

**Fannie's high risk categories' and their \$ totals (as of 9.30.10):**

**Subprime (weighted average FICO = 621): \$6.7 billion**

**FICO below 660 (weighted average FICO approximately 620): \$312.3 billion**

**Alt-A: \$220 billion**

**LTV > 90% (weighted average original LTV is 98.1%): \$259.7 billion**

**Interest only: \$161.4 billion**

**Negative amortizing: \$11.5 billion**

**Total (total is calculated by counting a loan only once even if it included in multiple categories):  
\$779.8 billion**

**One more category was added that no one can seriously question – 1st mortgages with a piggyback  
2nd along with a combined CLTV >90% (average combined LTV estimated at about 97%).**

**Fannie's acquisitions in 2009 vs. 2007 vs. 1991:**

<b>Category:</b>	<b>2009</b>	<b>2007</b>	<b>1991</b>
<b>FICO &lt;660</b>	<b>2%</b>	<b>17.9%</b>	<b>estimated at 2%</b>
<b>LTV&gt;90%</b>	<b>3.7%</b>	<b>20.1%</b>	<b>5.75%</b>
<b>Interest only</b>	<b>1%</b>	<b>15.2%</b>	<b>0%</b>
<b>Investor</b>	<b>2.5%</b>	<b>6.5%</b>	<b>1.76%</b>
<b>Alt-A</b>	<b>0%</b>	<b>16.7%</b>	<b>0%</b>

**Or the percentage of new mortgage accounts with a FICO >660 (for the entire market):**

<b>FICO:</b>	<b>2010</b>	<b>2005</b>	<b>1989</b>
<b>&gt;660</b>	<b>87.4%</b>	<b>67.3%</b>	<b>86.7%</b>

**Or the homeownership rate:**

	<b>2010</b>	<b>2005</b>	<b>1991</b>	<b>1991 (adjusted for demographics)</b>
<b>Rate:</b>	<b>66.5%</b>	<b>69%</b>	<b>64%</b>	<b>66%</b>

<b>Issue:</b>	<b>CAP</b>	<b>AEI</b>
<b>Government guarantee for private market:</b>	<b>Yes</b>	<b>No</b>
<b>Institution:</b>	<b>Chartered Mortgage Institution (CMI)</b>	<b>Not applicable</b>
<b>Loans:</b>	<b>Sustainable credit to borrowers not otherwise provided by the market at competitive prices (example: 30-year FRM)</b>	<b>Collateral for MBS, covered bonds, and FHLB advances must be prime loans. Non-prime limited to assure a high preponderance of loans are prime. FHA is required to meet a sustainable claim rate of 5%.</b>
<b>Loan limits:</b>	<b>Yes</b>	<b>No</b>
<b>Coverage:</b>	<b>Government guarantee against CMI failure</b>	<b>Not applicable</b>
<b>Fee</b>	<b>Fairly priced and paid for</b>	<b>Not applicable</b>
<b>Fee to fund underserved communities</b>	<b>10 bps/year on all outstanding MBS issues forward going</b>	<b>No</b>

