

We estimate our share of single-family mortgage-related securities issuances was 40% in the second quarter of 2021 and 41% in the third quarter of 2020.

Presentation of Our Single-Family Guaranty Book of Business

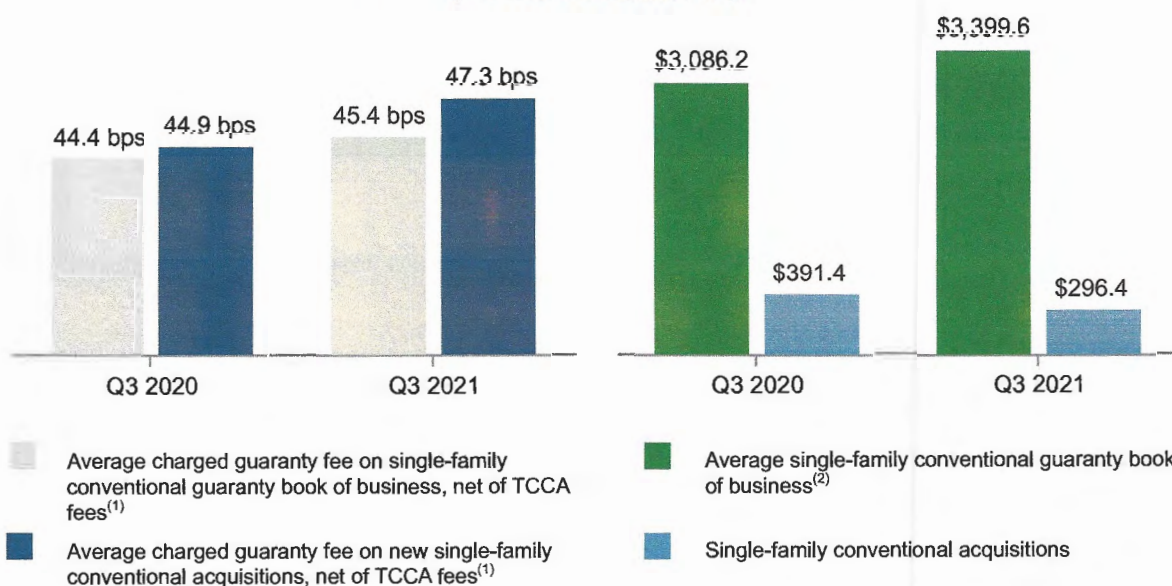
For purposes of the information reported in this “Single-Family Business” section, we measure the single-family guaranty book of business using the unpaid principal balance of our mortgage loans underlying Fannie Mae MBS outstanding. By contrast, the single-family guaranty book of business presented in the “Composition of Fannie Mae Guaranty Book of Business” table in the “Guaranty Book of Business” section is based on the unpaid principal balance of the Fannie Mae MBS outstanding, rather than the unpaid principal balance of the underlying mortgage loans. These amounts differ primarily as a result of payments we receive on underlying loans that have not yet been remitted to the MBS holders or instances where we have advanced missed borrower payments on mortgage loans to make required distributions to related MBS holders. As measured for purposes of the information reported below, our single-family conventional guaranty book of business was **\$3,422.0 billion** as of September 30, 2021 and \$3,200.9 billion as of December 31, 2020.

Single-Family Business Metrics

Net interest income for our Single-Family business is driven by the guaranty fees we charge and the size of our single-family conventional guaranty book of business. Our business volume and growth in our guaranty book of business is affected by the rate of growth in total U.S. residential mortgage debt outstanding, the size of the U.S. residential mortgage market and our share of mortgage acquisitions. The guaranty fees we charge are based on the characteristics of the loans we acquire. We may adjust our guaranty fees in light of market conditions and to achieve return targets. As a result, the average charged guaranty fee on new acquisitions may fluctuate based on the credit quality and product mix of loans acquired, as well as market conditions and other factors.

The charts below display our average charged guaranty fees, net of TCCA fees, on our single-family conventional guaranty book of business and on new single-family conventional loan acquisitions, along with our average single-family conventional guaranty book of business and our single-family conventional loan acquisitions for the periods presented.

Select Single-Family Business Metrics (Dollars in billions)



⁽¹⁾ Excludes the impact of a 10 basis point guaranty fee increase implemented pursuant to the TCCA, the incremental revenue from which is remitted to Treasury and not retained by us.

⁽²⁾ Our single-family conventional guaranty book of business primarily consists of single-family conventional mortgage loans underlying Fannie Mae MBS outstanding. It also includes single-family conventional mortgage loans of Fannie Mae held in our retained mortgage portfolio, and other credit enhancements that we provide on single-family conventional mortgage assets. Our single-family conventional guaranty book of business does not include: (a) non-Fannie Mae single-family mortgage-related securities held in our retained mortgage portfolio for which we do not provide a guaranty; (b) mortgage loans guaranteed or insured, in whole or in part, by the U.S. government; or (c) Freddie Mac-acquired mortgage loans underlying Freddie Mac-issued UMBS that we have resecured. Our average single-family conventional guaranty book of business is based on quarter-end balances.

Key Risk Characteristics of Single-Family Conventional Business Volume and Guaranty Book of Business⁽¹⁾

	Percent of Single-Family Conventional Business Volume at Acquisition ⁽²⁾				Percent of Single-Family Conventional Guaranty Book of Business ⁽³⁾ As of	
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		September 30, 2021	December 31, 2020
	2021	2020	2021	2020		
Original LTV ratio:⁽⁴⁾						
<= 60%	30 %	28 %	32 %	25 %	26 %	23 %
60.01% to 70%	16	15	16	16	15	14
70.01% to 80%	31	33	31	34	34	35
80.01% to 90%	9	11	9	12	10	11
90.01% to 95%	10	10	9	10	10	11
95.01% to 100%	4	3	3	3	4	4
Greater than 100%	—	*	*	*	1	2
Total	100 %	100 %	100 %	100 %	100 %	100 %
Weighted average	70 %	71 %	69 %	72 %	72 %	74 %
Average loan amount	\$282,305	\$281,202	\$282,206	\$279,641	\$ 195,844	\$ 185,047
Estimated mark-to-market LTV ratio:⁽⁵⁾						
<= 60%					60 %	52 %
60.01% to 70%					19	17
70.01% to 80%					14	18
80.01% to 90%					5	9
90.01% to 100%					2	4
Greater than 100%					*	*
Total					100 %	100 %
Weighted average					54 %	58 %
FICO credit score at origination:						
< 620	— %	— %	— %	* %	1 %	1 %
620 to < 660	4	2	3	2	4	4
660 to < 680	4	2	3	2	3	4
680 to < 700	7	5	6	5	7	7
700 to < 740	19	17	18	19	19	20
>= 740	66	74	70	72	66	64
Total	100 %	100 %	100 %	100 %	100 %	100 %
Weighted average	753	762	757	759	752	750
Debt-to-income ("DTI") ratio at origination:⁽⁶⁾						
<= 43%	76 %	81 %	78 %	79 %	78 %	77 %
43.01% to 45%	8	7	8	8	8	9
Greater than 45%	16	12	14	13	14	14
Total	100 %	100 %	100 %	100 %	100 %	100 %
Weighted average	35 %	33 %	34 %	34 %	34 %	35 %

Monitoring Loan Performance and Characteristics

We review loan performance, including delinquency statistics and related loan characteristics, in conjunction with housing market and economic conditions, including the economic effects associated with the COVID-19 pandemic, to assess credit risk when estimating our allowance for credit losses and to determine if our pricing and eligibility standards reflect the risk associated with the loans we purchase and guarantee.

Loan Characteristics

The table below contains details of the characteristics of the loans in our single-family mortgage portfolio.

Table 25 - Credit Quality Characteristics of Our Single-Family Mortgage Portfolio

(Dollars in billions)	September 30, 2021						
	UPB	Original Credit Score ⁽¹⁾	Current Credit Score ⁽¹⁾⁽²⁾	Original LTV Ratio	Current LTV Ratio	Current LTV Ratio >100%	Alt-A %
Single-family mortgage portfolio year of origination:							
2021	\$814	754	752	71 %	66 %	— %	— %
2020	917	760	766	71	58	—	—
2019	177	746	751	76	57	—	—
2018	75	736	736	76	53	—	—
2017	99	741	746	75	47	—	—
2016 and prior	600	737	751	75	37	—	3
Total	\$2,682	751	756	72	55	—	1

(Dollars in billions)	December 31, 2020						
	UPB	Original Credit Score ⁽¹⁾	Current Credit Score ⁽¹⁾⁽²⁾	Original LTV Ratio	Current LTV Ratio	Current LTV Ratio >100%	Alt-A %
Single-family mortgage portfolio year of origination:							
2020	\$971	760	758	71 %	68 %	— %	— %
2019	276	747	754	77	67	—	—
2018	119	739	739	77	62	—	—
2017	148	742	747	75	56	—	—
2016	187	748	758	73	49	—	—
2015 and prior	625	737	750	75	41	—	3
Total	\$2,326	749	754	74	58	—	1

(1) Original credit score is based on three credit bureaus (Equifax, Experian, and TransUnion). Current credit score is based on Experian only.

(2) Credit scores for certain recently acquired loans may not have been updated by the credit bureau since the loan acquisition and therefore the original credit scores also represented the current credit scores.

Higher Risk Loan Attributes and Attribute Combinations

Certain combinations of loan attributes can indicate a higher degree of credit risk, such as loans with both higher LTV ratios and lower credit scores. The following table presents the combination of credit score and CLTV ratio attributes of loans in our single-family mortgage portfolio.

Table 26 - Single-Family Mortgage Portfolio Attribute Combinations

(Original credit score)	September 30, 2021												
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans		
	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate ⁽¹⁾	% of Portfolio	SDQ Rate ⁽¹⁾	% of Portfolio	SDQ Rate ⁽¹⁾	% of Portfolio	SDQ Rate ⁽¹⁾	% of Portfolio	SDQ Rate	% Modified ⁽²⁾
< 620	0.8 %	7.40 %	0.2 %	12.84 %	— %	NM	— %	NM	— %	NM	1.0 %	8.36 %	9.0 %
620 to 679	4.5	4.06	2.1	4.02	0.3	3.37%	0.1	3.90%	—	NM	7.0	4.04	4.1
≥ 680	52.3	1.08	32.7	1.04	5.1	0.64	1.8	0.29	—	NM	91.9	1.04	0.6
Not available	0.1	7.34	—	NM	—	NM	—	NM	—	NM	0.1	7.71	18.1
Total	57.7 %	1.53	35.0 %	1.36	5.4 %	0.94	1.9 %	0.66	— %	NM	100.0 %	1.46	1.1

Referenced footnotes are included after the prior period table.