Fannie Mae has continued to guarantee approximately 20% of Multifamily MDO in recent years.

Source: Federal Reserve

Notes:
- Numbers may not sum due to rounding
- Data based on information available at time of publication
Diversified participation exists in the multifamily market today.

Non-GSE MF MBS issuances dropped by 92% from 2007 to 2009.

Source: American Council of Life Insurers (ACLI), FDIC, Trepp, Mortgage Bankers Association & Fannie Mae Multifamily Economic Research Group

Notes:
1 Estimated competitive market size is Fannie Mae’s internal estimate of multifamily originations activity.
2 Non-Traditional MF Lenders are non-institutional lenders that generate 1-2 multifamily loans a year with a typical size of less than $1M.
3 Other includes state and local credit agencies, FHLBs and other financial institutions.
4 Loans securitized by Ginnie Mae include non-dedicated multifamily housing (e.g., healthcare and new construction.)
5 Excludes purchases of loans from others’ portfolios and Treasury HFA New Issue Bond program volume in 2009 and 2010, therefore amounts may not tie to Fannie Mae 10-Qs or 10-Ks.
Fannie Mae Acquisitions – Consistent Provider of Liquidity and Affordability to the Multifamily Debt Market
### Fannie Mae Multifamily Acquisitions by Asset Class

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufactured Housing</td>
<td>$1.0</td>
<td>$1.1</td>
<td>$0.5</td>
<td>$0.5</td>
<td>$0.9</td>
<td>$1.0</td>
<td>$0.8</td>
<td>$3.0</td>
<td>$1.9</td>
<td>$2.9</td>
<td>$2.5</td>
<td></td>
</tr>
<tr>
<td>Seniors Housing</td>
<td>2.1</td>
<td>1.0</td>
<td>0.6</td>
<td>1.4</td>
<td>1.2</td>
<td>1.6</td>
<td>1.5</td>
<td>2.7</td>
<td>1.5</td>
<td>5.5</td>
<td>2.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Student Housing</td>
<td>0.4</td>
<td>0.6</td>
<td>0.2</td>
<td>0.5</td>
<td>0.7</td>
<td>0.5</td>
<td>0.8</td>
<td>1.5</td>
<td>2.5</td>
<td>3.8</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Conventional &amp; Coop</td>
<td>31.5</td>
<td>17.2</td>
<td>15.5</td>
<td>22.0</td>
<td>30.9</td>
<td>25.7</td>
<td>26.1</td>
<td>37.3</td>
<td>48.2</td>
<td>54.8</td>
<td>57.4</td>
<td>61.9</td>
</tr>
</tbody>
</table>

**Total Multifamily Acquisitions**

- $35
- $20
- $17
- $24
- $34
- $29
- $29
- $42
- $55
- $66
- $65
- $70

**Additional Loan Sectors Included in Total Acquisitions**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Affordable Housing²</td>
<td>$1.1</td>
<td>$0.8</td>
<td>$2.3</td>
<td>$3.8</td>
<td>$2.3</td>
<td>$2.6</td>
<td>$3.0</td>
<td>$4.3</td>
<td>$5.4</td>
<td>$6.0</td>
<td>$7.2</td>
<td></td>
</tr>
<tr>
<td>Small Balance Loans³⁴</td>
<td>3.8</td>
<td>3.8</td>
<td>4.4</td>
<td>5.5</td>
<td>4.4</td>
<td>2.9</td>
<td>2.9</td>
<td>3.1</td>
<td>3.4</td>
<td>3.0</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>5-50 Units⁴</td>
<td>1.4</td>
<td>1.4</td>
<td>1.5</td>
<td>1.9</td>
<td>1.5</td>
<td>0.8</td>
<td>1.0</td>
<td>1.3</td>
<td>1.7</td>
<td>1.7</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Supplemental⁵</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
<td>0.6</td>
<td>0.7</td>
<td>0.9</td>
<td>1.4</td>
<td>1.5</td>
<td>1.8</td>
<td>1.3</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Green</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>0.06</td>
<td>0.06</td>
<td>0.02</td>
<td>0.2</td>
<td>3.6</td>
<td>27.8</td>
<td>20.1</td>
<td>22.8</td>
<td></td>
</tr>
<tr>
<td>Structured</td>
<td>3.4</td>
<td>0.8</td>
<td>2.0</td>
<td>1.8</td>
<td>1.9</td>
<td>1.5</td>
<td>3.5</td>
<td>4.5</td>
<td>10.3</td>
<td>9.5</td>
<td>8.6</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. Excludes $1 billion and $391 million from the Treasury HFA New Issue Bond program for 2010 and 2009, respectively, and a transaction backed by a pool of single-family rental properties in 2017 totaling $945 million.
2. Financing for rent-restricted properties and properties receiving other federal and state subsidies. Excludes Treasury HFA New Issue Bond Program.
3. Loans up to $6 million.
5. Loans that are second, third, or fourth liens on a property.
Fannie Mae Multifamily Acquisitions by Financing Type

Note: Other financing types include supplemental financing on existing properties and construction take-outs. Construction take-out refers to the permanent debt on a newly constructed property where Fannie Mae did not provide construction financing.

Source: Fannie Mae
Fannie Mae provides financing to diverse multifamily market segments with varying loan sizes.

Source: Fannie Mae
The substantial majority of multifamily units financed by Fannie Mae continue to be affordable to families at or below 120% of the area median income.

Source: Fannie Mae, based on Housing Goals methodology

Note:

1 Housing Goals numbers are subject to final determination by FHFA
The top 10 MSAs represented nearly 39% of full year 2019 multifamily acquisitions.
Fannie Mae Multifamily Guaranty Book - Diversification and Balance
Fannie Mae supports multifamily financing in all 50 states
Fannie Mae’s average multifamily loan size nationwide is approximately $12M
Fannie Mae Mortgage Backed Securities
As Fannie Mae’s retained mortgage portfolio has shrunk, strong demand has continued for Multifamily MBS and structured products.

Notes:
• Numbers may not sum due to rounding
• Amounts measured at period-end

Source: Fannie Mae 10-Ks and 10-Qs
Fannie Mae Multifamily Guaranteed Securities (GeMS) Issuance

GeMS issuance has facilitated market activity

- Structured MF Securities created by collateral selected by Fannie Mae
- Executed via REMIC or Mega Structures
- Collateral Diversification
- Customizable Cash Flows
- Block Size & Par Pricing
- Dealer Syndicate Distribution

Total $ in Billions

*Excludes GeMS sold in the secondary market

Note: A portion of structured securities issuances may include MBS issuances held by Fannie Mae in that same period. These do not include structured securities backed by MBS held by a third party.

Source: Fannie Mae 10-Ks and 10-Qs
Multifamily Market Spreads

Trailing Legacy & New Issue AAA CMBS, MBS/DUS®, GeMS and Freddie K Spreads

Spreads have been tight since Q2 2016, but may remain volatile as a result of macroeconomic uncertainty

Source: JPMorgan CMBS Weekly Datasheet
Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS®)
## Fannie Mae Multifamily DUS® Lenders

<table>
<thead>
<tr>
<th>DUS® Lenders service over 99% of Multifamily Guaranty Book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbor</td>
</tr>
<tr>
<td>Barings</td>
</tr>
<tr>
<td>Bellwether</td>
</tr>
<tr>
<td>Berkadia</td>
</tr>
<tr>
<td>Capital One</td>
</tr>
<tr>
<td>CBRE</td>
</tr>
<tr>
<td>Chase</td>
</tr>
<tr>
<td>Citibank</td>
</tr>
<tr>
<td>Dougherty</td>
</tr>
</tbody>
</table>

**Multifamily lender base includes both large and small institutions**
Fannie Mae Multifamily Private Capital in the DUS® Model

- **Borrower**
- **DUS lenders**
- **Fannie Mae**
- **3rd party investor**
- **Market Making Activity**
- **Sell MBS to 3rd party Investor**
- **Sell security to 3rd party investor**
- **Fannie Mae Capital Markets**
- **Package MBS into structured security**

**Loan**
Servicing Fee (with fee for credit risk)

**MBS**
Fannie Mae securitizes loan as MBS

**Note:**
- $1
- Note: Blue indicates presence of private capital
- 1Based on most common risk-sharing structure

**Risk-Sharing**
If loan defaults

- FNM 2/3 credit loss
- DUS lender 1/3 credit loss

Private capital is part of every Fannie Mae Multifamily transaction
## Fannie Mae Multifamily Private Capital in the DUS® Model

<table>
<thead>
<tr>
<th>Interests</th>
<th>Borrower</th>
<th>Lender</th>
<th>Fannie Mae</th>
<th>Investor</th>
</tr>
</thead>
</table>
|           | • Competitive pricing  
|           | • Broad range of financing products  
|           | • Standardized loan documents  
|           | • Shorter timelines to loan closing  
|           | • Range from individual sponsors to REITs, pension funds, etc.  
|           | • Contributes 20%+ equity | • Delegated authority  
|           | | • Consistent underwriting and servicing standards  
|           | | • Higher servicing fee income  
|           | | • 25 DUS lenders range from independents to large diversified financial institutions  
|           | | • Shares in approximately 1/3 of the credit losses | • Steady guaranty fee income  
|           | | | • Scalable  
|           | | | • Provides financing through all economic cycles  
|           | | | • Shares in approximately 2/3 of the credit losses  
|           | | | • Highly-rated credit strength  
|           | | | • Enhanced liquidity  
|           | | | • Call (prepayment) protection  
|           | | | • Lower spread volatility  
|           | | | • Stable cash flows |

DUS® is a unique model that leverages private capital, aligns interests through risk-sharing, and provides attractive structures to investors.
Fannie Mae Multifamily DUS® Risk-Sharing and Delegation Model

Origination

- Applies for loan
- Originates the loans
- Sets loan documentation and delivery protocol

Underwriting & Servicing

- Borrower and property evaluated as part of underwriting
- Underwrites and services the loans in accordance with Fannie Mae standards and requirements
- Sets underwriting standards and servicing requirements
- Performs quality control on underwriting and servicing
- Creates Mortgage Backed Securities
- Rely on standard underwriting
- Require periodic property performance information

Risk-Sharing (private capital at risk)

- Contributes 20%+ equity
- Shares in 1/3 of the credit losses
- Shares in 2/3 of the credit losses

Fannie Mae Multifamily’s success has been achieved through its unique risk-sharing model and alignment of interests

Note: 1 Example illustrates pari passu loss sharing
## Fannie Mae Multifamily DUS® Features and Benefits

<table>
<thead>
<tr>
<th>Features</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry Continuity</strong></td>
<td>▪ Countercyclical stability – consistently provides access to credit throughout economic cycles</td>
</tr>
<tr>
<td></td>
<td>▪ Promotes confidence that funding and liquidity will be accessible</td>
</tr>
<tr>
<td><strong>Published Underwriting and Servicing Guidelines and Loan Documents</strong></td>
<td>▪ Sets industry standards for multifamily underwriting and servicing best practices</td>
</tr>
<tr>
<td></td>
<td>▪ Promotes standardization and transparency across all industry participants</td>
</tr>
<tr>
<td></td>
<td>▪ Facilitates reliable securities disclosures</td>
</tr>
<tr>
<td><strong>Delegation and Scalability</strong></td>
<td>▪ Enables Fannie Mae to scale the business as industry conditions change</td>
</tr>
<tr>
<td></td>
<td>▪ Improves efficiency and, therefore, lender responsiveness to customers</td>
</tr>
<tr>
<td><strong>Network of Approved Lenders/ Servicers</strong></td>
<td>▪ Maintains a select group of business relationships based on:</td>
</tr>
<tr>
<td></td>
<td>▪ Financial strength</td>
</tr>
<tr>
<td></td>
<td>▪ Extensive multifamily underwriting and servicing experience</td>
</tr>
<tr>
<td></td>
<td>▪ Strong portfolio performance</td>
</tr>
<tr>
<td></td>
<td>▪ Creation of quality branded product</td>
</tr>
<tr>
<td><strong>Risk-Sharing</strong></td>
<td>▪ Borrowers, Lenders and Fannie Mae have shared interests throughout the life of the loan</td>
</tr>
<tr>
<td></td>
<td>▪ Awareness of risk potential improves processes and performance of all parties</td>
</tr>
<tr>
<td></td>
<td>▪ Optimizes outcomes (e.g., profitability and loss mitigation) for all participants</td>
</tr>
<tr>
<td><strong>DUS Mortgage-Backed Security (DUS/MBS)</strong></td>
<td>▪ Transforms a mortgage loan into a more liquid asset, which increases available funds in the financial system</td>
</tr>
<tr>
<td></td>
<td>▪ Offers investors highly-rated credit strength due to Fannie Mae’s guarantee of timely payment of principal and interest</td>
</tr>
</tbody>
</table>

The delegated model allows Fannie Mae to be more responsive to customers

Note: *Example illustrates pari passu loss sharing*
Lenders have increasingly shared in the risk of multifamily loans delivered to Fannie Mae.

Source: Fannie Mae 10-Ks, 10-Qs and Quarterly Financial and Credit Supplements
Fannie Mae lender partners have assumed 31% of all losses on loans that have gone through settlement since 2007.
Fannie Mae Multifamily Financial Results
The DUS® model drives strong credit. Credit losses have been low in recent years.
Fannie Mae has served the multifamily market broadly, maintaining sound credit performance

Fannie Mae has served the multifamily market broadly, maintaining sound credit performance.

Notes:
1. FDIC bank data reflects net charge-offs to book. CMBS data only available through Q4 2014.
2. Fannie Mae credit losses are shown net of loss sharing.

Sources: Fannie Mae, FRE Volumes Summary, FDIC, American Council of Life Insurers (ACLI), Trepp