



Fannie Mae®

Multifamily Credit Risk Management

As of December 31, 2025



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Overview



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About Fannie Mae



Two Primary Business Lines

Fannie Mae operates in the secondary mortgage market through two primary business lines: Multifamily and Single-Family.

Multifamily



We provide financing for rental housing – an important segment of the housing market. This is a key component of Fannie Mae's mission and business. We are a leading provider of financing for affordable multifamily properties, including specialized products.

- ✓ 5 or more residential units
- ✓ Individual and institutional owners
- ✓ Includes specialty housing, such as affordable, senior, student, military, and manufactured housing communities

Single-Family



We are continuously working to improve the housing finance industry – from developing industry-leading tools and technology, to implementing new standards and solutions. We're focused on improving the mortgage process for both homebuyers and lenders – while limiting risk.

- ✓ 1-4 residential units
- ✓ Generally, homes or condominiums owned by individuals

About Us



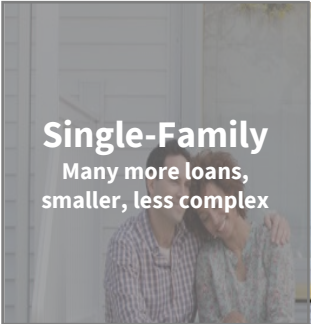
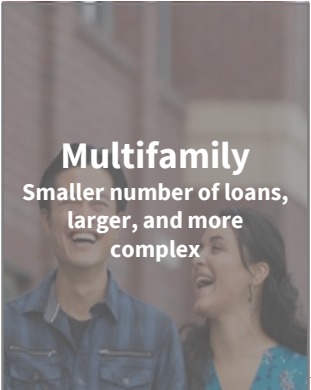
In 2025, Fannie Mae provided nearly **\$74 billion in Multifamily financing.***



Fannie Mae owned or guaranteed an estimated **24% of single-family mortgage debt outstanding in the U.S., as of December 31, 2025.***

Multifamily vs. Single-Family

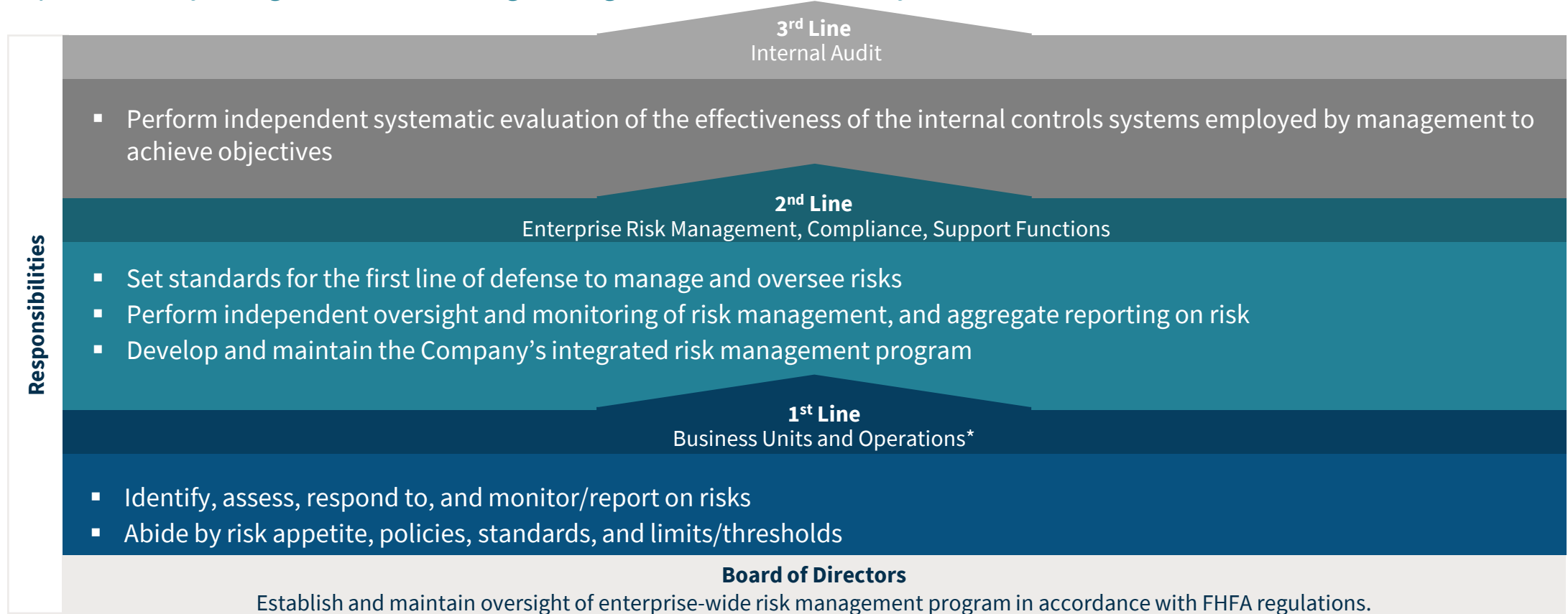
The Multifamily and Single-Family businesses are intrinsically different, and each has unique characteristics.

	Number of Units	General Borrower	Collateral	Average Loan Size ¹	Typical Term and Rate	UPB of Loans Acquired in 2025
 Single-Family Many more loans, smaller, less complex	1 to 4 residential units, generally homes or condominiums owned by individuals	Individual	Single-Family residential property	\$210,595	30 years, fixed-rate fully amortizing. Other terms include 20, 15, 10 and other fixed-rate mortgages as well as ARMs ²	\$336 billion
 Multifamily Smaller number of loans, larger, and more complex	5 or more residential units, including affordable, senior, student, military, and manufactured housing communities	Public or private owner / operator	Income-producing Multifamily rental property	\$17 million	5, 7, 10 years, payable on a 25-, 30-, or 40-year amortization schedule with a balloon payment at maturity. Other terms include ARMs	\$74 billion



Proactive Defense Against Risks

Fannie Mae utilizes an industry standard “three lines of defense” approach to managing risk across all business segments to provide early recognition and to safeguard against sudden discovery of risk.



Multifamily Business Overview



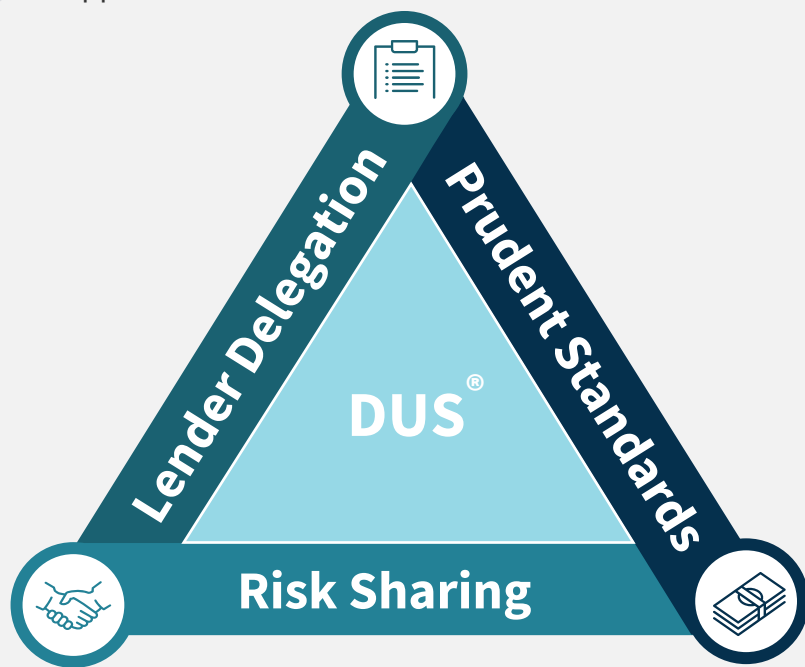
Key Elements of Multifamily Business

Our Delegated Underwriting and Servicing (DUS®) model is the cornerstone of our business and supports our credit risk management activities throughout the loan lifecycle.



DUS Model

Multifamily's business is executed primarily through 24 approved DUS lenders.



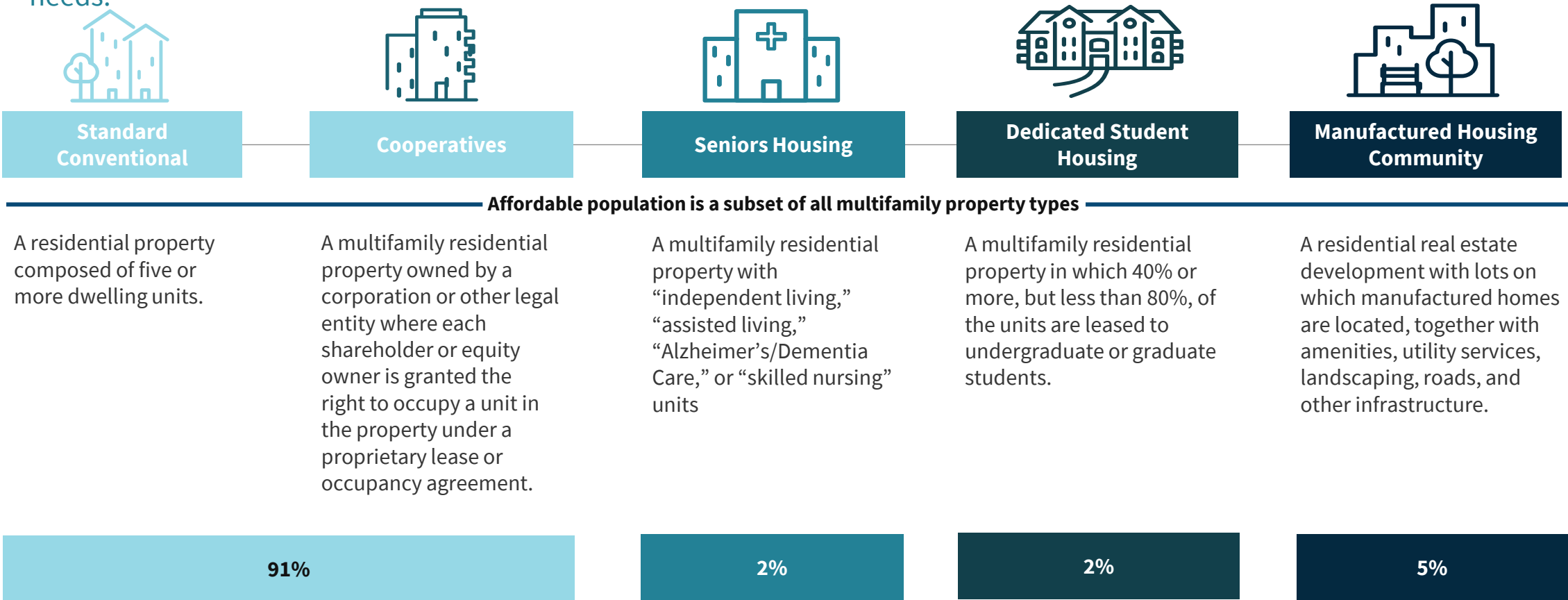
Credit Risk Management

Multifamily has an advanced credit risk management framework that underpins all aspects of our business.



Types of Multifamily Properties

As a reliable and affordable source of financing, Multifamily is committed to serving the spectrum of America’s housing needs.



Multifamily Resiliency

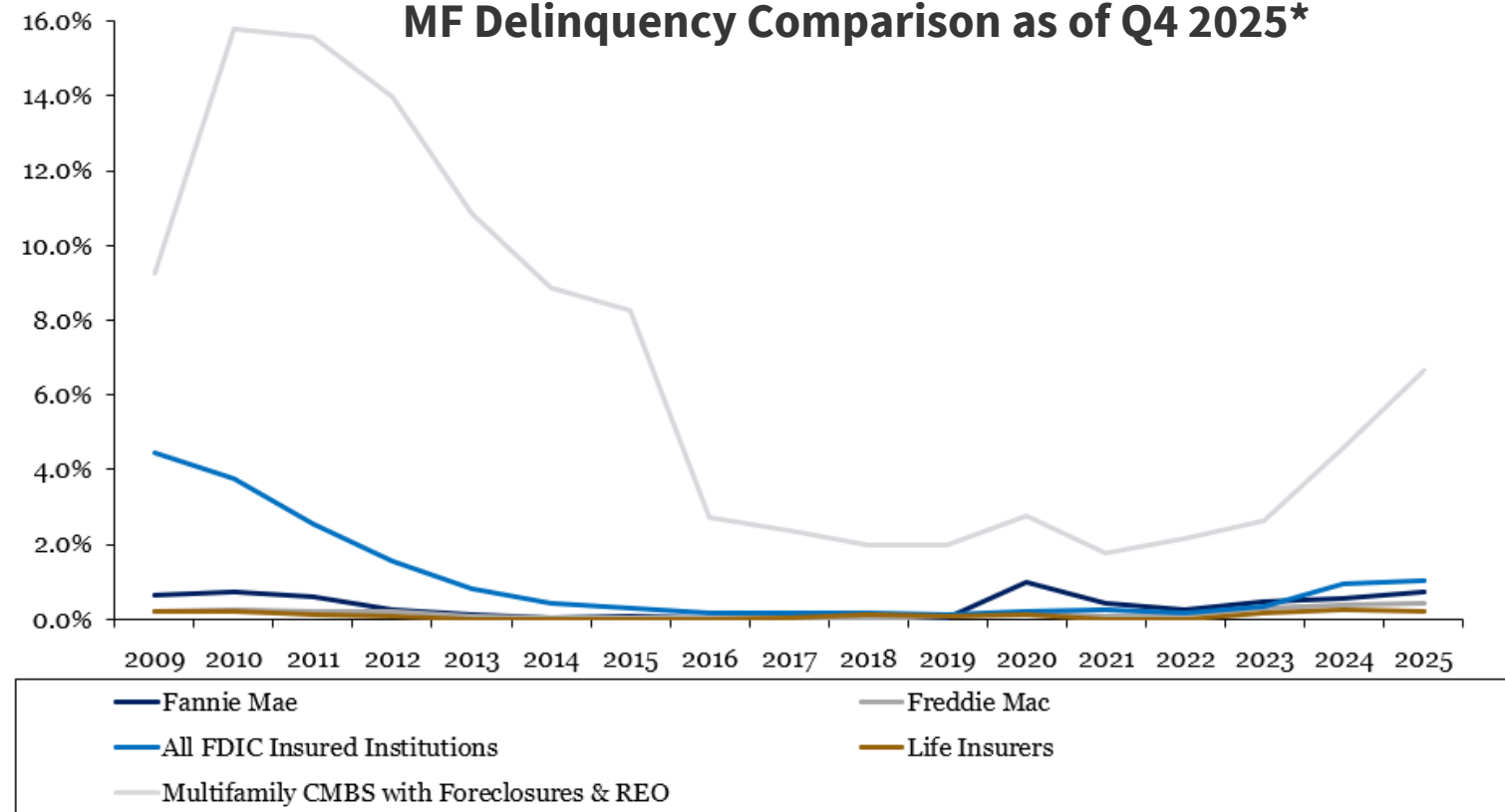
Our depth of industry experience combined with strong practices and standards kept our delinquency rates low in the face of pandemic-related volatility.

Seriously Delinquent
(SDQ) Rate

0.74%

of Multifamily's guaranty
book of business was
seriously delinquent as of
December 31, 2025,
compared to **0.57%** as of
December 31, 2024.

MF Delinquency Comparison as of Q4 2025*

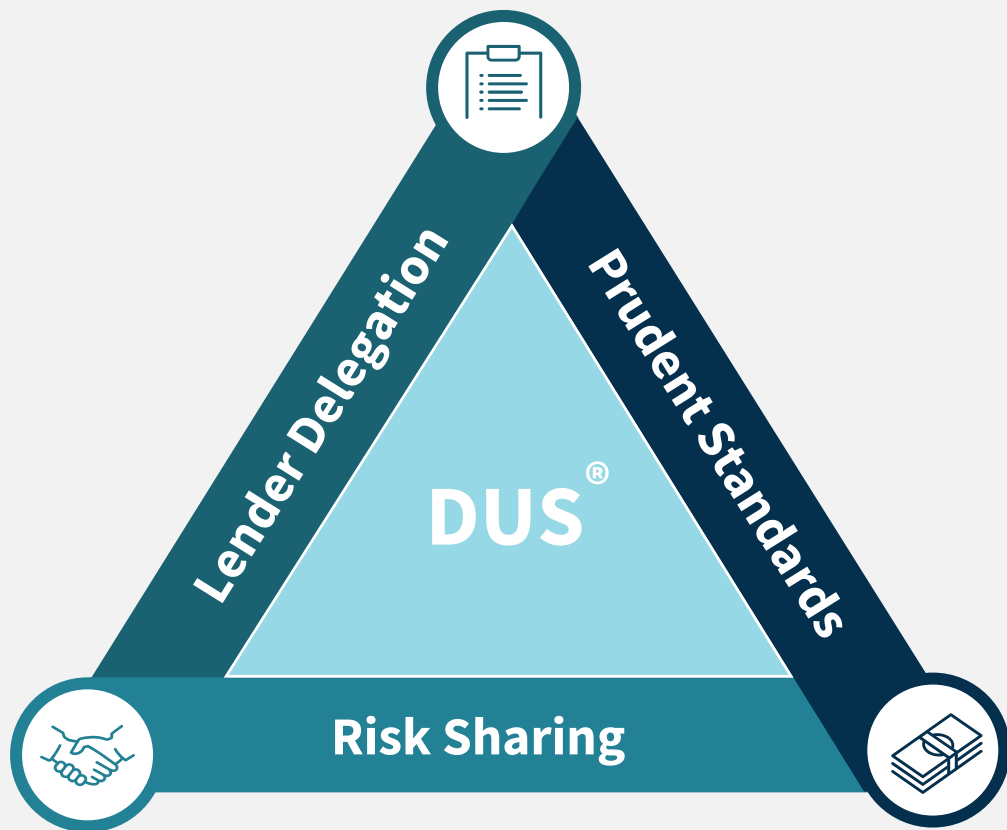


*Sources: Fannie Mae, FRE Volumes Summary, FDIC, American Council of Life Insurers (ACLI), and Trepp. FDIC bank data reflects 90+day delinquency rates; CMBS includes foreclosures & REO and reflects 30+ day delinquency rates. Freddie Mac's SDQ rate does not include forbearances while Fannie Mae's does include forbearances.



DUS Risk Sharing Model





DUS Model: The Loan We All Own®

Launched in 1988, the DUS program delegates to approved lenders the ability to underwrite, close, and sell loans on multifamily properties to Fannie Mae Multifamily without prior review. The DUS model is based on three key principles:



Prudent Standards

Multifamily requires DUS lenders to abide by rigorous credit and underwriting criteria and they are subject to ongoing credit review and monitoring.



Risk Sharing

Multifamily requires borrowers to maintain equity in financed properties and requires DUS lenders to share in any credit losses. This aligns interests so all parties maintain a stake in each loan.

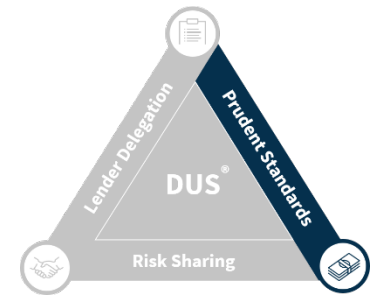


Lender Delegation

Multifamily business is primarily executed through our partnership with the DUS lender network of 24 financial institutions and independent mortgage lenders. DUS lenders retain servicing responsibilities through the life of loan under Multifamily oversight. In the event of a default, Multifamily takes lead on the workout options through disposition.



Selling and Servicing Guide



The Multifamily Selling and Servicing Guide (“Guide”) is organized by requirements, guidance, and operating procedures to maximize effectiveness of lender delegated authority by simplifying the process, providing certainty around requirements, and enabling faster processing.



Part I: Mortgage Loan

Provides an overview of how to use the Guide and information relevant for all mortgage loans, borrowers, key principals, and principals.



Part II: Property

Provides criteria relevant for all properties, including eligibility characteristics; determining value, income, and legal compliance; and information related to inspections, reserves, insurance, and environmental considerations.



Part III: Products and Features

Provides underwriting information for specific property types and transaction structures.



Part IV: Committing and Delivery

Provides information related to pricing, fees, committing, delivery, purchase, and conversions for all mortgage loans.



Part V: Servicing and Asset Management

Provides requirements relevant to servicing, asset management, and surveillance.

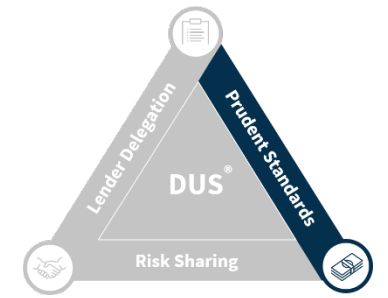


DUS Navigate

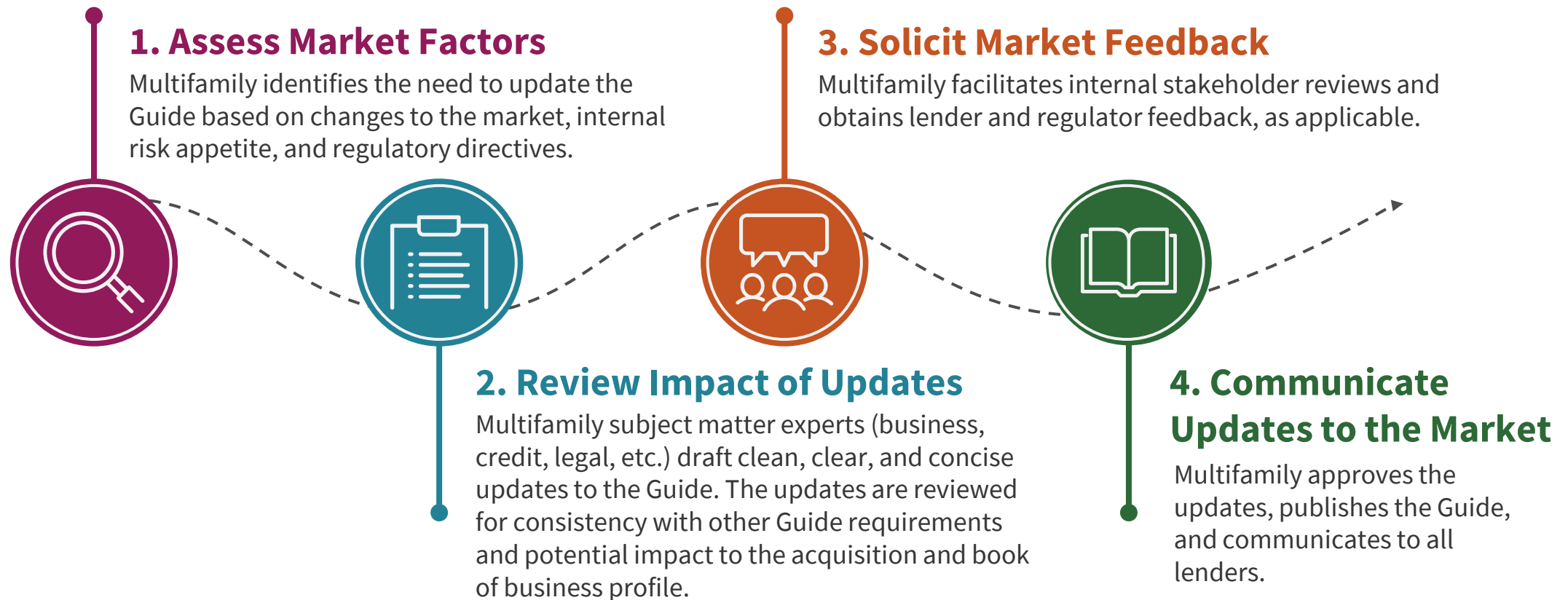
DUS Navigate is the one stop portal for the Guide and related documents. It enables users to easily search and navigate through the Guide and provides the information clearly and simply.



An Actively Managed Guide

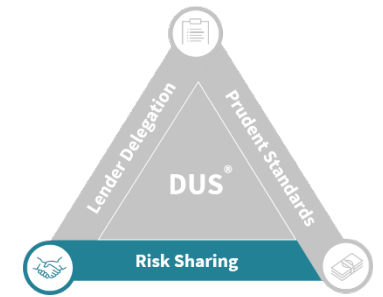


Multifamily works with our stakeholders to systematically manage updates to the Guide to ensure it reflects Fannie Mae's current risk appetite and broader market conditions.



DUS Risk Sharing

The Multifamily DUS model requires lenders to share the risk of losses with Fannie Mae throughout the life of the loan.



Each DUS lender selects one of the loss sharing approaches below, and all loans from that lender are delivered using the selected loss sharing approach.

Pari Passu

Lender assumes 33.33% of the loss and Fannie Mae assumes 66.67%.

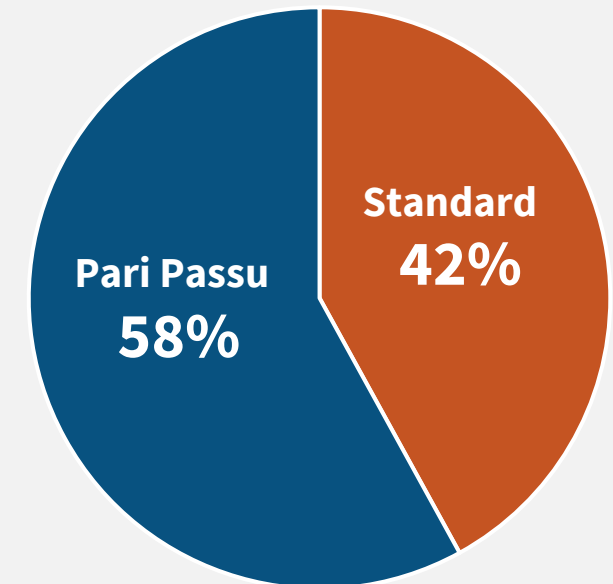
Standard

Lender assumes credit losses as follows:

- All losses up to the first 5% of actual UPB
- Plus 25% of the next 20% of actual UPB
- Plus 10% of the remaining losses
- Maximum potential loss of 20% of original UPB

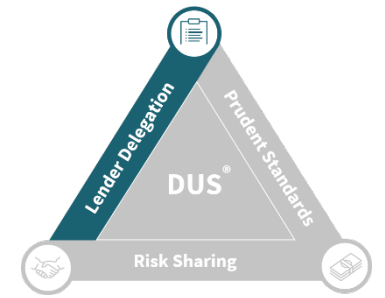
Lender Loss Sharing Approach

The majority of lenders select the Pari Passu loss sharing calculation.*



Our Delegated Lender Partners

The vast majority of Fannie Mae Multifamily business is transacted through our partners – 24 DUS Lenders and 5 specialty lenders – which undergo a rigorous readiness assessment and ongoing compliance monitoring.



DUS Lenders

- Arbor Commercial Funding I, LLC
- Basis Multifamily Finance LLC
- Bellwether Enterprise Real Estate Capital, LLC
- Berkadia Commercial Mortgage, LLC
- Capital One, National Association
- CBRE Multifamily Capital, Inc.
- Citibank, N.A.
- Colliers Mortgage LLC
- Grandbridge Real Estate Capital, LLC
- Greystone Servicing Company LLC
- Mechanics Bank
- JLL Real Estate Capital, LLC
- JPMorgan Chase Bank, National Association.
- KeyBank National Association
- Lument Capital
- M&T Realty Capital Corporation
- Newmark
- Newpoint Real Estate Capital LLC
- NorthMarq Capital Finance, L.L.C.
- PGIM Real Estate Agency Financing LLC
- PNC Bank, National Association
- Regions Bank
- Walker & Dunlop, LLC
- Wells Fargo, National Association

Specialty Lenders

In addition to our DUS lenders, Multifamily partners with specialty lenders with specific loan product expertise.

- CPC Mortgage Company, LLC
- Massachusetts Housing Partnership
- Merchants Capital Corp.
- National Cooperative Bank, N.A.
- The Community Development Trust, LP

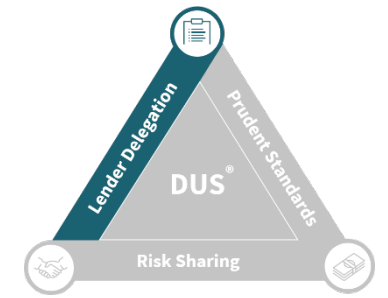
Investment Grade Bank (rated BBB or higher)

Guaranteed by Investment Grade Bank

Non-Loss Sharing Lender



DUS Lender Requirements



DUS lenders must demonstrate and maintain financial health, possess extensive Multifamily underwriting and servicing experience, and show sustained portfolio performance.

Financial Condition



- Acceptable net worth
- Operational liquidity
- Restricted liquidity*

Organizational Documents



- Articles of incorporation
- Articles of organization
- Good standing certificate
- Organizational chart
- Financial statements

Portfolio



- Quality
- Performance
- Geographical distribution
- Types
- Volumes

Past Experience



Working with:

- Fannie Mae
- Government sponsored enterprises
- Federal agencies

Business Activities



- Business plan
- Marketing plan
- Description of loan applicant process
- Procedures manual
- Fidelity/surety bond

Personnel Experience



Review organizational charts and experience levels for each team and approve the Chief Underwriter at each lender

*Fannie Mae decreases the Lender Liquidity Requirements for a lender that is rated investment grade or is a subsidiary or affiliate of a company rated investment grade, so long as the rated company has provided to Fannie Mae a full and unconditional guaranty of all of the lender's Fannie Mae Multifamily obligations or has provided to Fannie Mae a full and unconditional guaranty of all of the lender's Fannie Mae Multifamily obligations from a company that is rated investment grade.



Multifamily Credit Risk Management





Multifamily Credit Risk Management

Multifamily employs an advanced credit risk management framework to actively manage credit risk throughout the loan lifecycle, which is underpinned by the Guide.



Underwriting Management

Multifamily sets prudent underwriting standards and regularly reevaluates them as necessary to address credit tolerances relative to the current market and economic conditions.



Performance Management

Multifamily reviews credit decisions to determine if credit risk is appropriately underwritten and deploys multiple methods of surveillance to gauge loan performance and the ability to provide orderly repayment or refinance of a loan.



Mitigation Strategies

Multifamily's loss mitigation teams aim to identify risks early and develop mitigation actions to minimize the potential default losses.



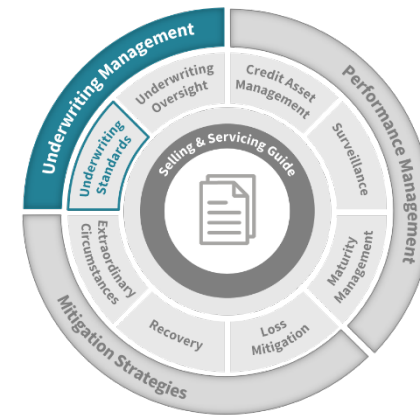


Underwriting Management

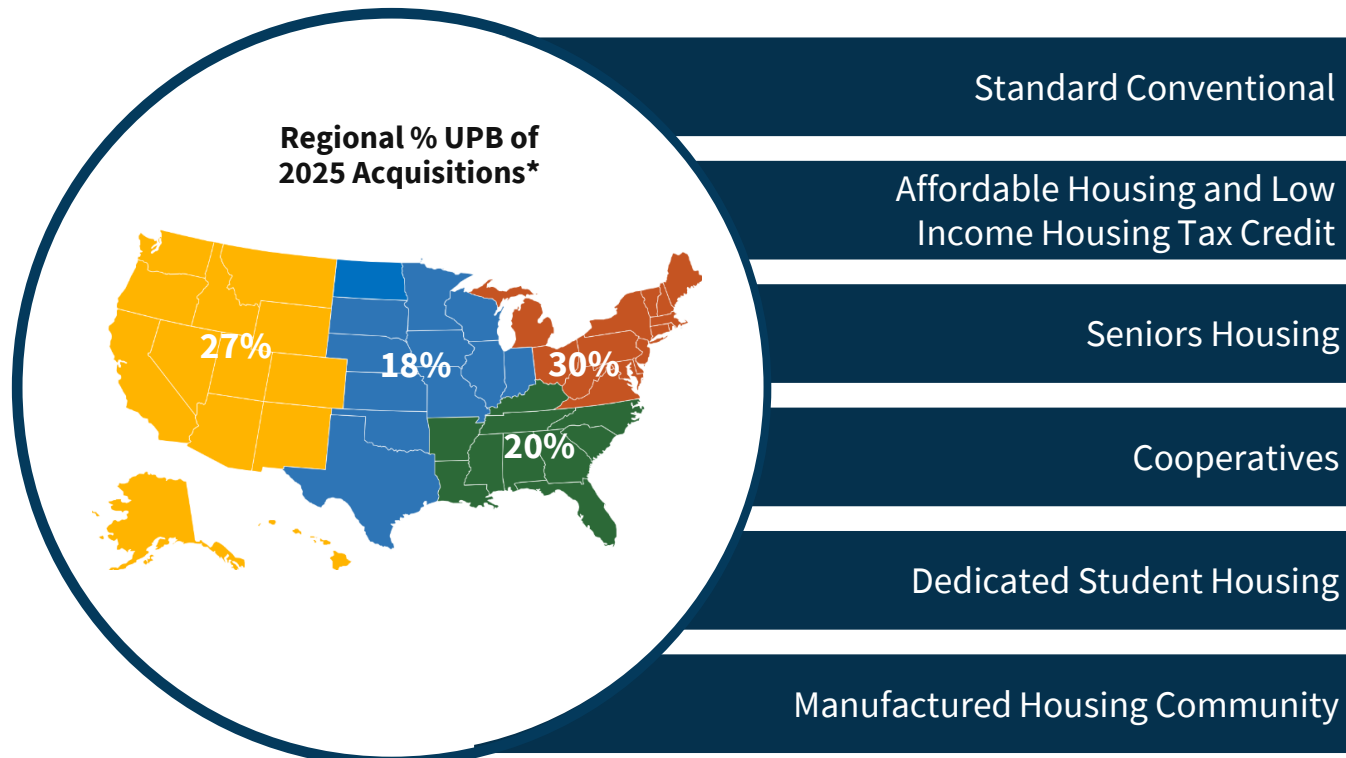


Market and Product Expertise

Multifamily's underwriting teams are regionally based to foster expertise within each market. The teams are also staffed with subject matter experts for each mortgaged property type.



Regionally Based Market Experts



**Approximately 4% attributed to multiple regions*



Conventional Underwriting

Multifamily delegates to our DUS lenders the authority to underwrite loans that meet the Guide requirements.



UNDERWRITING TOOLS

Applicant Experience Check (ACheck®) enables Multifamily to flag and archive applicants and companies based on performance concerns (e.g., foreclosure, physical condition issues) providing Multifamily the ability to search its database for additional risk when considering a new transaction.

DUS Gateway® enables lenders to register and submit deals to Multifamily for consideration, track pipelines, and receive Multifamily responses online.



CORE UNDERWRITING STANDARDS*

- Lenders required to evaluate loan size, property financial and physical quality, sponsor, and market
- Receipt of satisfactory third-party reports (e.g., appraisals, environmental reports, physical needs assessments, borrower financial statements)
- 100% of properties are inspected before closing

Typical Fixed-Rate Mortgage Underwriting Limits

- Minimum 1.25x debt-service coverage ratio (DSCR)
- Maximum 80% loan-to-value (LTV) ratio

Typical Adjustable-Rate Mortgage (ARM) Underwriting Limits

- Loan amount governed by the lower of the comparable fixed-rate loan and a stress of the index² based on market expectations.
- 65% max loan-to-value (LTV)
- Purchase of an external interest rate cap
- Optional conversion to fixed rate

Overall Multifamily Guaranty Book UPB by Interest Rate Type¹

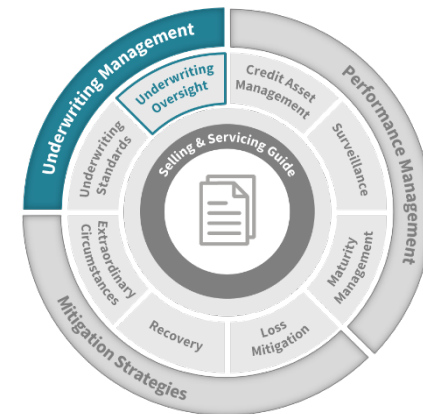
95%
Fixed Rate

5%
Adjustable Rate

¹Underwriting standards for individual conventional loans and specialty products may differ from our core underwriting standards. Please see the [Guide](#) for full underwriting requirements.

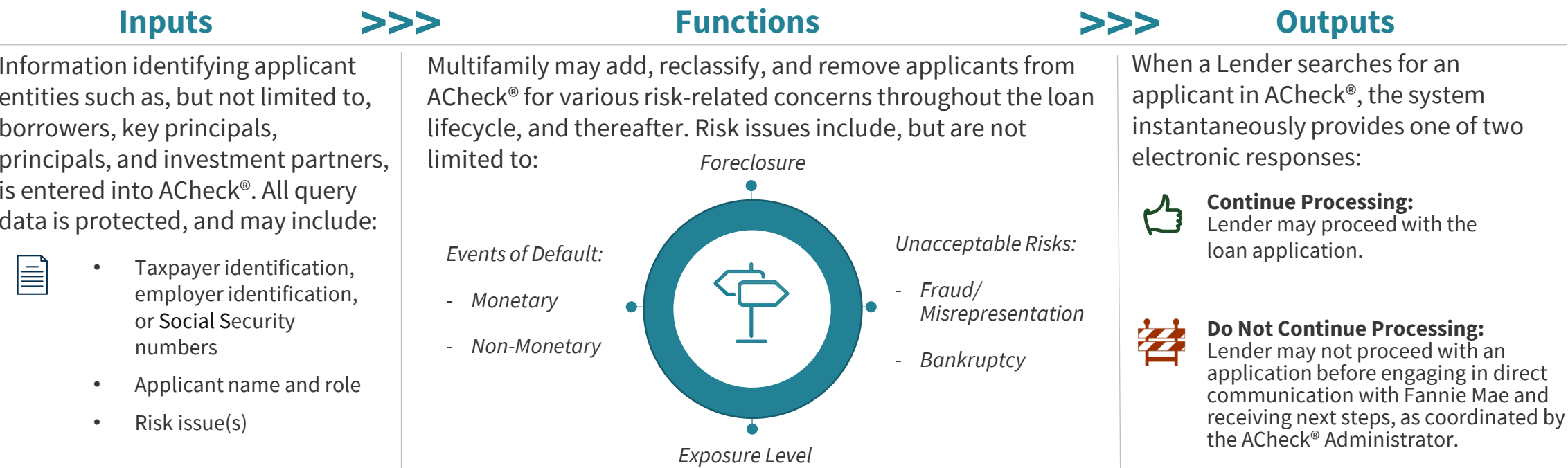
² SOFR-indexed ARMs accepted as of October 1, 2020. LIBOR-indexed ARM loan no longer accepted after September 30, 2020.





Applicant Experience Check

The Multifamily business uses ACheck® to proactively identify and monitor individuals and entities that have previously presented risk concerns. DUS Lenders must perform a search in the ACheck® system for all borrowers, key principals, and principals to ensure none of these parties are included in ACheck®. This query is performed for initial applications as well as assumptions and transfers.



Proven Flexibility in Changing Markets

Multifamily continually enhances its business practices and underwriting standards to enable it to weather economic downturns.



CONTINUOUS ENHANCEMENT OF BUSINESS PRACTICES THROUGH TWO CRISES

2008 FINANCIAL CRISIS

- Updated underwriting standards for small loan borrowers
- Organized credit teams/underwriting by geographic markets
- Developed Metropolitan Statistical Area review to proactively monitor market trends
- Instituted a collaborative quarterly impairment review process across the business
- Created a dedicated Maturity Management team to proactively monitor maturing loans for refinance risk

2020-21 GLOBAL HEALTH PANDEMIC

- During underwriting process, increased reserve requirements to provide additional support at the peak of the pandemic
- Added certain markets and property types to pre-review for areas with heightened concern
- Developed forbearance program to alleviate hardship on borrowers and provide certain tenant protections while ensuring appropriate credit protection
- Used various technological platforms (e.g. FaceTime) to assess property conditions during underwriting, thus helping to ensure the health and safety of all parties involved.



Exceptions Meet Our Risk Appetite

Multifamily conducts a stringent review of any loan that has pre-review conditions or requested waivers.



PRE-REVIEW

Pre-review is the requirement that the lender obtain approval from Multifamily for a loan that does not qualify for delegated underwriting based on one or more factors. The lender must obtain approval prior to requesting a loan commitment.

Examples of pre-review loan factors:

- ❑ DSCR and LTV calculations differ from Guide requirements
- ❑ Designated markets
- ❑ Borrower, key principal, principal eligibility and requirements, and borrower structures
- ❑ Financing structures, e.g., subordinate debt, special programs
- ❑ Specialty housing types
- ❑ Loan size



BUSINESS WAIVERS

For any loan that is not a pre-review loan, but which varies from our standard pricing position, loan documentation requirements, or property inspection requirements, the lender must obtain an approval from Multifamily.

Examples of business waiver categories:

- ❑ Pricing waiver
- ❑ Loan document changes
- ❑ Property inspection waiver (primarily referring to refinancing properties already on the book of business that have acceptable recent inspections)



Analysis Powers Our Decisions

Our DUS lenders are required to evaluate all loans on the below components to ensure they meet our risk tolerances as outlined in the Guide.



LOAN SIZE

Perform different levels of review based on loan size.



PROPERTY QUALITY

Review quality of the property based on:

- Income and expenses
- Third-party appraisal
- Physical needs assessment
- Title and survey
- Environmental site assessment



PROPERTY INSPECTION

Gain insight into the condition of the property through a tour of the property and amenities, meeting with management staff, walkthrough of the surrounding property, and review of the inspection report.



SPONSOR REVIEW*

Attain an understanding of the sponsor through a portfolio analysis (e.g., historical performance, outstanding loans, property condition).



MARKET ANALYSIS

Acquire knowledge of the market by leveraging our economists to analyze fundamental data to identify concentration or economic issues.



BASELINE EXIT ANALYSIS

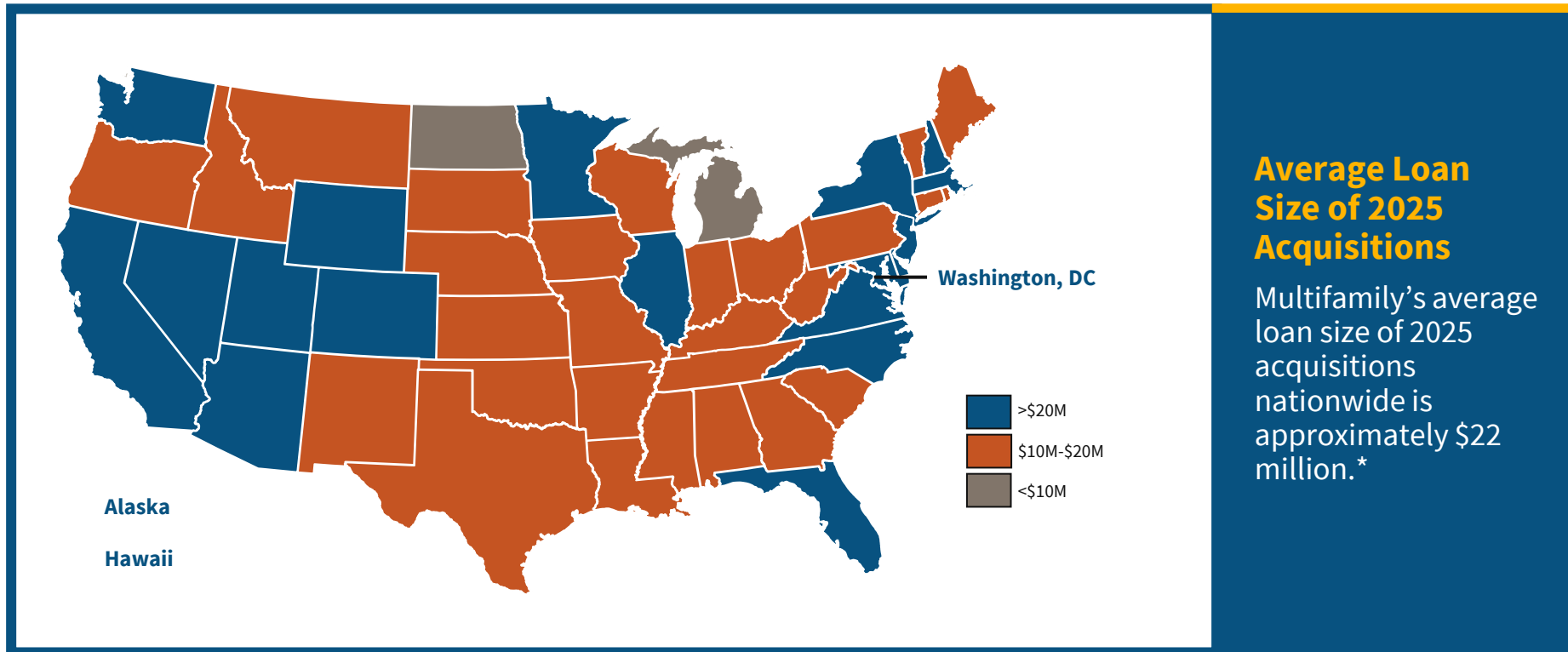
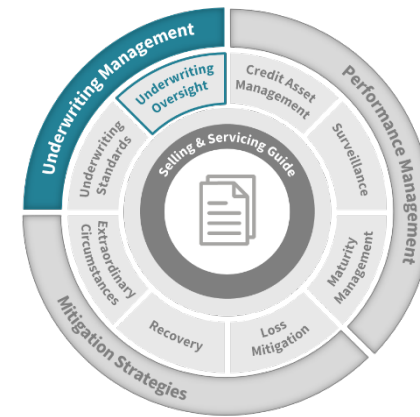
Perform an exit analysis on each loan to provide reasonable assurance that repayment is possible at loan maturity.

*A sponsor is a principal equity owner and/or the primary decision maker of the borrower (often the key principal or the person controlling the key principal). The key principal is the person or persons that controls the borrower or property and is critical to successful management.



Loan Size

Multifamily analyzes the size of a loan to determine the level of risk in acquisition decisions.



**Excludes credit facilities and loans with properties in more than one state. Blank states did not contain any collateral properties acquired by Fannie Mae.*



Property Quality

Multifamily sets lender requirements and reviews the quality of properties based on income and expenses, third-party appraisals, physical needs assessments, titles and surveys, and environmental assessments.



INCOME AND EXPENSES

What?

Underwritten net cash flow

Requirements?

Determine the net cash flow using the appropriate calculation in the Guide based on the product type

Fannie Mae continues to underwrite to economic occupancy rather than physical occupancy, underwriting rental income based on paying renters with underwritten rental rates net of any concessions.

THIRD-PARTY APPRAISAL

What?

Independent assessment of property value

Requirements?

- Performed by a licensed appraiser selected by the DUS lender
- Meets Uniform Standards of Professional Appraisal Practice

SURVEY AND TITLE

What?

A survey and acceptable title insurance policy for each collateral property

Requirements?

Insured amount is not less than the original principal amount of the loan

PROPERTY CONDITION ASSESSMENT

What?

Independent assessment of the current physical condition and historical operation of the property

Requirements?

- Cost estimates for immediate repairs and replacement of capital items
- Description of systems and observations
- Seismic and catastrophic event considerations
- Compliance with zoning, building, and fire code regulations
- Historical capital repairs

ENVIRONMENTAL SITE ASSESSMENT

What?

Independent assessment to identify existing or potential recognized environmental conditions in connection with the property

Requirements?

Report on asbestos, radon, lead-based paint, lead in drinking water, wetlands, regulatory compliance, health and safety, indoor air quality, biological agents, and mold



Property Inspection

Multifamily sets specific requirements to lenders for the physical inspection of properties and reserves the right to accompany lenders on property inspections, including those of occupied units.



INSPECTIONS

The lender must complete and submit the Mortgage Bankers Association (MBA) Master Inspection Form* for all inspections. Inspection requirements include, but are not limited to:

- ✓ Unit inspections, including occupied units
- ✓ Overview of property information
- ✓ Neighborhood and site comparison data
- ✓ Management company information and interview
- ✓ Physical condition
- ✓ Deferred maintenance
- ✓ Trends
- ✓ Life safety
- ✓ Routine maintenance
- ✓ Capital needs
- ✓ Level/volume of issues noted and appropriate follow-up recommendations
- ✓ Photos



If an issue is found during the inspection of the property, such as deferred maintenance, Multifamily requires identified repair costs to be paid by the borrower and escrowed with the lender.



Modified Property Inspections

Fannie Mae has proven flexible in altering processes when in-person inspections are restricted, ensuring diligent oversight of properties through all environments.



Sponsor Oversight

Multifamily monitors sponsor exposure through ongoing surveillance and in-depth reviews, focusing on sponsors with elevated risks or large portfolios. Monthly reports and quarterly calls track metrics and facilitate discussions on high-risk sponsors.

Who is a sponsor?

A sponsor is typically the individual or entity that holds a significant ownership interest in the borrowing entity and plays a central role in its strategic and financial decision-making. This person is often the key principal or the one who exercises control over the key principal, and is ultimately responsible for the performance, management, and oversight of the real estate portfolio associated with the loan.

What factors are reviewed?

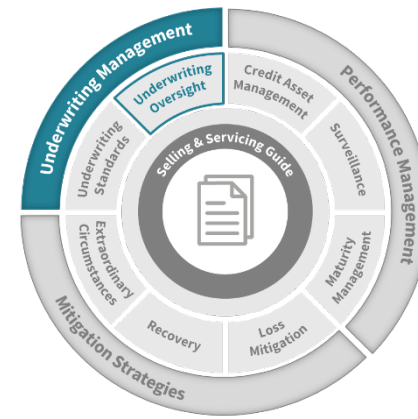
- Aggregate exposure to a single sponsor
- Financial strength (e.g., liquidity, net worth, income statement, cash flow)
- Real estate portfolio performance
- Property condition and upkeep
- Benchmarking against Fannie Mae's overall book of business

Are any actions taken?

- Findings are shared with stakeholders (e.g., Customer Engagement, Credit Underwriting, DUS lenders)
- Follow-up meetings are held to address challenges and determine next steps
- Recommendations may include:
 - Adding sponsors to ACheck for enhanced monitoring
 - Curtailing certain business activities or future exposure

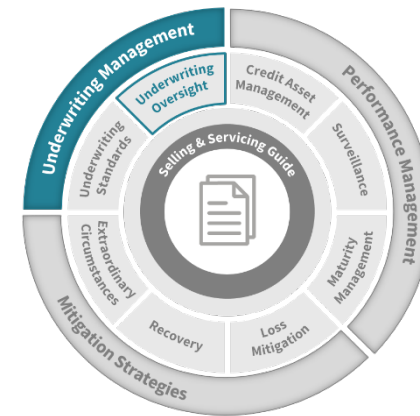
How are findings communicated?

If findings are identified during the Sponsor Review, a meeting is set up with stakeholders (e.g., Multifamily Customer Engagement team, sponsors, and lenders) to discuss the challenges and determine next steps as needed.



Market Analysis

Additional tools and market analyses are used to acquire timely information and monitor developments in the economic and real estate markets to inform pre-review and Guide requirements.



MARKET ANALYSIS TOOLS



DUS Insights™ is an database that provides Multifamily with a resource for research and analysis of the U.S. mortgage market, including assessing trends and systemic risks in local areas based on real time reporting on the world's largest multifamily database.



CoStar™, REIS®, and RealPage® are external real estate data platforms that equip Multifamily with a combination of tools, resources, and deep understanding of commercial real estate properties in today's market.

MARKET ANALYSIS

Multifamily leverages its market analysis to inform underwriting pre-review and delegation market requirements.



Multifamily Market Outlooks and Commentaries are proprietary analyses and forecasts produced by Fannie Mae multifamily economists who closely follow national and local market conditions.



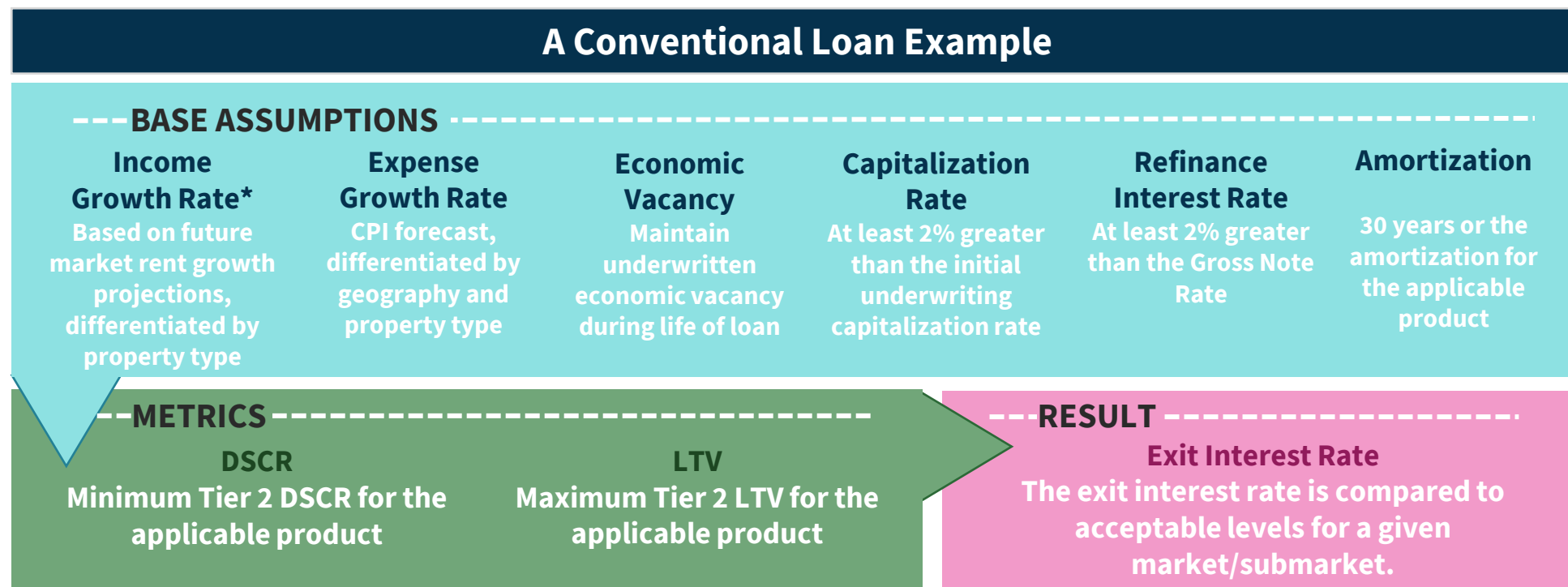
Multifamily Credit Managers are subject matter experts and assigned to their respective market for oversight. Credit Managers physically travel to their markets for observation one to two times per year.





Baseline Exit Analysis

Multifamily requires lenders to perform an exit analysis at underwriting to mitigate the risk of maturity default. These analyses are based on standard assumptions and Multifamily has the ability to alter them as necessary.



**These base assumptions are indicative only; alternative growth trends may be applied if warranted by circumstances particular to the property. The current source for rent growth projections is REIS. For structured transactions and mortgage loans secured by multiple properties, the assumed base income growth rate is 2%.*



Exceptions Meet Our Risk Appetite

The Multifamily Guide may specify additional underwriting requirements based on certain property characteristics, such as the presence of rent-controlled units.



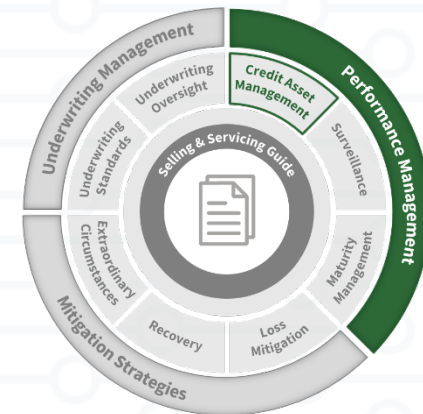
Rent-Stabilized Properties

Rent-stabilized properties are defined as those where rent increases on more than 50% of residential units are limited by state or local statutory controls (not by an affordable regulatory agreement imposed by a government entity or the borrower).

Additional valuation requirements:

- Property income underwritten based on current rents
- Potential rent increases from units converting to market rate are excluded from the projected net cash flow in the exit analysis
- Assess and stress the underwriting capitalization rate, and consider obtaining an appraisal before rate lock
- For fund sponsors or other sponsors requiring minimum investment returns, consider whether the sponsor's interests are aligned with the limited rent increases allowed under the law
- Fund a replacement reserve to maintain the property's physical condition





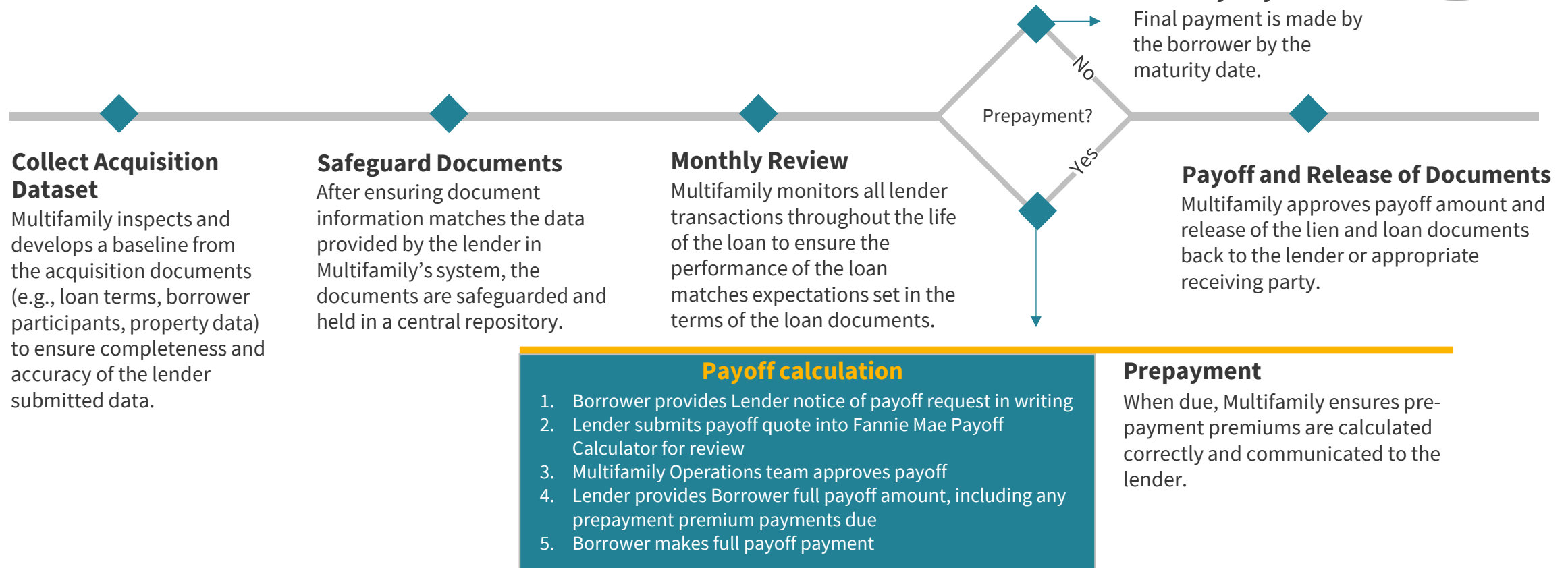
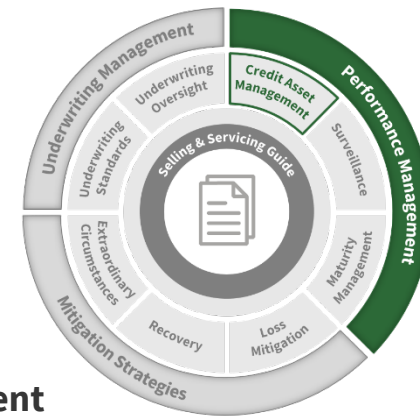
Performance Management

Credit Asset Management



Operations Lifecycle

Multifamily works closely with our DUS business partners to ensure accurate documentation and payment transactions.



Credit Asset Management

Multifamily actively monitors post-purchase lender requests by reviewing credit decisions and insurance for compliance with the Guide.



Post-Purchase Credit Decisions

For most post-purchase requests, the lender completes a **Delegated Transaction Form**, which includes risk-based questions, to determine if the lender has authority to approve the request or if it needs Multifamily approval. Requests include:

- ✓ Easements
- ✓ Transfers/assumptions
- ✓ Commercial leases
- ✓ Property management changes
- ✓ Use conversions
- ✓ Partial releases of collateral
- ✓ Condemnations
- ✓ Condominium and cooperative property conversions
- ✓ Oil, gas, or mineral rights leases

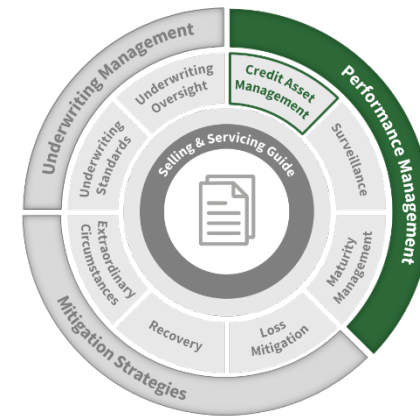
All other borrower non-servicing requests require Multifamily approval.



Insurance Requirements

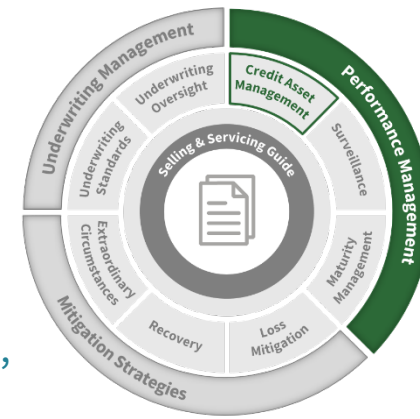
Lenders review insurance policies and records at renewal to ensure Multifamily requirements are met.

- ✓ Coverage for Property including Business Income (Business Interruption) and Liability Insurance required for the life of the loan
- ✓ Properties located in a Special Flood Hazard Area (SFHA), within a Coastal Barrier Resources System (CBRS), or Otherwise Protected Area (OPA) require flood insurance
- ✓ Insurance company has an A.M. Best Company general policyholder rating of “A-” or better and a financial size category of “VII” or better.
- ✓ Standard cancellation provisions requiring Fannie Mae to be notified of cancellation
- ✓ Names Fannie Mae as Mortgagee and Loss Payee on Property and Additional Insured on General Liability and Umbrella
- ✓ Lender is required to obtain and review the insurance policy within 90 days of closing or policy renewal
- ✓ Lenders must purchase required coverage if the Borrower fails to comply with this requirement
- ✓ Non-delegated exceptions or waivers to Fannie Mae requirements must be approved by Fannie Mae
- ✓ Insurance Loan Document modifications are limited and must align with FHFA directives
- ✓ Compliance audited through biennial Lender Assessments and loan surveillance



Asset Quality Control

Multifamily routinely performs quality control assessments of property financial and inspection submissions, as well as catastrophe monitoring to ensure underlying assets are performing.



Property Operating Statements

Operating statements are collected on a regular basis to monitor the financial condition of the property.

- ✓ Annually, a selection of each lender's submitted data on property operating statements is audited
 - Re-analyze, normalize, and compare statements to the lender submitted data
 - Exceptions are reconciled with the lender and presented in an annual report to encourage continuous reporting improvement



Inspections

Regular property inspection reports are collected. Risk-based, desktop reviews of a sample of inspections are conducted to ensure the physical quality of the assets has not deteriorated. The review is based on various risk factors including, but not limited to:

- ✓ Income and expense trends
- ✓ Deferred maintenance and life safety sub-scores
- ✓ Low capital reinvestment
- ✓ Inspection history



Catastrophe Monitoring

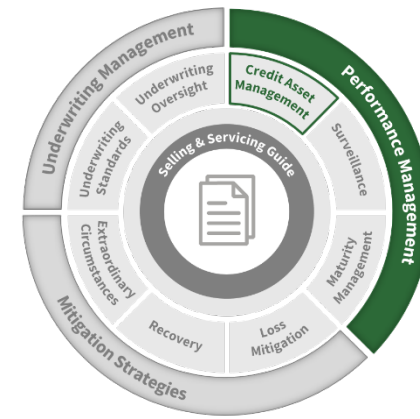
Fannie Mae's Incident Management Center (IMC) monitors disasters and potential impacts. A cross-functional working group directs the overall disaster response for the company. After IMC identifies potentially impacted properties, Multifamily manages impacts through resolution by:

- ✓ Assessing for overall portfolio, market, lender, and sponsor risks;
- ✓ Reviewing initial property damage assessments from lenders and inspecting properties based on damage thresholds;
- ✓ Transferring loans with increased property condition or operational risk to special servicing; and
- ✓ Structuring forbearance agreements or modifications for loans with significant cash flow interruptions where appropriate.



Asset Management Portal

The Multifamily Asset Management Portal enables our partners to electronically submit inspections, operating statements, and borrower requests.



Multifamily Asset Management Portal (MAMP)

MAMP enables lenders to electronically submit Fannie Mae required documentation and borrower requests.

- Stores lender submissions of property operating statements, inspections, lender risk ratings, action plans, and catastrophic event tracking and reporting
- Rules engine determines due dates and work items lenders need to submit based on Guide protocols
- Generates management reports
- Tracks outstanding completion of property repair agreements and tracks completion repair status



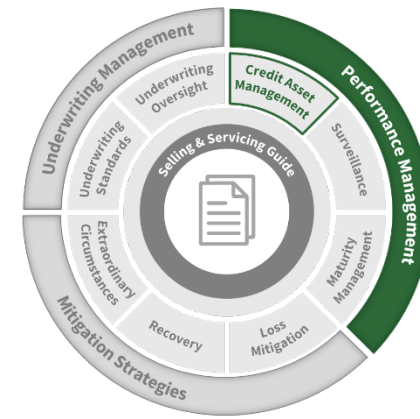
Value Add

- ✓ Creates data consistency across all lender submissions
- ✓ Ability to conduct a review of delegated requests to aid in the identification of risks or trends
- ✓ Easy identification of past due financial statements and property inspections
- ✓ Ability to track request status throughout the entire workflow process
- ✓ Ability to systematically receive approval letters or notification of incorrect or incomplete request
- ✓ Receive real time email notifications



DUS 360

Provides seamless, integrated loan lifecycle information that enables Multifamily to proactively manage risk across all relationships, products, and markets.



ASSET MANAGEMENT PLATFORM

DUS 360

Seamless, integrated loan lifecycle information that enables Multifamily to proactively manage risk across all relationships, products & markets

- Provides functionality for both formatted and ad-hoc reporting on
 - Deals, Loans, Properties & Risk Management
 - Case Management
 - Counterparty exposures
- Powerful Quick and Advanced Search Capabilities
- Seamless integration with Google maps
- Comparables feature with data integration

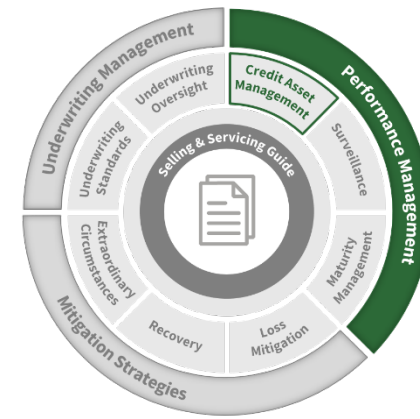
Value Add

- ✓ Creates data consistency across all Asset Management risk assessments
- ✓ Centralized place for all loan and property information
- ✓ Ability to transfer loans within the Portfolio Risk Management with various risk profiles
- ✓ System of record for risk rating
- ✓ Ability to track REO portfolio
- ✓ Case management for new Lender functionality
- ✓ Transparency on loan and property risk to Underwriting, Credit Risk Transfer, Enterprise Risk Management, Accounting supports making better decisions



Risk Rating Analytics Platform

Multifamily's Risk Rating Analytics Platform (RRAP) serves as our primary risk rating engine for secondary surveillance and enables us to intervene early to keep delinquencies and losses to a minimum.



RISK RATING TOOL

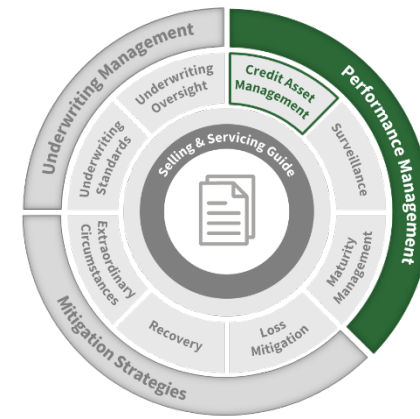
RRAP provides monthly ratings throughout the lifecycle of each loan pulling data directly from Multifamily systems.

INPUTS	>>>	RRAP FUNCTIONS	>>>	OUTPUTS						
Lender data is automatically uploaded and evaluated against the following factors: ✓ Cash Flow ✓ Leverage and Equity ✓ Market and Project Factors ✓ Management and Controls ✓ Financial Flexibility		 RRAP rates risk on every asset on a monthly basis and a detailed analysis of ratings are provided to business teams every month.  RRAP methodology is reviewed on a routine basis.  RRAP is audited by Model Risk Management, Internal Audit, CRCD, FHFA, and external audit.		RRAP rates the risk of each loan using a numerical rating that is aligned with FHFA’s regulatory credit risk classification. The scale is as follows: <table><tr><td>✓ Pass</td><td>✓ Doubtful*</td></tr><tr><td>✓ Special Mention*</td><td>✓ Loss</td></tr><tr><td>✓ Substandard</td><td></td></tr></table>	✓ Pass	✓ Doubtful*	✓ Special Mention*	✓ Loss	✓ Substandard	
✓ Pass	✓ Doubtful*									
✓ Special Mention*	✓ Loss									
✓ Substandard										
Manual Overrides Asset managers may provide manual risk rating overrides based on most current information. All manual overrides are performed in accordance with the Risk Rating Standards.				Risk Scores Lenders can view the FHFA regulatory credit risk classification of each loan through MAMP. Multifamily calibrates RRAP ratings with the lender’s risk ratings on a routine basis.						



Risk Rating Influences Actions

RRAP risk ratings drive stakeholder actions throughout the asset's life from acquisition to disposition.



PORTFOLIO SURVEILLANCE

Actions

- Lender and sponsor portfolio quality evaluated relative to Multifamily's overall performance and to other lender and sponsor portfolios
- Asset quality by market may be evaluated relative to Multifamily's overall performance
- Asset Managers may use the ratings to identify trends in ratings
- Loans approaching maturity are tested to determine whether each is likely to qualify for refinance at market terms

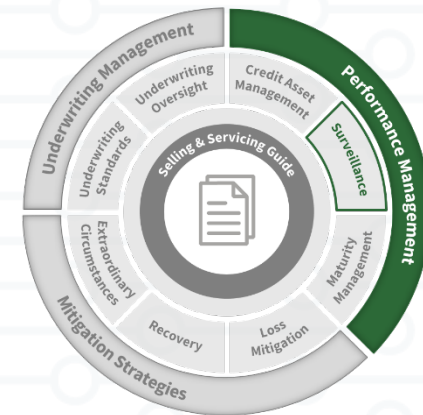


LOSS MITIGATION

Actions

- Watchlist Management Group* uses the ratings as the basis for monitoring/communication with servicer on risk
- Loan level action plans are required of lenders for Substandard rated loans

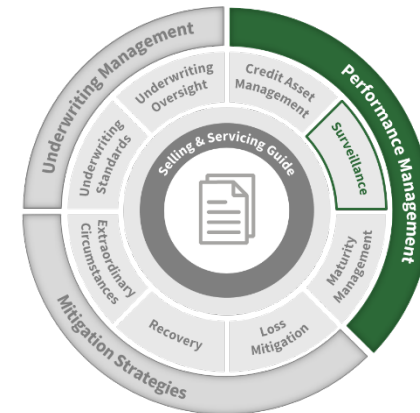




Performance Management

Surveillance





Post-Purchase Review

Multifamily samples recently purchased loans on an ongoing basis to determine their compliance with established underwriting risk parameters.

What loan categories are reviewed?

For each loan, Multifamily reviews the following categories:

Underwriting	Compliance
✓ Income / Expense ✓ Appraisal Valuation ✓ Physical Condition ✓ Environmental / Seismic	✓ Market Support ✓ Borrower Financials/ Loan Sponsor Analysis ✓ Property Management ✓ Guide Requirements ✓ Documentation Requirements ✓ Compliance/Fraud Red Flags Review

How is it measured?

We measure each loan in the sample to determine if the lender is generally meeting expectations.

Measures
1 – Meets or exceeds Requirements and Standards.
2 – Meets or Minor variance to Requirements and Standards; potential variances may impact compliance with Standards.
3 – Does not meet Requirements and/or Standards, potential variances may be resolved with reasonable due diligence and follow up.
4 – Does not meet Requirements and/or Standards, resolution requires extensive due diligence and follow up or unable to resolve with additional due diligence and follow up.



What are the benefits?

- This review helps to identify any lender trends and enables the risk team to intervene early to correct any issues.
- Multifamily calibrates lender scores quarterly to ensure findings are not only independent, but also consistent across lenders.



How are findings communicated?

- Multifamily provides lenders with regular progress reports throughout the year, including opportunities to meet to receive feedback.
- An annual report is provided to each lender that contains:
 - Summary page showing the aggregate results
 - Lender scoring relative to the scores for all DUS lenders
 - Detailed information for each reviewed loan, which includes:
 - (1) Scores for each category
 - (2) Scores for each loan
 - (3) Comments for categories with issues



Sponsor Oversight

Multifamily monitors sponsor exposure through ongoing surveillance and in-depth reviews, focusing on sponsors with elevated risks or large portfolios. Monthly reports and quarterly calls track metrics and facilitate discussions on high-risk sponsors.

Who is a sponsor?

A sponsor is typically the individual or entity that holds a significant ownership interest in the borrowing entity and plays a central role in its strategic and financial decision-making. This person is often the key principal or the one who exercises control over the key principal, and is ultimately responsible for the performance, management, and oversight of the real estate portfolio associated with the loan.

What factors are reviewed?

- Aggregate exposure to a single sponsor
- Financial strength (e.g., liquidity, net worth, income statement, cash flow)
- Real estate portfolio performance
- Property condition and upkeep
- Benchmarking against Fannie Mae's overall book of business

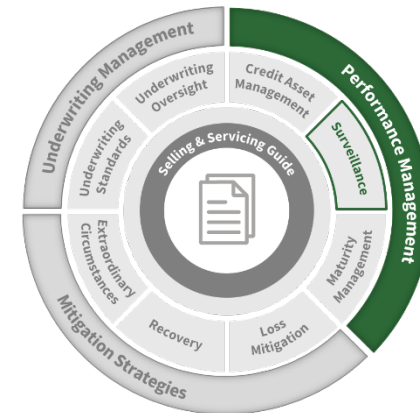
Are any actions taken?

- Findings are shared with stakeholders (e.g., Customer Engagement, Credit Underwriting, DUS lenders)
- Follow-up meetings are held to address challenges and determine next steps
- Recommendations may include:
 - Adding sponsors to ACheck for enhanced monitoring
 - Curtailing certain business activities or future exposure

How are findings communicated?

If findings are identified during the Sponsor Review, a meeting is set up with stakeholders (e.g., Multifamily Customer Engagement team, sponsors, and lenders) to discuss the challenges and determine next steps as needed.





Breach Review

Multifamily conducts a breach review of loans observed to have potential inconsistencies with our risk tolerance or Guide requirements.

What causes a breach review?

- A referral for a breach review occurs when Multifamily identifies a potential inconsistency with Fannie Mae's risk tolerance or Guide requirements.
- A breach review can happen at any time throughout the lifecycle of a loan (e.g., delivery or servicing breach).
- Acquisitions that are 60 days delinquent within the first 12 months are subject to review.

Are any further actions taken?

- If a breach is detected, Multifamily may review prior loans acquired from the lender or serviced by the lender to assess if a trend exists.
- Violation of any representation or warranty is a breach of the lender contract, which may entitle Fannie Mae to pursue certain remedies.
- Fannie Mae provides general trainings for Lenders throughout the year and provides targeted training if warranted in the breach context.

268
Active Breach Reviews,
as of December 31, 2025

~18%
Historical rate of breach
reviews resulting in
remedial action

What are potential remedies?

If a material breach is identified, Multifamily may impose a remedy on the lender at the loan level, which may include:

- Adjusting the loss sharing level
- Indemnifying Fannie Mae for losses
- Requiring repurchase of the mortgage loan

How are findings communicated?

Multifamily communication to the lender depends on the findings in the Breach Review:

- For all material breaches, there is direct communication with the lender.
- For non-material breaches Multifamily determines the most appropriate and effective way to address the breach with the lender.



Lender Financial Risk Monitoring

We assess lender credit risk using a risk-based approach that includes financial reviews, management engagement, and ongoing monitoring of public information.



Financial Analysis/Lender Performance

- Monthly data and Quarterly Financial Monitoring
- Negative trends in liquidity, profitability, or asset quality may result in Watchlist designation or other remedial actions.

Single Loan Limits (SLL)

- Establish single loan limits by lender
- Monitoring of large deal concentration
- Evaluate requests for SLL waivers & Modified Loss Sharing

Capital and Liquidity Standards Compliance

- Net Worth
- Operational Liquidity
- Restricted Liquidity
- Noncompliance can result in remedies ranging from reservation of rights to termination of selling authority

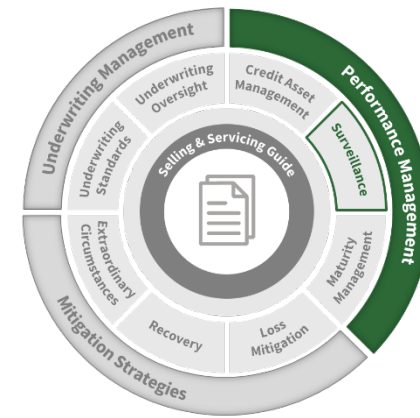
Additional Oversight

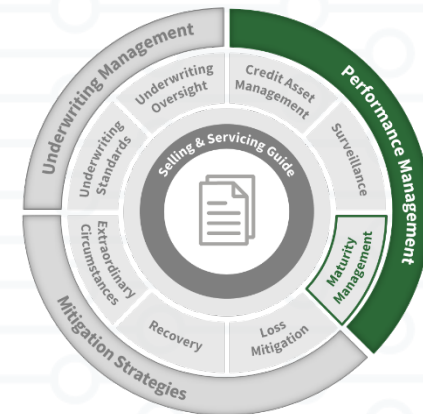
- Market Conditions Monitoring
- Collateral Custodian Oversight
- Review of Mortgage servicing rights valuations
- Parent/Affiliate Performance: cash distributions & diversion of operational resources



Lender Operational Risk Monitoring

We assess lender credit risk using a risk-based approach that includes financial reviews, management engagement, and ongoing monitoring of public information.





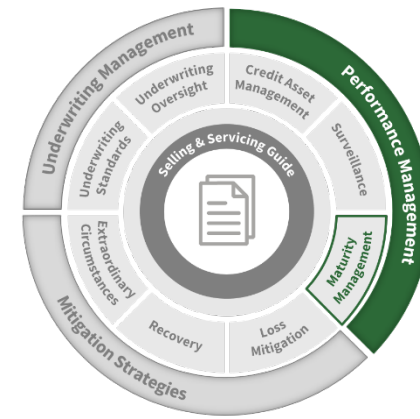
Performance Management

Maturity Management



Maturity Management

Multifamily and our lenders closely collaborate to manage maturity risk, with a focus on identifying and reacting to potential issues well before they develop into problems.



Proactive Maturity Planning



Identify Maturing Loans

Lenders identify performing balloon payment loans within 24 months of maturity.



Conduct a Risk Analysis

Fannie Mae and lenders must conduct a risk analysis for a market rate refinance to demonstrate that the borrower will maintain a positive equity position and remain committed to the property.



Develop a Maturity Plan

Lenders must work with borrowers to prepare a plan to refinance or pay-off the loan in full on (or before) the scheduled maturity date.



Multifamily evaluates a Borrower's likely ability to repay the loan at maturity via a refinance using the refinance eligibility forecasts starting at **24 months prior to maturity**. Loans typically pay off at maturity via a refinance, sale of the Property, or via cash or lines of credit held by Sponsorship.

Loans that nearly meet or may not meet refinance eligibility criteria may be evaluated for the following responses:



Lender Recommended Course of Action

Multifamily analyzes possible actions for successful payoff. Actions may include extension, defensive refinance, forbearance, or other modification.



Transfer to Loss Mitigation

If Fannie Mae determines that the likelihood of a loan is unable to meet repayment obligations upon maturity, and no viable exit exists, management of the loan is immediately transferred to Special Asset Management to proactively manage the loan.



Maturing UPB in 2026 represents **4.2%** of the total Multifamily guaranty book of business as of December 31, 2025





Mitigation Strategies

Loss Mitigation



Loss Mitigation Credit Philosophy

Multifamily's loss mitigation program works through early risk detection, communication, accountability, and management of delinquencies to minimize the probability of default.



Early risk identification:

Improved risk identification provides opportunities to minimize potential losses



Communication:

Internal communication within our credit group and calibration with our lender loss sharing partners is essential



Accountability:

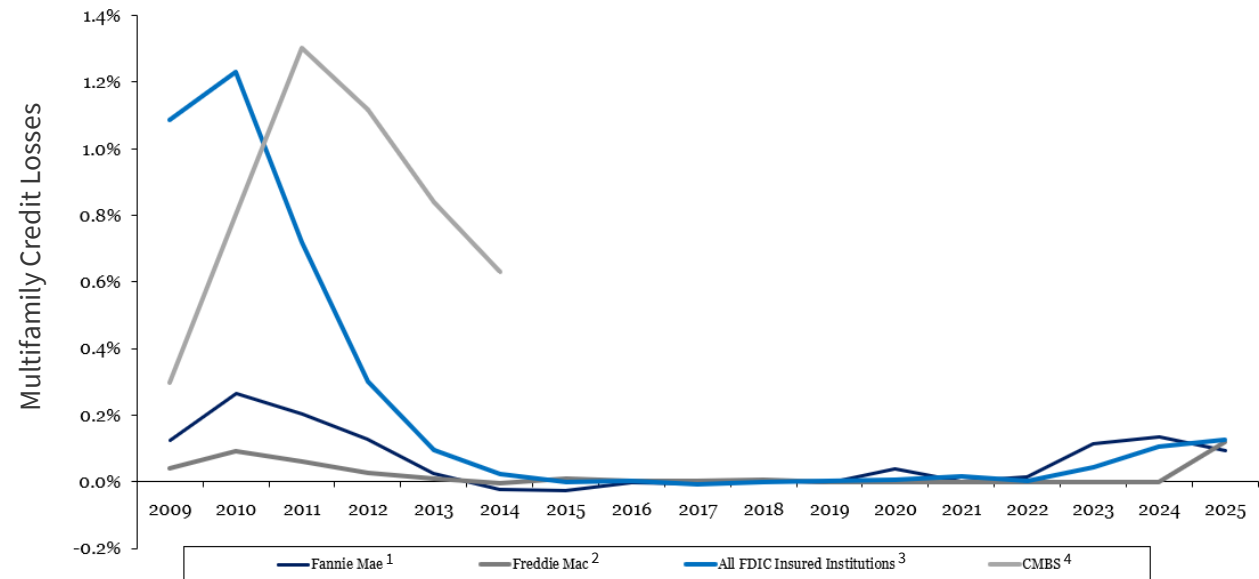
If a borrower creates a loss for Fannie Mae, higher scrutiny is applied to that borrower prior to underwriting another loan (ACheck®)



Mitigation of Loss:

We manage our SDQ loans to mitigate losses

Our proactive loss mitigation philosophy enables us to maintain sound credit performance through all economic cycles. Fannie Mae's multifamily credit losses peaked in 2010 at 27 bps compared to 123 bps for all FDIC Institutions in 2010 and 130 bps for all CMBS in 2011.*



Source: Fannie Mae as of December 31, 2025.

¹Fannie Mae credit loss to book is shown net of loss sharing benefit.

²Freddie Mac credit loss to book is shown net of K-Deal B-pieces.

³FDIC bank data reflects net charge-offs to book.

⁴CMBS data is only available through Q4 2014.



Loss Mitigation Journey

Under the four specialized teams that make up our loss mitigation program, Multifamily carefully monitors for risk, and at default takes the lead on workout options to disposition.



Surveillance of Risk	Actions to Mitigate Default	Foreclosure/ Borrower Negotiations	Monetary Recovery
Watchlist Management Group (WMG)	Special Credits (SC)	Special Asset Management (SAM)	Real Estate Owned and Dispositions (REO)
WMG works closely with lenders to identify and monitor risk. Loans classified as Special Mention or Substandard loans are placed on the watchlist for further surveillance.	SC manages loans with the highest potential for default through direct engagement with borrowers and lenders to remedy property concerns and other default issues.	SAM manages loans in monetary default* through a dual track approach, which initiates the foreclosure process and borrower negotiations simultaneously.	REO is responsible for maximizing recoveries on foreclosed properties and provides direct oversight of third-party vendors engaged in the management, marketing, and disposition of assets.
1,381 Loans (\$20.5B UPB; 3.83% of Book)	636 Loans (\$9.3B UPB; 1.74% of Book)	330 Loans (\$5.9B UPB; 1.10% of Book)	156 Properties (\$1.3B UPB**)

Default



Watchlist Management (WMG)

WMG is responsible for risk assessment for loans with criticized ratings and non-monetary default management, performing ongoing surveillance to assess and understand the risk profile of the assigned portfolio, confirming risk ratings, and reviewing lender-provided action plans and loss mitigation strategies.



Criticized Loan and Non-Monetary Default Management

- Asset manage special mention and substandard-rated loans
- Manage non-monetary default notifications submitted by servicers – assessing the risk of default and the borrower’s plan for default resolution. Determine whether to delegate to the servicer or assign to WMG for management



Risk Management

- Focus on risk management and action plan content with servicers (property operating trends, borrower and lender strategies, next steps)
- Understand risk profile, communicate with servicers, and analyze servicer deliverables



Relationship Management

- Manage relationships of primary servicing asset management/watchlist teams



Communication

- Communicate with Special Credits (loans with heightened property condition risk)
- Communicate with SAM (loans with heightened risk of default), leveraging servicer information and trends.

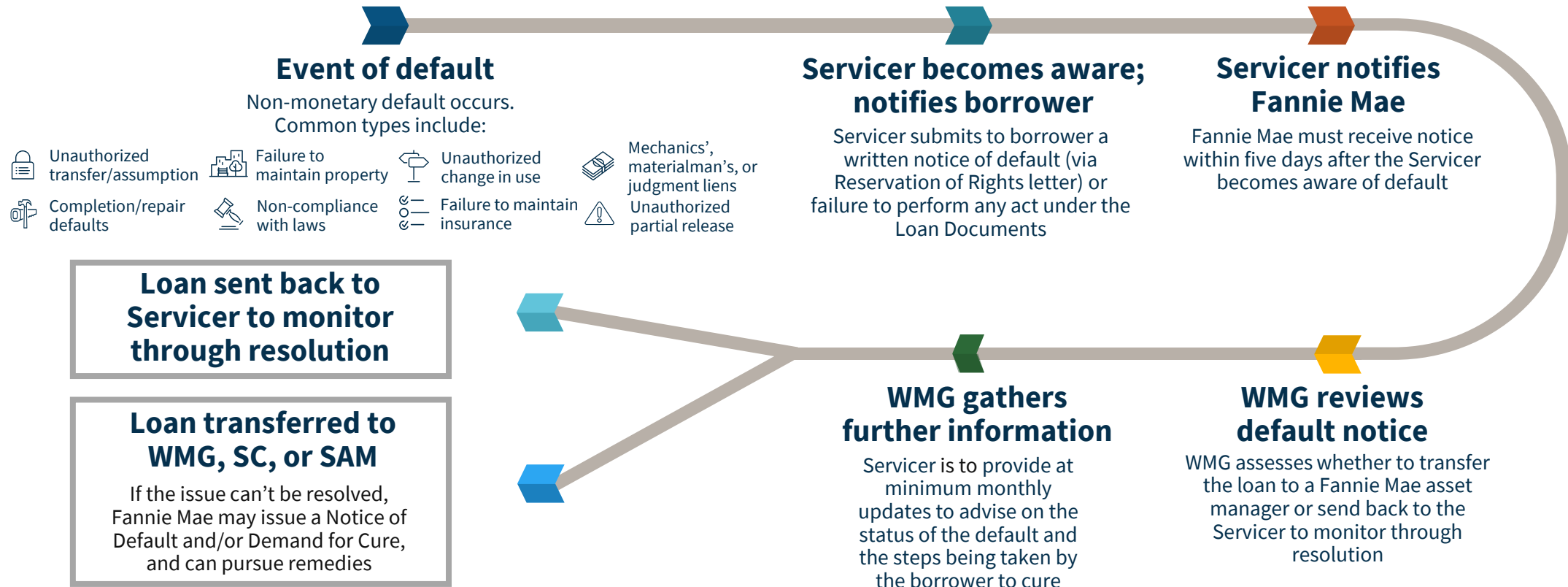
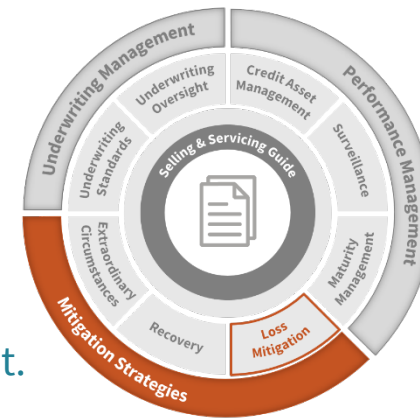


Last stop prior to Special Servicing



Non-Monetary Defaults

Fannie Mae works closely with servicers to assess and mitigate the risk of loans entering performance default.



Special Credits

Loans requiring asset-specific attention are transferred to Special Credits (SC). SC engages borrowers and lenders to prevent default. Borrowers are required to provide a monetary commitment for a resolution.



	Causes	Actions	Resolutions
Property Issues 	• Deferred maintenance • Code or zoning violations • Catastrophic events • Structural concerns • Casualty losses • Significant property renovation	• Inspect properties with lenders and/or borrowers • Obtain a Property Condition Assessment (PCA) if necessary • Review borrower repair plans and ensure execution of repairs	• When a PCA is required, identified repair costs must be paid by the borrower and escrowed with the lender. • If the borrower refuses to fund the repair cost, this results in a monetary default and the loan is transferred to SAM
Non-Monetary Issues 	• Unauthorized borrower transfers • Liens • Litigation	• In-depth interaction with lenders, who provide loan and borrower background, and documentation of risk issues • Assess the materiality of non-compliance with the loan agreement and overall risk	• Issuance of reservation of rights letters • Demand for cure letters
Monetary Issues 	• Borrower Relief Requests • Catastrophic Events	• Negotiate default resolution and relief requests from borrowers	Execute a forbearance, extension, or loan modification, which may include: • Short term payment deferrals • Extension of interest only periods • Maturity date extensions • Right sizing (principal pay downs)



Special Asset Management



Communication

- Proactively engage with servicers and internal groups regarding risk issues that might indicate the potential for future defaults

Manage Complexity

- Pursue post-foreclosure legal matters including litigation against loan guarantors, borrowers, and key principals to obtain deficiency judgements

Transition

- Communicate status of potential foreclosures with REO to ensure seamless transition between groups

Minimize Losses

- Utilize default resolution strategies such as loan modifications, note sales, deeds-in-lieu, and foreclosures

Anticipate

- Dual-track method utilizes resolution strategies while concurrently pursuing foreclosure

Results

- As of December 31, 2025, hold time for SAM resolutions averaged **824 days**



Special Asset Management

If a resolution is not negotiated, loans are transferred to Special Asset Management (SAM). SAM manages Multifamily's portfolio of defaulted loans, acting as special servicer.



Loans transferred to SAM's portfolio are identified by internal and external sources:



Lender Communication

Lenders notify SAM of loans in default and potential defaults with supporting information (e.g., borrower communication, collateral condition, etc.). Communication is frequent and ongoing.



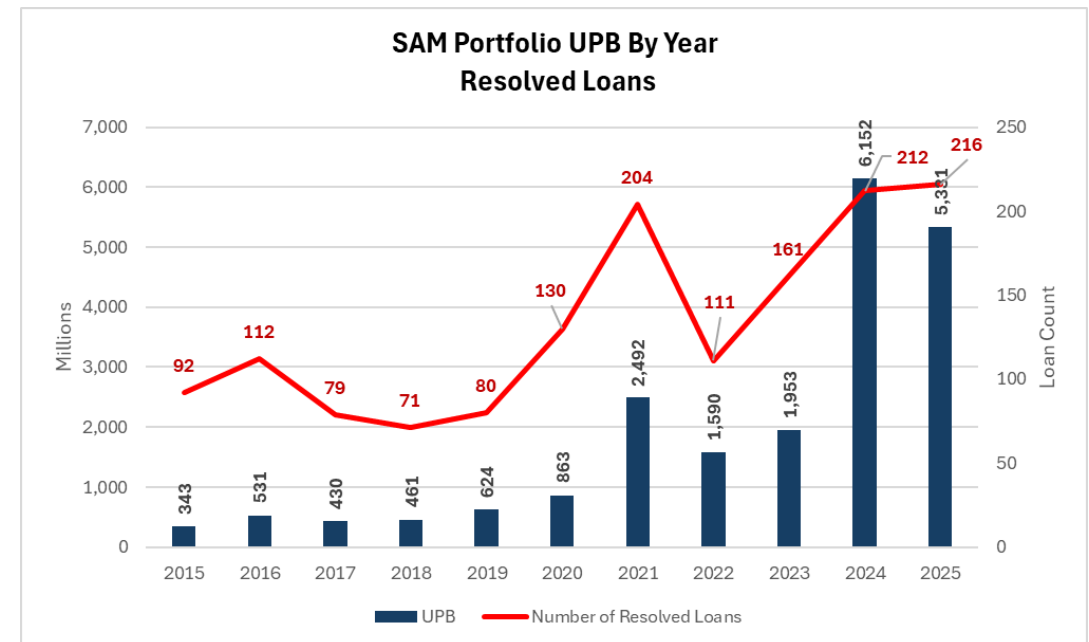
Internal Communication

Internal Fannie Mae Multifamily groups (e.g., WMG, SC, Maturity Management, etc.) notify SAM of loans in default and potential defaults. Communication is frequent and ongoing.



Delinquency Early Warning Servicing

Loans in monetary default (30 days delinquent or more) are reported monthly by each lender. SAM and the lender discuss the default to determine next steps for resolution.



Dual Track Approach

SAM employs a dual track methodology that engages in borrower negotiations while simultaneously proceeding with foreclosure to minimize losses from loans that are in default.



Borrower Negotiations



Execute Pre-Negotiation Letter

Borrowers are required to execute a pre-negotiation letter prior to discussing workout options.



Discuss Modifications

All parties engage in ongoing negotiations for alternative resolutions (e.g., modifications, pay-offs, reinstatements, etc.).



Viable Workout Agreement

A viable workout agreement is entered into by all parties.



Workout Resolution

Resolution strategies include reinstatement, full payoff, or loan modification.

Foreclosure



Engage Legal Counsel

Multifamily engages outside legal counsel to draft a default letter to discuss the default and acceleration. The lender and SAM agree upon the proposed action and SAM sends the letter to borrowers.



Receivership

In conjunction with the foreclosure action, Multifamily files for receivership, if applicable, coordinating the selection with REO.



Order Reports

Multifamily orders third-party reports (e.g., Broker Price Opinion, Appraisal, Environmental Site Assessment, or Property Condition Assessment) in anticipation of foreclosure.



Conduct Foreclosure

SAM notifies REO of an anticipated foreclosure date and provides REO with asset background information. Outside counsel engaged conducts the foreclosure sale in accordance with Multifamily instructions.



Dual Track Approach Results

In 2025, 50% of workout resolutions resulted in the reinstatement or payoff of loans.



		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
		% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans	% of Total Resolutions	# of Loans
Foreclosure	Reinstatement	40%	37	40%	43	38%	30	39%	27	25%	20	65%	85	50%	102	35%	39	37%	88	19%	47	17%	40
	Payoff	34%	31	32%	35	49%	38	46%	32	56%	45	26%	34	40%	82	57%	63	24%	57	9%	23	33%	78
	Modification	2%	2	2%	2	1%	1	0%	0	1%	1	0%	0	0%	0	0%	0	2%	2	19%	46	14%	32
	Note Sale/Third Party Sale	0%	0	6%	7	0%	0	0%	0	14%	11	1%	1	1%	1	0%	0	2%	5	2%	4	8%	19
	Deed-in-Lieu	0%	0	0%	0	1%	1	0%	0	0%	0	1%	1	0%	1	0%	0	0%	0	0%	1	0%	0
	Foreclosure	24%	22	19%	20	9%	7	12%	8	4%	3	6%	8	8%	17	7%	8	16%	39	36%	91%	11%	47

*Source: Resolved Report.

Forbearances are not considered a modification as modifications constitute a resolution.





Mitigation Strategies

Recovery



Real Estate Owned

Multifamily outsources Real Estate Owned (REO) functions to third-party vendors to manage, market, and sell foreclosed assets to maximize monetary recovery.



All third-party contracts are reviewed and approved by Fannie Mae Procurement and Third-Party Risk Management. Each vendor operates under Asset Management Agreements that define their responsibilities in the management and disposition of assets.

Property Inspections

The vendor inspects all REO properties to assess life safety issues, capital needs, deferred maintenance, and operational concerns.

Property Operating Plans (POP)

The vendor develops a POP following foreclosure. Multifamily REO verifies the POP is consistent with the property inspection findings and requirements of all Fannie Mae Policies. The POP includes:

- Annual line-item budget
- Capital expenditure plan
- Exit strategy and timing
- Quarterly budget variance reporting

Marketing and Sales Case

The vendor prepares a marketing and sales case that is verified by Multifamily REO that includes:

- Marketing strategy
- Disposition strategy (e.g., conventional, auction, or other)
- Proposed sales broker or auction company
- Recommended list price and brokerage commission structure
- Estimated timelines for sale and closing

Multifamily Oversight

Multifamily conducts periodic reviews to monitor asset management functions of the REO vendors, which includes an analysis of:

- Portfolio-level operations, marketing, and sales strategies
- Compliance with approved property-level budgets and capital plans
- Management company operations and training
- Bank account oversight

Third-Party Vendor External Audit

Multifamily engages a third-party audit firm to conduct periodic reviews of the REO vendors and property management companies. The scope of the audit includes a review of:

- Adherence to the Master Services Agreement, REO Statement of Work, Property Management Agreements, and all banking-related requirements
- Internal controls to ensure compliance with management requirements
- Master Funding Account reports and bank statements
- Property-level funding requests
- Funding process for the transfer for sales proceeds



Real Estate Owned

We economically manage the disposition strategy for our REO assets, as Multifamily can add value to the property after foreclosure, and evaluate market conditions to identify the optimal timing for property sales. This ensures we are maximizing our foreclosure gains while minimizing losses.



2015 - 2025 Real Estate Owned

146

Properties

\$978M

UPB

\$944M

Sales Price

Market Sales						Gain/Loss Severity	
Year	Number of Properties	Sales Price	UPB	Foreclosure Value	Average Hold Time (months)	UPB	Foreclosure Value
2025	2	\$42,466,000	\$35,875,925	\$105,030,000	30.6	-11%	-24%
2024	4	\$13,085,000	\$16,480,300	\$23,611,000	34.5	-21%	-45%
2023	4	\$40,270,000	\$52,163,996	\$43,700,000	32.8	-23%	-8%
2022	10	\$127,612,000	\$109,490,346	\$94,670,000	27.6	17%	35%
2021	3	\$48,800,000	\$48,884,872	\$41,160,000	16.0	0%	19%
2020	5	\$20,703,800	\$21,568,640	\$25,270,000	12.9	-4%	-18%
2019	8	\$54,391,000	\$33,465,659	\$41,624,500	24.4	63%	31%
2018	4	\$8,900,000	\$9,953,397	\$8,210,000	9.9	-11%	8%
2017	10	\$81,790,000	\$55,005,005	\$67,812,000	15.8	49%	21%
2016	17	\$67,071,700	\$67,834,619	\$61,979,523	10.3	-1%	8%
2015	66	\$401,942,000	\$473,411,987	\$347,197,463	13.4	-15%	16%
Total	146	\$944,206,095	\$978,010,676	\$860,264,486	19.5	-3.5%	9.8%





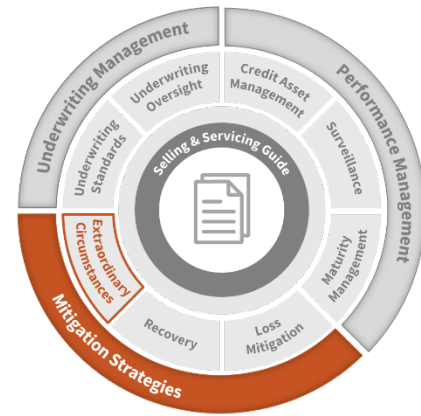
Mitigation Strategies

Extraordinary Circumstances



Weathering High Interest Rates

Fannie Mae proactively assesses market conditions to maintain strong loan performance through most rate environments – managing risk to minimize loss.



1. Existing Safeguards for Acquisitions

Our Multifamily business engages with stakeholders, including borrowers and lenders, to determine when updates to our loan acquisition requirements are necessary – ensuring they reflect current market conditions and our risk tolerances. We perform exit tests to help ensure loans will be able to refinance at maturity.



2. Effective Management

Our seasoned Multifamily workforce promotes flexibility by cross-training staff to more easily support areas of need during periods of volatility. This broad expertise enhances the monitoring of maturing loans (that begins 24 months out to maturity) and helps ensure loans are able to fully repay at maturity or are proactively managed to minimize loss.



3. Knowing our Partners

Due to our unique risk-sharing model, the interests of borrowers, lenders, and Fannie Mae are aligned throughout the life of the loan. We believe this alignment of interests improves the performance of all parties and optimizes outcomes.



Natural Disaster Management

Fannie Mae is well prepared to address natural disasters that may occur, to mitigate unforeseen risk to affected multifamily properties.



1

Incident Management Center (IMC)

At the enterprise level, Fannie Mae has a dedicated 24x7 team to actively monitor all natural disasters

2

Natural Disaster Assessment

Once a natural disaster occurs, the IMC works with NOAA*, FEMA**, and other governmental agencies to map the impacted geographical area

3

Communication with Impacted Borrowers

For loans identified in the impact zone, Servicers contact the applicable Borrowers to assess any damage caused by the natural disaster

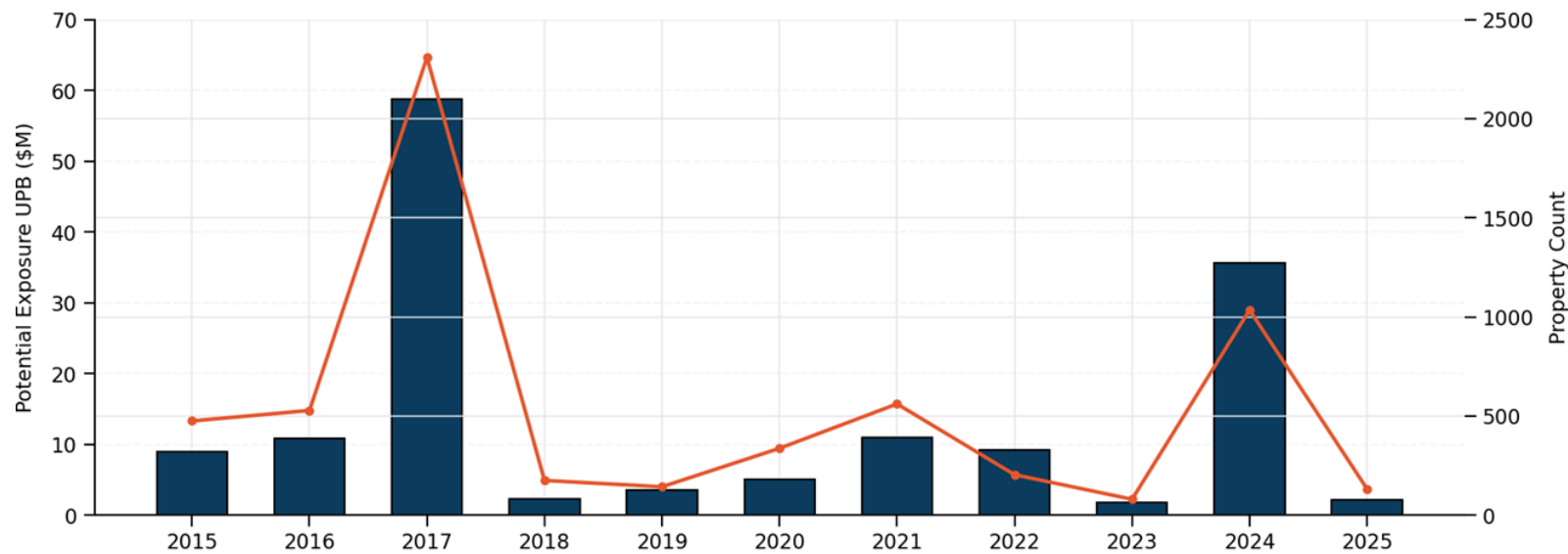
4

Risk Resolution Initiated

If damage is noted, the Fannie Mae Loss Mitigation team works with the applicable Servicers and Borrowers to inspect and estimate damage to the properties, and develop a plan to repair the damage as appropriate



Natural Disaster Management Historical Loan Performance



From 2015 through 2025, Multifamily properties in areas impacted by catastrophic events had an aggregate UPB of **\$155.6B** and loan count of **6,582**. Multifamily has not encountered a loss due to a catastrophic event during this period.



Appendix



Additional Resources

Multifamily Credit Risk Transfer	https://capitalmarkets.fanniemae.com/credit-risk-transfer/multifamily-credit-risk-transfer
DUS Disclose®	https://mfdusdisclose.fanniemae.com
Sign-up for News and Commentary	https://capitalmarkets.fanniemae.com/form/notification-sign-up
DUS Navigate™	https://mfguide.fanniemae.com/
Loan Performance Data	https://capitalmarkets.fanniemae.com/credit-risk-transfer/multifamily-credit-risk-transfer/multifamily-loan-performance-data
Data Dynamics	https://datadynamics.fanniemae.com/data-dynamics
SEC Filings	https://www.fanniemae.com/about-us/investor-relations/sec-filings
Data and Insights Forecasts	https://www.fanniemae.com/data-and-insights/forecast/forecast-monthly-archive
Multifamily Financing Options	https://multifamily.fanniemae.com/financing-options



Contact us



Information is available for investors and potential investors about Fannie Mae's products, the company's financial performance, and disciplined management of credit risk and interest rate risk.



www.fanniemae.com/AskCM



www.fanniemae.com/CMSignUp



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