

OTCQB Certification

I, Wells M. Engledow, Vice President and Deputy General Counsel of the Federal National Mortgage Association (the "Company"), certify that:

- a. The Company is registered or required to file periodic reporting with the SEC as indicated below:

The Company is registered under Section 12(g) of the Exchange Act.

- b. The Company is current in its reporting obligations as of the most recent fiscal year and any subsequent quarters, and such information has been posted either on the SEC's EDGAR system or the OTC Disclosure & News Service, as applicable.

- c. The Company Profile displayed on www.otcmarkets.com is current and as of May 8, 2019, and includes total shares outstanding and authorized as of that date. Note, I make no representations with regard to the accuracy or completeness of the data OTC Markets receives from third party sources.

- d. Please provide (i) the number of beneficial owners holding at least 100 shares, and (ii) the number of shares in the public float.

(i) **The Company has more than 50 beneficial owners of common stock each owning at least 100 shares of common stock.**

(ii) **Based on the number of shares of common stock issued and outstanding (1,158,087,567) and the number shares owned by senior executive officers of the Company and 10% shareholders (21,537, as reported in our public filings), our public float is approximately 1,158,066,030 shares of common stock.**

- e. Fannie Mae is a corporation chartered by the U.S. Congress, and is not incorporated or organized under the laws of any state. Pursuant to Fannie Mae's charter, Fannie Mae can conduct business in any state in the United States, "without regard to any qualification or similar statute."

- f. The following is a complete list of attorneys and law firms who advised or assisted (in a more than *de minimis* capacity) in the preparation of the Company's most recent annual report, including in-house counsel:

Morrison & Foerster LLP
Martin Dunn
G. Scott Lesmes
David Lynn

In-House Counsel:

[Redacted]

- g. The following is a complete list of third party providers, including names and addresses, engaged by the Company, its officers, directors or controlling shareholders, during the period from the Company's prior fiscal year end to the date of this OTCQB Certification, to provide investor relations services, public relations services, or other related services to the Company including promotion of the Company or its securities:

N/A

- h. Listed below are the names, legal addresses and % of shares owned by all Officers, Directors, and Control Persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities). If any of the beneficial shareholders are corporate shareholders, the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders must also be included.

See the attached disclosure on our Directors, Officers, and Beneficial Ownership from our most recent SEC Form 10-K filing. See also excerpts from Form 8-Ks filed on March 20, 2019 (relating to the appointment of two new Board members) and March 27, 2019 (relating to the appointment of the CEO).

Federal National Mortgage Association

By: _____

Wells M. Engledow

Vice President & Deputy General Counsel

Date: May 8, 2019

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors

Our current directors are listed below. They have provided the following information about their principal occupation, business experience and other matters. Upon FHFA's appointment as our conservator on September 6, 2008, FHFA succeeded to all rights, titles, powers and privileges of any director of Fannie Mae with respect to Fannie Mae and its assets.

As discussed in more detail below under "Corporate Governance—Conservatorship and Board Authorities," FHFA, as conservator, appointed an initial group of directors to our Board following our entry into conservatorship, provided the Board with the authority to appoint directors to subsequent vacancies subject to conservator review, and defined the term of service of directors during conservatorship. The Nominating and Corporate Governance Committee of the Board evaluates the qualifications of individual directors on an annual basis. In its assessment of current directors and evaluation of potential candidates for director, the Nominating and Corporate Governance Committee considers, among other things, whether the Board as a whole possesses meaningful experience, qualifications, attributes and skills in the following subject areas: business; finance; capital markets; accounting; risk management; public policy; mortgage lending; real estate; low-income housing; homebuilding; the regulation of financial institutions; and technology. See "Corporate Governance—Composition of Board of Directors" below for further information on the factors the Nominating and Corporate Governance Committee considers in evaluating and selecting Board members.



Amy E. Alving

Age 56

Independent director since October 2013

Board committees:

- Nominating and Corporate Governance (Vice Chair)
- Risk Policy and Capital
- Strategic Initiatives and Technology (Chair)

Dr. Alving served as Chief Technology Officer and Senior Vice President at Science Applications International Corporation ("SAIC"), now known as Leidos Holdings, Inc., a scientific, engineering and technology applications company, from 2007 to 2013. Dr. Alving's prior positions include director of the Special Projects Office at the Defense Advanced Research Projects Agency, White House Fellow, and tenured faculty member at the University of Minnesota. Dr. Alving is currently a member of the Board of Directors of DXC Technology Company, where she serves as a member of the Nominating/Governance Committee. Dr. Alving is also a current member of the Board of Directors of Arconic Inc., where she serves as a member of the Compensation and Benefits Committee and the Governance and Nominating Committee, and chairs the Cybersecurity Advisory Subcommittee. Dr. Alving previously served on the Board of Directors of Arconic from November 2016 to May 2017 and rejoined the Board of Directors of Arconic in May 2018. From 2010 to August 2015, Dr. Alving was a member of the Board of Directors of Pall Corporation, where she served as a member of the Audit Committee and the Nominating/Governance Committee. In addition, she is a member of the Defense Science Board.



Hugh R. Frater

Age 63

Director since January 2016

Interim Chief Executive Officer since October 2018

Prior to his appointment as Interim Chief Executive Officer of Fannie Mae in October 2018, Mr. Frater had been an independent director of Fannie Mae beginning in January 2016, where he most recently served on the Audit Committee and the Risk Policy and Capital Committee. Mr. Frater also serves as Non-Executive Chairman of the Board of VEREIT, Inc. and as a director of ABR Reinsurance Capital Holdings Ltd. Mr. Frater previously worked at Berkadia Commercial Mortgage LLC ("Berkadia"), a commercial real estate company providing comprehensive capital solutions and investment sales advisory and research services for multifamily and commercial properties. He served as Chairman of Berkadia from April 2014 to December 2015 and he served as Chief Executive Officer of Berkadia from 2010 to April 2014. From 2007 to 2010, Mr. Frater was the Chief Operating Officer of Good Energies, Inc., and from 2004 to 2007, Mr. Frater was an Executive Vice President at The PNC Financial Services Group, Inc., where he led the real estate division. Mr. Frater was a Founding Partner and Managing Director of BlackRock, Inc. from 1988 to 2004, where he led the real estate practice. Mr. Frater serves on the MBA Real Estate Program Advisory Board at the Columbia University Graduate School of Business and is also a member of its Board of Overseers.



Renee Lewis Glover

Age 69

Independent director since January 2016

Board committees:

- Nominating and Corporate Governance (Chair)
- Strategic Initiatives and Technology

Ms. Glover is the Founder and Managing Member of The Catalyst Group, LLC, a national consulting firm focused on urban revitalization, real estate development and community building, urban policy, and business transformation. Ms. Glover is currently a member of the Board of Trustees of Enterprise Community Partners, Inc., where she serves on the Audit Committee and the Compensation and Human Resources Committee. Ms. Glover served on the Board of Directors of Habitat for Humanity International from 2006 to November 2015, including serving as Chair of the Board of Directors from 2013 to November 2015. Committees on which she served during her time as a member of the Board of Directors of Habitat for Humanity International included the Audit Committee, Finance Committee, Operations Committee and Executive Committee. Ms. Glover served as a member of the Board of Directors of the Federal Reserve Bank of Atlanta from 2009 to 2014, where she served on the Audit and Operational Risk Committee. She also served as a Commissioner of the Bipartisan Policy Center Housing Commission from 2011 to September 2014. The Commission was responsible for developing a set of bipartisan recommendations concerning federal housing policy and housing finance. Ms. Glover served as president and chief executive officer of the Atlanta Housing Authority and its affiliates from 1994 to 2013. Prior to joining the Atlanta Housing Authority, Ms. Glover was a corporate finance attorney in Atlanta and New York. Ms. Glover served on the Board of Trustees of Starwood Waypoint Homes from February 2017 to November 2017, where she served on the Nominating and Corporate Governance Committee and the Audit Committee. Ms. Glover serves on the Advisory Board of the Penn Institute for Urban Research.



Michael J. Heid

Age 61

Independent director since May 2016

Board committees:

- Audit (Vice Chair)
- Compensation

Mr. Heid served as Executive Vice President (Home Lending) of Wells Fargo & Company from 1997 to January 2016. He served in a number of positions at Wells Fargo Home Mortgage, the mortgage banking division of Wells Fargo, including as

president from 2011 to September 2015, as co-president from 2004 to 2011, and earlier as chief financial officer and head of Loan Servicing. Mr. Heid was employed by Wells Fargo or its predecessors since 1988. Mr. Heid is currently a member of the Board of Directors of Roosevelt Management Company LLC, where he serves as a member of the Strategy Committee.



Robert H. Herz

Age 65

Independent director since June 2011

Board committees:

- Audit (Chair)
- Compensation (Vice Chair)

Mr. Herz serves as President of Robert H. Herz LLC, providing consulting services on financial reporting and other matters. He previously served as a senior advisor to and as a member of the Advisory Board of Workiva Inc. (formerly WebFilings LLC), a provider of financial reporting software, from 2011 to December 2014. From 2002 to 2010, Mr. Herz was Chairman of the Financial Accounting Standards Board, or FASB. He was also a part-time member of the International Accounting Standards Board, or IASB, from 2001 to 2002. He was a partner in PricewaterhouseCoopers LLP from 1985 until his retirement in 2002. He serves on the Standing Advisory Group of the Public Company Accounting Oversight Board, on the Board of Directors of the Sustainability Accounting Standards Board Foundation, on the Advisory Board of AccountAbility, on the Advisory Board of Libra Services, Inc., on the Independent Investment Committee of the United Nations Office for Project Services ("UNOPS"), and as an executive in residence at the Columbia Business School. Mr. Herz is currently a member of the Board of Directors of Morgan Stanley, where he serves as Chair of the Audit Committee and as a member of the Nominating and Governance Committee. Mr. Herz is also a current member of the Board of Directors of Workiva Inc., where he serves as a member of the Audit Committee and Nominating and Governance Committee, and a member of the Board of Directors of Paxos Trust Company, LLC and its parent Kabompo Holdings, Ltd.



Antony Jenkins

Age 57

Independent director since July 2018

Board committees:

- Nominating and Corporate Governance
- Risk Policy and Capital
- Strategic Initiatives and Technology (Vice Chair)

Mr. Jenkins is the Founder and Executive Chair of 10x Future Technologies Limited, a company that is building a digital banking platform designed to redefine how banks operate and engage with customers. Mr. Jenkins was the Group Chief Executive Officer and a member of the Board of Directors of Barclays PLC from August 2012 to July 2015. He served as a member of the Group Executive Committee from November 2009 to July 2015. Prior to becoming Group Chief Executive Officer, Mr. Jenkins served in various other roles at Barclays, including as Chief Executive Officer for the Retail and Business Banking Division from 2009 to 2012, and Chief Executive Officer for Barclaycard Global Operations from 2006 to 2009. Mr. Jenkins served in various roles at Citigroup Inc. from 1989 to 2005, including as Executive Vice President for Citibrands, Executive Vice President for U.S. Hispanic, Global and Strategic Delivery SBU, Chief Executive Officer for eConsumer, and Chief Executive Officer for c2it, Citigroup's Internet payment initiative. Mr. Jenkins currently serves as Group Chairman of the Board of Directors of Currencies Direct Ltd. and as a member of the Board of Directors of Blockchain Luxembourg SA. Mr. Jenkins also serves as Chair for the Institute for Apprenticeships. Mr. Jenkins served as a member of Fannie Mae's Digital Advisory Council from February 2017 to June 2018.



Diane C. Nordin

Age 60

Independent director since November 2013

Board committees:

- Audit
- Compensation (Chair)

Ms. Nordin served as a partner of Wellington Management Company, LLP, a private asset management company, from 1995 to 2011, and originally joined Wellington in 1991. She served in many global leadership roles at Wellington, most notably as head of Fixed Income, Vice Chair of the Compensation Committee and Audit Chair of the Wellington Management Trust Company. Ms. Nordin spent over three decades in the investment business, having previously been employed by Fidelity Investments and Putnam Investments. Ms. Nordin is a Chartered Financial Analyst. Following her retirement from the asset management industry, Ms. Nordin served as an Advanced Leadership Initiative Fellow at Harvard University from 2011 to 2012. Ms. Nordin currently serves as a member of the Board of Directors of Principal Financial Group, where she serves as a member of the Audit Committee, the Human Resources Committee and the Strategic Issues Committee. She serves as a member of the Board of Directors of Antares Midco, Inc., where she serves as Chair of the Compensation Committee. She serves as a Trustee of Wheaton College, where she is an Executive Committee and Audit Committee member and Chair of the Investment Committee, as a Director of the Appalachian Mountain Club, where she is Chair of the Investment Committee, and as a member of the Board of Governors of the CFA Institute.



Jonathan Plutzik

Age 64

Board chair since December 2018

Independent director since November 2009

Mr. Plutzik has served as Chairman of Betsy Ross Investors, LLC since 2005. He also has served as President of the Jonathan Plutzik and Lesley Goldwasser Family Foundation Inc. since 2003. Mr. Plutzik served as Non-Executive Chairman of the Board of Directors at Firaxis Games from 2002 to 2005. Before that, he served from 1978 to 2002 in various positions with Credit Suisse First Boston, retiring in 2002 from his role as Vice Chairman. Mr. Plutzik currently serves as a member of the Board of Directors of the Planet Word Museum, the UJA Federation of New York, Zara's Center and the O, Miami Poetry Festival.



Manuel "Manolo" Sánchez Rodríguez

Age 53

Independent director since September 2018

Board committees:

- Nominating and Corporate Governance
- Risk Policy and Capital (Vice Chair)
- Strategic Initiatives and Technology

Mr. Sánchez is an adjunct professor at Rice University's Jones Graduate School of Business, Founder of Adelante Ventures LLC, and Founder Advisor to Spring Labs Inc. Mr. Sánchez was the President and Chief Executive Officer of Compass Bank, Inc. ("Compass Bank"), a U.S. subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA"), from December 2008 to January 2017. Mr. Sánchez also served as a member of BBVA's worldwide Executive Committee and was BBVA's Country Manager for U.S. operations from September 2010 to January 2017. In addition, Mr. Sánchez became Chairman of the Board of Directors of Compass Bank and its holding company, BBVA Compass Bancshares, Inc., in September 2010 and served in these roles until November 2017. Mr. Sánchez joined BBVA in 1990 and served in a number of other roles at BBVA prior to becoming President and Chief Executive Officer of Compass Bank in 2008, including as Senior Executive Vice President of Community Banking in 2008, President and Chief Executive Officer of Laredo National Bank (then newly-acquired by BBVA) from 2005 to 2008, and Chief Risk Officer for BBVA Bancomer in Mexico City from 2002 to 2005. Mr. Sánchez currently serves as a member of the Board of Directors of On Deck Capital, Inc., where he is a member of the Audit Committee and the

Compensation Committee. Mr. Sánchez also currently serves as a trustee or member of the Board of Directors of a number of civic, cultural and educational institutions, including the Houston Symphony, KIPP Houston Public Schools, and the Center for Houston's Future.



Ryan A. Zanin

Age 56

Independent director since September 2016

Board committees:

- Compensation
- Risk Policy and Capital (Chair)

Mr. Zanin served as President and CEO of the Restructuring & Strategic Ventures Group at GE Capital from May 2015 until his retirement from General Electric in July 2018. Previously, Mr. Zanin served as Chief Risk Officer of GE Capital from 2010 to April 2015 and again served in that role from November 2016 until his retirement. Before joining GE Capital, Mr. Zanin served as Managing Director and Chief Risk Officer, International Capital Markets, at Wells Fargo & Company, from 2008 to 2010, and as Chief Risk Officer, Corporate and Investment Bank at Wachovia Corporation, from 2006 to 2008. Before that, he spent 14 years in leadership roles across Deutsche Bank AG and Bankers Trust Company. Mr. Zanin has over 30 years of experience in financial services specializing in risk management. Mr. Zanin served as a member of the Board of Directors of the holding company for GE Capital, General Electric Capital Corporation, from December 2016 to June 2018 and from 2010 to April 2015.

Corporate Governance

Conservatorship and Board Authorities

On September 6, 2008, the Director of FHFA appointed FHFA as our conservator in accordance with the GSE Act. As conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any shareholder, officer or director of Fannie Mae with respect to Fannie Mae and its assets. As a result, our Board of Directors no longer had the power or duty to manage, direct or oversee our business and affairs.

As conservator, FHFA reconstituted our Board of Directors and provided the Board with specified authorities. Our directors serve on behalf of the conservator and exercise their authority as directed by and with the approval, where required, of the conservator. Our directors have no fiduciary duties to any person or entity except to the conservator. Accordingly, our directors are not obligated to consider the interests of the company, the holders of our equity or debt securities, or the holders of Fannie Mae MBS unless specifically directed to do so by the conservator.

Our Board of Directors exercises specified authorities provided to it pursuant to an order from FHFA, as our conservator. The conservator also provided instructions regarding matters for which conservator decision or notification is required. The conservator retains the authority to amend or withdraw its order and instructions at any time.

FHFA's instructions require that we obtain the conservator's decision before taking action on matters that require the consent of or consultation with Treasury under the senior preferred stock purchase agreement. See "Note 11, Equity (Deficit)" for a list of matters that require the approval of Treasury under the senior preferred stock purchase agreement.

Under the Charter Act, our Board shall at all times have as members at least one person from each of the homebuilding, mortgage lending and real estate industries, and at least one person from an organization that has represented consumer or community interests for not less than two years or one person who has demonstrated a career commitment to the provision of housing for low-income households. It is the policy of the Board that a substantial majority of Fannie Mae's directors will be independent, in accordance with the standards adopted by the Board. See "Director Independence—Independence Standards" for a description of these standards. In addition, our Corporate Governance Guidelines provide that the Board, as a group, must be knowledgeable in business, finance, capital markets, accounting, risk management, public policy, mortgage lending, real estate, low-income housing, homebuilding, regulation of financial institutions, technology and any other areas that may be relevant to the safe and sound operation of Fannie Mae. In addition to expertise in the areas noted above, our Corporate Governance Guidelines specify that the Nominating and Corporate Governance Committee will seek out Board members who possess the highest personal values, judgment, and integrity, and who have an understanding of the regulatory and policy environment in which Fannie Mae does business. The Nominating and Corporate Governance Committee also considers whether a prospective candidate for the Board has the ability to attend meetings and fully participate in the activities of the Board.

The Nominating and Corporate Governance Committee also considers diversity when evaluating the composition of the Board. Our Corporate Governance Guidelines specify that the Nominating and Corporate Governance Committee is committed to considering minorities, women and individuals with disabilities in the identification and evaluation process of prospective candidates, and that the Committee will seek out Board members who represent diversity in ideas and perspectives. These provisions of our Corporate Governance Guidelines implement FHFA regulations that require the company to implement and maintain policies and procedures that, among other things, encourage the consideration of diversity in nominating or soliciting nominees for positions on our Board.

The Nominating and Corporate Governance Committee evaluates the qualifications and performance of current directors on an annual basis. Factors taken into consideration by the Committee in making this evaluation include:

- a director's contribution to the effective functioning of the Board;
- any change in the director's principal area of responsibility with his or her company or in his or her employment;
- the director's retirement from his or her principal area of responsibility with his or her company;
- whether the director continues to bring relevant experience to the Board;
- whether the director has the ability to attend meetings and fully participate in the activities of the Board;
- whether the director has developed any relationships with Fannie Mae or another organization, or other circumstances have arisen, that might make it inappropriate for the director to continue serving on the Board; and
- the director's age and length of service on the Board.

In evaluating whether a director should serve on our Board, the Nominating and Corporate Governance Committee considers the factors listed above, as well as each director's particular experience, qualifications, attributes and skills in the areas identified in our Corporate Governance Guidelines. In concluding our current directors should continue to serve as directors, the Nominating and Corporate Governance Committee took into account their knowledge in these areas as indicated in the table below, which they gained from their experience described above in "Directors."

Director Experience, Qualifications, Attributes and Skills

	Business	Finance and Accounting	Capital Markets	Risk Management	Public Policy	Mortgage Lending (ML), Real Estate (RE), Low-Income Housing (LIH), Home Building (HB)	Regulation of Financial Institutions	Technology
Amy Alving	✓	✓		✓	✓			✓
Hugh Frater	✓	✓	✓	✓		ML, RE, LIH	✓	
Renee Glover	✓	✓		✓	✓	RE, LIH, HB	✓	
Michael Heid	✓	✓	✓	✓	✓	ML, RE	✓	
Robert Herz	✓	✓	✓	✓		ML	✓	
Antony Jenkins	✓	✓	✓	✓	✓	ML	✓	✓
Diane Nordin	✓	✓	✓	✓		ML	✓	
Jonathan Plutzik	✓	✓	✓	✓		ML, RE	✓	
Manolo Sánchez	✓	✓	✓	✓		ML	✓	✓
Ryan Zanin	✓	✓	✓	✓		RE	✓	✓

Board Leadership Structure

We have had a non-executive Chair of the Board since 2004. FHFA regulations and our Corporate Governance Guidelines require separate Chair of the Board and Chief Executive Officer positions and require that the Chair of the Board be an independent director. A non-executive Chair structure enables non-management directors to raise issues and concerns for Board consideration without immediately involving management and is consistent with the Board's emphasis on independent oversight of management, including independent risk oversight, as well as our conservator's directives.

Our Board has five standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Risk Policy and Capital Committee, and the Strategic Initiatives and Technology Committee. Pursuant to FHFA direction, with such exceptions as the conservator may direct, the Board and the standing Board committees function in accordance with:

- their designated duties and authorities as set forth in the Charter Act, other applicable federal law, FHFA's corporate governance rules, FHFA's prudential management and operations standards, FHFA written supervisory guidance and direction, and, to the extent not inconsistent with the foregoing, Delaware law (insofar as Fannie Mae has adopted its provisions for corporate governance purposes);
- Fannie Mae's bylaws and the applicable charters of Fannie Mae's Board committees; and
- such other duties or authorities as the conservator may provide.

Such duties or authorities may be modified by the conservator at any time.

Risk Management Oversight

Our Board of Directors oversees risk management primarily through the Risk Policy and Capital Committee of the Board. FHFA regulations set forth risk management requirements for our Board and our Risk Policy and Capital Committee, as described below. These regulations require that our Board approve, have in effect at all times, and periodically review an enterprise-wide risk management program that establishes our risk appetite, aligns the risk appetite with our strategies and objectives, and addresses our exposure to credit risk, market risk, liquidity risk, business risk and operational risk. Our risk management program must align with our risk appetite and include risk limitations appropriate to each line of business, appropriate policies and procedures relating to risk management governance, risk oversight infrastructure, and processes and systems for identifying and reporting risks, including emerging risks. Our program must also include provisions for monitoring compliance with our risk limit structure and policies relating to risk management governance, risk oversight, and effective and timely implementation of corrective actions. Additional provisions must specify management's authority and independence to carry out risk management responsibilities and the integration of risk management with management's goals and compensation structure. FHFA's regulations require our Risk Policy and Capital Committee to assist the Board in carrying out its oversight of our risk management program. Our Risk Policy and Capital Committee must also:

- be chaired by a director not serving Fannie Mae in a management capacity;
- have at least one member with risk management experience that is commensurate with our capital structure, risk appetite, complexity, activities, size and other appropriate risk-related factors;
- have committee members with a practical understanding of risk management principles and practices relevant to Fannie Mae;
- fully document its meetings; and
- report directly to the Board and not as part of, or combined with, another committee.

For more information on the role of our Board and management in risk oversight, see "MD&A—Risk Management—Risk Management Governance."

Committee Charters and Corporate Governance

Our Corporate Governance Guidelines and charters for each of the Board's standing committees are posted on our website, www.fanniemae.com, under "Governance" in the "About Us" section. Although our equity securities are no longer listed on the New York Stock Exchange ("NYSE"), we are required by FHFA's corporate governance regulations to follow specified NYSE corporate governance requirements relating to, among other things, the independence of our Board members and the charters, independence, composition, expertise, duties, responsibilities and other requirements of our Board committees.

Codes of Conduct

We have a Code of Conduct that is applicable to all officers and employees (our "Employee Code of Conduct") and a Code of Conduct for the Board of Directors (our "Director Code of Conduct"). Our Employee Code of Conduct also serves as the code of ethics for our Chief Executive Officer and senior financial officers required by the Sarbanes-Oxley Act of 2002 and implementing regulations of the SEC. We have posted these codes on our website, www.fanniemae.com, under "Governance" in the "About Us" section of our website. We intend to disclose any changes to or waivers from these codes that apply to any of our officers or directors by posting this information on our website.

Audit Committee Membership

Our Board of Directors has a standing Audit Committee consisting of Mr. Herz, who is the Chair, Mr. Heid, who is the Vice Chair, and Ms. Nordin, all of whom are independent under the requirements of independence set forth in FHFA's corporate governance regulations (which requires the standard of independence adopted by the NYSE), Fannie Mae's Corporate Governance Guidelines, and other SEC rules and regulations applicable to audit committees. The Board has determined that Mr. Herz, Mr. Heid and Ms. Nordin each have the requisite experience, as discussed in "Directors," to qualify as an "audit committee financial expert" under the rules and regulations of the SEC and has designated each of them as such.

Executive Sessions

Our non-management directors meet regularly in executive sessions without management present. Our Board of Directors reserves time for an executive session at every regularly scheduled Board meeting. The non-executive Chair of the Board, Mr. Plutzik, presides over these sessions.

Communications with Directors or Audit Committee

Interested parties wishing to communicate any concerns or questions about Fannie Mae to the non-executive Chair of the Board or to our non-management directors individually or as a group may do so by electronic mail addressed to "board@fanniemae.com," or by U.S. mail addressed to Board of Directors, c/o Office of the Corporate Secretary, Fannie Mae, 1100 15th Street, NW, Washington, DC 20005. Communications may be addressed to a specific director or directors, including Mr. Plutzik, the Chair of the Board, or to groups of directors, such as the independent or non-management directors.

Interested parties wishing to communicate with the Audit Committee regarding accounting, internal accounting controls or auditing matters may do so by electronic mail addressed to "auditcommittee@fanniemae.com," or by U.S. mail addressed to Audit Committee, c/o Office of the Corporate Secretary, Fannie Mae, 1100 15th Street, NW, Washington, DC 20005.

The Office of the Corporate Secretary is responsible for processing all communications to a director or directors. Communications that are deemed by the Office of the Corporate Secretary to be commercial solicitations, ordinary course customer inquiries or complaints, incoherent or obscene are not forwarded to directors.

Director Nominations; Shareholder Proposals

Under the GSE Act, FHFA, as conservator, has all rights, titles, powers and privileges of the shareholders and Board of Directors of Fannie Mae. As a result, Fannie Mae's common shareholders no longer have the ability to recommend director nominees or elect the directors of Fannie Mae or bring business before any meeting of shareholders pursuant to the procedures in our bylaws. We currently do not plan to hold an annual meeting of shareholders in 2019. For more information on the conservatorship, refer to "Business—Conservatorship, Treasury Agreements and Housing Finance Reform."

Executive Officers

Under our bylaws, each executive officer holds office until his or her successor is chosen and qualified or until he or she dies, resigns, retires or is removed from office, whichever occurs first.

Mr. Frater, our Interim Chief Executive Officer, has served as our Interim Chief Executive Officer since October 2018 and as a member of our Board of Directors since January 2016. Information about his business experience and other matters is provided in "Directors." As of February 14, 2019, we have seven other executive officers:



David C. Benson

Age 59

President

Joined Fannie Mae in 2002

Mr. Benson has been President since August 2018. Mr. Benson previously served as Executive Vice President and Chief Financial Officer from 2013 to August 2018, as Executive Vice President—Capital Markets, Securitization & Corporate Strategy from 2012 to 2013 and as Executive Vice President—Capital Markets from 2009 to 2012. He also served as Treasurer from 2010 to 2012. Mr. Benson previously served as Fannie Mae's Executive Vice President—Capital Markets and Treasury from 2008 to 2009, as Fannie Mae's Senior Vice President and Treasurer from 2006 to 2008, and as Fannie Mae's Vice President and Assistant Treasurer from 2002 to 2006. Prior to joining Fannie Mae, Mr. Benson was Managing Director in

the fixed income division of Merrill Lynch & Co. From 1988 through 2002, he served in several capacities at Merrill Lynch in the areas of risk management, trading, debt syndication and e-commerce based in New York and London.



Andrew J. Bon Salle

Age 53

Executive Vice President—Single-Family Mortgage Business

Joined Fannie Mae in 1992

Mr. Bon Salle has been Executive Vice President—Single-Family Mortgage Business since December 2014. Prior to that time, he served as Executive Vice President—Single-Family Underwriting, Pricing, and Capital Markets, from 2013 to December 2014. Mr. Bon Salle previously served as Fannie Mae's Senior Vice President and Head of Underwriting and Pricing from 2011 to 2013, Senior Vice President—Capital Markets from 2006 to 2011, and as Fannie Mae's Vice President—Portfolio Management from 2000 to 2006. Mr. Bon Salle held the positions of Director, Finance from 1996 to 2000 and of Manager, Early Funding Programs from 1994 to 1996. Mr. Bon Salle joined Fannie Mae in 1992 as a senior capital markets analyst.



Celeste M. Brown

Age 42

Executive Vice President and Chief Financial Officer

Joined Fannie Mae in 2017

Ms. Brown has served as Executive Vice President and Chief Financial Officer since August 2018. Ms. Brown previously served as Fannie Mae's Senior Vice President and Deputy Chief Financial Officer from May 2017, when she joined Fannie Mae, to August 2018. Prior to joining Fannie Mae, Ms. Brown served in a variety of roles at Morgan Stanley from 1999 to April 2017, including as Global Treasurer from November 2014 to April 2017 and as Head of Investor Relations from October 2010 to November 2014.



John S. Forlines

Age 55

Senior Vice President and Chief Risk Officer

Joined Fannie Mae in 1987

Mr. Forlines has served as Senior Vice President and Chief Risk Officer since September 2018, and previously served as Interim Chief Risk Officer from March 2018 to September 2018. Prior to that time, Mr. Forlines served as Senior Vice President and Deputy Chief Risk Officer from November 2015 to March 2018, as Senior Vice President and Chief Audit Executive from 2013 to November 2015, and as Senior Vice President and Chief Credit Officer for Single-Family from 2012 to 2013. From 2006 to 2012, Mr. Forlines served as a Vice President in various positions with the company relating to single-family credit risk management. Prior to his promotion to Vice President, Mr. Forlines held a number of Director-level positions with the company relating to customer management, marketing and credit risk management from 1997 to 2006. Prior to this time, Mr. Forlines held several Manager-level positions, including Manager of Lender Administration from 1992 to 1995 and various audit-related positions from 1987 to 1992. Mr. Forlines joined Fannie Mae in 1987 as an auditor.



Jeffery R. Hayward

Age 62

Executive Vice President and Head of Multifamily

Joined Fannie Mae in 1987

Mr. Hayward has served as Head of Multifamily since 2012, first as Senior Vice President and, since December 2014, as Executive Vice President, after serving in various roles at Fannie Mae for over 25 years. He was Fannie Mae's Senior Vice President—National Servicing Organization from 2010 to 2012. He also served as Senior Vice President of Community Lending in Fannie Mae's Multifamily division from 2004 to 2010. Prior to that time, Mr. Hayward served as both a Senior Vice President and a Vice President in Fannie Mae's Single-Family division, including as Senior Vice President in the National Business Center from 2001 to 2004, as Vice President for Single-Family Business Strategy from 1999 to 2001, as Vice President for Asset Management Services from 1998 to 1999 and as Vice President for Quality Control and Operations from 1996 to 1998. Mr. Hayward also served as Vice President for Risk Management from 1993 to 1996. Before that, he served as Director, Loan Acquisition from 1992 to 1993, as Director, Marketing from 1989 to 1992, and as Senior Negotiator from 1988 to 1989. Mr. Hayward joined the company in 1987 as a senior MBS representative.



Kimberly H. Johnson

Age 46

Executive Vice President and Chief Operating Officer

Joined Fannie Mae in 2006

Ms. Johnson has served as Executive Vice President and Chief Operating Officer since March 2018. Ms. Johnson previously served as Executive Vice President and Chief Risk Officer from January 2017 to March 2018, and as Senior Vice President and Chief Risk Officer from November 2015 to January 2017. She served as Senior Vice President and Deputy Chief Risk Officer from 2013 to November 2015. Ms. Johnson served in Fannie Mae's Multifamily business as Senior Vice President for loans, securities, credit pricing and modeling, and as Vice President in our Capital Markets group with responsibility for trading multifamily loans and securities from 2009 to 2013. Prior to that time, Ms. Johnson was responsible for Metrics and Reporting for the Making Home Affordable Program from March 2009 to September 2009. Ms. Johnson joined Fannie Mae in 2006 as a Vice President in Capital Markets.



Stephen H. McElhennon

Age 49

Senior Vice President and Interim General Counsel

Joined Fannie Mae in 2000

Mr. McElhennon has served as Senior Vice President and Interim General Counsel since December 2018 and prior to that time served as Vice President and Interim General Counsel from September 2018 to December 2018. Mr. McElhennon previously served as Vice President and Deputy General Counsel from 2006 to September 2018, with responsibility for a wide range of legal matters, including SEC disclosure, capital markets, securitization, tax and benefits, employment law and legal department operations. Prior to that time, Mr. McElhennon was Associate General Counsel from 2000, when he joined Fannie Mae, to 2006. Prior to joining Fannie Mae in 2000, Mr. McElhennon was an Associate with Brown & Wood LLP (now Sidley Austin LLP) in New York, where he worked as a Corporate and Securities Associate, specializing in debt, equity, and synthetic product transactions.

Section 16(a) Beneficial Ownership Reporting Compliance

Our directors and officers file with the SEC reports on their ownership of our stock and on changes in their stock ownership. Based on a review of forms filed during 2018 or with respect to 2018 and on written representations from our directors and officers, we believe that all of our directors and officers timely filed all required reports and reported all transactions reportable during 2018.

Item 11. Executive Compensation Compensation Discussion and Analysis

Named Executives for 2018

This Compensation Discussion and Analysis focuses on our compensation decisions and arrangements for 2018 relating to our “named executives”:

- **Hugh R. Frater** Interim Chief Executive Officer (*beginning October 2018*)
- **Timothy J. Mayopoulos** Former Chief Executive Officer (*until October 2018*)
- **Celeste M. Brown** Executive Vice President and Chief Financial Officer (*beginning August 2018*)
- **David C. Benson** President (*beginning August 2018*)
Former Executive Vice President and Chief Financial Officer (*until August 2018*)
- **Andrew J. Bon Salle** Executive Vice President—Single-Family Mortgage Business
- **Jeffery R. Hayward** Executive Vice President and Head of Multifamily
- **Kimberly H. Johnson** Executive Vice President and Chief Operating Officer (*beginning March 2018*)
Former Executive Vice President and Chief Risk Officer (*until March 2018*)

These officers are our principal executive officer, our former principal executive officer, our principal financial officer, our former principal financial officer, and our next three most highly compensated executive officers during 2018. We refer to our 2018 compensation arrangements with our named executives, other than our Interim Chief Executive Officer and our former Chief Executive Officer, as the “2018 executive compensation program.”

Executive Summary

Due to our conservatorship status and other legal requirements, FHFA, our conservator and regulator, has significant oversight and approval rights over our executive compensation arrangements and determinations. Congress has also enacted legislation since we entered into conservatorship that significantly impacts the compensation we pay our named executives.

Under the Equity in Government Compensation Act of 2015, the total direct compensation for the position of chief executive officer is limited to \$600,000 annually. This restriction applies as long as we are in conservatorship or receivership. As a result, total annual direct compensation for our Interim Chief Executive Officer, Mr. Frater, is \$600,000, which consists solely of base salary. Similarly, total annual direct compensation for our former Chief Executive Officer, Mr. Mayopoulos, consisted solely of base salary of \$600,000.

The executive compensation program in place for 2018 for our other named executives was developed by FHFA in consultation with Treasury. These named executives receive two principal elements of compensation: base salary, which is paid in regular installments throughout the year, and deferred salary, which is paid after a one-year deferral period. There are two components to deferred salary: a fixed portion that is generally subject to reduction if an executive leaves the company before payment and an at-risk portion that is subject to reduction based on corporate and individual performance. Named executives do not receive bonuses or any form of equity compensation.

Fannie Mae had another successful year in 2018. Under the leadership of our experienced executives, including our named executives, we had net income of \$16.0 billion in 2018. As discussed in “Determination of 2018 Compensation,” we achieved many milestones and accomplishments as we strived to be America’s most valued housing partner. We completed all of the corporate performance goals for 2018 set by the conservator. We refer to these as the 2018 conservatorship scorecard. The goals in the 2018 conservatorship scorecard related to the following objectives:

- Maintain, in a safe and sound manner, credit availability and foreclosure prevention activities for new and refinanced mortgages to foster liquid, efficient, competitive, and resilient national housing finance markets;
- Reduce taxpayer risk through increasing the role of private capital in the mortgage market; and
- Build a new single-family infrastructure for use by Fannie Mae and Freddie Mac and adaptable for use by other participants in the secondary market in the future.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Beneficial Ownership

The following table shows the beneficial ownership of our stock by each of our current directors, each of our named executives, and all current directors and executive officers as a group, as of February 1, 2019. As of that date, no director or named executive, nor all current directors and executive officers as a group, owned as much as 1% of our outstanding common stock or any series of our preferred stock.

Beneficial Ownership of Stock

Directors and Named Executives	Position	Number of Shares Beneficially Owned ⁽¹⁾	
		8.25% Non-Cumulative Series T Preferred Stock	Common Stock
Amy Alving	Director	0	0
Renee Glover	Director	0	0
Michael Heid	Director	0	0
Robert Herz	Director	0	0
Antony Jenkins	Director	0	0
Diane Nordin	Director	0	0
Jonathan Plutzik	Director (Chair of the Board)	0	0
Manolo Sánchez	Director	0	0
Ryan Zanin	Director	0	0
Hugh Frater	Interim Chief Executive Officer and Director	0	0
Timothy Mayopoulos	Former Chief Executive Officer	0	0
Celeste Brown	EVP—Chief Financial Officer	0	0
David Benson	President; Former EVP—Chief Financial Officer	0	0
Andrew Bon Salle	EVP—Single-Family Mortgage Business	1,000	0
Jeffery Hayward	EVP and Head of Multifamily	0	14,868
Kimberly Johnson	EVP and Chief Operating Officer	0	6,669
All current directors and executive officers as a group (17 persons)		1,000	21,537

⁽¹⁾ Beneficial ownership is determined in accordance with the rules of the SEC for computing the number of shares of common stock beneficially owned by each person and the percentage owned. Each holder has sole investment and voting power over the shares referenced in this table.

The following table shows the beneficial ownership of our common stock by each holder of more than 5% of our common stock as of February 1, 2019.

5% Holders	Common Stock Beneficially Owned	Percent of Class
U.S. Department of the Treasury 1500 Pennsylvania Avenue, NW, Washington, DC 20220	Variable ⁽¹⁾	79.9%
Pershing Square Capital Management, L.P. PS Management GP, LLC William A. Ackman 888 Seventh Avenue, 42nd Floor, New York, New York 10019	115,569,796 ⁽²⁾	9.98%

⁽¹⁾ In September 2008, we issued to Treasury a warrant to purchase, for one one-thousandth of a cent (\$0.00001) per share, shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis at the time the warrant is exercised. The warrant may be exercised in whole or in part at any time until September 7, 2028. As of February 14, 2019, Treasury has not exercised the warrant. The information above assumes Treasury beneficially owns no other shares of our common stock.

⁽²⁾ Information regarding these shares and their holders is based solely on information contained in a Schedule 13D filed with the SEC on November 15, 2013, as amended by an amendment to the Schedule 13D filed on March 31, 2014. The Schedule 13D and its amendment were filed by these holders as well as by Pershing Square GP, LLC. According to the original Schedule 13D, Pershing Square Capital Management, L.P., as investment adviser for a number of funds for which it purchased the shares reported in the table above, and PS Management GP, LLC, its general partner, may be deemed to share voting and dispositive power for the shares. Pershing Square GP, LLC, as general partner of two of the funds, may be deemed to share voting and dispositive power for 40,114,044 of the shares reported in the table above, which are held by the two funds. As the Chief Executive Officer of Pershing Square Capital Management, L.P. and managing member of each of PS Management GP, LLC and Pershing Square GP, LLC, William A. Ackman may be deemed to share voting and dispositive power for all of the shares reported in the table above. In the amendment, the parties further reported that certain of them had entered into swap transactions resulting in their having additional economic exposure to approximately 15,434,715 notional shares of common stock under certain cash-settled total return swaps, bringing their total aggregate economic exposure to 131,004,511 shares of common stock (approximately 11.31% of the outstanding common stock). In the amendment to the Schedule 13D, these parties indicated that they would forgo future reporting on Schedule 13D based on their determination that shares of the common stock are not voting securities as such term is used in Rule 13d-1(i) under the Securities Exchange Act. As a result, the information in the table above does not reflect any acquisitions or dispositions by these holders of Fannie Mae common stock that occurred after March 31, 2014.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Policies and Procedures Relating to Transactions with Related Persons

Overview. We review transactions in which Fannie Mae is a participant and in which any of our directors or executive officers or their immediate family members may have a material interest to determine whether any of those persons has a material interest in the transaction. Our current written policies and procedures for the review, approval or ratification of transactions with related persons that are required to be reported under Item 404(a) of Regulation S-K are set forth in our:

- Director Code of Conduct;
- Corporate Governance Guidelines;
- Nominating and Corporate Governance Committee Charter;
- Board of Directors' delegation of authorities and reservation of powers;
- Employee Code of Conduct; and
- Conflict of Interest Policy and Conflict of Interest Procedure for employees.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Election of New Directors

On March 19, 2019, Brian P. Brooks and Karin J. Kimbrough were elected to the Board of Directors of Fannie Mae (formally, the Federal National Mortgage Association). As of the date of this filing, the Board committees on which Mr. Brooks and Ms. Kimbrough will serve have not been determined.

Brian Brooks

Mr. Brooks, age 49, has served as the Chief Legal Officer of Coinbase Global, Inc. since September 2018. Mr. Brooks previously served as Fannie Mae's Executive Vice President, General Counsel and Corporate Secretary from November 2014 to September 2018. Prior to that time, Mr. Brooks was Vice Chairman of OneWest Bank N.A., from 2011 to November 2014, where he served as chief legal officer. Previously, Mr. Brooks was a partner at the law firm of O'Melveny & Myers LLP, where he served from 2008 through 2011 as managing partner of the Washington, D.C. office and from 2010 through 2011 as group leader of the firm's financial services practice.

As noted above, Mr. Brooks was an executive officer of Fannie Mae until September 2018. Under the company's 2018 executive compensation program, Mr. Brooks's total direct compensation for 2018 was \$1,702,711, consisting of \$402,662 in base salary and \$1,300,049 in deferred salary. Mr. Brooks received his 2018 base salary in 2018 and will receive his earned and unpaid 2018 deferred salary in three installments in March, June and September 2019. Mr. Brooks also received \$70,000 in company retirement plan contributions in 2018. Pursuant to the terms of the company's Supplemental Retirement Savings Plan, Mr. Brooks will receive a lump sum payment of his balance in this plan in July 2019. His balance under the plan was approximately \$215,000 as of February 28, 2019; however, this amount is subject to change based on plan earnings prior to the payment date. For more information on the company's 2018 executive compensation program, see our annual report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on February 14, 2019. Mr. Brooks also received \$2,027,194 in 2017 deferred salary paid over four installments during 2018.

Based on its review of the relevant facts and circumstances, including his recent service as a Fannie Mae executive officer and his receipt of associated compensation from Fannie Mae, Fannie Mae's Board of Directors determined that Mr. Brooks is not an independent director.

Karin Kimbrough

Ms. Kimbrough, age 50, has served as Assistant Treasurer for Google since October 2017. Ms. Kimbrough previously served as a Managing Director and Head of Macroeconomic Policy at Bank of America Merrill Lynch from November 2014 to October 2017. Prior to that time, Ms. Kimbrough worked at the Federal Reserve Bank of New York from 2005 to October 2014, serving as a director for the Financial Stability Monitoring Function in the Markets Group from 2010 to October 2014 and as a manager for analytical development from 2005 to 2010. Ms. Kimbrough previously worked as an economist and strategist at Morgan Stanley from 2000 to 2005.

Based on its review of the relevant facts and circumstances, Fannie Mae's Board of Directors determined that Ms. Kimbrough is an independent director.

Director Compensation

Mr. Brooks and Ms. Kimbrough each will be paid compensation as a director as described in our current report on Form 8-K filed with the Securities and Exchange Commission on December 24, 2008, which description is incorporated herein by reference.

Indemnification Agreements

Fannie Mae is entering into an indemnification agreement with each of Mr. Brooks and Ms. Kimbrough, the form of which was filed as Exhibit 10.3 to our annual report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on February 14, 2019.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 26, 2019, Hugh R. Frater was appointed Fannie Mae's Chief Executive Officer, effective as of that date.

Mr. Frater, age 63, previously had been serving as Fannie Mae's Interim Chief Executive Officer since October 2018 and has been a member of Fannie Mae's Board of Directors since January 2016. Prior to his appointment as Fannie Mae's Interim Chief Executive Officer, Mr. Frater had been an independent director of Fannie Mae, where he most recently served on the Audit Committee and the Risk Policy and Capital Committee. Mr. Frater also serves as Non-Executive Chairman of the Board of VEREIT, Inc. Mr. Frater previously worked at Berkadia Commercial Mortgage LLC ("Berkadia"), a commercial real estate company providing comprehensive capital solutions and investment sales advisory and research services for multifamily and commercial properties. He served as Chairman of Berkadia from April 2014 to December 2015 and he served as Chief Executive Officer of Berkadia from 2010 to April 2014. From 2007 to 2010, Mr. Frater was the Chief Operating Officer of Good Energies, Inc., and from 2004 to 2007, Mr. Frater was an Executive Vice President at The PNC Financial Services Group, Inc., where he led the real estate division. Mr. Frater was a Founding Partner and Managing Director of BlackRock, Inc. from 1988 to 2004, where he led the real estate practice. Mr. Frater serves on the MBA Real Estate Program Advisory Board at the Columbia University Graduate School of Business and is also a member of its Board of Overseers.

Mr. Frater's direct compensation as Chief Executive Officer will continue to consist solely of base salary at the rate of \$600,000 per year. Mr. Frater will also continue to be eligible to receive employee benefits, as described in Fannie Mae's annual report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on February 14, 2019. In connection with Mr. Frater's appointment as Fannie Mae's Chief Executive Officer, he has been offered relocation benefits to reimburse him for his costs associated with relocating to the Washington, DC area. These relocation benefits are conditioned on Mr. Frater's continued employment with Fannie Mae for a minimum of 18 months from his start date as Chief Executive Officer—he must reimburse Fannie Mae 100% of the relocation benefits paid to him if his employment terminates (either voluntarily or involuntarily due to misconduct) within 12 months, or 50% if his employment terminates from the 13th through the 18th month.
