homeowners, the model predicts those with mortgage debt have an average response to transfers six times larger than those without debt. Spending responses are found to be poorly correlated with earnings. Unlike a standard model without mortgage debt, the model with mortgages predicts restricting transfers based on income may substantially reduce their efficacy in increasing aggregate spending.


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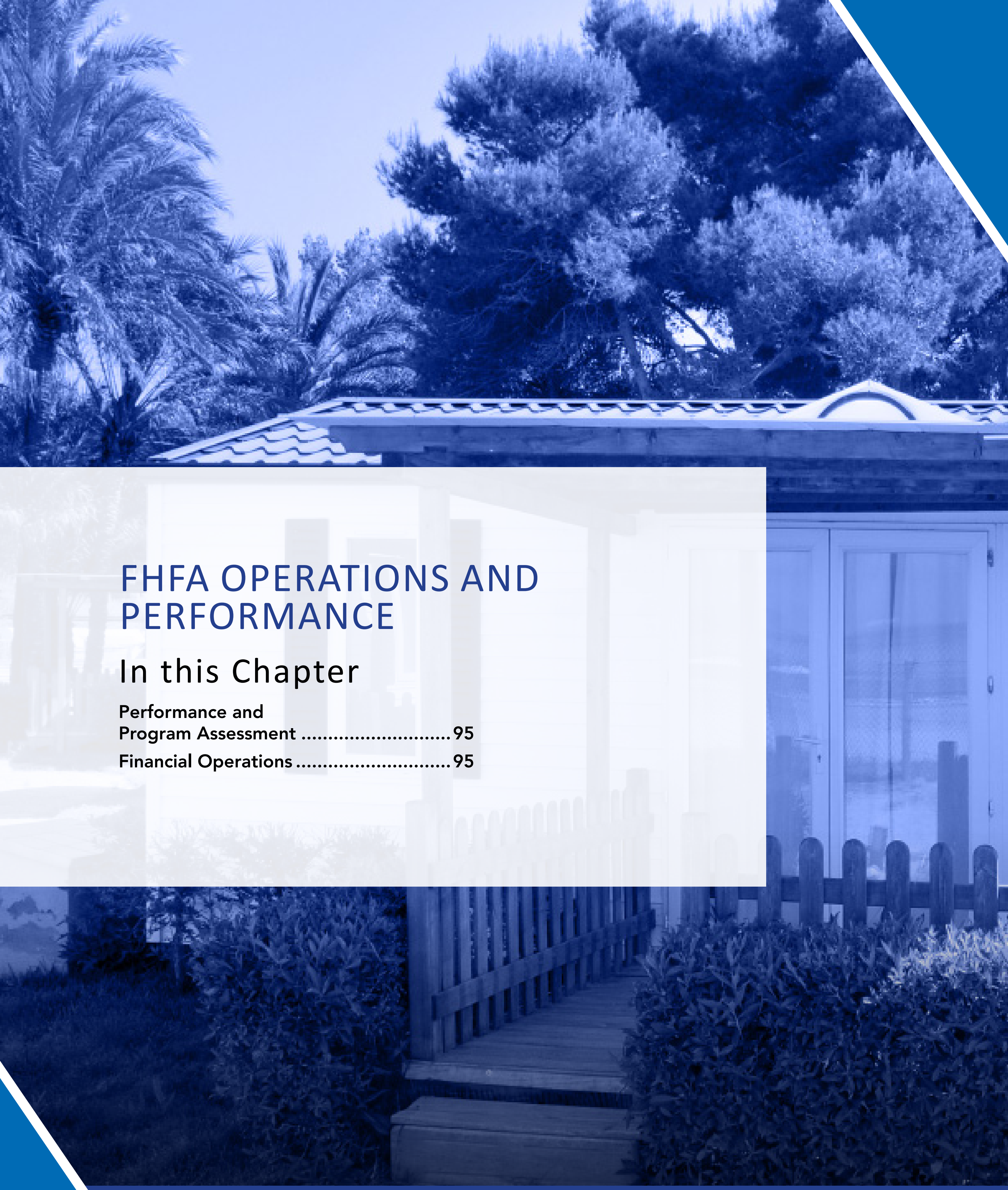


FHFA OPERATIONS AND PERFORMANCE

In this Chapter

PERFORMANCE AND PROGRAM ASSESSMENT

In April 2022, FHFA released its strategic plan outlining the Agency's key priorities. As the regulator of the Federal Home Loan Bank System and the conservator of Fannie Mae and Freddie Mac, FHFA's plan focuses on 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, 2023, FHFA published its annual *Performance and Accountability Report* (PAR), which provides a comprehensive overview of its activities during FY 2023. The report highlights the Agency's performance and achievements, emphasizing a commitment to achieving the Agency's strategic goals and objectives. In the PAR, FHFA identified 35 performance measures along with associated targets. These measures serve as key indicators to monitor progress toward fulfilling FHFA's mission. FHFA met the targets for 31 of these measures, resulting in an 89 percent success rate. These results demonstrate progress toward achieving FHFA's overarching goals and mission.

In April 2024, the Association of Government Accountants awarded FHFA its 16th consecutive *Certificate for Excellence in Accountability Reporting* (CEAR), for FY 2023. 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.

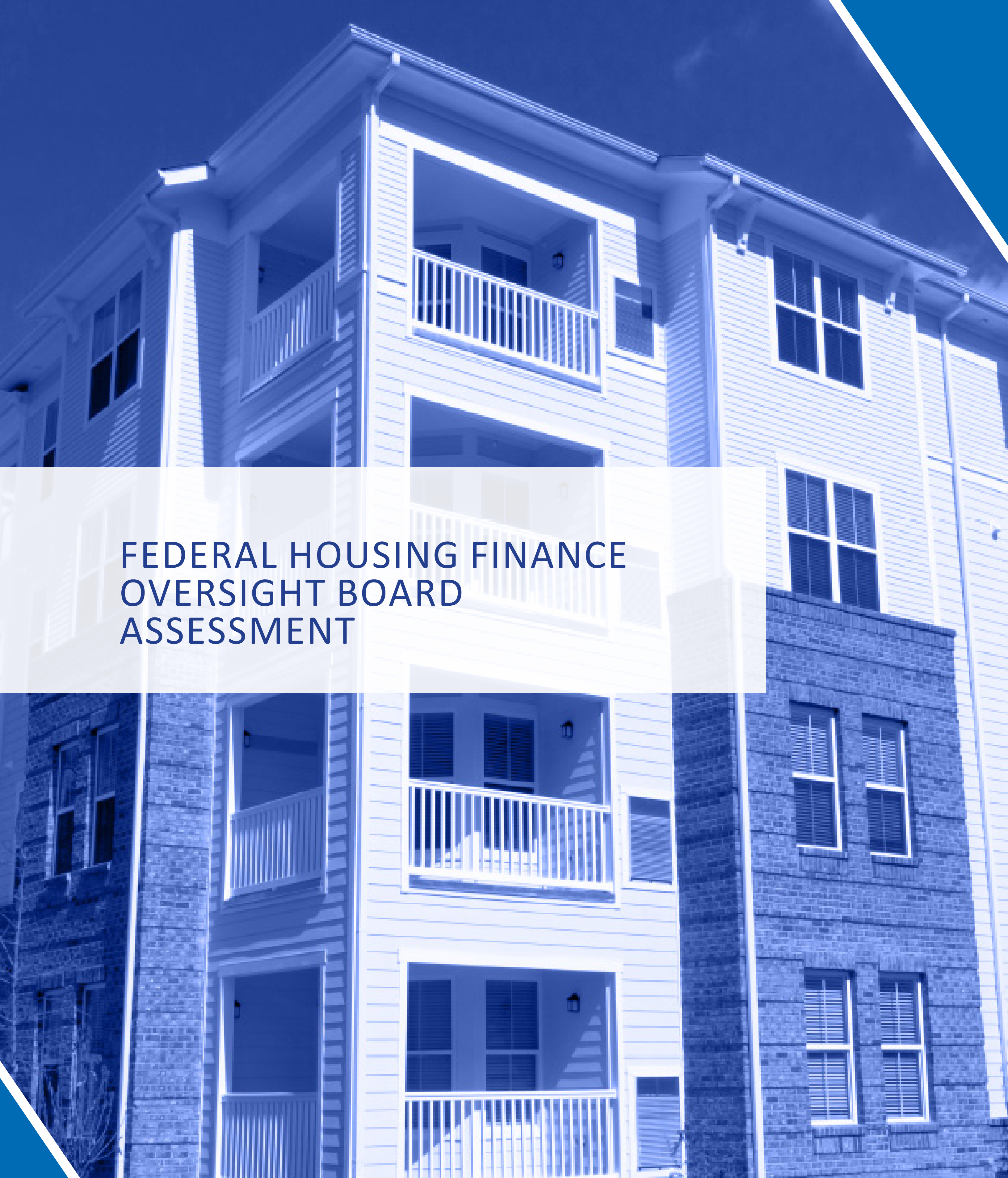
FINANCIAL OPERATIONS

Financial Highlights

The Safety and Soundness Act authorizes FHFA to collect annual assessments from its regulated entities. These assessments serve to cover FHFA's operational expenses and maintain a working capital fund. In FY 2023, FHFA levied a total assessment of $386.1 million on the regulated entities. This amount includes $55 million earmarked to support the Office of Inspector General. FHFA issues assessment notices to the regulated entities semiannually, with the collections taking place in October and April. The Financial Summary for FY 2023 appears in FHFA's PAR on pages 21-26, while the complete set of audited financial statements is available on pages 73-104.

In accordance with HERA, FHFA is authorized to maintain a working capital fund to address unforeseen or emergent needs. This fund can be replenished through a special assessment to the regulated entities or through retention of unobligated balances at the end of the fiscal year. At the conclusion of FY 2023, FHFA's working capital fund had a balance of $54.7 million, which represents an increase from the $37 million in FY 2022.

FEDERAL HOUSING FINANCE OVERSIGHT BOARD ASSESSMENT



FEDERAL HOUSING FINANCE OVERSIGHT BOARD ASSESSMENT

June 2024

Section 1103 of the Housing and Economic Recovery Act of 2008 (HERA) requires that the Federal Housing Finance Agency (FHFA) Director's Annual Report to Congress (Annual Report) include an assessment 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

Housing markets in 2023 reflected post-pandemic dynamics that include tightness in housing supply, high construction costs, elevated interest rates from pandemic-era lows, and a lack of affordable opportunities for both renters and those seeking to purchase or refinance a home. Those challenges continue in 2024.

In the single-family market, home prices have doubled in less than a decade. The strong home price appreciation of the 2012-2019 period, which was in part a correction following the 2008 financial crisis, was followed by extraordinary growth during the COVID-19 pandemic. National home prices rose 11.7 percent in 2020 and 17.8 percent in 2021 – far outpacing wage growth.[127] The median sales price increased by more than $100,000 in four years, from $275,000 in late 2019 to $381,000 in late 2023.[128]

Higher prevailing interest rates have effectively locked many homeowners into lower-rate mortgages and, thus, their current homes. As of December 2023, over 95 percent of single-family mortgages had mortgage rates below current market rates, with the majority at least 3 percentage points lower.[129] This "lock-in" effect has contributed to the increase in home prices by reducing the number of homes available for sale. The combined effects of higher home prices and interest rates present barriers for first-time homebuyers. For those who do make the transition to homeownership, payment burdens are higher.

In the multifamily market, rents declined during the first year of the COVID-19 pandemic, as uncertainty generated by public health concerns weighed on the market. From the middle of 2021 through the end of 2022, however, rents grew at a rapid pace, leading to cumulative rent growth of 21 percent at the national level from late 2020 to late 2023. In recent quarters, rent growth at the national level has decelerated and is now below levels observed just prior to the COVID-19 pandemic.[130] While this trend reflects

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

128 National Association of REALTORS® Existing-Home Sales, *available at* **https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales.**

129 Batzer, Ross, *et al, The Lock-In Effect of Rising Mortgage Rates*, working paper 24-03, Federal Housing Finance Agency, March 18, 2024, *available at* **https://www.fhfa.gov/PolicyProgramsResearch/Research/Pages/wp2403.aspx.**

130 FHFA analysis of CBRE data.

normalization across many markets, rents remain elevated, contributing to a continued cost burden for renters.

FHFA continues to monitor new and evolving challenges facing the regulated entities and the nation's housing finance system, such as the serious threat that climate risk and climate-related disasters pose to the U.S. housing finance system. This elevated risk has contributed to a rise in insurance costs and to the withdrawal of property insurance coverage by some insurance companies, especially in climate vulnerable regions.

Enterprises

The Enterprises were chartered by Congress to provide stability in the secondary mortgage 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 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). As of December 31, 2023, $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 and buffer amounts, 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 net worth to $77.7 billion for Fannie Mae and $47.7 billion for Freddie Mac, for a combined net worth of $125.4 billion as of year-end 2023.

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. In 2020, FHFA established such requirements in the ERCF along with new leverage requirements and capital buffers. 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 these 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 stressed conditions.

FHFA further amended the capital framework in 2023 to implement lessons learned through the continued application of the ERCF and to better reflect the risks faced by the Enterprises in operating their businesses. The 2023 amendments included modifications related to, among other items, guarantees on commingled securities, multifamily mortgage exposures secured by properties with a government subsidy, derivatives and cleared transactions, and the compliance date for the advanced approaches. Regulatory capital requirements that properly account for risk will allow the Enterprises to build capital to enhance their safety and soundness and continue protecting U.S. taxpayers against financial losses.

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, 2023, the Enterprises together would be required to hold a combined minimum of adjusted total capital, including buffers, of $319 billion, with measures of at least $272 billion of tier 1 capital and $237 billion of 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 $160 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 $111 billion (equivalent to 2.9 percent of adjusted total assets) exceeds its tier 1 leverage capital requirement plus buffer of $106 billion (2.8 percent of adjusted total assets). Despite considerable growth in each Enterprise's 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 $404 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. Credit risk management remains a priority for both Enterprises, given the size of their single-family mortgage portfolios and inadequate capital positions. Their portfolio credit risk reflects a higher level of credit risk from recent loan acquisitions, which are largely composed of purchase loans with higher loan-to-value ratios, compared to the refinancings that composed a large portion of acquisitions during the pandemic. Exposure to nonbank mortgage companies increased in 2023, primarily due to increased loan sales to the Enterprises and increased servicing volumes. Market risk exposures declined year-over-year as the Enterprises shrank their retained portfolios and employed effective funding and hedging strategies for the single-family and multifamily business lines. The Enterprises both 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. Both Enterprises need to improve their model risk management practices and multifamily risk management.

In August 2023, 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 2023, the Enterprises generated a combined net income of $27.9 billion, up from $22.2 billion in 2022. The increase in net income was primarily due to credit reserve release driven by improvements in 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 their financial results, Freddie Mac implemented fair value hedge accounting in 2017 and Fannie Mae implemented fair value hedge accounting in 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, creditworthy 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. In May 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, as well as on questions related to the Enterprises' returns on capital. FHFA has reviewed the approximately 175 responses it received and will consider this feedback in any future related initiatives.

In 2023, the Enterprises purchased single-family mortgages with a combined unpaid principal balance (UPB) of $616 billion, compared to a UPB of $1.16 trillion in 2022. The Enterprises purchased a combined volume of multifamily mortgages with a UPB of $101 billion in 2023, compared to a UPB of $142 billion in 2022. As of December 31, 2023, the Enterprises guaranteed approximately $7.5 trillion in single-family and multifamily mortgage-related securities.

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 2023, at least 50 percent of each Enterprise's multifamily mortgage purchases were required to be mission-driven affordable housing. Both Enterprises exceeded the minimum mission-driven requirements in 2023. In addition, each Enterprise remained below its volume cap of $75 billion for the 2023 calendar year. Throughout 2023, the Enterprises played a countercyclical role in the multifamily market – a market that experienced significant contraction due to higher interest rates, fewer transactions, and fewer participants in the secondary mortgage market.

The Enterprises are subject to annual affordable housing goals covering their purchases of single-family mortgages and multifamily mortgages. In 2023, FHFA determined that Fannie Mae and Freddie Mac met all the single-family and multifamily goal requirements for 2022. Enterprise performance on the 2023 goals will be evaluated later in 2024.

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 2023, both Enterprises surpassed their Plans' multifamily loan purchase targets supporting manufactured housing communities with certain pad lease protections, properties supported by state or local affordable housing programs comparable to federal programs eligible for Duty to Serve credit, and residential economic diversity. The Enterprises also surpassed their Plans' single-family loan purchase targets to support affordable homeownership in shared equity transactions.

The Enterprises also made statutorily required contributions of a combined $301 million to the U.S. Department of Housing and Urban Development's Housing Trust Fund and the Treasury Department's Capital Magnet Fund based on the amount of the Enterprises' 2023 new business purchases. These contributions support affordable housing and community development initiatives across the country.

FHFA and the Enterprises continued to examine 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.

Throughout 2023, FHFA took meaningful steps to advance fairness and equity in the housing finance system. In April 2023, FHFA issued a Notice of Proposed Rulemaking that would formalize many of the Agency's existing practices and programs regarding fair housing and fair lending oversight of its regulated entities, including requirements to maintain Equitable Housing Finance Plans and to collect and report homeownership education, housing counseling, and language preference information. The rule was adopted in final form in May 2024. Also in April 2023, in consultation with FHFA, the Enterprises released Equitable Housing Finance Plan updates and Performance Reports describing progress made in 2022. In September 2023, FHFA issued an Advisory Bulletin on the Fair Lending and Fair Housing Rating System for the Enterprises that will assess fair lending, fair housing, and equitable housing compliance. FHFA continued to be a leader in the Property Appraisal and Valuation Equity (PAVE) interagency task force. In October 2023, FHFA published the new Uniform Appraisal Dataset (UAD) Appraisal-Level Public Use File and continued to release analysis on appraisal gaps and appraisal bias.

FHLBanks

FHFA continued its supervision and oversight to ensure that the FHLBanks operate safely and soundly and remain focused on their statutory mission of providing stable and reliable liquidity to their members and supporting housing and community development.

The FHLBanks continued to provide liquidity to their members by 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 2023. Additionally, each FHLBank funds an Affordable Housing Program pursuant to statutory and FHFA regulatory requirements. FHLBank members may apply to their FHLBanks for Affordable Housing Program grants or subsidized advances, which the members pass on as grants or subsidized loans to eligible projects or grants to eligible households.

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 2023, the FHLBanks' business of advances to members continued to operate effectively and without credit losses.

After a substantial increase of $467.8 billion in advances outstanding from year-end 2021 to year-end 2022, advances decreased marginally by $9.5 billion to a total of $809.6 billion outstanding, or 1.2 percent year-over-year, in 2023.[131] Six FHLBanks reported increases in advances over the period with an average increase in advances of approximately $6.7 billion, while the five FHLBanks reporting less advances outstanding averaged a decrease of $9.9 billion. Advance concentration rose moderately as the 10 largest holding company borrowers accounted for 31.1 percent of aggregate advances outstanding at year-end 2023, an increase from 26.5 percent the previous year. Generally, FHLBanks with higher levels of advances have one or more very large commercial bank borrowers in their districts.

System on-balance sheet whole mortgage loans totaled $61.3 billion at year-end 2023, up approximately 9.3 percent from $56.1 billion at year-end 2022. 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 $203.3 billion at year-end 2023. Mortgage delivery programs to Fannie Mae and third-party investors, which are off-balance sheet for the FHLBanks, had a combined volume of $788 million in 2023, compared with $1.6 billion in 2022 and $7.1 billion in 2021. These programs provide members with secondary market options through which they can sell mortgages and generate capacity for additional mortgage lending. The volume of these programs at the FHLBanks continued to fall as interest rates rose in 2023, slowing mortgage purchases across the System.

131 Advances outstanding as of year-end.

As of December 31, 2023, all 11 FHLBanks significantly exceeded the minimum 4.0 percent regulatory capital ratio. The regulatory capital-to-assets ratio for the FHLBank System was 5.7 percent as of year-end 2023, up slightly from 5.6 percent at the end of 2022. Retained earnings, a critical component of FHLBank capital, was $27.9 billion or 2.2 percent of assets at year-end 2023, up from $24.6 billion or 2.0 percent of assets in 2022.

All FHLBanks were profitable in 2023; no FHLBank reported a quarterly or annual loss for the year. Aggregate net income totaled $6.7 billion, up from $3.2 billion in 2022. The increase was primarily a result of growth in System assets, which increased to $1.3 trillion in 2023 from $1.2 trillion in 2022.

In 2023, the FHLBanks continued their contributions to their Affordable Housing Programs, 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 $9.1 billion through the AHP's competitive and homeownership set-aside programs, assisting more than 1.2 million households. In addition, during 2023, the FHLBanks disbursed funds totaling over $6.6 billion to members through other community investment programs for housing and economic development projects.

In early 2023, the FHLBanks experienced significant member advance demand because of banking sector volatility caused by the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank, and the voluntary dissolution of Silvergate Bank. All of these institutions were members and active borrowers of the FHLBanks, and all encountered significant challenges through the end of 2022 and into early 2023 as interest rates rose. As these members came under increased stress, the FHLBanks worked with federal and state bank regulators and the Federal Reserve discount window to minimize disruption to the financial system.

Advance balances declined from peak March 2023 levels as banking sector contagion fears lessened, and by the end of the year were back to pre-March 2023 levels. The FHLBanks maintained strong liquidity and lending capacity through the sector disruption and did not incur an advance credit loss. However, these bank failures and the ongoing market stress highlighted the need for a clearer distinction between the appropriate role of the FHLBanks, which provide funding to support their members' liquidity needs across the economic cycle, and that of the Federal Reserve, which maintains the primary financing facility for institutions with immediate, emergency liquidity needs.

While the FHLBanks play a critical role as a source of reliable liquidity to members, the FHLBank System must also appropriately support housing and community development. FHFA issued the *FHLBank System at 100: Focusing on the Future* report in November 2023, following a year of extensive public engagement and internal analysis, including lessons learned during the March 2023 market volatility. The report contains recommended actions to ensure the FHLBanks can effectively fulfill the core objectives of their mission: providing stable and reliable liquidity to their members and supporting housing and community development. FHFA is taking prompt action to implement recommendations in the report through supervision, guidance, and rulemaking, as well as ongoing coordination and communication with the primary regulators of FHLBank members. However, there are some recommendations that can only be fully implemented through Congressional action.

Following publication of the report, FHFA published an Advisory Bulletin communicating its expectation that each FHLBank establish a framework for pilot and voluntary programs. In April 2024, FHFA published a regulatory interpretation that clarifies how cooperativas in Puerto Rico can pursue membership in the FHLBank System. Cooperativas are a critical part of the financial system in Puerto Rico, and many are Treasury-certified Community Development Financial Institutions (CDFIs). Looking forward, key priorities in 2024 include clarifying the FHLBank System mission, aligning eligibility requirements for different types of FHLBank members, and streamlining requirements related to the Affordable Housing Program.

Conclusion

As reflected in the Annual Report, FHFA engaged in significant efforts to oversee the Enterprises and FHLBanks during 2023. 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

Gary Gensler
Chair
U.S. Securities and Exchange Commission

Adrianne Todman
Acting Secretary
U.S. Department of Housing and Urban Development

Janet L. Yellen
Secretary
U.S. Department of the Treasury

LEGISLATIVE RECOMMENDATIONS

In this Chapter

FEDERAL HOME LOAN BANK SYSTEM

In November 2023, FHFA released its report on the *Federal Home Loan Bank (FHLBank) System at 100: Focusing on the Future* initiative. The report presents 40 action items intended to help ensure that the FHLBanks effectively fulfill their public policy mission in a safe and sound manner, and includes seven recommendations for statutory changes, described below.

Increase the Statutorily Required Minimum Funding Contribution for the Affordable Housing Program to at Least 20 Percent. Each FHLBank is required by the Federal Home Loan Bank Act (Bank Act) to contribute annually 10 percent of its net income from the previous year to its Affordable Housing Program (AHP). While these programs have had a positive impact in furthering the mission of the FHLBank System, they remain small relative to housing needs throughout the country. The FHLBanks have demonstrated the financial capacity to make a larger AHP funding contribution without adversely affecting their safety and soundness. A statutory change to increase the FHLBanks' minimum required annual AHP funding contribution to at least 20 percent of net income would be one of the most significant means of increasing the FHLBanks' support for affordable housing.

Eliminate Restrictions on Regulating Executive Pay. FHFA is required to prohibit the FHLBanks from providing compensation to their executive officers that is "not reasonable and comparable," considering compensation provided for employment in similar businesses (including, by statute, "other publicly held financial institutions and major financial services companies") involving similar duties and responsibilities. FHFA is not permitted to establish a level or range of compensation that is "reasonable and comparable," however.

To determine FHLBank executive salaries, the FHLBanks' standard practice is to compare executive salaries for similar positions at peer commercial banks. However, the FHLBanks have less complex business models and are not comparable to commercial banks in many other regards, and the current method of assessing "comparability" is a driver of high levels of FHLBank executive compensation. Eliminating statutory restrictions on FHFA's authority to prescribe levels or ranges for the compensation of the FHLBanks' executive officers would help to address the issue of elevated compensation.

Expand the Range of Member Institutions Eligible to Pledge CFI Collateral. Community financial institutions (CFIs) are FDIC-insured depositories with assets below an annually adjusted statutory cap ($1.461 billion in 2024). The Bank Act permits CFIs to secure FHLBank advances with a wider range of collateral than may be pledged by non-CFI members, including secured loans for small business, agriculture, or community development, or securities representing a whole interest in such secured loans. If Congress authorized all community development financial institution and credit union members with assets below the statutory cap to pledge the broader range of CFI collateral, these mission-oriented institutions and the FHLBanks could maximize their support for critical member activities that further the FHLBanks' housing and community development mission.

Enhance FHFA's Authority to Reorganize FHLBank Districts. The Bank Act provides FHFA with authority to consolidate FHLBanks and reorganize FHLBank districts; however, this authority is limited by the requirement that the number of FHLBank districts not be reduced to fewer than eight, subject to certain exceptions for voluntary mergers or liquidations in receivership. Removing or reducing this statutory limitation would maximize FHFA's authority to reorganize FHLBank districts to best protect taxpayers and serve the nation's housing finance and community development needs.

Allow for Optimal Board of Directors Size. In general, the Bank Act requires that, for each FHLBank's board, FHFA annually allocate member directorships among the states of the district based on the ratio of FHLBank stock that all the members in each respective state were required to hold as of the end of the preceding calendar year. The Agency must also set the number of independent directorships such that they comprise at least 40 percent, but less than 50 percent of the FHLBank's board. Except in the case of an FHLBank created as a result of a merger, the Bank Act also requires FHFA to allocate to each state in each FHLBank district at least as many member directorships as the state held in 1960. This "grandfather provision" applies regardless of whether members in a state currently hold enough FHLBank stock to warrant that number of seats.

In combination with the statutory requirement that each FHLBank maintain a minimum ratio of independent to member directorships, the grandfather provision is a significant driver of larger board sizes at many FHLBanks.

Application of the grandfather provision also makes it difficult to ensure appropriate proportional representation for members in states with a large and active membership base. If Congress amended the Bank Act to remove the grandfather provision, FHFA could ensure that each FHLBank's board is properly sized and structured to carry out its responsibilities effectively and that the board appropriately represents the FHLBank's membership.

Ensure Proper Composition of Each FHLBank's Board of Directors. FHFA recommends that Congress amend the Bank Act to remove the requirement that FHLBank independent directors be bona fide residents of the district of the FHLBank on whose board they serve. While an FHLBank could continue to consider familiarity with district issues as a criterion in selecting its independent directorship nominees, such a statutory change would increase the pool of potential directors with specialized knowledge and skills and provide the FHLBanks with greater flexibility to attract directors with the necessary expertise.

Harmonize Membership Eligibility Requirements. The Bank Act limits membership in an FHLBank to federally insured and certain non-federally insured depository institutions, insurance companies, and CDFIs. Other types of financial institutions active in housing finance have expressed interest in becoming eligible for FHLBank membership. If Congress were to amend the Bank Act to expand membership to entities that are not currently eligible under the statute, FHFA recommends that such entities be subject to certain statutory requirements that currently apply to most other eligible types of members. These include: (i) inspection and regulation by a prudential regulator; (ii) community support or service requirements; and (iii) the requirement that 10 percent of their assets be in residential mortgage loans or an equivalent mission asset or activity requirement.

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. Regarding the Enterprises, FHFA relies on conservatorship authority to require that the Enterprises include provisions in their third-party contracts granting access to information about service providers; and, as conservator, to exercise the Enterprise's contractual right to obtain necessary information 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 that conferred upon the federal banking agencies through a provision in the Bank Service Company Act.[132] The Financial Stability Oversight Council (FSOC) made a similar recommendation in its *2023 Annual Report*[133] (as it has for the past several years) and in its recently-published Report on Nonbank Mortgage Servicing.[134] 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.

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

133 *See* **2023 Annual Report**, Financial Stability Oversight Council, p. 97.

134 *See* FSOC Report on Nonbank Mortgage Servicing, *available at* **https://home.treasury.gov/system/files/261/FSOC-2024-Nonbank-Mortgage-Servicing-Report.pdf,** p. 43.

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

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.

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 and 2023, mitigates the risk posed by the existing statutory definitions of capital by prescribing supplemental minimum capital requirements and buffer amounts based on definitions of regulatory capital used by the federal banking regulators. While these supplemental requirements and buffers should ensure that each Enterprise maintains adequate high-quality regulatory capital throughout the economic cycle, the supplemental requirements and buffers 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 15 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

Appendix Table of Contents

Table 1. Fannie Mae Mortgage Purchases

Period	Purchases ($ in Millions)			
	Single-Family Mortgages	Multifamily Mortgages	Total Mortgage Purchases[a] ($)	Mortgage-Related Securities[b]
Q4 2023	70,325	11,168	81,493	6,837
Q3 2023	89,467	16,385	105,852	5,489
Q2 2023	89,433	15,042	104,475	1,937
Q1 2023	67,781	10,235	78,016	1,079
Annual Data				
2023	317,006	52,830	369,836	15,342
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 2023	69,711	524	—	70,235	5	85	90	70,325	11,168	—	11,168	81,493
Q3 2023	88,892	474	—	89,366	6	95	101	89,467	16,385	—	16,385	105,852
Q2 2023	88,306	1,014	—	89,320	7	106	113	89,433	15,042	—	15,042	104,475
Q1 2023	66,395	1,257	—	67,652	7	122	129	67,781	10,235	—	10,235	78,016
Annual Data												
2023	313,304	3,269	—	316,573	25	408	433	317,006	52,830	—	52,830	369,836
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 ($)		
					Single-Family		Multifamily ($)	Total Freddie Mac ($)	Single-Family		Multifamily ($)	Total Ginnie Mae ($)			
	Fixed-Rate ($)	Adjustable-Rate ($)			Fixed-Rate ($)	Adjustable-Rate ($)			Fixed-Rate ($)	Adjustable-Rate ($)					
Q4 2023	3,879	6	582	4,467	2,361	-	-	2,361	9	-	-	9	-	-	6,837
Q3 2023	1,643	-	1,043	2,686	2,793	-	-	2,793	10	-	-	10	-	-	5,489
Q2 2023	383	-	1,517	1,900	15	-	-	15	22	-	-	22	-	-	1,937
Q1 2023	88	-	957	1,045	28	-	-	28	6	-	-	6	-	-	1,079
Annual Data															
2023	5,993	6	4,099	10,098	5,197	-	-	5,197	47	-	-	47	-	-	15,342
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 2023	0	0	0	0	0	0	0	0	0
Q3 2023	0	0	0	0	0	0	0	0	0
Q2 2023	0	0	0	0	0	0	0	0	0
Q1 2023	0	0	0	0	0	0	0	0	0
Annual Data									
2023	0	0	0	0	0	0	0	0	0
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 2023	72,861	11,364	84,224	7,718
Q3 2023	87,562	16,416	103,978	9,223
Q2 2023	91,596	15,112	106,708	9,876
Q1 2023	68,206	10,236	78,443	7,703
Annual Data				
2023	320,225	53,128	373,353	34,520
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 2023	7,732	3	975	281	3,943	N/A
Q3 2023	7,220	3	897	(726)	4,699	N/A
Q2 2023	7,035	2	864	(1,208)	4,994	N/A
Q1 2023	6,786	3	868	146	3,772	N/A
Annual Data						
2023	28,773	11	3,604	(1,507)	17,408	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 2023	4,325,437	4,149,695	78,482	4,222,718	77,682	120,836	109,457	83,194	128,173
Q3 2023	4,329,380	4,145,777	71,504	4,231,762	73,725	120,836	96,716	75,962	130,710
Q2 2023	4,323,710	4,134,111	81,277	4,232,350	69,044	120,836	90,666	79,484	142,799
Q1 2023	4,317,460	4,125,201	74,508	4,230,766	64,049	120,836	89,306	71,823	143,840
Annual Data									
2023	4,325,437	4,149,695	78,482	4,222,718	77,682	120,836	109,457	83,194	128,173
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 ($)	Total ($)					
Q4 2023	3,550,607	28,897	28	3,579,532	1,809	355	2,164	457,508	484	457,992	4,039,688	332,876
Q3 2023	3,561,353	29,461	30	3,590,844	1,868	370	2,238	451,195	507	451,702	4,044,784	334,568
Q2 2023	3,554,128	30,400	31	3,584,559	1,934	385	2,319	441,944	512	442,456	4,029,334	337,881
Q1 2023	3,555,905	30,608	32	3,586,545	2,002	401	2,403	433,860	520	434,380	4,023,328	342,203
Annual Data												
2023	3,550,607	28,897	28	3,579,532	1,809	355	2,164	457,508	484	457,992	4,039,688	332,876
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 2023	52,465	26,740	3,989	83,194
Q3 2023	54,583	19,435	1,944	75,962
Q2 2023	51,827	25,926	1,731	79,484
Q1 2023	53,418	16,274	2,131	71,823
Annual Data				
2023	52,465	26,740	3,989	83,194
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 2023	43,238	2,544	24	45,806	3,998	2,625	36	2,661	52,465
Q3 2023	45,162	2,661	25	47,848	4,458	2,241	36	2,277	54,583
Q2 2023	42,231	2,777	25	45,033	5,110	1,645	39	1,684	51,827
Q1 2023	43,368	2,920	26	46,314	6,181	884	39	923	53,418
Annual Data									
2023	43,238	2,544	24	45,806	3,998	2,625	36	2,661	52,465
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. 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-Label[d]	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 2023	21,347	2,311	3,082	26,740	2,923	7	—	2,930	—	812	—	812	139	3,881
Q3 2023	12,845	2,535	4,055	19,435	598	7	—	605	—	1,068	—	1,068	158	1,831
Q2 2023	19,350	2,897	3,679	25,926	12	8	—	20	—	1,404	—	1,404	188	1,612
Q1 2023	9,663	3,337	3,274	16,274	2	8	—	10	1	1,732	—	1,733	267	2,010
Annual Data														
2023	21,347	2,311	3,082	26,740	2,923	7	0	2,930	0	812	0	812	139	3,881
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 2023	0	1	50	1	1	3	83	0	139
Q3 2023	0	1	51	1	1	4	100	0	158
Q2 2023	0	0	54	1	1	1	130	0	188
Q1 2023	0	0	108	1	1	3	154	0	267
Annual Data									
2023	0	1	50	1	1	3	83	0	139
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)					
	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 2023	108	30,729	(655)	82,539	83,194	225,000
Q3 2023	113	21,379	(961)	75,001	75,962	225,000
Q2 2023	119	27,657	(283)	79,201	79,484	225,000
Q1 2023	121	18,405	(43)	71,780	71,823	225,000
Annual Data						
2023	108	30,729	(655)	82,539	83,194	225,000
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

N/A = not applicable

[a] Unpaid principal balance.

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

[c] Includes unamortized premiums, discounts, deferred adjustments, and fair-value adjustments on securities and loans. Beginning in 2002, amounts include fair-value adjustments and impairments on mortgage-related securities and securities commitments classified as trading and available-for-sale. Excludes allowance for loan losses on loans held for investment 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. Amount 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 2023	290,727	—	316	8,514	60,940	27,624	388,121
Q3 2023	282,479	—	303	8,526	60,205	26,467	377,980
Q2 2023	336,360	—	315	8,495	76,532	26,364	448,066
Q1 2023	324,011	—	306	8,482	62,850	24,755	420,404
Annual Data							
2023	290,727	—	316	8,514	60,940	27,624	388,121
2022	277,715	—	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 2023	—	—	30,700	18	47,764	78,482
Q3 2023	—	—	22,850	20	48,634	71,504
Q2 2023	—	—	33,050	20	48,207	81,277
Q1 2023	—	—	26,950	21	47,537	74,508
Annual Data						
2023	—	—	30,700	18	47,764	78,482
2022	—	—	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 classified 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 2023	0.55 %	0.46 %	0.03 %	0.04 %	51.45 %
Q3 2023	0.54 %	0.54 %	0.06 %	0.04 %	51.27 %
Q2 2023	0.55 %	0.37 %	0.01 %	0.04 %	50.36 %
Q1 2023	0.59 %	0.35 %	0.03 %	0.04 %	49.31 %
Annual Data					
2023	0.55 %	0.46 %	0.03 %	0.04 %	51.45 %
2022	0.65 %	0.24 %	0.03 %	0.04 %	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 consist 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 2023	(43,186)	114,000	(157,186)	(34,252)	109,000	(143,252)	1,239	(1.00)%	(1.00)%	N/A
Q3 2023	(47,129)	114,000	(161,129)	(38,229)	108,000	(146,229)	718	(1.09)%	(1.09)%	N/A
Q2 2023	(51,828)	114,000	(165,828)	(41,581)	105,000	(146,581)	510	(1.20)%	(1.20)%	N/A
Q1 2023	(56,822)	114,000	(170,822)	(45,266)	105,000	(150,266)	475	(1.32)%	(1.32)%	N/A
Annual Data										
2023	(43,186)	114,000	(157,186)	(34,252)	109,000	(143,252)	1,239	(1.00)%	(1.00)%	N/A
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 2023 are calculated in accordance with the ERCF.

N/A = not applicable

N/M = not meaningful

[a] On October 9, 2008, the Federal Housing Finance Agency (FHFA) suspended capital classifications of Fannie Mae. As of the fourth quarter of 2008, neither the existing statutory nor the FHFA-directed regulatory capital requirements were binding and will not be binding during conservatorship. 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 minimum 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)
Q4 2023	4,552	1,357	137	(55)	(192)	140	(74)	(214)	160	(55)	(215)	188	(55)	(243)
Q3 2023	4,560	1,346	137	(59)	(196)	140	(78)	(218)	160	(59)	(219)	187	(59)	(246)
Q2 2023	4,562	1,316	137	(64)	(201)	138	(83)	(221)	158	(64)	(222)	184	(64)	(248)
Q1 2023	4,560	1,308	137	(69)	(206)	138	(89)	(227)	157	(69)	(226)	184	(69)	(253)
Annual Data														
2023	4,552	1,357	137	(55)	(192)	140	(74)	(214)	160	(55)	(215)	188	(55)	(243)

All Numbers presented for 2023 are calculated 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] ($)	Mortgage Related-Securities[c,d] ($)
4Q23	72,640	15,991	88,631	25,316
3Q23	85,431	13,345	98,776	28,062
2Q23	82,850	12,730	95,580	26,542
1Q23	58,965	6,283	65,248	22,507
Annual Data				
2023	299,886	48,349	348,235	102,427
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.

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

Purchases ($ in Millions)[a]													
Period	Single-Family Mortgages								Multifamily Mortgages				
	Conventional				FHA/VA[c]			Total Single-Family Mortgages ($)	Conventional ($)	FHA/RD ($)	Total Multifamily Mortgages ($)	Total Mortgage Purchases ($)
	Fixed-Rate ($)	Adjustable-Rate[b] ($)	Seconds ($)	Total ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Total ($)					
4Q23	72,196	433	0	72,629	11	0	11	72,640	15,991	0	15,991	88,631
3Q23	84,955	466	0	85,421	10	0	10	85,431	13,345	0	13,345	98,776
2Q23	81,757	1,082	0	82,839	11	0	11	82,850	12,730	0	12,730	95,580
1Q23	57,673	1,282	0	58,955	10	0	10	58,965	6,281	2	6,283	65,248
Annual Data												
2023	296,581	3,263	0	299,844	42	0	42	299,886	48,347	2	48,349	348,235
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 2001 to 2012, includes balloon/reset mortgages. Freddie Mac discontinued purchase of balloon/reset mortgages on January 1, 2013.

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

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				Ginnie Mae[c]				Total Private-Label[d] ($)		
	Fixed-Rate ($)	Adjustable-Rate ($)			Single-Family		Multifamily ($)	Total Fannie Mae ($)	Single-Family		Multifamily ($)	Total Ginnie Mae ($)			
					Fixed-Rate ($)	Adjustable-Rate ($)			Fixed-Rate ($)	Adjustable-Rate ($)					
4Q23	25,145	170	0	25,315	1	0	0	1	0	0	0	0	0	0	25,316
3Q23	27,926	135	0	28,061	1	0	0	1	0	0	0	0	0	0	28,062
2Q23	26,318	219	0	26,537	5	0	0	5	0	0	0	0	0	0	26,542
1Q23	22,222	170	62	22,454	53	0	0	53	0	0	0	0	0	0	22,507
Annual Data															
2023	101,611	694	62	102,367	60	0	0	60	0	0	0	0	0	0	102,427
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

Purchases ($ in Millions)[a]									
	Private-Label								
	Single-Family								
Period	Manufactured Housing ($)	Subprime		Alt A[b]		Other[c]		Multifamily[d] ($)	Total Private-Label ($)
		Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Fixed-Rate ($)	Adjustable-Rate ($)		
4Q23	0	0	0	0	0	0	0	0	0
3Q23	0	0	0	0	0	0	0	0	0
2Q23	0	0	0	0	0	0	0	0	0
1Q23	0	0	0	0	0	0	0	0	0
Annual Data									
2023	0	0	0	0	0	0	0	0	0
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 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] ($)	Multiclass MBS[c] ($)
4Q23	73,923	14,231	88,154	28,569
3Q23	87,272	13,220	100,492	31,652
2Q23	82,692	13,244	95,936	33,056
1Q23	58,079	10,544	68,623	14,546
Annual Data				
2023	301,966	51,239	353,205	107,823
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) ($)	Return on Equity[d] ($)
4Q23	4,769	539	(833)	103	2,914	N/M
3Q23	4,749	301	(757)	453	2,685	N/M
2Q23	4,523	309	(744)	144	2,944	N/M
1Q23	4,501	466	(673)	886	1,995	N/M
Annual Data						
2023	18,542	1,615	(3,007)	1,586	10,538	N/M
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] ($)
4Q23	3,280,976	3,115,992	130,975	3,208,346	47,722	72,648	Not Available	84,995	174,041
3Q23	3,271,641	3,095,650	147,240	3,202,097	44,661	72,648	Not Available	85,083	184,866
2Q23	3,250,956	3,077,836	143,951	3,189,086	41,957	72,648	Not Available	88,087	191,959
1Q23	3,224,980	3,060,309	135,949	3,167,514	39,067	72,648	Not Available	89,096	190,100
Annual Data									
2023	3,280,976	3,115,992	130,975	3,208,346	47,722	72,648	Not Available	84,995	174,041
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[b,d] ($)	Conventional ($)	FHA/RD ($)	Multifamily Mortgages ($)	Total MBS Outstanding[e] ($)	Multiclass MBS Outstanding[f] ($)
	Fixed-Rate ($)	Adjustable-Rate[c] ($)	Seconds[d] ($)	Total ($)						
4Q23	2,959,888	22,826	0	2,982,714	863	374,281	0	374,281	3,357,858	565,415
3Q23	2,945,711	23,378	0	2,969,089	888	365,970	0	365,970	3,335,947	559,495
2Q23	2,927,543	23,472	0	2,951,015	914	359,314	0	359,314	3,311,243	554,095
1Q23	2,910,525	23,394	0	2,933,919	978	355,525	0	355,525	3,290,422	558,436
Annual Data										
2023	2,959,888	22,826	0	2,982,714	863	374,281	0	374,281	3,357,858	565,415
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] ($)	Mortgage Assets Held for Investment (Gross)[b,c] ($)
4Q23	58,415	25,717	26,580	110,712
3Q23	58,242	25,858	26,841	110,941
2Q23	60,300	26,720	27,787	114,807
1Q23	61,150	26,833	27,946	115,929
Annual Data				
2023	58,415	25,717	26,580	110,712
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 ($)
	Conventional								
	Fixed-Rate ($)	Adjustable-Rate ($)	Seconds ($)	Total ($)	Total FHA/VA[b] ($)	Conventional ($)	FHA/RD ($)	Total ($)	
4Q23	36,134	189	0	36,323	417	21,675	0	21,675	58,415
3Q23	37,175	177	0	37,352	414	20,476	0	20,476	58,242
2Q23	38,511	195	0	38,706	407	21,187	0	21,187	60,300
1Q23	37,885	227	0	38,112	407	22,629	2	22,631	61,150
Annual Data									
2023	36,134	189	0	36,323	417	21,675	0	21,675	58,415
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] FHA stands for Federal Housing Administration. VA stands for Department of Veterans Affairs. It also includes U.S. Department of Agriculture Rural Development (RD) loan programs.

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]				Other Securities[c]									
	Single-Family				Fannie Mae[e]				Ginnie Mae[c]					
					Single-Family				Single-Family					
End of Period	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Freddie Mac ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Fannie Mae ($)	Fixed-Rate ($)	Adjustable-Rate ($)	Multifamily ($)	Total Ginnie Mae ($)	Total Private-Label ($)	Total Other Securities ($)
4Q23	17,719	2,790	5,208	25,717	78	11	0	89	0	0	10	10	697	796
3Q23	17,261	2,703	5,894	25,858	177	11	0	188	0	0	10	10	715	913
2Q23	16,903	3,239	6,578	26,720	211	39	0	250	0	0	10	10	735	995
1Q23	16,727	3,297	6,809	26,833	230	40	0	270	0	0	10	10	757	1,037
Annual Data														
2023	17,719	2,790	5,208	25,717	78	11	0	89	0	0	10	10	697	796
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 ($)		
4Q23	184	0	481	9	23	0	0	0	697
3Q23	192	0	490	9	24	0	0	0	715
2Q23	199	0	501	10	25	0	0	0	735
1Q23	208	0	512	10	27	0	0	0	757
Annual Data									
2023	184	0	481	9	23	0	0	0	697
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] ($)	Limit on Mortgage Assets Held for Investment (Gross)[e] ($)
4Q23	67	26,580	N/A	N/A	84,995	225,000
3Q23	69	26,841	N/A	N/A	85,083	225,000
2Q23	72	27,787	N/A	N/A	88,087	225,000
1Q23	77	27,946	N/A	N/A	89,096	225,000
Annual Data						
2023	67	26,580	N/A	N/A	84,995	225,000
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

End of Period	Financial Derivatives - Notional Amount Outstanding ($ in Millions)									
	Interest Rate Swaps[a] ($)	Interest Rate Caps, Floors, and Corridors ($)	Foreign Currency Contracts ($)	Over-the-Counter Futures, Options, and Forward Rate Agreements ($)	Treasury Based Contracts[b] ($)	Exchange-Trade Futures, Options, and Other Derivatives ($)	Credit Derivatives[c] ($)	Commitments[d] ($)	Other[e] ($)	Total ($)
4Q23	523,395	0	0	138,017	18,986	113,996	0	26,911	45,150	866,455
3Q23	568,878	0	0	124,442	16,724	226,036	0	52,690	45,136	1,033,906
2Q23	924,252	0	0	144,358	18,718	230,856	0	58,503	46,433	1,423,120
1Q23	635,572	10,000	0	126,410	23,058	111,637	0	39,505	45,978	992,160
Annual Data										
2023	523,395	0	0	138,017	18,986	113,996	0	26,911	45,150	866,455
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 ($)	Commercial Paper and Corporate Debt ($)	Other[b] ($)	Total ($)
4Q23	0	0	95,148	0	35,827	130,975
3Q23	0	0	115,161	0	32,079	147,240
2Q23	0	0	112,386	0	31,565	143,951
1Q23	0	0	108,036	0	27,913	135,949
Annual Data						
2023	0	0	95,148	0	35,827	130,975
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] (%)
4Q23	0.55 %	0.28 %	0.01 %	0.01 %	65.0 %
3Q23	0.55 %	0.24 %	0.02 %	0.01 %	66.0 %
2Q23	0.56 %	0.21 %	0.00 %	0.01 %	66.0 %
1Q23	0.62 %	0.13 %	0.00 %	0.01 %	65.0 %
Annual Data					
2023	0.55 %	0.28 %	0.01 %	0.01 %	65.0 %
2022	0.66 %	0.12 %	0.00 %	0.01 %	65.0 %
2021	1.12	0.08	0.01	0.01	58
2020	2.64	0.16	0.01	0.01	54
2019	0.63	0.08	0.07	0.02	60
2018	0.69	0.01	0.11	0.04	58
2017	1.08	0.02	0.19	0.04	48
2016	1	0.03	0.09	0.06	40
2015	1.32	0.02	0.26	0.09	33
2014	1.88	0.04	0.22	0.14	26
2013	2.39	0.09	0.27	0.25	16
2012	3.25	0.19	0.64	0.24	13
2011	3.58	0.22	0.68	0.3	14
2010	3.84	0.26	0.72	0.36	15
2009	3.98	0.2	0.41	0.23	16
2008	1.83	0.05	0.2	0.17	18
2007	0.65	0.02	0.03	0.08	17
2006	0.42	0.06	0.01	0.04	16
2005	0.53	0	0.01	0.04	17
2004	0.73	0.06	0.01	0.05	19
2003	0.86	0.05	0.01	0.06	21
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	0.5	0.37	0.04	0.08	27.3
1997	0.55	0.96	0.08	0.11	15.9
1996	0.58	1.96	0.1	0.13	10
1995	0.6	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		0.1	
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] ($)	Core Capital/ Total Assets[h] (%)	Core Capital/ Total Assets plus Unconsolidated MBS[i] (%)	Common Share Dividend Payout Rate[j] (%)
	Core Capital[b] ($)	Minimum Capital Requirement[c] ($)	Regulatory Capital Surplus (Deficit)[c] ($)	Total Capital[d] ($)	Risk-Based Capital Requirement[e] ($)	Risk-Based Capital Surplus (Deficit)[f] ($)				
4Q23	(24,903)	94,387	(119,290)	(18,053)	80,711	(98,764)	553	(0.76)%	(0.69)%	N/A
3Q23	(27,817)	93,962	(121,779)	(20,384)	77,809	(98,193)	384	(0.85)%	(0.77)%	N/A
2Q23	(30,503)	93,599	(124,102)	(22,720)	74,265	(96,985)	280	(0.94)%	(0.85)%	N/A
1Q23	(33,446)	92,905	(126,351)	(25,124)	72,626	(97,750)	267	(1.04)%	(0.94)%	N/A
Annual Data										
2023	(24,903)	94,387	(119,290)	(18,053)	80,711	(98,764)	553	(0.76)%	(0.69)%	N/A
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 ($)	Surplus (Shortfall) ($)
4Q23	3,775,463	1,008,893	105,684	(29,033)	(134,717)	96,183	(43,141)	(139,324)	111,317	(29,033)	(140,350)	131,495	(29,033)	(160,528)
3Q23	3,758,485	972,609	105,259	(32,874)	(138,133)	94,442	(46,983)	(141,425)	109,031	(32,874)	(141,905)	128,483	(32,874)	(161,357)
2Q23	3,743,977	928,309	104,897	(35,935)	(140,832)	92,240	(50,043)	(142,283)	106,165	(35,935)	(142,100)	124,731	(35,935)	(160,666)
1Q23	3,716,219	907,831	104,203	(38,889)	(143,092)	91,273	(52,997)	(144,270)	104,890	(38,889)	(143,779)	123,047	(38,889)	(161,936)
Annual Data														
2023	3,775,463	1,008,893	105,684	(29,033)	(134,717)	96,183	(43,141)	(139,324)	111,317	(29,033)	(140,350)	131,495	(29,033)	(160,528)

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 framework.

[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 ($)
4Q23	2,288	386	182	0	1,607
3Q23	2,330	342	196	0	1,735
2Q23	2,372	342	205	0	1,839
1Q23	2,019	339	169	0	1,510
Annual Data					
2023	9,009	1,409	752	0	6,691
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 (%)
4Q23	1,289,413	809,571	61,335	180,434	1,191,686	44,686	27,894	73,810	5.72
3Q23	1,309,489	826,945	59,783	169,493	1,211,502	45,219	27,192	73,813	5.64
2Q23	1,421,817	882,057	57,607	161,582	1,320,988	47,570	26,427	75,535	5.31
1Q23	1,564,170	1,044,614	56,228	152,348	1,459,115	53,362	25,388	79,548	5.09
Annual Data									
2023	1,289,413	809,571	61,335	180,434	1,191,686	44,686	27,894	73,810	5.72
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
4Q23	174	51	167	153	212	256	103	155	127	120	--	87	2	1607
3Q23	178	70	183	170	247	265	91	182	156	103	--	92	(2)	1,735
2Q23	174	79	167	218	240	250	91	215	176	121	--	106	2	1,839
1Q23	123	57	143	127	175	191	92	199	123	195	--	85	0	1,510
Annual Data														
2023	649	257	660	668	874	962	377	751	582	539		370	2	6,691
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
4Q23	96,608	41,959	65,306	73,553	79,952	122,530	35,562	108,890	78,432	61,335	--	45,445	809,571
3Q23	108,091	40,131	74,963	69,786	91,338	122,258	34,782	101,488	76,202	63,584	--	44,322	826,945
2Q23	112,380	40,246	79,569	86,890	109,032	114,057	36,234	108,573	80,580	70,537	--	43,958	882,057
1Q23	164,658	49,622	79,584	107,627	124,834	119,027	36,950	126,251	88,064	101,541	--	46,457	1,044,614
Annual Data													
2023	96,608	41,959	65,306	73,553	79,952	122,530	35,562	108,890	78,432	61,335	--	45,445	809,571
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
4Q23	8,121	3,839	8,339	6,521	7,151	10,023	4,186	8,394	5,780	7,446	--	4,010	0	73,810
3Q23	8,620	3,792	8,613	6,173	7,494	9,828	4,064	8,079	5,650	7,483	--	4,021	-4	73,813
2Q23	7,947	3,767	8,553	7,447	8,364	9,316	4,165	8,651	5,720	7,625	--	3,981	-1	75,535
1Q23	10,081	4,131	8,451	8,076	8,364	9,319	4,017	9,055	5,879	8,228	--	3,948	-1	79,548
Annual Data														
2023	8,121	3,839	8,339	6,521	7,151	10,023	4,186	8,394	5,780	7,446	--	4,010	0	73,810
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
2024[b]	766,550-1,149,825	981,500-1,472,250	1,186,350-1,779,525	1,474,400-2,211,600
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

Source: 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 2023 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
2024[a]	498,257	1,149,825	637,950	1,472,250	771,125	1,779,525	958,350	2,211,600
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 (%)
4Q23	6.6	Discontinued*	Discontinued*	N/A
3Q23	7.3	Discontinued*	Discontinued*	N/A
2Q23	6.7	Discontinued*	Discontinued*	N/A
1Q23	6.3	Discontinued*	Discontinued*	N/A
Annual Data				
2023	6.6	Discontinued*	Discontinued*	N/A
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 Publications 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
4Q23	1,097	471	1,568	654	3,880
3Q23	987	376	1,363	698	3,980
2Q23	945	470	1,415	683	4,110
1Q23	844	498	1,342	640	4,350
Annual Data					
2023	1,097	471	1,568	654	3,880
2022	888	452	1,340	636	4,120
2021	1,196	561	1,757	830	6,210
2020	1,296	339	1,635	873	6,510
2019	1,024	524	1,548	693	5,450
2018	795	300	1,095	546	5,010
2017	828	349	1,177	630	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 and FRED (Federal Reserve Economic Data). 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
4Q23	1.47	1.70	1.90	1.73	2.00	1.14	1.91	0.52	1.35	0.97
3Q23	2.10	3.12	2.93	2.19	2.61	1.77	1.66	1.01	2.02	1.93
2Q23	1.84	2.68	2.70	1.85	2.45	1.83	1.01	1.22	1.14	1.63
1Q23	0.93	2.39	1.19	1.31	1.61	1.44	1.60	0.41	(0.46)	(0.46)
Annual Data										
2023	6.49	10.26	9.00	7.27	8.96	6.32	6.33	3.20	4.10	4.11
2022	8.32	8.01	8.47	12.00	8.17	7.80	10.26	9.34	6.07	2.83
2021	17.70	16.29	13.98	20.52	14.14	13.78	18.73	17.92	23.40	19.35
2020	11.20	12.88	11.29	11.25	11.03	10.05	11.16	9.08	13.55	11.99
2019	5.48	4.94	4.77	6.09	5.61	5.16	5.65	4.47	7.23	5.16
2018	5.56	4.68	4.60	5.96	5.64	5.52	5.89	4.36	8.04	5.46
2017	6.18	5.29	4.61	6.18	5.57	5.16	5.38	5.97	8.53	8.22
2016	5.88	4.55	4.08	6.51	5.50	4.96	4.98	5.34	7.82	7.61
2015	5.40	3.62	2.38	6.29	4.02	4.37	4.55	5.72	7.82	8.04
2014	4.56	2.47	1.79	4.80	4.05	3.97	3.12	5.51	5.74	7.16
2013	6.78	3.02	2.59	7.24	5.51	3.91	3.05	5.37	10.47	15.01
2012	4.83	0.39	1.16	4.71	2.68	3.73	2.55	4.73	11.84	10.05
2011	(2.55)	(2.16)	(3.83)	(2.57)	(2.75)	(1.35)	(1.32)	0.74	(3.79)	(4.96)
2010	(4.02)	(2.34)	(1.86)	(5.46)	(3.09)	(3.46)	(4.16)	(2.34)	(7.44)	(5.14)
2009	(2.51)	(2.00)	(1.92)	(4.05)	(2.22)	(0.47)	(1.24)	0.85	(7.37)	(3.35)
2008	(10.15)	(6.72)	(5.32)	(14.25)	(8.02)	(4.63)	(3.94)	(2.01)	(14.04)	(21.86)
2007	(2.75)	(2.64)	(0.13)	(3.72)	(3.64)	(0.83)	1.71	3.21	(3.54)	(10.09)
2006	2.82	(2.05)	2.29	4.67	(0.16)	1.98	5.86	6.11	6.79	0.20
2005	10.24	6.40	9.99	14.88	3.35	4.85	7.50	6.79	17.82	18.22
2004	10.16	10.49	12.17	12.88	4.24	5.47	5.17	4.39	12.82	21.85
2003	7.81	10.65	10.93	8.53	4.62	5.55	4.04	3.15	6.81	15.51
2002	7.61	13.43	11.61	8.09	4.44	5.55	3.32	3.64	5.48	13.94
2001	6.73	11.95	9.37	7.34	4.76	6.15	3.28	4.01	5.35	9.64
2000	6.92	12.54	8.33	6.36	5.15	6.36	2.74	5.52	5.44	11.31
1999	6.13	9.94	6.79	5.70	5.08	5.49	3.84	5.38	5.60	8.62
1998	5.68	7.91	4.84	4.51	4.87	6.49	4.72	5.56	4.64	8.77
1997	3.29	4.41	2.01	3.18	3.38	3.59	2.83	3.09	3.13	4.30
1996	2.77	2.47	0.84	2.79	4.43	3.97	3.88	2.31	3.81	0.98
1995	2.72	1.07	0.16	2.56	4.93	4.79	4.73	2.97	4.91	(0.50)
1994	2.86	0.40	(0.78)	3.44	4.86	4.33	5.22	3.20	8.53	(1.12)
1993	2.76	(1.93)	0.03	2.37	4.70	6.18	4.71	4.63	9.55	(2.50)
1992	2.70	(0.46)	1.74	2.10	4.65	4.21	3.97	3.69	6.73	(1.10)
1991	3.12	(2.24)	1.55	3.01	4.72	3.77	4.01	3.96	5.64	1.90
1990	1.21	(7.19)	(2.48)	0.37	3.80	1.12	0.47	0.65	2.42	5.71
1989	5.61	0.80	2.51	4.43	5.95	3.28	2.80	2.58	2.53	18.32
1988	5.63	4.20	6.68	5.78	6.43	2.58	2.28	(1.77)	0.91	16.34
1987	5.45	15.09	15.99	5.80	7.64	2.44	3.39	(8.21)	(2.75)	8.62
1986	7.30	21.10	17.62	6.65	7.21	3.78	5.54	(0.01)	2.44	6.43
1985	5.70	22.44	13.54	5.08	4.82	3.67	5.50	(1.66)	2.27	4.72
1984	4.68	15.00	11.09	4.50	2.83	3.77	4.16	0.06	2.86	4.02
1983	5.33	13.60	11.92	5.92	4.75	4.25	4.30	4.18	(0.97)	1.63
1982	3.91	7.36	6.46	4.89	(2.80)	1.94	7.96	6.80	6.00	3.30
1981	2.85	6.49	1.60	2.68	1.81	0.57	(3.02)	6.30	7.54	3.94
1980	6.38	5.45	8.82	9.58	1.06	3.82	4.96	7.89	4.76	10.05
1979	12.33	14.21	15.79	11.80	7.78	10.39	7.98	14.79	15.13	16.23
1978	13.42	17.62	4.68	10.25	15.36	13.59	11.66	16.55	19.26	17.00
1977	14.75	8.35	12.81	9.92	14.90	15.73	10.57	14.62	16.74	25.54
1976	8.01	8.19	(1.49)	4.38	7.37	7.96	6.24	9.32	12.19	20.49

Source: Federal Housing Finance Agency

[a] Percentage changes based on FHFA's purchase-only index for 1992 through 2023 (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 2023 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
- Mid-Atlantic: New Jersey, New York, Pennsylvania
- South Atlantic: Washington, D.C., Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
- East South Central: Alabama, Kentucky, Mississippi, Tennessee
- West South Central: Arkansas, Louisiana, Oklahoma, Texas
- Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- Pacific: Alaska, California, Hawaii, Oregon, Washington

NOTES

NOTES

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