# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the quarterly period ended June 30, 2026**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the transition period from to**

**Commission File Number: 001-34139**

# Federal Home Loan Mortgage Corporation

*(Exact name of registrant as specified in its charter)*

| Federally chartered corporation | 52-0904874 | 8200 Jones Branch Drive McLean, Virginia | 22102-3110 | (703) 903-2003 |
|---|---|---|---|---|
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* | *(Address of principal executive offices)* | *(Zip Code)* | *(Registrant's telephone number, including area code)* |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| None | N/A | N/A |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 7, 2026, there were 650,059,553 shares of the registrant's common stock outstanding.

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# MD&A TABLE INDEX

# Management's Discussion and Analysis of Financial Condition and Results of Operations

*This Quarterly Report on Form 10-Q includes forward-looking statements that are based on current expectations and that are subject to significant risks and uncertainties. These forward-looking statements are made as of the date of this Form 10-Q. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 10-Q. Actual results might differ significantly from those described in or implied by such statements due to various factors and uncertainties, including those described in the* **MD&A - Forward-Looking Statements** *section of this Form 10-Q and the* **Introduction** *and* **Risk Factors** *sections of our Annual Report on Form 10-K for the year ended December 31, 2025, or* **2025 Annual Report***.*

*Throughout this Form 10-Q, we use certain acronyms and terms that are defined in the* **Glossary** *of our 2025 Annual Report.*

*You should read the following* **MD&A** *in conjunction with our 2025 Annual Report and our condensed consolidated financial statements and accompanying notes for the three and six months ended June 30, 2026 included in* **Financial Statements***.*

## INTRODUCTION

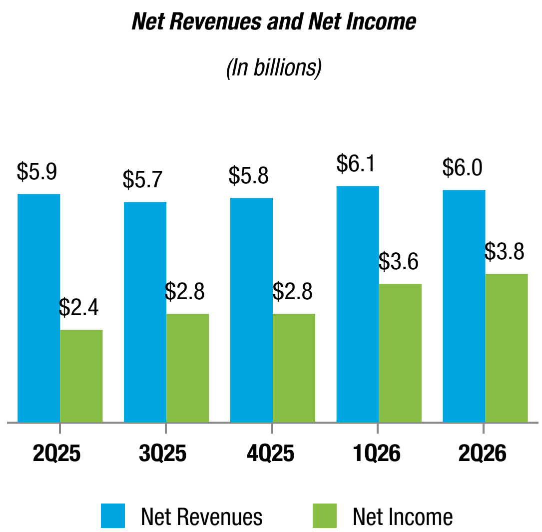
Freddie Mac is a GSE chartered by Congress in 1970, with a mission to provide liquidity, stability, and affordability to the U.S. housing market. We do this primarily by purchasing single-family and multifamily residential mortgage loans originated by lenders. In most instances, we package these loans into guaranteed mortgage-related securities, which are sold in the global capital markets, and transfer interest-rate and liquidity risks to third-party investors. In addition, we transfer a portion of our mortgage credit risk exposure to third-party investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgage loans, mortgage-related securities, and other types of assets. We do not originate mortgage loans or lend money directly to mortgage borrowers.

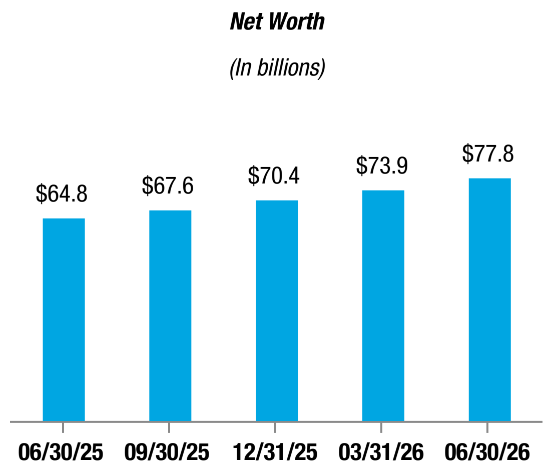
We support the U.S. housing market and the overall economy by enabling America's families to access mortgage loan funding with better terms and by providing consistent liquidity to the single-family and multifamily mortgage markets. We have helped many distressed borrowers keep their homes or avoid foreclosure and have helped many distressed renters avoid eviction.

Since September 2008, we have been operating in conservatorship, with FHFA as our Conservator. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. Our future is uncertain, and the conservatorship has no specified termination date. We do not know what changes may occur to our business model during or following conservatorship, including whether we will continue to exist. In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury under which we issued Treasury both senior preferred stock and a warrant to purchase common stock. The Purchase Agreement with Treasury is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. We believe the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities. For additional information on the conservatorship and related matters and the Purchase Agreement, see our 2025 Annual Report.

# Business Results

## Consolidated Financial Results

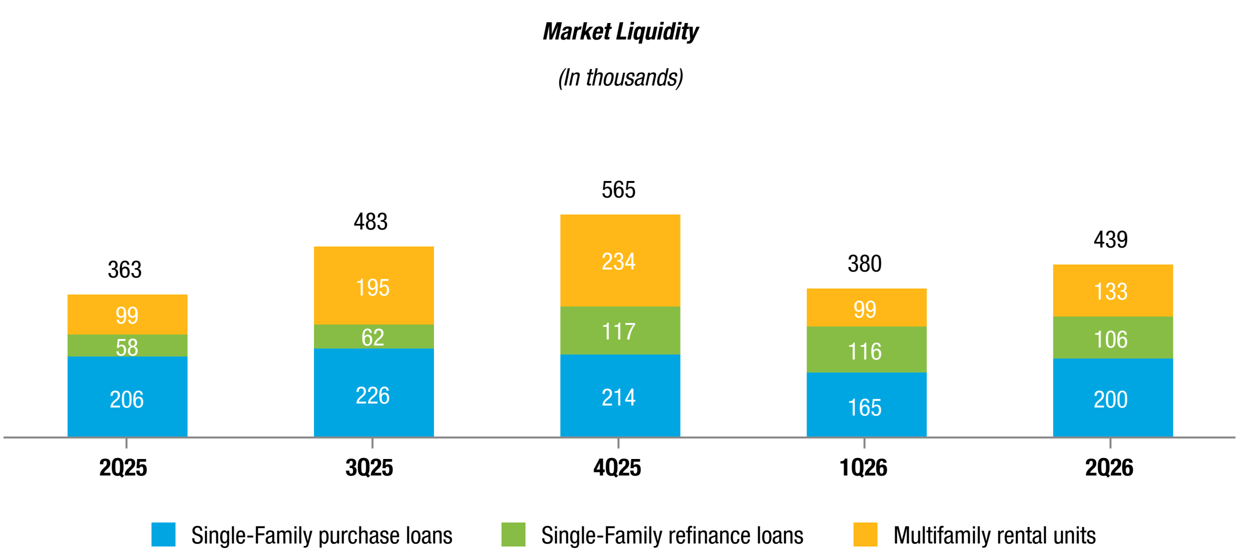



***Key Drivers:***

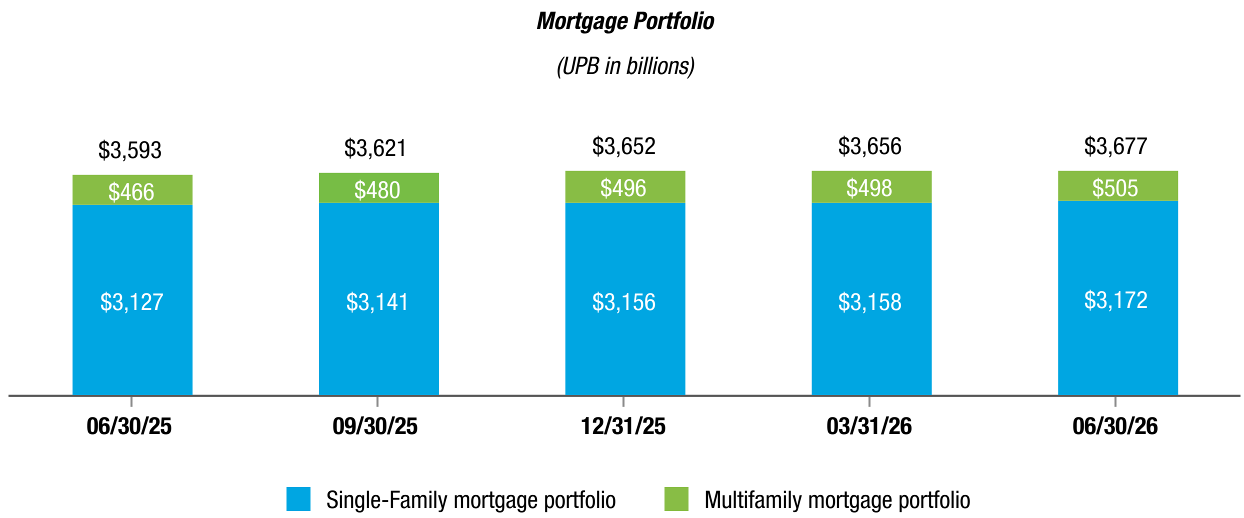
- Net income was $3.8 billion, up 61% from 2Q 2025, primarily driven by a credit reserve release in 2Q 2026 compared to a credit reserve build in 2Q 2025.
- Net revenues were $6.0 billion, an increase of 1% year-over-year, primarily driven by higher net interest income, partially offset by lower non-interest income (loss).
- Net worth was $77.8 billion as of June 30, 2026, up from $64.8 billion as of June 30, 2025. The quarterly increases in net worth have been, or will be, added to the aggregate liquidation preference of the senior preferred stock. The liquidation preference of the senior preferred stock was $146.6 billion on June 30, 2026, and will increase to $150.4 billion on September 30, 2026 based on the increase in net worth in 2Q 2026.

## Market Liquidity




We support the U.S. housing market by executing our mission to provide liquidity and help maintain credit availability for new and refinanced single-family mortgages as well as for rental housing. We provided $128 billion in liquidity to the mortgage market in 2Q 2026, which enabled the financing of 439,000 home purchases, refinancings, and rental units.

# Mortgage Portfolio Balances




***Key Drivers:***

- Our mortgage portfolio increased 2% year-over-year to $3.7 trillion at June 30, 2026, continuing to grow at a moderate pace.
  - Our Single-Family mortgage portfolio was $3.2 trillion at June 30, 2026, up 1% year-over-year.
  - Our Multifamily mortgage portfolio was $505 billion at June 30, 2026, up 8% year-over-year.

# CONSOLIDATED RESULTS OF OPERATIONS

This discussion of our consolidated results of operations should be read in conjunction with our condensed consolidated financial statements and accompanying notes.

The table below compares our summarized consolidated results of operations.

**Table 1 - Summary of Consolidated Statements of Income and Comprehensive Income**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | 2Q 2026 | 2Q 2025 | $ | % | YTD 2026 | YTD 2025 | $ | % |
| Net interest income | $6,010 | $5,299 | $711 | 13 % | $11,629 | $10,401 | $1,228 | 12 % |
| Non-interest income (loss) | (19) | 617 | (636) | NM | 495 | 1,367 | (872) | (64) |
| **Net revenues** | **5,991** | **5,916** | **75** | **1** | **12,124** | **11,768** | **356** | **3** |
| (Provision) benefit for credit losses | 880 | (783) | 1,663 | NM | 1,200 | (1,063) | 2,263 | NM |
| Non-interest expense | (2,097) | (2,158) | 61 | 3 | (4,119) | (4,246) | 127 | 3 |
| **Income before income tax expense** | **4,774** | **2,975** | **1,799** | **60** | **9,205** | **6,459** | **2,746** | **43** |
| Income tax expense | (936) | (588) | (348) | (59) | (1,809) | (1,278) | (531) | (42) |
| **Net income** | **3,838** | **2,387** | **1,451** | **61** | **7,396** | **5,181** | **2,215** | **43** |
| Other comprehensive income (loss), net of taxes and reclassification adjustments | 9 | 21 | (12) | (57) | (11) | 55 | (66) | NM |
| **Comprehensive income** | **$3,847** | **$2,408** | **$1,439** | **60 %** | **$7,385** | **$5,236** | **$2,149** | **41 %** |

# Net Revenues

## Net Interest Income

The table below presents the components of net interest income.

**Table 2 - Components of Net Interest Income**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | 2Q 2026 | 2Q 2025 | $ | % | YTD 2026 | YTD 2025 | $ | % |
| Guarantee net interest income: | | | | | | | | |
| Contractual net interest income | $4,220 | $4,031 | $189 | 5 % | $8,362 | $8,012 | $350 | 4 % |
| Deferred fee income | 321 | 182 | 139 | 76 | 540 | 372 | 168 | 45 |
| **Total guarantee net interest income** | **4,541** | **4,213** | **328** | **8** | **8,902** | **8,384** | **518** | **6** |
| Investments net interest income | 1,455 | 1,374 | 81 | 6 | 2,812 | 2,671 | 141 | 5 |
| Impact on net interest income from hedge accounting | 14 | (288) | 302 | NM | (85) | (654) | 569 | 87 |
| **Net interest income** | **$6,010** | **$5,299** | **$711** | **13 %** | **$11,629** | **$10,401** | **$1,228** | **12 %** |

***Key Drivers:***

- **Guarantee net interest income**
  - **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - Increased primarily due to an increase in the balance of fully guaranteed securitizations in the Multifamily mortgage portfolio due to the change in our Multifamily business strategy and continued mortgage portfolio growth in Single-Family.
- **Investments net interest income**
  - **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - Increased primarily due to growth in the mortgage-related investments portfolio.
- **Impact on net interest income from hedge accounting**
  - **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - Decreased due to lower expense related to debt in hedge accounting relationships.

## Net Interest Yield Analysis

The table below presents a yield analysis of interest-earning assets and interest-bearing liabilities.

**Table 3 - Analysis of Net Interest Yield**

| | 2Q 2026 | | | 2Q 2025 | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | Average Balance | Interest Income (Expense) | Average Rate | Average Balance | Interest Income (Expense) | Average Rate |
| Interest-earning assets: | | | | | | |
| Cash and cash equivalents | $9,937 | $56 | 2.22 % | $9,370 | $73 | 3.10 % |
| Securities purchased under agreements to resell | 73,295 | 684 | 3.73 | 106,309 | 1,186 | 4.46 |
| Investment securities | 78,068 | 876 | 4.49 | 74,793 | 845 | 4.52 |
| Mortgage loans held by consolidated trusts(1) | 3,239,526 | 31,715 | 3.92 | 3,139,834 | 29,126 | 3.71 |
| Mortgage loans held by Freddie Mac(1) | 82,851 | 904 | 4.37 | 68,211 | 775 | 4.54 |
| Other assets | 3,364 | 40 | 4.67 | 2,946 | 43 | 5.79 |
| **Total interest-earning assets** | **3,487,041** | **34,275** | **3.93** | **3,401,463** | **32,048** | **3.77** |
| Interest-bearing liabilities: | | | | | | |
| Debt issued by consolidated trusts | 3,207,386 | (26,384) | (3.29) | 3,137,146 | (24,492) | (3.12) |
| Short-term debt | 19,585 | (179) | (3.61) | 16,347 | (177) | (4.27) |
| Long-term debt | 166,120 | (1,646) | (3.96) | 172,110 | (2,025) | (4.70) |
| Securities sold under agreements to repurchase | 6,170 | (56) | (3.60) | 5,202 | (55) | (4.28) |
| **Total interest-bearing liabilities** | **3,399,261** | **(28,265)** | **(3.33)** | **3,330,805** | **(26,749)** | **(3.22)** |
| **Net interest income/yield** | | **$6,010** | **0.69 %** | | **$5,299** | **0.62 %** |

(1) Loan fees included in interest income were $0.3 billion for mortgage loans held by consolidated trusts in both 2Q 2026 and 2Q 2025. Loan fees for mortgage loans held by Freddie Mac were not material in 2Q 2026 or 2Q 2025.

| | YTD 2026 | | | YTD 2025 | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | Average Balance | Interest Income (Expense) | Average Rate | Average Balance | Interest Income (Expense) | Average Rate |
| Interest-earning assets: | | | | | | |
| Cash and cash equivalents | $9,150 | $108 | 2.35 % | $9,362 | $152 | 3.24 % |
| Securities purchased under agreements to resell | 79,110 | 1,482 | 3.75 | 108,998 | 2,426 | 4.45 |
| Investment securities | 77,410 | 1,709 | 4.42 | 65,374 | 1,465 | 4.48 |
| Mortgage loans held by consolidated trusts(1) | 3,227,982 | 62,681 | 3.88 | 3,134,824 | 57,717 | 3.68 |
| Mortgage loans held by Freddie Mac(1) | 84,830 | 1,870 | 4.41 | 69,320 | 1,579 | 4.55 |
| Other assets | 3,232 | 75 | 4.58 | 2,500 | 74 | 5.87 |
| **Total interest-earning assets** | **3,481,714** | **67,925** | **3.90** | **3,390,378** | **63,413** | **3.74** |
| Interest-bearing liabilities: | | | | | | |
| Debt issued by consolidated trusts | 3,198,492 | (52,385) | (3.28) | 3,131,176 | (48,551) | (3.10) |
| Short-term debt | 24,837 | (454) | (3.64) | 15,585 | (338) | (4.31) |
| Long-term debt | 168,047 | (3,348) | (3.98) | 171,340 | (4,025) | (4.70) |
| Securities sold under agreements to repurchase | 6,060 | (109) | (3.59) | 4,601 | (98) | (4.27) |
| **Total interest-bearing liabilities** | **3,397,436** | **(56,296)** | **(3.31)** | **3,322,702** | **(53,012)** | **(3.19)** |
| **Net interest income/yield** | | **$11,629** | **0.67 %** | | **$10,401** | **0.61 %** |

(1) Loan fees included in interest income were $0.7 billion and $0.6 billion for mortgage loans held by consolidated trusts in YTD 2026 and YTD 2025, respectively. Loan fees for mortgage loans held by Freddie Mac were not material in YTD 2026 or YTD 2025.

# Non-Interest Income (Loss)

The table below presents the components of non-interest income.

**Table 4 - Components of Non-Interest Income (Loss)**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | 2Q 2026 | 2Q 2025 | $ | % | YTD 2026 | YTD 2025 | $ | % |
| Guarantee income | $288 | $398 | ($110) | (28)% | $608 | $838 | ($230) | (27)% |
| Investment gains (losses), net | (426) | 119 | (545) | NM | (384) | 311 | (695) | NM |
| Other income | 119 | 100 | 19 | 19 | 271 | 218 | 53 | 24 |
| **Non-interest income (loss)** | **($19)** | **$617** | **($636)** | **NM** | **$495** | **$1,367** | **($872)** | **(64)%** |

***Key Drivers:***

- **Guarantee income**
  - **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - Decreased primarily due to fair value losses as a result of increases in medium-term interest rates during the 2026 periods, coupled with lower revenues from a declining off-balance sheet financial guarantee portfolio.
- **Investment gains (losses), net**
  - **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - Decreased primarily due to impacts from interest-rate risk management activities in Single-Family.

# (Provision) Benefit for Credit Losses

The table below presents the components of provision for credit losses.

**Table 5 - (Provision) Benefit for Credit Losses**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | 2Q 2026 | 2Q 2025 | $ | % | YTD 2026 | YTD 2025 | $ | % |
| Single-Family | $846 | ($622) | $1,468 | NM | $1,157 | ($850) | $2,007 | NM |
| Multifamily | 34 | (161) | 195 | NM | 43 | (213) | 256 | NM |
| **(Provision) benefit for credit losses** | **$880** | **($783)** | **$1,663** | **NM** | **$1,200** | **($1,063)** | **$2,263** | **NM** |

***Key Drivers:***

- **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - The benefit for credit losses for the 2026 periods was primarily due to a credit reserve release in Single-Family driven by updates to our process for generating future house price scenarios. The provision for credit losses for the 2025 periods was primarily driven by a credit reserve build in Single-Family attributable to lower estimated market values of single-family properties based on our internal house price index and lower forecasted house price growth rates.

# Non-Interest Expense

The table below presents the components of non-interest expense.

**Table 6 - Components of Non-Interest Expense**

| (Dollars in millions) | 2Q 2026 | 2Q 2025 | Change $ | Change % | YTD 2026 | YTD 2025 | Change $ | Change % |
|---|---|---|---|---|---|---|---|---|
| Salaries and employee benefits | ($395) | ($453) | $58 | 13 % | ($771) | ($876) | $105 | 12 % |
| Professional services, technology, and occupancy | (281) | (295) | 14 | 5 | (531) | (548) | 17 | 3 |
| Credit enhancement expense | (507) | (511) | 4 | 1 | (948) | (1,051) | 103 | 10 |
| Legislative and regulatory assessments: | | | | | | | | |
| Legislated guarantee fees expense | (759) | (746) | (13) | (2) | (1,516) | (1,490) | (26) | (2) |
| Affordable housing funds allocation | (54) | (44) | (10) | (23) | (102) | (81) | (21) | (26) |
| Regulatory assessment | (27) | (35) | 8 | 23 | (54) | (71) | 17 | 24 |
| **Total legislative and regulatory assessments** | **(840)** | **(825)** | **(15)** | **(2)** | **(1,672)** | **(1,642)** | **(30)** | **(2)** |
| Other expense | (74) | (74) | — | — | (197) | (129) | (68) | (53) |
| **Non-interest expense** | **($2,097)** | **($2,158)** | **$61** | **3 %** | **($4,119)** | **($4,246)** | **$127** | **3 %** |

***Key Drivers:***

- **Salaries and employee benefits**
  - **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025** - Decreased primarily due to lower employee headcount.
- **Credit enhancement expense**
  - **YTD 2026 vs. YTD 2025** - Decreased primarily due to a lower UPB of Single-Family CRT transactions outstanding and retention of higher levels of initial losses on recent CRT transactions.

# CONSOLIDATED BALANCE SHEETS ANALYSIS

The table below compares our summarized condensed consolidated balance sheets.

**Table 7 - Summarized Condensed Consolidated Balance Sheets**

| | | | Change | |
|---|---|---|---|---|
| (Dollars in millions) | June 30, 2026 | December 31, 2025 | $ | % |
| Assets: | | | | |
| Cash and cash equivalents | $4,321 | $5,327 | ($1,006) | (19)% |
| Securities purchased under agreements to resell | 52,406 | 71,919 | (19,513) | (27) |
| Investment securities, at fair value | 84,342 | 85,412 | (1,070) | (1) |
| Mortgage loans held-for-sale | 1,361 | 1,014 | 347 | 34 |
| Mortgage loans held-for-investment | 3,332,294 | 3,290,066 | 42,228 | 1 |
| Accrued interest receivable | 12,473 | 12,254 | 219 | 2 |
| Deferred tax assets, net | 4,490 | 5,040 | (550) | (11) |
| Other assets | 26,628 | 26,566 | 62 | — |
| **Total assets** | **$3,518,315** | **$3,497,598** | **$20,717** | **1 %** |
| Liabilities and Equity | | | | |
| Liabilities: | | | | |
| Accrued interest payable | $10,955 | $10,597 | $358 | 3 % |
| Debt issued by consolidated trusts | 3,236,663 | 3,198,008 | 38,655 | 1 |
| Short-term debt | 17,984 | 37,718 | (19,734) | (52) |
| Long-term debt | 163,745 | 169,296 | (5,551) | (3) |
| Other liabilities | 11,199 | 11,595 | (396) | (3) |
| **Total liabilities** | **3,440,546** | **3,427,214** | **13,332** | **—** |
| **Total equity** | **77,769** | **70,384** | **7,385** | **10** |
| **Total liabilities and equity** | **$3,518,315** | **$3,497,598** | **$20,717** | **1 %** |

***Key Drivers:***

As of June 30, 2026 compared to December 31, 2025:

- **Securities purchased under agreements to resell** decreased primarily due to lower short-term liquidity needs and an increase in mortgage-related securities.
- **Mortgage loans held-for-investment** and **debt issued by consolidated trusts** increased primarily due to growth in our mortgage portfolio.
- **Short-term debt** decreased primarily due to lower funding needs.

# OUR PORTFOLIOS

## Mortgage Portfolio

The table below presents the UPB of our mortgage portfolio by segment.

**Table 8 - Mortgage Portfolio**

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | Single-Family | Multifamily | Total | Single-Family | Multifamily | Total |
| Mortgage loans held-for-investment: | | | | | | |
| By consolidated trusts | $3,076,916 | $158,718 | $3,235,634 | $3,063,232 | $115,354 | $3,178,586 |
| By Freddie Mac | 58,044 | 21,779 | 79,823 | 54,713 | 37,770 | 92,483 |
| **Total mortgage loans held-for-investment** | **3,134,960** | **180,497** | **3,315,457** | **3,117,945** | **153,124** | **3,271,069** |
| Mortgage loans held-for-sale | 1,547 | 90 | 1,637 | 1,108 | 136 | 1,244 |
| **Total mortgage loans** | **3,136,507** | **180,587** | **3,317,094** | **3,119,053** | **153,260** | **3,272,313** |
| Mortgage-related guarantees: | | | | | | |
| Mortgage loans held by nonconsolidated trusts | 28,936 | 314,464 | 343,400 | 30,025 | 332,572 | 362,597 |
| Other mortgage-related guarantees | 6,861 | 9,919 | 16,780 | 7,212 | 10,003 | 17,215 |
| **Total mortgage-related guarantees** | **35,797** | **324,383** | **360,180** | **37,237** | **342,575** | **379,812** |
| **Total mortgage portfolio** | **$3,172,304** | **$504,970** | **$3,677,274** | **$3,156,290** | **$495,835** | **$3,652,125** |
| Guaranteed mortgage-related securities: | | | | | | |
| Issued by consolidated trusts | $3,096,063 | $158,654 | $3,254,717 | $3,084,668 | $115,610 | $3,200,278 |
| Issued by non-consolidated trusts | 23,731 | 283,834 | 307,565 | 24,604 | 299,507 | 324,111 |
| **Total guaranteed mortgage-related securities** | **$3,119,794** | **$442,488** | **$3,562,282** | **$3,109,272** | **$415,117** | **$3,524,389** |

## Investments Portfolio

Our investments portfolio consists of our mortgage-related investments portfolio and other investments portfolio.

### Mortgage-Related Investments Portfolio

The Purchase Agreement limits the size of our mortgage-related investments portfolio to a maximum amount of $225 billion. We primarily use our mortgage-related investments portfolio to provide liquidity to the mortgage market by purchasing loans for our securitization pipeline and by purchasing delinquent and modified loans from securitization trusts. We also invest in agency mortgage-related securities.

The calculation of mortgage assets subject to the Purchase Agreement cap includes the UPB of mortgage assets and 10% of the notional value of interest-only securities. We are permitted to increase our agency MBS investments, provided that our total mortgage assets do not exceed the $225 billion cap under the terms of our senior preferred stock purchase agreement with Treasury, with CMO securities capped at $5 billion as part of agency MBS investments. We are also subject to additional limitations on the size and composition of our mortgage-related investments portfolio pursuant to FHFA guidance. For additional information on the restrictions on our mortgage-related investments portfolio, see the **MD&A - Conservatorship and Related Matters** section in our 2025 Annual Report.

The table below presents the details of our mortgage-related investments portfolio.

**Table 9 - Mortgage-Related Investments Portfolio**

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | Single-Family | Multifamily | Total | Single-Family | Multifamily | Total |
| Unsecuritized mortgage loans(1) | $59,591 | $21,869 | $81,460 | $55,821 | $37,906 | $93,727 |
| Mortgage-related securities: | | | | | | |
| Investment securities | 4,943 | 2,657 | 7,600 | 4,438 | 3,891 | 8,329 |
| Debt issued by consolidated trusts | 48,145 | 1,366 | 49,511 | 35,758 | 1,413 | 37,171 |
| **Total mortgage-related securities** | **53,088** | **4,023** | **57,111** | **40,196** | **5,304** | **45,500** |
| **Mortgage-related investments portfolio** | **$112,679** | **$25,892** | **$138,571** | **$96,017** | **$43,210** | **$139,227** |
| 10% of notional amount of interest-only securities | | | $21,179 | | | $21,995 |
| Mortgage-related investments portfolio for purposes of Purchase Agreement cap | | | 159,750 | | | 161,222 |

(1) Includes $39.9 billion and $35.9 billion of single-family loans that we have purchased from securitization trusts as of June 30, 2026 and December 31, 2025, respectively.

## Other Investments Portfolio

The table below presents the details of the carrying value of our other investments portfolio.

**Table 10 - Other Investments Portfolio**

| | June 30, 2026 | | | | December 31, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| (In millions) | Liquidity and Contingency Operating Portfolio | Custodial Account | Other | Total Other Investments Portfolio | Liquidity and Contingency Operating Portfolio | Custodial Account | Other | Total Other Investments Portfolio |
| Cash and cash equivalents | $3,066 | $1,133 | $122 | $4,321 | $4,092 | $1,136 | $99 | $5,327 |
| Securities purchased under agreements to resell | 37,829 | 17,181 | 2,079 | 57,089 | 57,181 | 19,107 | 2,090 | 78,378 |
| Non-mortgage related securities(1) | 65,221 | — | 6,114 | 71,335 | 65,088 | — | 6,076 | 71,164 |
| Other assets(2) | — | — | 7,321 | 7,321 | — | — | 7,776 | 7,776 |
| **Other investments portfolio** | **$106,116** | **$18,314** | **$15,636** | **$140,066** | **$126,361** | **$20,243** | **$16,041** | **$162,645** |

(1) Primarily consists of U.S. Treasury securities.

(2) Primarily includes LIHTC investments and advances to lenders.

# OUR BUSINESS SEGMENTS

As shown in the table below, we have two reportable segments, which are based on the way we manage our business.

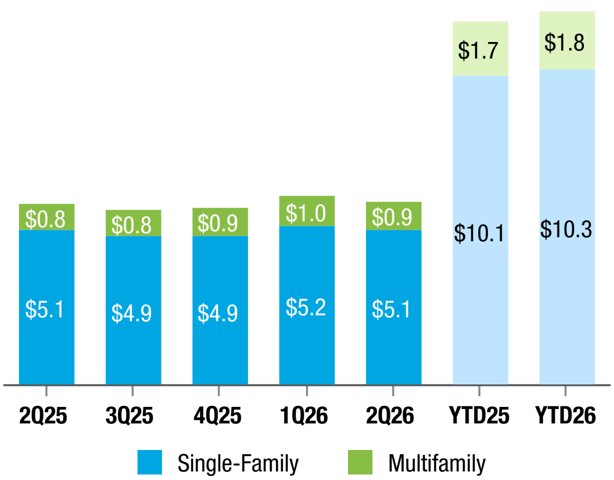
| Segment | Description |
|---|---|
| **Single-Family** | Reflects results from our purchase, securitization, and guarantee of single-family loans, our investments in single-family loans and mortgage-related securities, the management of Single-Family mortgage credit risk and market risk, and any results of our treasury function that are not allocated to each segment. |
| **Multifamily** | Reflects results from our purchase, securitization, and guarantee of multifamily loans, our investments in multifamily loans and mortgage-related securities, and the management of Multifamily mortgage credit risk and market risk. |

## Segment Net Revenues and Net Income

The charts below show our net revenues and net income by segment.

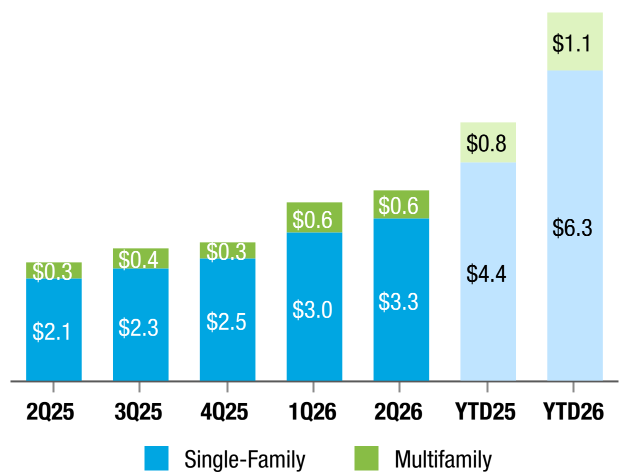
***Segment Net Revenues***

*(In billions)*




***Segment Net Income***

*(In billions)*



# Single-Family

## Housing and Mortgage Market Metrics

The table below presents certain single-family housing and mortgage market indicators that can significantly affect our business and financial results. Certain market and macroeconomic prior period data have been updated to reflect revised historical data.

**Table 11 - Single-Family Housing and Mortgage Market Metrics(1)**

| (Mortgage amounts in billions, units in thousands) | 2Q 2026 | 1Q 2026 | 4Q 2025 | 3Q 2025 | 2Q 2025 |
|---|---|---|---|---|---|
| Home sales (in units): | | | | | |
| Total home sales (annualized seasonally adjusted amount) | 4,738 | 4,675 | 4,868 | 4,734 | 4,676 |
| Sales of existing homes | 4,107 | 4,053 | 4,157 | 4,047 | 4,013 |
| Sales of new homes | 631 | 622 | 711 | 687 | 663 |
| Mortgage originations (estimated) | $575 | $549 | $581 | $500 | $506 |
| Mortgage debt outstanding(2) | N/A | 14,818 | 14,775 | 14,669 | 14,544 |
| Quarterly house price growth rate (seasonally adjusted rate) | 0.7 % | 0.6 % | 0.7 % | 0.1 % | (0.2)% |
| 30-year PMMS rate at period end | 6.49 % | 6.38 % | 6.15 % | 6.30 % | 6.77 % |

(1) Sources: Home sales - National Association of Realtors and U.S Census Bureau; Mortgage originations - Fannie Mae; Mortgage debt outstanding - Federal Reserve Financial Accounts of the United States of America; House price growth rate and 30-year PMMS rate - Freddie Mac.

(2) For 2Q 2026, the mortgage debt outstanding balance is not yet available.

## Business Results

The table and related discussion below present selected business results of our Single-Family segment.

**Table 12 - Single-Family Segment Business Results**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (UPB in millions, loan count in thousands) | 2Q 2026 | 2Q 2025 | Amount | % | YTD 2026 | YTD 2025 | Amount | % |
| **New business activity:** | | | | | | | | |
| UPB: | | | | | | | | |
| Total UPB | $110,120 | $93,603 | $16,517 | 18 % | $212,633 | $171,249 | $41,384 | 24% |
| Home purchase | 73,765 | 75,384 | (1,619) | (2) | 133,729 | 137,305 | (3,576) | (3) |
| Refinance | 36,355 | 18,219 | 18,136 | 100 | 78,904 | 33,944 | 44,960 | 132 |
| Number of loans: | | | | | | | | |
| Total number of loans | 306 | 264 | 42 | 16 | 587 | 488 | 99 | 20 |
| Home purchase | 200 | 206 | (6) | (3) | 365 | 377 | (12) | (3) |
| Refinance | 106 | 58 | 48 | 83 | 222 | 111 | 111 | 100 |
| Average estimated guarantee fee rate (bps)(1) | 54 | 54 | | | 54 | 54 | | |
| **Mortgage portfolio at period end:** | | | | | | | | |
| UPB | $3,172,304 | $3,126,746 | 45,558 | 1 | | | | |
| Average estimated guarantee fee rate (bps)(1)(2) | 50 | 49 | | | | | | |

(1) Estimated guarantee fee rate calculations exclude the legislated guarantee fees and include deferred fees recognized over the estimated life of the related loans based on month-end market rates for the month of acquisition.

(2) Estimated guarantee fee rate calculations for the Single-Family mortgage portfolio exclude certain loans, the majority of which are held by VIEs that we do not consolidate. The UPB of these excluded loans was $37 billion and $39 billion as of June 30, 2026 and June 30, 2025, respectively.

- Our loan purchase and guarantee activity increased during the 2026 periods compared to the 2025 periods primarily driven by an increase in refinance activity due to lower mortgage interest rates.
- Our Single-Family mortgage portfolio was $3.2 trillion at June 30, 2026, up 1% year-over-year. The mortgage portfolio continued to grow at a moderate pace.

# Financial Results

The table below presents the results of operations for our Single-Family segment. See **Note 11** for additional information about segment financial results.

**Table 13 - Single-Family Segment Financial Results**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | 2Q 2026 | 2Q 2025 | $ | % | YTD 2026 | YTD 2025 | $ | % |
| Net interest income | $5,449 | $4,898 | $551 | 11 % | $10,569 | $9,651 | $918 | 10 % |
| Non-interest income (loss) | (349) | 237 | (586) | NM | (294) | 402 | (696) | NM |
| **Net revenues** | **5,100** | **5,135** | **(35)** | **(1)** | **10,275** | **10,053** | **222** | **2** |
| (Provision) benefit for credit losses | 846 | (622) | 1,468 | NM | 1,157 | (850) | 2,007 | NM |
| Non-interest expense | (1,870) | (1,905) | 35 | 2 | (3,650) | (3,776) | 126 | 3 |
| **Income before income tax expense** | **4,076** | **2,608** | **1,468** | **56** | **7,782** | **5,427** | **2,355** | **43** |
| Income tax expense | (799) | (516) | (283) | (55) | (1,529) | (1,074) | (455) | (42) |
| **Net income** | **3,277** | **2,092** | **1,185** | **57** | **6,253** | **4,353** | **1,900** | **44** |
| Other comprehensive income (loss), net of taxes and reclassification adjustments | 3 | 9 | (6) | (67) | (10) | 17 | (27) | NM |
| **Comprehensive income** | **$3,280** | **$2,101** | **$1,179** | **56 %** | **$6,243** | **$4,370** | **$1,873** | **43 %** |

***Key Drivers:***

- **2Q 2026 vs. 2Q 2025**
  - Net income of $3.3 billion, up 57% year-over-year.
    - Net revenues were $5.1 billion, down 1% year-over-year.
      - Net interest income was $5.4 billion, up 11% year-over-year, primarily driven by continued mortgage portfolio growth and lower expense related to debt in hedge accounting relationships.
      - Non-interest loss was $0.3 billion, compared to non-interest income of $0.2 billion in 2Q 2025, primarily driven by impacts from interest-rate risk management activities.
    - The benefit for credit losses was $0.8 billion for 2Q 2026, primarily due to a credit reserve release driven by updates to our process for generating future house price scenarios. The provision for credit losses was $0.6 billion for 2Q 2025, primarily driven by a credit reserve build attributable to lower estimated market values of single-family properties based on our internal house price index and lower forecasted house price growth rates.
    - Non-interest expense was $1.9 billion for 2Q 2026, down 2% year-over-year, primarily driven by a decrease in salaries and employee benefits.
- **YTD 2026 vs. YTD 2025**
  - Net income of $6.3 billion, up 44% year-over-year.
    - Net revenues were $10.3 billion, up 2% year-over-year.
      - Net interest income was $10.6 billion, up 10% year-over-year, driven by continued mortgage portfolio growth and lower expense related to debt in hedge accounting relationships.
      - Non-interest loss was $0.3 billion, compared to non-interest income of $0.4 billion in YTD 2025, primarily driven by impacts from interest-rate risk management activities.
    - The benefit for credit losses was $1.2 billion for YTD 2026, primarily due to a credit reserve release driven by updates to our process for generating future house price scenarios. The provision for credit losses was $0.9 billion for YTD 2025, primarily driven by a credit reserve build attributable to lower estimated market values of single-family properties based on our internal house price index and lower forecasted house price growth rates.
    - Non-interest expense was $3.7 billion for YTD 2026, down 3% year-over-year, primarily driven by a decrease in salaries and employee benefits.

# Multifamily

## Housing and Mortgage Market Metrics

The table below presents certain multifamily housing and mortgage market indicators that can significantly affect our business and financial results. For example, vacancy rates provide insight into the balance between supply and demand. Meanwhile, effective rent growth, which accounts for concessions and discounts offered by landlords, represents the actual change in average rental income over time. Certain market and macroeconomic prior period data have been updated to reflect revised historical data.

**Table 14 - Multifamily Housing and Mortgage Market Metrics[1]**

| (UPB in billions) | 2Q 2026 | 1Q 2026 | 4Q 2025 | 3Q 2025 | 2Q 2025 |
|---|---|---|---|---|---|
| Apartment vacancy rates | 6.8 % | 6.9 % | 6.8 % | 6.6 % | 6.6 % |
| Quarterly change in effective rents | 0.8 % | 0.6 % | (0.8)% | (0.1)% | 0.7 % |
| Mortgage debt outstanding[2] | N/A | $2,473 | $2,449 | $2,396 | $2,355 |
| Quarterly property price growth rate | (1.2)% | (0.6)% | 0.2 % | — % | (0.5)% |

(1) Sources: Apartment vacancy rates and change in effective rents - Moody's Analytics; Mortgage debt outstanding - Federal Reserve Financial Accounts of the United States of America; Property price growth rate - Real Capital Analytics Commercial Property Price Index (RCA CPPI).

(2) The 2Q 2026 U.S. multifamily mortgage debt outstanding balance is not yet available.

## Business Results

The table and related discussion below present selected business results of our Multifamily segment.

**Table 15 - Multifamily Segment Business Results**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (UPB in millions, units in thousands) | 2Q 2026 | 2Q 2025 | Amount | % | YTD 2026 | YTD 2025 | Amount | % |
| **New business activity:** | | | | | | | | |
| UPB[1] | $18,354 | $11,596 | $6,758 | 58 % | $31,201 | $21,872 | $9,329 | 43 % |
| Total units financed[2] | 133 | 99 | 34 | 34 | 232 | 188 | 44 | 23 |
| Mission-driven affordable housing percentage | | | | | 66 % | 72 % | | |
| Outstanding index lock agreements and commitments[3] | $21,002 | $26,969 | ($5,967) | (22) | | | | |
| **New securitization activity[4]:** | | | | | | | | |
| Total UPB | $22,817 | $14,364 | $8,453 | 59 | $46,250 | $30,477 | $15,773 | 52 |
| Senior subordinate securitizations | 611 | 8,621 | (8,010) | (93) | 1,277 | 15,894 | (14,617) | (92) |
| Fully guaranteed securitizations | 22,206 | 5,743 | 16,463 | 287 | 44,973 | 14,583 | 30,390 | 208 |
| **Mortgage portfolio at period end:** | | | | | | | | |
| UPB | $504,970 | $466,219 | $38,751 | 8 | | | | |
| Fixed-rate percentage | 85 % | 84 % | | | | | | |
| Average guarantee fees rate charged (bps)[5] | 59 | 53 | | | | | | |

(1) Excludes new LIHTC investments of $0.4 billion and $0.3 billion for 2Q 2026 and 2Q 2025, respectively, and $0.6 billion and $0.3 billion for YTD 2026 and YTD 2025, respectively.

(2) Includes rental units financed by supplemental loans.

(3) At period end.

(4) Excludes resecuritizations.

(5) Based on guarantee exposure of $452 billion and $409 billion as of June 30, 2026 and June 30, 2025, respectively, which includes guaranteed mortgage related securities that are consolidated on our condensed consolidated balance sheet where income from guarantees is recognized in net interest income.

- New business activity increased during the 2026 periods, primarily driven by a larger new business pipeline entering 2026, coupled with the execution of our competitive strategies. Approximately 66% of our YTD 2026 new business activity, based on UPB, was mission-driven, affordable housing, exceeding FHFA's annual minimum requirement of 50%.

- Total securitization issuance UPB increased during the 2026 periods, driven by a larger average securitization pipeline. The larger percentage of fully guaranteed securitizations was due to the Multifamily business strategy change.
- Our Multifamily mortgage portfolio was $505 billion as of June 30, 2026, up 8% year-over-year, primarily driven by our new business activity.
- The average guarantee fee rate on our guarantee exposure increased year-over-year, primarily due to continued growth of fully guaranteed securitization issuances for which we charge higher guarantee fee rates.

## Financial Results

The table below presents the results of operations for our Multifamily segment. See **Note 11** for additional information about segment financial results.

**Table 16 - Multifamily Segment Financial Results**

| | | | Change | | | | Change | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | 2Q 2026 | 2Q 2025 | $ | % | YTD 2026 | YTD 2025 | $ | % |
| Net interest income | $561 | $401 | $160 | 40 % | $1,060 | $750 | $310 | 41 % |
| Non-interest income (loss) | 330 | 380 | (50) | (13) | 789 | 965 | (176) | (18) |
| **Net revenues** | **891** | **781** | **110** | **14** | **1,849** | **1,715** | **134** | **8** |
| (Provision) benefit for credit losses | 34 | (161) | 195 | NM | 43 | (213) | 256 | NM |
| Non-interest expense | (227) | (253) | 26 | 10 | (469) | (470) | 1 | — |
| **Income before income tax expense** | **698** | **367** | **331** | **90** | **1,423** | **1,032** | **391** | **38** |
| Income tax expense | (137) | (72) | (65) | (90) | (280) | (204) | (76) | (37) |
| **Net income** | **561** | **295** | **266** | **90** | **1,143** | **828** | **315** | **38** |
| Other comprehensive income (loss), net of taxes and reclassification adjustments | 6 | 12 | (6) | (50) | (1) | 38 | (39) | NM |
| **Comprehensive income** | **$567** | **$307** | **$260** | **85 %** | **$1,142** | **$866** | **$276** | **32 %** |

***Key Drivers:***

- **2Q 2026 vs. 2Q 2025**
  - Net income of $0.6 billion, up 90% year-over-year.
    - Net revenues were $0.9 billion, up 14% year-over-year.
      - Net interest income was $0.6 billion, up 40% year-over-year, primarily driven by an increase in the balance of fully guaranteed securitizations in the Multifamily mortgage portfolio due to the change in Multifamily business strategy.
      - Non-interest income was $0.3 billion, down 13% year-over-year, primarily driven by lower guarantee income and a lower volume of loan sale activities, as we shifted the Multifamily business model to primarily issue fully guaranteed securitizations.
    - The benefit for credit losses was $34 million for the second quarter of 2026. The provision for credit losses was $0.2 billion for the second quarter of 2025, primarily driven by a credit reserve build attributable to new loan purchase commitment and acquisition activity, coupled with deterioration in the credit performance of certain delinquent loans.

- **YTD 2026 vs. YTD 2025**
  - Net income of $1.1 billion, up 38% year-over-year.
    - Net revenues were $1.8 billion, up 8% year-over-year.
      - Net interest income was $1.1 billion, up 41% year-over-year, primarily driven by an increase in the balance of fully guaranteed securitizations in the Multifamily mortgage portfolio due to the change in Multifamily business strategy.
      - Non-interest income was $0.8 billion, down 18% year-over-year, primarily driven by lower guarantee income and a lower volume of loan sale activities, as we shifted the Multifamily business model to primarily issue fully guaranteed securitizations.
    - The benefit for credit losses was $43 million for YTD 2026. The provision for credit losses was $0.2 billion for YTD 2025, primarily driven by a credit reserve build attributable to new loan purchase commitment and acquisition activity, coupled with deterioration in the credit performance of certain delinquent loans.

# RISK MANAGEMENT

To achieve our mission, we take risks as an integral part of our business activities. We are exposed to the following key types of risk: credit risk, market risk, liquidity risk, operational risk, compliance risk, legal risk, strategic risk, and reputation risk.

## Credit Risk

### Allowance for Credit Losses

The tables below present a summary of the changes in our allowance for credit losses and key allowance for credit losses ratios.

**Table 17 - Allowance for Credit Losses Activity**

| | 2Q 2026 | | | 2Q 2025 | | | YTD 2026 | | | YTD 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | Single-Family | Multi-family | Total | Single-Family | Multi-family | Total | Single-Family | Multi-family | Total | Single-Family | Multi-family | Total |
| **Allowance for credit losses:** | | | | | | | | | | | | |
| Beginning balance | $7,228 | $885 | $8,113 | $6,851 | $600 | $7,451 | $7,549 | $956 | $8,505 | $6,691 | $548 | $7,239 |
| Provision (benefit) for credit losses | (846) | (34) | (880) | 622 | 161 | 783 | (1,157) | (43) | (1,200) | 850 | 213 | 1,063 |
| Charge-offs | (181) | (1) | (182) | (96) | (4) | (100) | (359) | (65) | (424) | (287) | (5) | (292) |
| Recoveries collected | 65 | — | 65 | 23 | — | 23 | 125 | 1 | 126 | 50 | 1 | 51 |
| Net charge-offs | (116) | (1) | (117) | (73) | (4) | (77) | (234) | (64) | (298) | (237) | (4) | (241) |
| Other[1] | 112 | — | 112 | 116 | — | 116 | 220 | 1 | 221 | 212 | — | 212 |
| **Ending balance** | **$6,378** | **$850** | **$7,228** | **$7,516** | **$757** | **$8,273** | **$6,378** | **$850** | **$7,228** | **$7,516** | **$757** | **$8,273** |
| Average loans outstanding during the period[2] | $3,155,867 | $167,980 | $3,323,847 | $3,108,882 | $91,834 | $3,200,716 | $3,152,217 | $159,866 | $3,312,083 | $3,105,240 | $89,140 | $3,194,380 |
| Net charge-offs to average loans outstanding | — % | — % | — % | — % | — % | — % | 0.01 % | 0.04 % | 0.01 % | 0.01 % | — % | 0.01 % |

(1) Primarily includes capitalization of past due interest related to non-accrual loans that received payment deferral plans and loan modifications.

(2) Based on amortized cost basis of mortgage loans held-for-investment for which we have not elected the fair value option.

**Table 18 - Allowance for Credit Losses Ratios**

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | Single-Family | Multifamily | Total | Single-Family | Multifamily | Total |
| **Allowance for credit losses ratios:** | | | | | | |
| Allowance for credit losses[1] to total loans outstanding | 0.19 % | 0.36 % | 0.20 % | 0.23 % | 0.46 % | 0.24 % |
| Non-accrual loans to total loans outstanding | 0.57 | 0.11 | 0.55 | 0.55 | 0.16 | 0.54 |
| Allowance for credit losses to non-accrual loans | 34.11 | 338.71 | 37.22 | 41.84 | 295.59 | 45.10 |
| **Balances:** | | | | | | |
| Allowance for credit losses on mortgage loans held-for-investment | $6,141 | $630 | $6,771 | $7,297 | $671 | $7,968 |
| Total loans outstanding[2] | 3,159,230 | 173,088 | 3,332,318 | 3,145,436 | 145,593 | 3,291,029 |
| Non-accrual loans[2] | 18,004 | 186 | 18,190 | 17,442 | 227 | 17,669 |

(1) Represents allowance for credit losses on mortgage loans held-for-investment.

(2) Based on amortized cost basis of mortgage loans held-for-investment for which we have not elected the fair value option.

# Single-Family Mortgage Credit Risk

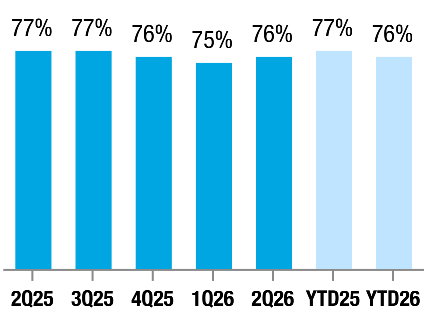
## Credit Quality of New Business Activity

***Loan Purchase Credit Characteristics***

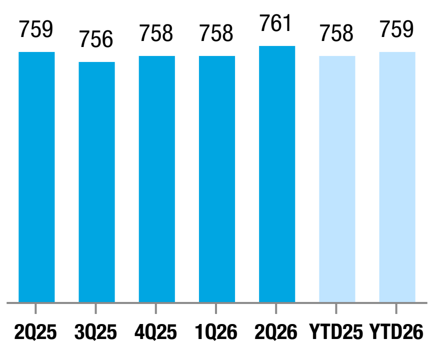
We monitor and evaluate market conditions that we reasonably foresee could affect the credit quality of our single-family loan purchases. See **MD&A - Our Business Segments - *Single-Family - Housing and Mortgage Market Metrics*** for additional information on market conditions. Additionally, when managing our new acquisitions, we consider our risk limits and guidance from FHFA and capital requirements under the ERCF. This may affect the volume and characteristics of our loan acquisitions. See **MD&A - Regulation and Supervision - *Federal Housing Finance Agency*** in our 2025 Annual Report for additional information on guidance from FHFA.

The charts below show the credit profile of the single-family loans we purchased. Beginning in 2Q 2026, we prospectively updated our methodology for calculating the weighted average credit score to use the credit score at the time of loan underwriting for all loans. Previously, for certain loans, we had been using a credit score obtained subsequent to loan underwriting and prior to loan purchase. The change did not have a material impact on the weighted average original credit score for the periods presented.

***Weighted Average Original LTV Ratio***

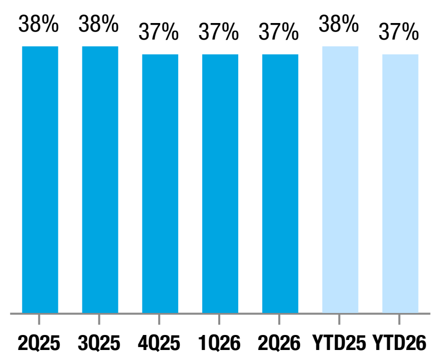



***Weighted Average Original Credit Score***(1)




(1) Based on new acquisitions assessed using Classic FICO® Score. Excludes new acquisitions assessed using VantageScore® 4.0.

***Weighted Average Original DTI Ratio***



The table below contains additional information about the single-family loans we purchased.

**Table 19 - Single-Family New Business Activity**

| | 2Q 2026 | | 2Q 2025 | | YTD 2026 | | YTD 2025 | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions, except average loan UPB) | Amount | % of Total | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| 20- and 30-year, amortizing fixed-rate | $99,706 | 90 % | $84,985 | 90 % | $191,293 | 90 % | $157,757 | 92 % |
| 15-year or less, amortizing fixed-rate | 6,321 | 6 | 6,144 | 7 | 13,842 | 6 | 10,578 | 6 |
| Adjustable-rate | 4,093 | 4 | 2,474 | 3 | 7,498 | 4 | 2,914 | 2 |
| **Total** | **$110,120** | **100 %** | **$93,603** | **100 %** | **$212,633** | **100 %** | **$171,249** | **100 %** |
| Average loan UPB (in thousands) | $359 | | $355 | | $362 | | $351 | |
| **Percentage of purchases** | | | | | | | | |
| DTI ratio > 45% | | 24 % | | 28 % | | 24 % | | 29 % |
| Original LTV ratio > 90% | | 21 | | 23 | | 20 | | 24 |
| Transaction type: | | | | | | | | |
| Guarantor swap | | 59 | | 71 | | 61 | | 71 |
| Cash window | | 41 | | 29 | | 39 | | 29 |
| Property type: | | | | | | | | |
| Detached single-family houses and townhouses | | 93 | | 92 | | 93 | | 92 |
| Condominium or co-op | | 7 | | 8 | | 7 | | 8 |
| Occupancy type: | | | | | | | | |
| Primary residence | | 94 | | 93 | | 94 | | 93 |
| Second home | | 2 | | 2 | | 2 | | 2 |
| Investment property | | 4 | | 5 | | 4 | | 5 |
| Loan purpose: | | | | | | | | |
| Purchase | | 67 | | 81 | | 63 | | 80 |
| Cash-out refinance | | 10 | | 8 | | 10 | | 10 |
| Other refinance | | 23 | | 11 | | 27 | | 10 |

## Credit Enhancements

We engage in various credit enhancement arrangements to reduce our credit risk exposure on our single-family loans.

***Single-Family Mortgage Portfolio Newly Acquired Credit Enhancements***

The table below provides the UPB of the mortgage loans acquired during the periods presented that were covered by primary mortgage insurance, the UPB of the mortgage loans covered by CRT transactions we entered into during the periods presented, and maximum coverage related to these newly acquired credit enhancements. The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis. As a result, the UPB and maximum coverage presented below may not be fully indicative of the amount of credit risk transferred and data across different periods may not be directly comparable. For example, a higher maximum coverage provided by a CRT transaction with a higher attachment point may transfer less credit risk than a lower maximum coverage provided by a CRT transaction with a lower attachment point.

**Table 20 - Single-Family Mortgage Portfolio Newly Acquired Credit Enhancements**

| | 2Q 2026 | | 2Q 2025 | |
|---|---|---|---|---|
| (In millions) | UPB[1] | Maximum Coverage[2] | UPB[1] | Maximum Coverage[2] |
| **Primary mortgage insurance** | $39,984 | $10,391 | $36,439 | $9,511 |
| **CRT transactions:** | | | | |
| STACR | 16,586 | 512 | 19,264 | 529 |
| ACIS | 27,001 | 512 | 21,340 | 669 |
| Other | 102 | 102 | 400 | 137 |
| **Total CRT issuance** | **$43,689** | **$1,126** | **$41,004** | **$1,335** |

| | YTD 2026 | | YTD 2025 | |
|---|---|---|---|---|
| (In millions) | UPB[1] | Maximum Coverage[2] | UPB[1] | Maximum Coverage[2] |
| **Primary mortgage insurance** | $74,663 | $19,221 | $65,893 | $17,251 |
| **CRT transactions:** | | | | |
| STACR | 66,072 | 1,647 | 57,225 | 1,825 |
| ACIS | 36,796 | 824 | 45,578 | 1,452 |
| Other | 194 | 194 | 1,285 | 295 |
| **Total CRT issuance** | **$103,062** | **$2,665** | **$104,088** | **$3,572** |

(1) The primary mortgage insurance and CRT transactions presented in this table are not mutually exclusive as a single loan may be covered by both primary mortgage insurance and CRT transactions.

(2) The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis.

***Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding***

The table below provides information on the UPB and maximum coverage associated with credit-enhanced loans in our Single-Family mortgage portfolio.

**Table 21 - Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding**

| | June 30, 2026 | | |
|---|---|---|---|
| (Dollars in millions) | UPB | % of Portfolio | Maximum Coverage[1] |
| Primary mortgage insurance[2] | $684,961 | 22% | $182,468 |
| STACR | 1,151,805 | 36 | 23,383 |
| ACIS | 516,398 | 16 | 13,844 |
| Other | 36,791 | 1 | 9,813 |
| Less: UPB with multiple credit enhancements and other reconciling items[3] | (456,286) | (14) | — |
| **Single-Family mortgage portfolio - credit-enhanced** | **1,933,669** | **61** | **229,508** |
| Single-Family mortgage portfolio - non-credit-enhanced | 1,238,635 | 39 | N/A |
| **Total** | **$3,172,304** | **100%** | **$229,508** |

| (Dollars in millions) | December 31, 2025 UPB | % of Portfolio | Maximum Coverage[(1)] |
|---|---|---|---|
| Primary mortgage insurance[(2)] | $680,950 | 22% | $181,462 |
| STACR | 1,165,412 | 37 | 24,935 |
| ACIS | 594,409 | 19 | 15,081 |
| Other | 38,373 | 1 | 10,361 |
| Less: UPB with multiple credit enhancements and other reconciling items[(3)] | (552,393) | (18) | — |
| **Single-Family mortgage portfolio - credit-enhanced** | **1,926,751** | **61** | **231,839** |
| Single-Family mortgage portfolio - non-credit-enhanced | 1,229,539 | 39 | N/A |
| **Total** | **$3,156,290** | **100%** | **$231,839** |

(1) The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis.

(2) Amounts exclude certain loans for which we do not control servicing, as the coverage information for these loans is not readily available to us.

(3) Other reconciling items primarily include timing differences in reporting cycles between the UPB of certain CRT transactions and the UPB of the underlying loans.

***Credit Enhancement Coverage Characteristics***

The table below provides the serious delinquency rates for the credit-enhanced and non-credit-enhanced loans in our Single-Family mortgage portfolio. The credit-enhanced categories are not mutually exclusive as a single loan may be covered by both primary mortgage insurance and other credit enhancements.

**Table 22 - Serious Delinquency Rates for Credit-Enhanced and Non-Credit-Enhanced Loans in Our Single-Family Mortgage Portfolio**

| | June 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| (% of portfolio based on UPB)[(1)] | % of Portfolio[(2)] | SDQ Rate | % of Portfolio[(2)] | SDQ Rate |
| Credit-enhanced: | | | | |
| Primary mortgage insurance | 22 % | 1.25 % | 22 % | 1.19 % |
| CRT and other | 52 | 0.70 | 52 | 0.68 |
| Non-credit-enhanced | 39 | 0.41 | 39 | 0.40 |
| **Total** | **N/A** | **0.60** | **N/A** | **0.59** |

(1) Excludes loans underlying certain securitization products for which loan-level data is not available.

(2) Percentages do not total to 100% as a single loan may be included in multiple line items.

***Credit Enhancement Recoveries***

Our expected recovery receivable from freestanding credit enhancements was $42 million and $71 million as of June 30, 2026 and December 31, 2025, respectively.

## Monitoring Loan Performance and Characteristics

We review loan performance, including delinquency statistics and related loan characteristics, in conjunction with housing market and economic conditions, to assess credit risk when estimating our allowance for credit losses.

***Loan Credit Characteristics***

The table below contains selected credit characteristics of the loans in our Single-Family mortgage portfolio.

**Table 23 - Loan Credit Characteristics of Our Single-Family Mortgage Portfolio[(1)]**

| | June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in millions, except average loan UPB) | Amount | Current Credit Score[(2)] | Original LTV Ratio | Current LTV Ratio | SDQ Rate | % of UPB with Credit Enhancement |
| Single-Family mortgage portfolio year of origination: | | | | | | |
| 2026 | $170,893 | 758 | 76 % | 75 % | 0.01 % | 35 % |
| 2025 | 340,225 | 755 | 77 | 74 | 0.17 | 52 |
| 2024 | 259,831 | 749 | 78 | 73 | 0.78 | 72 |
| 2023 | 189,646 | 741 | 79 | 70 | 1.25 | 76 |
| 2022 | 346,322 | 742 | 76 | 62 | 1.04 | 69 |
| 2021 and prior | 1,865,387 | 759 | 72 | 41 | 0.55 | 60 |
| **Total** | **$3,172,304** | **755** | **74** | **53** | **0.60** | **61** |
| Loan count (in thousands) | 13,924 | | | | | |
| Average loan UPB (in thousands) | $228 | | | | | |

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in millions, except average loan UPB) | Amount | Current Credit Score[(2)] | Original LTV Ratio | Current LTV Ratio | SDQ Rate | % of UPB with Credit Enhancement |
| Single-Family mortgage portfolio year of origination: | | | | | | |
| 2025 | $333,409 | 753 | 77 % | 76 % | 0.06 % | 38 % |
| 2024 | 291,738 | 752 | 78 | 74 | 0.56 | 68 |
| 2023 | 211,793 | 743 | 79 | 71 | 1.06 | 76 |
| 2022 | 364,361 | 741 | 76 | 63 | 1.01 | 69 |
| 2021 | 841,701 | 755 | 71 | 49 | 0.44 | 64 |
| 2020 and prior | 1,113,288 | 761 | 73 | 37 | 0.60 | 58 |
| **Total** | **$3,156,290** | **754** | **74** | **53** | **0.59** | **61** |
| Loan count (in thousands) | 13,933 | | | | | |
| Average loan UPB (in thousands) | $227 | | | | | |

(1) Excludes certain credit quality characteristics and serious delinquency rate information on loans underlying certain securitization products for which data was not available.

(2) Based on Classic FICO Score. For loans where we do not have a current Classic FICO score: (a) the original Classic FICO score is used if the loan was priced with Classic FICO or (b) the loan is excluded from current credit score tabulation if the loan was priced with VantageScore 4.0.

The table below presents the combination of credit score and CLTV ratio attributes of loans in our Single-Family mortgage portfolio.

**Table 24 - Single-Family Mortgage Portfolio Attribute Combinations[(1)]**

| | June 30, 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | CLTV ≤ 60 | | CLTV > 60 to 80 | | CLTV > 80 to 90 | | CLTV > 90 to 100 | | CLTV > 100 | | All Loans | |
| Current credit score[(2)] | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate |
| 740 and above | 47 % | 0.04 % | 16 % | 0.05 % | 5 % | 0.08 % | 3 % | 0.09 % | — % | NM | 71 % | 0.04 % |
| 700 to 739 | 7 | 0.21 | 3 | 0.21 | 1 | 0.25 | 1 | 0.26 | — | NM | 12 | 0.21 |
| 680 to 699 | 2 | 0.41 | 1 | 0.37 | — | NM | 1 | 0.33 | — | NM | 4 | 0.40 |
| 660 to 679 | 2 | 0.62 | 1 | 0.54 | — | NM | — | NM | — | NM | 3 | 0.62 |
| 620 to 659 | 2 | 1.34 | 1 | 1.34 | — | NM | — | NM | — | NM | 3 | 1.39 |
| Less than 620 | 3 | 6.68 | 2 | 9.39 | 2 | 11.51 | — | NM | — | NM | 7 | 7.85 |
| **Total** | **63 %** | **0.48** | **24 %** | **0.82** | **8 %** | **1.09** | **5 %** | **1.08** | **— %** | **NM** | **100 %** | **0.60** |

| | December 31, 2025 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | CLTV ≤ 60 | | CLTV > 60 to 80 | | CLTV > 80 to 90 | | CLTV > 90 to 100 | | CLTV > 100 | | All Loans | |
| Current credit score[(2)] | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate | % of Portfolio | SDQ Rate |
| 740 and above | 49 % | 0.04 % | 16 % | 0.05 % | 5 % | 0.07 % | 2 % | 0.09 % | — % | NM | 72 % | 0.04 % |
| 700 to 739 | 7 | 0.21 | 3 | 0.19 | 1 | 0.26 | 2 | 0.22 | — | NM | 13 | 0.21 |
| 680 to 699 | 2 | 0.40 | 1 | 0.41 | — | NM | 1 | 0.48 | — | NM | 4 | 0.41 |
| 660 to 679 | 2 | 0.64 | 1 | 0.64 | — | NM | — | NM | — | NM | 3 | 0.66 |
| 620 to 659 | 2 | 1.41 | 1 | 1.40 | — | NM | — | NM | — | NM | 3 | 1.45 |
| Less than 620 | 3 | 6.60 | 1 | 9.14 | 1 | 11.05 | — | NM | — | NM | 5 | 7.66 |
| **Total** | **65 %** | **0.47** | **23 %** | **0.81** | **7 %** | **1.04** | **5 %** | **1.00** | **— %** | **NM** | **100 %** | **0.59** |

(1) Excludes loans underlying certain securitization products for which current credit score is not available.

(2) Based on Classic FICO Score. For loans where we do not have a current Classic FICO score: (a) the original Classic FICO score is used if the loan was priced with Classic FICO or (b) the loan is excluded if the loan was priced with VantageScore 4.0.

***Geographic Concentrations***

We purchase mortgage loans from across the U.S. but do not purchase an equal number of loans from each geographic area, leading to concentrations of credit risk in certain geographic areas. Local economic and other conditions can affect the borrower's ability to repay and the value of the underlying collateral. Property insurance markets in certain geographic areas, including areas with high risk of natural disaster events, have observed increases in property insurance premiums and reduction in the availability of coverage in recent years. In addition, certain states and municipalities have passed or may pass laws that limit our ability to foreclose or evict and make it more difficult and costly to manage our risk.

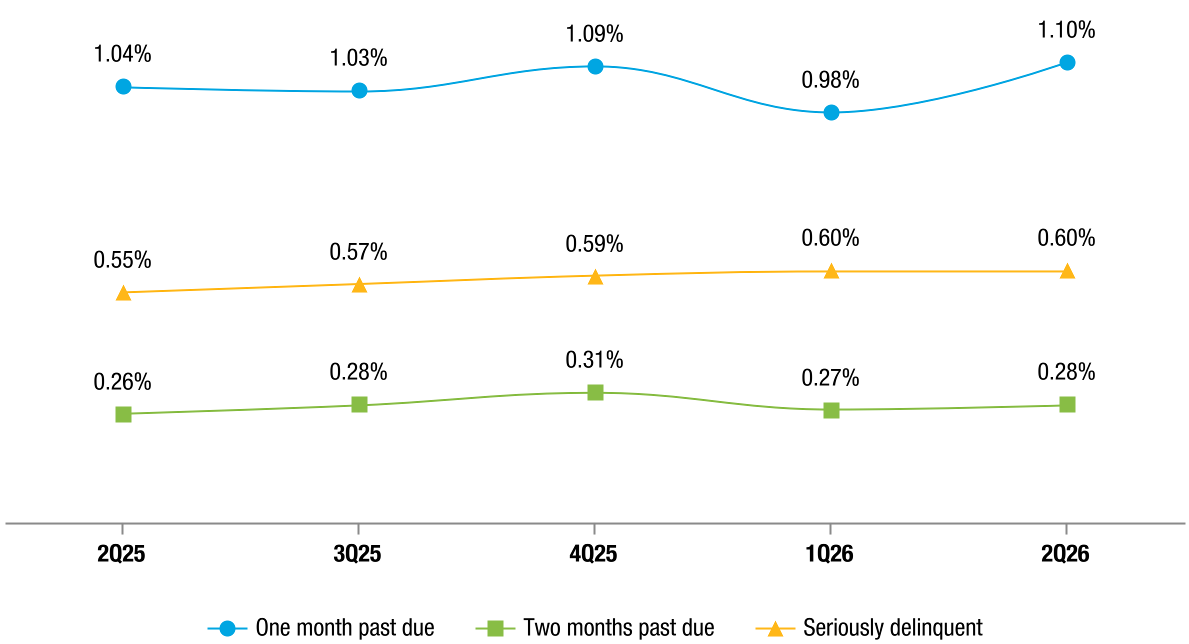
See **Note 12** for additional information about the geographic distribution of our Single-Family mortgage portfolio.

***Delinquency Rates***

We report Single-Family delinquency rates based on the number of loans in our Single-Family mortgage portfolio that are past due as reported to us by our servicers as a percentage of the total number of loans in our Single-Family mortgage portfolio.

The chart below presents the delinquency rates of mortgage loans in our Single-Family mortgage portfolio.

***Single-Family Delinquency Rates***




The percentage of loans that were one month past due and the percentage of loans that were two months past due both increased as of June 30, 2026 compared to June 30, 2025. The percentage of loans one month past due can be volatile due to seasonality, whether the last day of the period falls on a weekend, and other factors that may not be indicative of default. As a result, the percentage of loans two months past due tends to be a better early performance indicator than the percentage of loans one month past due.

Our Single-Family serious delinquency rate increased to 0.60% as of June 30, 2026, compared to 0.55% as of June 30, 2025, primarily due to a higher serious delinquency rate for loans originated during 2022 and later. See **Note 3** for additional information on the payment status of our single-family mortgage loans.

## Loss Mitigation Activities

We offer a variety of borrower assistance programs. For purposes of the disclosure below related to loss mitigation activities, we generally exclude loans for which we do not control servicing. See **Note 3** for additional information on our loss mitigation activities. For information on our refinance programs, see the **MD&A - Risk Management - *Credit Risk - Single-Family Mortgage Credit Risk*** section in our 2025 Annual Report.

***Loan Workout Activities***

We continue to help families retain their homes or otherwise avoid foreclosure through loan workouts. The table below provides details about the single-family loan workout activities that were completed during the periods presented.

**Table 25 - Single-Family Completed Loan Workout Activity**

| | 2Q 2026 | | 2Q 2025 | |
|---|---|---|---|---|
| (UPB in millions, loan count in thousands) | UPB | Loan Count | UPB | Loan Count |
| Payment deferral plans | $1,802 | 7 | $2,238 | 8 |
| Loan modifications | 2,754 | 10 | 2,762 | 11 |
| Forbearance plans and other(1) | 1,288 | 5 | 1,356 | 5 |
| **Total** | **$5,844** | **22** | **$6,356** | **24** |

| | YTD 2026 | | YTD 2025 | |
|---|---|---|---|---|
| (UPB in millions, loan count in thousands) | UPB | Loan Count | UPB | Loan Count |
| Payment deferral plans | $4,121 | 16 | $5,112 | 19 |
| Loan modifications | 5,129 | 18 | 4,656 | 18 |
| Forbearance plans and other(1) | 3,032 | 12 | 2,996 | 12 |
| **Total** | **$12,282** | **46** | **$12,764** | **49** |

(1) The forbearance data is limited to loans in forbearance that are past due based on the loans' original contractual terms and excludes loans included in certain legacy transactions, as the forbearance data for such loans is either not reported to us by the servicers or is otherwise not readily available to us. Other includes repayment plans and foreclosure alternatives.

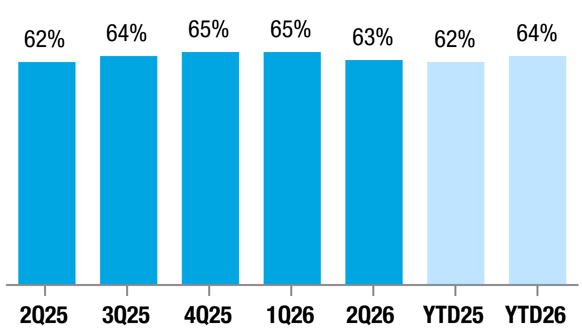
Completed loan workout activity includes forbearance plans where borrowers fully reinstated the loan to current status during or at the end of the forbearance period, finalized payment deferral plans, settled loan modifications, successfully completed repayment plans, short sales, and deeds in lieu of foreclosure. Completed loan workout activity excludes active loss mitigation activity that was ongoing and had not been completed as of the end of the period, such as forbearance plans and repayment plans that had been initiated but not completed and trial period modifications. As of June 30, 2026, there were approximately 17,000 loans in active forbearance plans, approximately 17,000 loans on trial period modifications, and approximately 3,000 loans in active repayment plans.

# Multifamily Mortgage Credit Risk

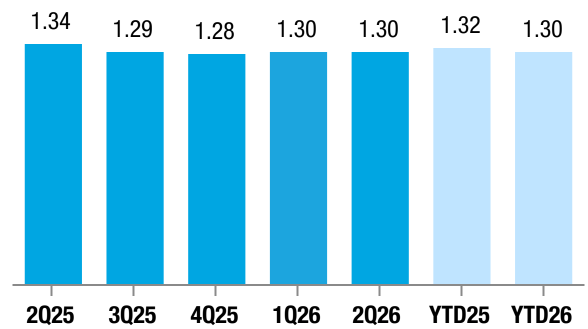
## Credit Quality of New Business Activity

Our underwriting standards focus on the LTV ratio and DSCR, which estimates the value of the collateral and a borrower's ability to repay the loan using the secured property's cash flows, after expenses. The charts below provide the weighted average original LTV ratio and original DSCR for our new business activity.

***Weighted Average Original LTV Ratio***




***Weighted Average Original DSCR[1]***




(1) Assumes monthly payments that reflect amortization of principal.

## Credit Enhancements

In connection with the acquisition, guarantee, and/or securitization of a loan or group of loans, we may obtain various forms of credit protection that reduce our credit risk exposure to the underlying mortgage borrower and our required capital. We evaluate and update our risk transfer strategy as needed depending on our business strategy, market conditions, and regulatory requirements.

***Multifamily Mortgage Portfolio CRT Issuance***

The table below provides the UPB of the multifamily mortgage loans covered by CRT transactions issued during the periods presented as well as the maximum coverage provided by those transactions upon issuance. In recent periods, we have primarily obtained credit enhancement coverage through MCIP and MSCR notes transactions due to our business strategy change. We typically retain higher levels of initial losses in these transactions compared to senior subordinate securitization transactions. As a result, the benefits provided by MCIP and MSCR notes may be lower than those provided by senior subordinate securitization transactions. The credit risk positions in our MCIP and MSCR notes transactions to which the maximum coverage applies may vary on a transaction-by transaction basis. Therefore, the UPB and maximum coverage presented below may not be fully indicative of the amount of credit risk transferred and data across different periods may not be directly comparable. For example, a higher maximum coverage provided by a CRT transaction with a higher attachment point may transfer less credit risk than a lower maximum coverage provided by a CRT transaction with a lower attachment point.

**Table 26 - Multifamily Mortgage Portfolio CRT Issuance**

| | 2Q 2026 | | 2Q 2025 | | YTD 2026 | | YTD 2025 | |
|---|---|---|---|---|---|---|---|---|
| (In millions) | UPB | Maximum Coverage[1] | UPB | Maximum Coverage[1] | UPB | Maximum Coverage[1] | UPB | Maximum Coverage[1] |
| Subordination | $326 | $16 | $8,247 | $540 | $993 | $66 | $14,851 | $924 |
| MSCR | 21,921 | 498 | — | — | 42,581 | 833 | 11,574 | 279 |
| MCIP | 21,921 | 335 | — | — | 42,581 | 785 | 11,574 | 215 |
| Lender risk-sharing | — | — | 481 | 58 | — | — | 628 | 66 |
| Less: UPB with more than one type of CRT | (21,921) | — | — | — | (42,581) | — | (11,574) | — |
| **Total CRT issuance** | **$22,247** | **$849** | **$8,728** | **$598** | **$43,574** | **$1,684** | **$27,053** | **$1,484** |

(1) The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis.

***Multifamily Mortgage Portfolio Credit Enhancement Coverage Outstanding***

While subordination continues to be the primary form of credit enhancement coverage on our mortgage portfolio, our use of MCIP and MSCR notes transactions has grown in recent periods as a result of our business strategy change.

The table below presents the UPB and delinquency rates for both credit-enhanced and non-credit-enhanced loans underlying our Multifamily mortgage portfolio.

**Table 27 - Credit-Enhanced and Non-Credit-Enhanced Loans Underlying Our Multifamily Mortgage Portfolio**

| | June 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| (Dollars in millions) | UPB | Delinquency Rate | UPB | Delinquency Rate |
| Credit-enhanced: | | | | |
| Subordination[1] | $311,792 | 0.65 % | $329,709 | 0.56 % |
| MSCR/MCIP | 142,723 | 0.17 | 102,444 | 0.24 |
| Other | 8,685 | 0.69 | 8,903 | 0.39 |
| **Total credit-enhanced** | **463,200** | **0.50** | **441,056** | **0.48** |
| Non-credit-enhanced | 41,770 | 0.58 | 54,779 | 0.13 |
| **Total** | **$504,970** | **0.51** | **$495,835** | **0.44** |

(1) As of June 30, 2026 and December 31, 2025, our maximum coverage outstanding provided by subordination in nonconsolidated VIEs was $30.7 billion and $33.2 billion, respectively.

The Multifamily delinquency rate increased to 0.51% at June 30, 2026, from 0.44% at December 31, 2025, primarily driven by stress associated with elevated interest rates and small balance loans. As of June 30, 2026, 91% of the delinquent loans in the Multifamily mortgage portfolio have credit enhancement coverage.

***Credit Enhancement Recoveries***

Our expected recovery receivable from freestanding credit enhancements was $66 million and $70 million as of June 30, 2026 and December 31, 2025, respectively.

***Seller Provided Indemnifications***

Sellers are required to make certain representations and warranties regarding the loans they sell to us. In the event of a breach, sellers are obligated to either repurchase the affected loans or indemnify us for any losses incurred. Instead of demanding immediate repurchase, we may enter into forbearance and indemnification agreements with sellers. These agreements, among other provisions, delay the repurchase obligation for a specified period and fully transfer the risk of loss associated with the loan from us to the seller. Typically, as part of such agreements, we require sellers to provide cash or other collateral to secure potential future indemnification losses, although we remain subject to counterparty risk. While there has been an increase in the volume of seller repurchase and indemnification activities attributable to breaches of seller representation and warranties, these activities have remained limited. However, the volume of these activities may increase in the future.

# Market Risk

## Overview

Our business segments have embedded exposure to market risk, which is the economic risk associated with adverse changes in interest rates, volatility, and spreads. Market risk can adversely affect future cash flows, or economic value, as well as earnings and net worth. The primary sources of interest-rate risk are from our investments in mortgage-related assets, non-mortgage assets (including U.S. Treasury securities), the debt we issue to fund these assets, and our Single-Family guarantees.

## Interest-Rate Risk

The tables below provide our duration gap, estimated point-in-time, and minimum and maximum PVS-L and PVS-YC results, and an average of the daily values and standard deviation. The table below also provides PVS-L estimated present value (gains) losses assuming an immediate 100 bps shift in the yield curve. The interest-rate sensitivity of a mortgage portfolio varies across a wide range of interest rates.  For additional information on the management of our interest rate risk , see the **MD&A - Risk Management - *Market Risk*** section in our 2025 Annual Report.

**Table 28 - Duration Gap and PVS-YC and PVS-L Results Assuming Shifts of the Yield Curve**

| | June 30, 2026 | | | | December 31, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | | PVS-YC(1) | PVS-L(1) | | | PVS-YC(1) | PVS-L(1) | |
| **(Dollars in millions**, duration gap in months) | Duration Gap | 25 bps | 50 bps | 100 bps | Duration Gap | 25 bps | 50 bps | 100 bps |
| Interest-rate risk related to: | | | | | | | | |
| Financial instruments primarily funded by debt | 0.5 | $2 | $43 | $78 | 0.4 | $5 | $26 | $18 |
| All other financial instruments(2) | 57.6 | 83 | 1,995 | 4,152 | 29.5 | 82 | 1,009 | 2,137 |
| **All financial instruments** | **15.4** | **85** | **2,038** | **4,230** | **7.3** | **76** | **1,035** | **2,154** |
| **PVS** | | **85** | **2,038** | **4,230** | | **76** | **1,035** | **2,154** |

(1) Positive amounts indicate the associated shift in the yield curve results in estimated present value losses. Negative amounts indicate the associated shift in the yield curve results in estimated present value gains.

(2) The UPB was $82.5 billion as of June 30, 2026 and $75.7 billion as of December 31, 2025.

**Table 29 - Duration Gap and PVS Results**

| | 2Q 2026 | | | 2Q 2025 | | |
|---|---|---|---|---|---|---|
| **(Dollars in millions**, duration gap in months) | Duration Gap | PVS-YC 25 bps | PVS-L 50 bps | Duration Gap | PVS-YC 25 bps | PVS-L 50 bps |
| Average | 13.9 | $92 | $1,834 | 2.9 | $32 | $358 |
| Minimum | 12.0 | 76 | 1,636 | 2.0 | 17 | 230 |
| Maximum | 16.4 | 110 | 2,041 | 3.4 | 40 | 423 |
| Standard deviation | 1.3 | 8 | 139 | 0.4 | 6 | 60 |

| | YTD 2026 | | | YTD 2025 | | |
|---|---|---|---|---|---|---|
| **(Dollars in millions**, duration gap in months) | Duration Gap | PVS-YC 25 bps | PVS-L 50 bps | Duration Gap | PVS-YC 25 bps | PVS-L 50 bps |
| Average | 11.6 | $79 | $1,583 | 1.9 | $21 | $223 |
| Minimum | 7.8 | 32 | 1,053 | — | 1 | — |
| Maximum | 16.4 | 110 | 2,041 | 3.4 | 40 | 423 |
| Standard deviation | 2.7 | 19 | 299 | 1.2 | 13 | 154 |

Derivatives enable us to reduce our economic interest-rate risk exposure as we continue to align our derivatives portfolio with the changing duration of our economically hedged assets and liabilities. The table below shows that the PVS-L risk levels, assuming a 50 bps shift in the yield curve for the periods presented, would have been higher if we had not used derivatives.

**Table 30 - PVS-L Results Before Derivatives and After Derivatives**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| PVS-L (50 bps): | | |
| Before derivatives | $3,624 | $3,364 |
| After derivatives | 2,038 | 1,035 |
| Effect of derivatives | (1,586) | (2,329) |

When managing interest-rate risk related to financial instruments not funded primarily by debt, we also consider the sensitivity of coupon income (interest income based on the stated or reinvestment rates) attributable to these instruments, which we believe is an appropriate measure as we are targeting duration to reduce our income volatility. We estimate the impact of a parallel 100 basis point increase and decrease in interest rates on coupon income attributable to these instruments over the next 12 months relative to the baseline scenario, assuming the total balance of these instruments stays constant. Unlike our economic risk measures (such as PVS and duration gap), which estimate changes to portfolio value, this analysis reflects only the coupon income sensitivity of our reported results to interest rate changes over a specific timeframe.

At June 30, 2026 and 2025, we estimate that a parallel 100 basis point increase in interest rates would result in a decrease of $56 million and an increase of $422 million, respectively, and a parallel 100 basis point decrease would result in a decrease of $14 million and $430 million, respectively, in coupon income for financial instruments not primarily funded by debt, relative to the baseline.

# LIQUIDITY AND CAPITAL RESOURCES

Our business activities require that we maintain adequate liquidity to meet our financial obligations as they come due and meet the needs of customers in a timely and cost-efficient manner. We also must maintain adequate capital resources to avoid being placed into receivership by FHFA.

## Liquidity

### Primary Sources of Liquidity

Our primary sources of liquidity include both our other investments portfolio and our mortgage-related investments portfolio. See **MD&A - Our Portfolios** for additional information about our other investments portfolio and mortgage-related investments portfolio.

Our other investments portfolio is important to our cash flow, collateral management, asset and liability management, and ability to provide liquidity and stability to the mortgage market. Our liquidity and contingency operating portfolio primarily includes securities purchased under agreements to resell and non-mortgage-related securities. Our non-mortgage-related securities consist of U.S. Treasury securities and other investments that we could sell to provide us with an additional source of liquidity to fund our business operations. We also maintain non-interest-bearing deposits at the Federal Reserve Bank of New York and interest-bearing deposits at commercial banks. Our interest-bearing deposits at commercial banks totaled $3.9 billion as of June 30, 2026 and $4.8 billion as of December 31, 2025.

The primary source of liquidity from our mortgage-related investments portfolio is our holdings of agency securities. In addition, we hold certain single-family loans and multifamily loans that could be securitized and would then be available for sale or for use as collateral for repurchase agreements.

### Primary Sources of Funding

We fund our business using short-term and long-term debt, securities sold under agreements to repurchase, and debt issued by consolidated trusts. Competition for funding can vary with economic, financial market, and regulatory environments. The amount, type, and term of our funding sources is based on a variety of factors and is designed to meet our ongoing cash needs and to comply with our Liquidity Management Framework.

#### Short-term and Long-term Debt

We issue debt to fund our operations. These instruments are unsecured general corporate obligations and consist of both short-term debt, which are instruments with original maturities of one year or less, and long-term debt, which are instruments with original maturities of more than one year.

As of June 30, 2026, our aggregate indebtedness pursuant to the Purchase Agreement was $185.5 billion, which was below the current $270.0 billion debt cap limit. Our aggregate indebtedness calculation primarily includes the par value of short- and long-term debt.

The table below summarizes the par value and the average rate of short-term and long-term debt securities we issued or paid off, including regularly scheduled principal payments, payments resulting from calls, and payments for repurchases. We call, exchange, or repurchase our outstanding debt securities from time to time for a variety of reasons, including managing our funding composition and supporting the liquidity of our debt securities.

**Table 31 - Short-term and Long-term Debt Activity**

| | 2Q 2026 | | 2Q 2025 | |
|---|---|---|---|---|
| (Dollars in millions) | Par Value | Average Rate[1] | Par Value | Average Rate[1] |
| **Short-term Debt:** | | | | |
| Beginning balance | $24,558 | 3.66 % | $14,457 | 4.29 % |
| Issuances | 22,368 | 3.62 | 45,265 | 4.31 |
| Repayments | (1,750) | 3.74 | — | — |
| Maturities | (27,092) | 3.64 | (38,356) | 4.30 |
| **Total short-term debt** | **18,084** | **3.63** | **21,366** | **4.31** |
| **Long-term Debt:** | | | | |
| Beginning balance | 173,466 | 4.03 | 170,207 | 3.72 |
| Issuances | 5,352 | 4.34 | 29,941 | 4.58 |
| Repayments | (2,227) | 4.54 | (16,980) | 5.10 |
| Maturities | (9,136) | 4.65 | (6,386) | 2.88 |
| **Total long-term debt** | **167,455** | **4.00** | **176,782** | **3.76** |
| **Total short-term and long-term debt, net** | **$185,539** | **3.96 %** | **$198,148** | **3.82 %** |

| | YTD 2026 | | YTD 2025 | |
|---|---|---|---|---|
| (Dollars in millions) | Par Value | Average Rate[1] | Par Value | Average Rate[1] |
| **Short-term Debt:** | | | | |
| Beginning balance | $37,867 | 3.82 % | $14,716 | 4.59 % |
| Issuances | 53,733 | 3.64 | 84,058 | 4.31 |
| Repayments | (3,230) | 3.79 | — | — |
| Maturities | (70,286) | 3.73 | (77,408) | 4.36 |
| **Total short-term debt** | **18,084** | **3.63** | **21,366** | **4.31** |
| **Long-term Debt:** | | | | |
| Beginning balance | 172,694 | 4.15 | 172,942 | 3.65 |
| Issuances | 39,595 | 4.04 | 52,136 | 4.71 |
| Repayments | (24,977) | 4.42 | (35,086) | 5.10 |
| Maturities | (19,857) | 4.88 | (13,210) | 2.51 |
| **Total long-term debt** | **167,455** | **4.00** | **176,782** | **3.76** |
| **Total short-term and long-term debt, net** | **$185,539** | **3.96 %** | **$198,148** | **3.82 %** |

(1) Average rate is weighted based on par value.

Our callable debt provides us with the option to repay the outstanding principal balance of the debt prior to its contractual maturity date. As of June 30, 2026, $82.6 billion of the outstanding $98.1 billion of callable debt may be called within one year, not including callable debt due to contractually mature within one year.

***Maturity and Redemption Dates***

The table below presents the par value of total short-term and long-term debt by contractual maturity date and earliest redemption date. The earliest redemption date refers to the earliest call date for callable debt, and the contractual maturity date for all other short-term and long-term debt.

**Table 32 - Maturity and Redemption Dates**

| | As of June 30, 2026 | | As of December 31, 2025 | |
|---|---|---|---|---|
| (In millions) | Contractual Maturity Date | Earliest Redemption Date | Contractual Maturity Date | Earliest Redemption Date |
| Short-term debt | $18,084 | $18,084 | $37,867 | $37,867 |
| Long-term debt: | | | | |
| 1 year or less | 49,469 | 132,104 | 45,515 | 120,398 |
| 1 year through 2 years | 29,767 | 19,231 | 43,860 | 34,849 |
| 2 years through 3 years | 24,162 | 4,205 | 22,474 | 5,615 |
| 3 years through 4 years | 12,069 | 2,195 | 9,806 | 2,055 |
| 4 years through 5 years | 38,027 | 3,003 | 33,871 | — |
| Thereafter | 13,496 | 6,252 | 16,622 | 9,231 |
| STACR and SCR debt[1] | 465 | 465 | 546 | 546 |
| **Total short-term and long-term debt** | **$185,539** | **$185,539** | **$210,561** | **$210,561** |

(1) STACR debt notes and SCR debt notes are subject to prepayment risk as their payments are based upon the performance of a reference pool of mortgage assets that may be prepaid by the related mortgage borrowers at any time generally without penalty and are, therefore, included as a separate category in the table.

## Debt Issued by Consolidated Trusts

Debt issued by consolidated trusts relates to securitization transactions that we consolidate for accounting purposes. We primarily issue this type of debt by securitizing mortgage loans to finance our guarantee activities. When we consolidate securitization trusts, we recognize on our condensed consolidated balance sheets the assets held by the trusts, the majority of which are mortgage loans, and the debt issued by the trusts.

The table below shows the issuance and extinguishment activity for the debt issued by consolidated trusts.

**Table 33 - Debt Issued by Consolidated Trusts**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| Beginning balance | $3,181,981 | $3,109,427 | $3,163,684 | $3,085,981 |
| Issuances | 169,521 | 129,728 | 334,879 | 250,670 |
| Repayments and extinguishments | (145,669) | (118,554) | (292,730) | (216,050) |
| **Ending balance** | **3,205,833** | **3,120,601** | **3,205,833** | **3,120,601** |
| Unamortized premiums and discounts | 30,830 | 34,796 | 30,830 | 34,796 |
| **Debt issued by consolidated trusts** | **$3,236,663** | **$3,155,397** | **$3,236,663** | **$3,155,397** |

## Off-Balance Sheet Arrangements

We enter into certain business arrangements that are not recorded on our condensed consolidated balance sheets or that may be recorded in amounts that differ from the full contractual or notional amount of the transaction that affect our short- and long-term liquidity needs. These off-balance sheet arrangements primarily consist of guarantees and commitments. Certain of these arrangements present credit risk exposure. See **Note 2** and **Note 4** for additional information on these transactions. See **MD&A - Risk Management - *Credit Risk*** for additional information on our credit risk exposure on off-balance sheet arrangements.

## Cash Flows

Cash and cash equivalents (including restricted cash and cash equivalents) was $4.3 billion as of both June 30, 2026 and June 30, 2025.

# Capital Resources

The table below presents activity related to our net worth.

**Table 34 - Net Worth Activity**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| Beginning balance | $73,922 | $62,403 | $70,384 | $59,575 |
| Comprehensive income | 3,847 | 2,408 | 7,385 | 5,236 |
| Capital draw from Treasury | — | — | — | — |
| Senior preferred stock dividends declared | — | — | — | — |
| **Total equity / net worth** | **$77,769** | **$64,811** | **$77,769** | **$64,811** |
| Remaining Treasury funding commitment | $140,162 | $140,162 | $140,162 | $140,162 |
| Aggregate draws under Purchase Agreement | 71,648 | 71,648 | 71,648 | 71,648 |
| Aggregate cash dividends paid to Treasury | 119,680 | 119,680 | 119,680 | 119,680 |
| Liquidation preference of the senior preferred stock | 146,570 | 135,051 | 146,570 | 135,051 |

## ERCF

For a description of our capital requirements under the ERCF, including the amended provisions, see the **MD&A - Regulation and Supervision** section in our 2025 Annual Report.

***Capital Metrics***

The table below presents the components of our regulatory capital.

**Table 35 - Regulatory Capital Components**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **Total equity** | $77,769 | $70,384 |
| Less: | | |
| Senior preferred stock | 72,648 | 72,648 |
| Preferred stock | 14,109 | 14,109 |
| Common equity | (8,988) | (16,373) |
| Less: Deferred tax assets arising from temporary differences that exceed 10% of CET1 capital and other regulatory adjustments | 4,644 | 5,169 |
| **Common equity Tier 1 capital** | **(13,632)** | **(21,542)** |
| Add: Preferred stock | 14,109 | 14,109 |
| **Tier 1 capital** | **477** | **(7,433)** |
| Tier 2 capital adjustments | — | — |
| **Adjusted total capital** | **$477** | **($7,433)** |

The table below presents the components of our statutory capital.

**Table 36 - Statutory Capital Components**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **Total equity** | $77,769 | $70,384 |
| Less: | | |
| Senior preferred stock | 72,648 | 72,648 |
| AOCI, net of taxes | 40 | 51 |
| **Core capital** | **5,081** | **(2,315)** |
| General allowance for foreclosure losses[1] | 7,228 | 8,505 |
| **Total capital** | **$12,309** | **$6,190** |

(1) Represents our allowance for credit losses.

The table below presents our capital metrics under the ERCF.

**Table 37 - Capital Metrics Under ERCF**

| (In billions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Adjusted total assets | $3,905 | $3,905 |
| Risk-weighted assets (standardized approach): | | |
| Credit risk | 1,115 | 1,091 |
| Market risk | 73 | 67 |
| Operational risk | 73 | 73 |
| **Total risk-weighted assets** | **$1,261** | **$1,231** |

| (In billions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Stress capital buffer | $29 | $29 |
| Stability capital buffer | 31 | 30 |
| Countercyclical capital buffer amount | — | — |
| **PCCBA** | **$60** | **$59** |
| PLBA | $15 | $15 |

| | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| (Dollars in billions) | Minimum Capital Requirement | Applicable Buffer | Capital Requirement (Including Buffer[1]) | Available Capital (Deficit) | Capital Shortfall |
| **Risk-based capital amounts:** | | | | | |
| Total capital | $101 | N/A | $101 | $12 | ($89) |
| CET1 capital | 57 | $60 | 117 | (14) | (131) |
| Tier 1 capital | 76 | 60 | 136 | — | (136) |
| Adjusted total capital | 101 | 60 | 161 | — | (161) |
| **Risk-based capital ratios[2]:** | | | | | |
| Total capital | 8.0 % | N/A | 8.0 % | 1.0 % | (7.0)% |
| CET1 capital | 4.5 | 4.7 % | 9.2 | (1.1) | (10.3) |
| Tier 1 capital | 6.0 | 4.7 | 10.7 | — | (10.7) |
| Adjusted total capital | 8.0 | 4.7 | 12.7 | — | (12.7) |
| **Leverage capital amounts:** | | | | | |
| Core capital | $98 | N/A | $98 | $5 | ($93) |
| Tier 1 capital | 98 | $15 | 113 | — | (113) |
| **Leverage capital ratios[3]:** | | | | | |
| Core capital | 2.5 % | N/A | 2.5 % | 0.1 % | (2.4)% |
| Tier 1 capital | 2.5 | 0.4 % | 2.9 | — | (2.9) |

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| (Dollars in billions) | Minimum Capital Requirement | Applicable Buffer | Capital Requirement (Including Buffer[1]) | Available Capital (Deficit) | Capital Shortfall |
| **Risk-based capital amounts:** | | | | | |
| Total capital | $99 | N/A | $99 | $6 | ($93) |
| CET1 capital | 55 | $59 | 114 | (22) | (136) |
| Tier 1 capital | 74 | 59 | 133 | (7) | (140) |
| Adjusted total capital | 99 | 59 | 158 | (7) | (165) |
| **Risk-based capital ratios[2]:** | | | | | |
| Total capital | 8.0 % | N/A | 8.0 % | 0.5 % | (7.5)% |
| CET1 capital | 4.5 | 4.8 % | 9.3 | (1.8) | (11.1) |
| Tier 1 capital | 6.0 | 4.8 | 10.8 | (0.6) | (11.4) |
| Adjusted total capital | 8.0 | 4.8 | 12.8 | (0.6) | (13.4) |
| **Leverage capital amounts:** | | | | | |
| Core capital | $98 | N/A | $98 | ($2) | ($100) |
| Tier 1 capital | 98 | $15 | 113 | (7) | (120) |
| **Leverage capital ratios[3]:** | | | | | |
| Core capital | 2.5 % | N/A | 2.5 % | (0.1)% | (2.6)% |
| Tier 1 capital | 2.5 | 0.4 % | 2.9 | (0.2) | (3.1) |

(1) PCCBA for risk-based capital and PLBA for leverage capital.

(2) As a percentage of RWA.

(3) As a percentage of ATA.

At June 30, 2026, our maximum payout ratio under the ERCF was 0.0%.

See **Note 15** for additional information on our capital amounts and ratios under the ERCF.

# CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates and policies relate to the Single-Family allowance for credit losses. For additional information about our critical accounting estimates and significant accounting policies, see **Note 1** and **MD&A - Critical Accounting Estimates** in our 2025 Annual Report.

## Single-Family Allowance for Credit Losses

The Single-Family allowance for credit losses represents our estimate of expected credit losses over the contractual term of the mortgage loans. The Single-Family allowance for credit losses pertains to all single-family loans classified as held-for-investment on our condensed consolidated balance sheets.

Determining the appropriateness of the Single-Family allowance for credit losses is a complex process that is subject to numerous estimates and assumptions requiring significant management judgment about matters that involve a high degree of subjectivity. This process involves the use of models that require us to make judgments about matters that are difficult to predict.

Changes in forecasted house price growth rates can have a significant effect on our allowance for credit losses estimates. The table below shows our nationwide forecasted house price growth rates that were used in determining our allowance for credit losses. See **Note 5** for additional information regarding our current period provision for credit losses.

**Table 38 - Forecasted House Price Growth Rates**

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| 12-Month Forward | 1.7 % | 0.5 % |
| 13- to 24-Month Forward | 2.1 | 1.4 |

The sensitivity of our allowance for credit losses to house price growth rates changes over time depending on current and forecasted economic conditions and the current characteristics of our portfolio. To assess the sensitivity of our allowance for credit loss estimates to forecasted house price growth rates for the current period end, we compared the estimates under the above June 30, 2026 forecast to model estimates using a decrease of 300 bps to the forecasted house price growth rate 12 months from the current period end, including generating an updated Monte Carlo simulation of house price scenarios, with all other factors held constant. The comparison resulted in a $1.1 billion increase in our allowance for credit losses.

This sensitivity analysis assesses hypothetical changes to our forecasted house price growth rates which are calculated separately from our allowance for credit losses process. The sensitivity analysis is not reflected in management's forecast of house price growth rates nor in our allowance for credit losses for the current period end. Further, it is not intended to imply management’s expectation of future changes in our forecasts or any other variables that may change as a result. It is difficult to estimate how potential changes in any one factor or input might affect the allowance for credit losses because management considers a wide variety of factors and inputs in estimating expected credit losses, and changes in one factor or input may offset changes in other factors or inputs. In addition, changes in forecasted house price growth rates result in non-linear impacts to the measurement of the allowance for credit losses and are therefore not incrementally proportional.

# REGULATION AND SUPERVISION

In addition to FHFA's oversight as our Conservator, we are subject to regulation and supervision by FHFA under our Charter and the GSE Act, and regulation by certain other government agencies. FHFA has the authority to direct changes to our processes and require us to take or refrain from actions that may affect our business. Additionally, regulatory activities by other government agencies can indirectly impact us, even if we are not directly subject to their regulation or oversight. For example, changes in regulations affecting the purchase or servicing of mortgages can impact our operations.

The Administration has made comments regarding a number of potential transactions involving us and Fannie Mae, including a public offering of our equity securities while in conservatorship or outside of conservatorship, and the potential for our exit from conservatorship. We cannot predict whether or when any of these transactions could take place or on what terms. While we continue to monitor regulatory and policy developments, we cannot predict the accuracy, timing, or impact of such statements or any related policy actions.

## Federal Housing Finance Agency

From time to time, FHFA in its power both as our Conservator and regulator has rescinded or modified certain guidance, directives, and other requirements affecting the Enterprises. FHFA may continue modifying, rescinding, or withdrawing, or changing its approach to implementation and enforcement of, guidance, directives, and other requirements relating to the Enterprises. The impact of these and any similar future actions taken by FHFA are uncertain at this time.

### FICO® Score 10T and VantageScore® 4.0

On April 22, 2026, we announced a limited rollout to accept loans delivered with VantageScore 4.0 from approved sellers. We also announced we expect to implement FICO Score 10T at a later date. In July 2026, we published on our website historical credit score data for FICO Score 10T and additional credit score data for VantageScore 4.0 for loans acquired during specified periods.

# FORWARD-LOOKING STATEMENTS

We regularly communicate information concerning our business activities to investors, the news media, securities analysts, and others as part of our normal operations. Some of these communications, including this Form 10-Q, contain "forward-looking statements." Examples of forward-looking statements include, but are not limited to, statements pertaining to our conservatorship, our current expectations and objectives for our Single-Family and Multifamily segments, our efforts to assist the housing market, liquidity and capital management, and the effects of economic and market conditions and trends including changes in house prices and house price forecasts, our market coverage, the effect of legislative, judicial, and regulatory developments and new accounting guidance, the credit quality of loans the company owns or guarantees, the costs and benefits of the company's CRT transactions, the impact of banking crises or failures, and the effects of wars, terrorist incidents, public policy and political developments, cybersecurity incidents, natural disasters or catastrophic events and actions taken in response thereto. Forward-looking statements involve known and unknown risks and uncertainties beyond our control. Forward-looking statements are often accompanied by, and identified with, terms such as "could," "may," "will," "believe," "expect," "anticipate," "forecast," "can," "risk," "would," "design," "option," "continue," and similar phrases. These statements are not historical facts, but rather represent our expectations based on current information, plans, judgments, assumptions, estimates, and projections. Actual results may differ significantly from those described in or implied by such forward-looking statements due to various factors and uncertainties, including those described in the **Risk Factors** section in our 2025 Annual Report, and including, without limitation, the following:

- The actions the federal government (including FHFA, Treasury, the executive branch, and Congress) and state governments may take, require us to take, or restrict us from taking, including legislative oversight or actions regarding our operations, conservatorship, access to affordable and sustainable housing, such as programs to implement the expectations in FHFA's Conservatorship Scorecards, and other objectives for us;
- The impacts of a transaction involving us and Fannie Mae, including a public offering of our equity securities while in conservatorship or outside of conservatorship, and the potential for our exit from conservatorship;
- Changes in economic and market conditions, including trade laws or policies such as tariffs, geopolitical instability and conflicts (including in the Middle East and other regions), volatility in the financial services industry, changes in employment rates, immigration policy, inflation, interest rates, spreads, and house prices;
- Changes in the fiscal and monetary policies of the Federal Reserve, including changes in target interest rates and in the amount of agency MBS and agency CMBS held by the Federal Reserve;
- The effect of the restrictions on our business due to the conservatorship and the Purchase Agreement, including any amendments thereto;
- The impact of any changes in our credit ratings or those of the U.S. government;
- Changes in our Charter, applicable legislative or regulatory requirements (including any legislative or executive action affecting the future status of our company), or the Purchase Agreement;
- Changes to our capital requirements and potential effects of such changes on our business strategies;
- Changes in tax laws;
- Changes in privacy and cybersecurity laws and regulations;
- Changes in accounting policies, practices, standards, or guidance;
- Changes in the U.S. mortgage market, including the supply of houses available for sale, the supply of multifamily rental housing, and changes in the supply and type of loan products;
- The success of our efforts to mitigate our losses;
- The success of our strategy to transfer mortgage credit risk;
- Our ability to maintain adequate liquidity to fund our operations;
- Our ability to maintain the security and resiliency of our operational systems and infrastructure, including against cybersecurity incidents or other security incidents, whether due to insider error or malfeasance or system errors or vulnerabilities in our or our third parties' systems;
- Our ability to effectively execute our business strategies, implement significant changes, and improve efficiency;
- The adequacy of our risk management framework, including the adequacy of our regulatory capital framework prescribed by FHFA and internal models for measuring risk;
- Our ability to manage mortgage credit risk, including the effect of changes in underwriting and servicing practices;
- Changes in credit reporting at the credit reporting bureaus due to regulatory and legal developments, as well as lender practices;
- Our ability to limit or manage our economic exposure and GAAP earnings exposure to interest-rate volatility and spread volatility, including the availability of derivative financial instruments needed for interest-rate and spread risk management purposes and our ability to apply hedge accounting;

- Our operational ability to issue new securities, make timely and correct payments on securities, and provide initial and ongoing disclosures;
- Our reliance on U.S. FinTech and the mortgage securitization platform for the operation of the majority of our Single-Family securitization activities, limits on our influence over U.S. FinTech Board decisions, and any additional changes FHFA may require in our relationship with, or support of, U.S. FinTech;
- Performance of and changes in the methodologies, models, assumptions, and estimates we use to prepare our financial statements, make business decisions, and manage risks;
- Changes in investor demand for our debt or mortgage-related securities;
- Our ability to maintain market acceptance of the UMBS, including our ability to maintain alignment of the prepayment speeds and pricing performance of our and Fannie Mae's respective UMBS;
- Changes in the practices or performance of loan originators, servicers, property managers, investors, insurers, and other participants in the secondary mortgage market, or those of our vendors, including changes as a result of the use and/or regulation of AI technologies or other emerging technologies;
- Opportunities and risks presented by our use of AI and other emerging technologies;
- Competition from other market participants, which could affect the pricing we offer for and the performance of our mortgage-related products, the credit characteristics of the loans we purchase, and our ability to meet our affordable housing goals and other mandated activities;
- The availability of critical third parties, or their vendors and other business partners, to deliver products or services, or to manage risks, including cybersecurity risk, effectively;
- The occurrence of a catastrophic event or natural disaster in areas in which our offices, significant portions of our total mortgage portfolio, or the offices of critical third parties are located, and for which we may be uninsured or significantly underinsured; and
- Other factors and assumptions described in this Form 10-Q and our 2025 Annual Report, including in the **MD&A** section.

Forward-looking statements are made only as of the date of this Form 10-Q, and we undertake no obligation to update any forward-looking statements we make to reflect events or circumstances occurring after the date of this Form 10-Q.

# Financial Statements

**FREDDIE MAC**

# Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)

| **(In millions**, except per share-related amounts) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| **Net interest income** | | | | |
| Interest income | $34,275 | $32,048 | $67,925 | $63,413 |
| Interest expense | (28,265) | (26,749) | (56,296) | (53,012) |
| **Net interest income** | **6,010** | **5,299** | **11,629** | **10,401** |
| **Non-interest income (loss)** | | | | |
| Guarantee income | 288 | 398 | 608 | 838 |
| Investment gains (losses), net | (426) | 119 | (384) | 311 |
| Other income | 119 | 100 | 271 | 218 |
| **Non-interest income (loss)** | **(19)** | **617** | **495** | **1,367** |
| **Net revenues** | **5,991** | **5,916** | **12,124** | **11,768** |
| (Provision) benefit for credit losses | 880 | (783) | 1,200 | (1,063) |
| **Non-interest expense** | | | | |
| Salaries and employee benefits | (395) | (453) | (771) | (876) |
| Professional services, technology, and occupancy | (281) | (295) | (531) | (548) |
| Credit enhancement expense | (507) | (511) | (948) | (1,051) |
| Legislative and regulatory assessments | (840) | (825) | (1,672) | (1,642) |
| Other expense | (74) | (74) | (197) | (129) |
| **Non-interest expense** | **(2,097)** | **(2,158)** | **(4,119)** | **(4,246)** |
| **Income before income tax expense** | **4,774** | **2,975** | **9,205** | **6,459** |
| Income tax expense | (936) | (588) | (1,809) | (1,278) |
| **Net income** | **3,838** | **2,387** | **7,396** | **5,181** |
| Other comprehensive income (loss), net of taxes and reclassification adjustments | 9 | 21 | (11) | 55 |
| **Comprehensive income** | **$3,847** | **$2,408** | **$7,385** | **$5,236** |
| Net income | $3,838 | $2,387 | $7,396 | $5,181 |
| Amounts attributable to senior preferred stock | (3,847) | (2,408) | (7,385) | (5,236) |
| **Net income (loss) attributable to common stockholders** | **($9)** | **($21)** | **$11** | **($55)** |
| **Net income (loss) per common share** | **$0.00** | **($0.01)** | **$0.00** | **($0.02)** |
| Weighted average common shares (in millions) | 3,234 | 3,234 | 3,234 | 3,234 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# FREDDIE MAC

## Condensed Consolidated Balance Sheets (Unaudited)

| (In millions, except share-related amounts) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents (includes $1,254 and $1,234 of restricted cash and cash equivalents) | $4,321 | $5,327 |
| Securities purchased under agreements to resell | 52,406 | 71,919 |
| Investment securities, at fair value | 84,342 | 85,412 |
| Mortgage loans held-for-sale (includes $2 and $0 at fair value) | 1,361 | 1,014 |
| Mortgage loans held-for-investment (net of allowance for credit losses of $6,771 and $7,968 and includes $6,747 and $7,005 at fair value) | 3,332,294 | 3,290,066 |
| Accrued interest receivable | 12,473 | 12,254 |
| Deferred tax assets, net | 4,490 | 5,040 |
| Other assets (includes $6,351 and $6,421 at fair value) | 26,628 | 26,566 |
| **Total assets** | **$3,518,315** | **$3,497,598** |
| **Liabilities and equity** | | |
| *Liabilities* | | |
| Accrued interest payable | $10,955 | $10,597 |
| Debt issued by consolidated trusts (includes $5,991 and $5,841 at fair value) | 3,236,663 | 3,198,008 |
| Short-term debt | 17,984 | 37,718 |
| Long-term debt (includes $176 and $195 at fair value) | 163,745 | 169,296 |
| Other liabilities (includes $873 and $781 at fair value) | 11,199 | 11,595 |
| **Total liabilities** | **3,440,546** | **3,427,214** |
| Commitments and contingencies | | |
| *Equity* | | |
| Senior preferred stock (liquidation preference of $146,570 and $140,248) | 72,648 | 72,648 |
| Preferred stock, at redemption value | 14,109 | 14,109 |
| Common stock, $0.00 par value, 4,000,000,000 shares authorized, 725,863,886 shares issued and 650,059,553 shares outstanding | — | — |
| Retained earnings | (5,143) | (12,539) |
| AOCI, net of taxes | 40 | 51 |
| Treasury stock, at cost, 75,804,333 shares | (3,885) | (3,885) |
| **Total equity** | **77,769** | **70,384** |
| **Total liabilities and equity** | **$3,518,315** | **$3,497,598** |

The table below presents the carrying value and classification of the assets and liabilities related to consolidated VIEs on our condensed consolidated balance sheets.

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents (includes $1,132 and $1,136 of restricted cash and cash equivalents) | $1,132 | $1,136 |
| Securities purchased under agreements to resell | 17,181 | 19,107 |
| Investment securities, at fair value | 936 | 34 |
| Mortgage loans held-for-investment | 3,253,768 | 3,198,847 |
| Accrued interest receivable | 11,216 | 10,825 |
| Other assets | 8,403 | 8,573 |
| **Total assets of consolidated VIEs** | **$3,292,636** | **$3,238,522** |
| **Liabilities** | | |
| Accrued interest payable | $9,601 | $9,312 |
| Debt issued by consolidated trusts | 3,236,663 | 3,198,008 |
| Other liabilities | 1 | — |
| **Total liabilities of consolidated VIEs** | **$3,246,265** | **$3,207,320** |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# FREDDIE MAC

## Condensed Consolidated Statements of Equity (Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| (In millions) | 2026 | 2025 | 2026 | 2025 |
| **Senior preferred stock** | | | | |
| Balance at beginning of period and June 30 | $72,648 | $72,648 | $72,648 | $72,648 |
| **Preferred stock, at redemption value** | | | | |
| Balance at beginning of period and June 30 | 14,109 | 14,109 | 14,109 | 14,109 |
| **Common stock, at par value** | | | | |
| Balance at beginning of period and June 30 | — | — | — | — |
| **Retained earnings** | | | | |
| Balance at beginning of period | (8,981) | (20,476) | (12,539) | (23,270) |
| Net income | 3,838 | 2,387 | 7,396 | 5,181 |
| **Balance at June 30** | **(5,143)** | **(18,089)** | **(5,143)** | **(18,089)** |
| **AOCI, net of tax** | | | | |
| Balance at beginning of period | 31 | 7 | 51 | (27) |
| Other comprehensive income (loss), net of taxes of $2 million, $6 million, $3 million, and $15 million, respectively | 9 | 21 | (11) | 55 |
| **Balance at June 30** | **40** | **28** | **40** | **28** |
| **Treasury stock, at cost** | | | | |
| Balance at beginning of period and June 30 | (3,885) | (3,885) | (3,885) | (3,885) |
| **Total equity** | **$77,769** | **$64,811** | **$77,769** | **$64,811** |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# FREDDIE MAC

## Condensed Consolidated Statements of Cash Flows (Unaudited)

| (In millions) | YTD 2026 | YTD 2025 |
|---|---|---|
| **Net cash provided by (used in) operating activities** | **$6,626** | **$11,715** |
| **Cash flows from investing activities** | | |
| Investment securities: | | |
| Purchases | (40,674) | (51,127) |
| Proceeds from sales | 33,758 | 21,167 |
| Proceeds from maturities and repayments | 7,131 | 2,079 |
| Mortgage loans acquired held-for-investment: | | |
| Purchases | (109,067) | (61,566) |
| Proceeds from sales | 723 | 1,760 |
| Proceeds from repayments | 197,540 | 146,952 |
| Advances under secured lending arrangements | (71,020) | (62,533) |
| Net (increase) decrease in securities purchased under agreements to resell | 21,389 | 5,305 |
| Cash flows related to derivatives | 770 | (716) |
| Other, net | (374) | (407) |
| **Net cash provided by (used in) investing activities** | **40,176** | **914** |
| **Cash flows from financing activities** | | |
| Debt issued by consolidated trusts: | | |
| Proceeds from issuance | 204,039 | 129,263 |
| Repayments and redemptions | (225,144) | (152,922) |
| Borrowings with original maturity of more than three months: | | |
| Proceeds from issuance | 58,173 | 63,572 |
| Repayments | (70,507) | (59,882) |
| Net increase (decrease) in: | | |
| Borrowings with original maturity of three months or less | (12,591) | 6,713 |
| Securities sold under agreements to repurchase | (1,776) | (638) |
| Other, net | (2) | (2) |
| **Net cash provided by (used in) financing activities** | **(47,808)** | **(13,896)** |
| Net increase (decrease) in cash and cash equivalents (includes restricted cash and cash equivalents) | (1,006) | (1,267) |
| Cash and cash equivalents (includes restricted cash and cash equivalents) at the beginning of year | 5,327 | 5,534 |
| **Cash and cash equivalents (includes restricted cash and cash equivalents) at end of period** | **$4,321** | **$4,267** |
| **Supplemental cash flow information** | | |
| Cash paid for: | | |
| Debt interest | $59,437 | $54,751 |
| Income taxes (net of refunds received) | 1,500 | 1,500 |
| Non-cash investing and financing activities (Note 3 and Note 6) | | |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Notes to Condensed Consolidated Financial Statements

## NOTE 1

## Summary of Significant Accounting Policies

Freddie Mac is a GSE chartered by Congress in 1970, with a mission to provide liquidity, stability, and affordability to the U.S. housing market. We are regulated by FHFA, the SEC, HUD, and Treasury, and are currently operating under the conservatorship of FHFA. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury, under which we issued Treasury both senior preferred stock and a warrant to purchase common stock. Our Purchase Agreement with Treasury is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. We believe the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities. For more information on the conservatorship, the roles of FHFA and Treasury, and the Purchase Agreement, see our 2025 Annual Report. Throughout our unaudited condensed consolidated financial statements and related notes, we use certain acronyms and terms which are defined in the **Glossary** of our 2025 Annual Report.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes in our 2025 Annual Report.

### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and include our accounts as well as the accounts of other entities in which we have a controlling financial interest. All intercompany balances and transactions have been eliminated.

We have reclassified certain amounts reported in our prior period condensed consolidated financial statements to conform to the current period presentation.

We are operating under the basis that we will realize assets and satisfy liabilities in the normal course of business as a going concern and in accordance with the authority provided by FHFA to our Board of Directors to oversee management's conduct of our business operations. In the opinion of management, our unaudited condensed consolidated financial statements contain all adjustments, which include only normal recurring adjustments, necessary for a fair statement of our results.

### Use of Estimates

The preparation of our condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Management has made significant estimates to report the allowance for credit losses on single-family mortgage loans. Actual results could be different from these estimates.

# Recently Issued Accounting Guidance

### *Recently Adopted Accounting Guidance*

| Standard | Description | Date of Adoption | Effect on Consolidated Financial Statements |
|---|---|---|---|
| **ASU 2025-09**, Derivatives and Hedging (Topic 815): Hedge Accounting Improvements | The amendments in this Update clarify certain aspects of the guidance on hedge accounting and address several incremental hedging issues arising from the global reference rate reform initiative. | January 1, 2026 | The adoption of these amendments did not have a material effect on our consolidated financial statements. |

### *Recently Issued Accounting Guidance, Not Yet Adopted Within Our Consolidated Financial Statements*

| Standard | Description | Date of Adoption | Effect on Consolidated Financial Statements |
|---|---|---|---|
| **ASU 2024-03**, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses | The amendments in this Update require disaggregated disclosures for certain expense categories. | December 31, 2027 | We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements. |
| **ASU 2025-08**, Financial Instruments - Credit Losses (Topic 326): Purchased Loans | The amendments in this Update expand the population of acquired financial assets subject to the gross-up approach in Topic 326. | January 1, 2027 | We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements. |

# NOTE 2

## Securitization and Consolidation

### Nonconsolidated VIEs

The table below presents the carrying amounts and classification of the assets and liabilities recorded on our condensed consolidated balance sheets that relate to our variable interests in VIEs for which we are not the primary beneficiary and with which we were involved in the design and creation and have a significant continuing involvement, our maximum exposure to loss as a result of our involvement with such VIEs, and the total assets of the VIEs. Our involvement with such VIEs primarily consists of guarantees that we have issued to the VIE, some of which are accounted for as derivative instruments, and investments in debt securities issued by the VIE. See **Note 4** for additional information on our guarantees to nonconsolidated VIEs.

Total assets shown in the table below represents the remaining UPB of the mortgage loans or other noncash financial assets held by the VIE and excludes cash and nonfinancial assets held by the VIE. Maximum exposure to loss shown in the table below is primarily based on the remaining UPB of the guaranteed securities issued by the VIE and represents the contractual amounts that could be lost if the assets of the VIE (including the assets in the related reference pool for CRT products) became worthless at the balance sheet date, without consideration of proceeds from related collateral liquidation and possible recoveries under credit enhancements. We do not believe the maximum exposure to loss from our involvement with nonconsolidated VIEs is representative of the actual loss we are likely to incur based on our historical loss experience and after consideration of proceeds from related collateral liquidation and available credit enhancements.

**Table 2.1 - Nonconsolidated VIEs**

| | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| | Carrying Amounts of the Assets and Liabilities on the Condensed Consolidated Balance Sheets | | | | |
| (In millions) | Investment Securities | Accrued Interest Receivable and Other Assets[1] | Liabilities[1] | Total Assets | Maximum Exposure to Loss |
| Single-Family: | | | | | |
| Securitization products | $1,378 | $154 | $483 | $28,936 | $23,731 |
| Resecuritization products[2] | 5,521 | 91 | 737 | 95,575 | 95,930 |
| CRT products[3] | — | 99 | 86 | 22,954 | 4 |
| **Total Single-Family** | **6,899** | **344** | **1,306** | **147,465** | **119,665** |
| Multifamily: | | | | | |
| Securitization products[4] | 3,572 | 4,394 | 3,413 | 314,464 | 283,834 |
| CRT products[3] | — | 48 | 20 | 3,240 | 26 |
| **Total Multifamily** | **3,572** | **4,442** | **3,433** | **317,704** | **283,860** |
| **Other** | **—** | **6** | **—** | **59** | **13** |
| **Total** | **$10,471** | **$4,792** | **$4,739** | **$465,228** | **$403,538** |

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Carrying Amounts of the Assets and Liabilities on the Condensed Consolidated Balance Sheets | | | | |
| (In millions) | Investment Securities | Accrued Interest Receivable and Other Assets[1] | Liabilities[1] | Total Assets | Maximum Exposure to Loss |
| Single-Family: | | | | | |
| Securitization products | $1,451 | $162 | $498 | $30,025 | $24,604 |
| Resecuritization products[2] | 5,503 | 74 | 675 | 98,370 | 98,754 |
| CRT products[3] | — | 97 | 134 | 24,437 | 6 |
| **Total Single-Family** | **6,954** | **333** | **1,307** | **152,832** | **123,364** |
| Multifamily: | | | | | |
| Securitization products[4] | 5,052 | 4,886 | 3,792 | 332,572 | 299,507 |
| CRT products[3] | — | 31 | 21 | 2,446 | 16 |
| **Total Multifamily** | **5,052** | **4,917** | **3,813** | **335,018** | **299,523** |
| **Other** | **—** | **7** | **—** | **64** | **15** |
| **Total** | **$12,006** | **$5,257** | **$5,120** | **$487,914** | **$422,902** |

(1) Other assets primarily include our guarantee assets. Liabilities primarily include our guarantee obligations.

(2) Total assets and maximum exposure to loss are primarily based on the UPB of Fannie Mae securities underlying commingled Freddie Mac resecuritization trusts. We exclude noncommingled resecuritization trusts from these amounts as we have already guaranteed the underlying collateral and therefore noncommingled resecuritizations do not involve any incremental assets or create any incremental exposure to credit risk.

(3) Maximum exposure to loss is based on our expected recovery receivables and excludes our obligations to make certain payments to the VIE to support payment of the interest due on the notes issued by the VIE, which we account for as derivative instruments. The notional value of these derivative instruments is equal to the total assets of the VIE.

(4) Maximum exposure to loss excludes the exposure related to advances made by us as guarantor or master servicer. The outstanding balances of guarantor advances were $0.3 billion and $0.4 billion as of June 30, 2026 and December 31, 2025, respectively. The outstanding balances of master servicer advances were not material for the periods presented.

## Investments in Low Income Housing Tax Credits

We invest in LIHTC partnerships to support and preserve the supply of affordable housing. These investments do not provide us with a controlling financial interest in the underlying partnerships and we therefore do not consolidate these entities. We have elected to account for these investments using the proportional amortization method when applicable. The carrying amount of our investments in LIHTC partnerships is presented in other assets on our condensed consolidated balance sheets and totaled $5.5 billion as of June 30, 2026 and $5.2 billion as of December 31, 2025.

# NOTE 3

## Mortgage Loans

The table below provides details of the loans on our condensed consolidated balance sheets.

**Table 3.1 - Mortgage Loans**

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | Single-Family | Multifamily | Total | Single-Family | Multifamily | Total |
| Held-for-sale UPB | $1,547 | $90 | $1,637 | $1,108 | $136 | $1,244 |
| Cost basis and fair value adjustments, net | (265) | (11) | (276) | (216) | (14) | (230) |
| **Total held-for-sale loans, net** | **1,282** | **79** | **1,361** | **892** | **122** | **1,014** |
| Held-for-investment UPB | 3,134,960 | 180,497 | 3,315,457 | 3,117,945 | 153,124 | 3,271,069 |
| Cost basis and fair value adjustments, net[1] | 24,270 | (662) | 23,608 | 27,491 | (526) | 26,965 |
| Allowance for credit losses | (6,141) | (630) | (6,771) | (7,297) | (671) | (7,968) |
| **Total held-for-investment loans, net[2]** | **3,153,089** | **179,205** | **3,332,294** | **3,138,139** | **151,927** | **3,290,066** |
| **Total mortgage loans, net** | **$3,154,371** | **$179,284** | **$3,333,655** | **$3,139,031** | **$152,049** | **$3,291,080** |

(1) Includes ($0.5) billion and ($0.3) billion of basis adjustments maintained on a closed portfolio basis related to existing portfolio layer method fair value hedge relationships as of June 30, 2026 and December 31, 2025, respectively.

(2) Includes $6.7 billion and $7.0 billion of multifamily held-for-investment loans for which we have elected the fair value option as of June 30, 2026 and December 31, 2025, respectively.

The table below provides details of the UPB of loans we purchased and sold during the periods presented.

**Table 3.2 - Loans Purchased and Sold**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| **Single-Family:** | | | | |
| Purchases: | | | | |
| Held-for-investment loans | $110,120 | $93,603 | $212,633 | $171,249 |
| Sales of held-for-sale loans[1] | — | 496 | — | 1,255 |
| **Multifamily:** | | | | |
| Purchases: | | | | |
| Held-for-investment loans | 17,821 | 8,663 | 30,521 | 12,577 |
| Held-for-sale loans | 126 | 2,096 | 222 | 7,527 |
| Sales of held-for-sale loans[2] | 326 | 8,247 | 997 | 14,851 |

(1) Our sales of single-family loans reflect the sale of single-family seasoned loans.

(2) Our sales of multifamily loans occur primarily through the issuance of Multifamily K Certificates.

## Reclassifications

The table below presents the allowance for credit losses or valuation allowance that was reversed or established due to loan reclassifications between held-for-investment and held-for-sale during the periods presented.

**Table 3.3 - Loan Reclassifications**(1)

| | 2Q 2026 | | | 2Q 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | UPB | Allowance for Credit Losses Reversed or (Established) | Valuation Allowance (Established) or Reversed | UPB | Allowance for Credit Losses Reversed or (Established) | Valuation Allowance (Established) or Reversed |
| Single-Family reclassifications from: | | | | | | |
| Held-for-investment to held-for-sale | $251 | $4 | $— | $276 | $1 | $— |
| Held-for-sale to held-for-investment(2) | 87 | 10 | 6 | 82 | 7 | 6 |
| Multifamily reclassifications from: | | | | | | |
| Held-for-investment to held-for-sale | 282 | 1 | (15) | 290 | 1 | (3) |
| Held-for-sale to held-for-investment(2) | — | — | — | 16 | — | — |

| | YTD 2026 | | | YTD 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | UPB | Allowance for Credit Losses Reversed or (Established) | Valuation Allowance (Established) or Reversed | UPB | Allowance for Credit Losses Reversed or (Established) | Valuation Allowance (Established) or Reversed |
| Single-Family reclassifications from: | | | | | | |
| Held-for-investment to held-for-sale | $793 | $26 | $— | $965 | $8 | $— |
| Held-for-sale to held-for-investment(2) | 233 | 19 | 18 | 340 | 28 | 19 |
| Multifamily reclassifications from: | | | | | | |
| Held-for-investment to held-for-sale | 724 | 2 | (35) | 817 | 2 | (30) |
| Held-for-sale to held-for-investment(2) | — | — | — | 206 | (1) | 5 |

(1) Amounts exclude reclassifications related to loans for which we have elected the fair value option.

(2) Allowance for credit losses established upon loan reclassifications from held-for-sale to held-for-investment to reflect the net amount we expect to collect on the loan. Loans with prior charge-offs may have a negative allowance for credit losses established upon reclassification.

## Interest Income

The table below presents the amortized cost basis of non-accrual loans as of the beginning and the end of the periods presented, including the interest income recognized for the period that is related to the loans on non-accrual status as of the period end.

**Table 3.4 - Amortized Cost Basis of Held-for-Investment Loans on Non-Accrual**(1)

| | Non-Accrual Amortized Cost Basis | | Interest Income Recognized(2) | |
|---|---|---|---|---|
| (In millions) | June 30, 2026 | March 31, 2026 | 2Q 2026 | YTD 2026 |
| Single-Family: | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $17,340 | $17,002 | $49 | $124 |
| 15-year or less, amortizing fixed-rate | 449 | 462 | 1 | 2 |
| Adjustable-rate and other | 215 | 217 | 1 | 2 |
| **Total Single-Family** | **18,004** | **17,681** | **51** | **128** |
| **Total Multifamily** | **186** | **50** | **—** | **—** |
| **Total Single-Family and Multifamily** | **$18,190** | **$17,731** | **$51** | **$128** |

| (In millions) | Non-Accrual Amortized Cost Basis | | Interest Income Recognized[(2)] | |
|---|---|---|---|---|
| | June 30, 2025 | March 31, 2025 | 2Q 2025 | YTD 2025 |
| Single-Family: | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $15,376 | $15,724 | $43 | $107 |
| 15-year or less, amortizing fixed-rate | 480 | 487 | 1 | 2 |
| Adjustable-rate and other | 242 | 256 | 1 | 2 |
| **Total Single-Family** | **16,098** | **16,467** | **45** | **111** |
| **Total Multifamily** | **179** | **207** | **—** | **1** |
| **Total Single-Family and Multifamily** | **$16,277** | **$16,674** | **$45** | **$112** |

(1) Excludes amounts related to loans for which we have elected the fair value option.

(2) Represents the amount of payments received during the period, including those received while the loans were on accrual status, for the held-for-investment loans on non-accrual status as of period end.

The table below provides the amount of accrued interest receivable presented on our condensed consolidated balance sheets and the amount of accrued interest receivable related to loans on non-accrual status at the end of the periods that was charged off.

**Table 3.5 - Accrued Interest Receivable and Related Charge-Offs**

| (In millions) | Accrued Interest Receivable | | Accrued Interest Receivable Related Charge-Offs | | | |
|---|---|---|---|---|---|---|
| | June 30, 2026 | December 31, 2025 | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
| Single-Family loans | $10,787 | $10,547 | ($70) | ($60) | ($143) | ($124) |
| Multifamily loans | 755 | 663 | (5) | — | (5) | (3) |

# Credit Quality

***Single-Family***

The current LTV ratio is a key factor we consider when estimating our allowance for credit losses for single-family loans. As current LTV ratios increase, the borrower's equity in the home decreases, which may negatively affect the borrower's ability to refinance or to sell the property for an amount at or above the balance of the outstanding loan.

The table below presents the amortized cost basis of single-family held-for-investment loans by current LTV ratio and charge-offs related to these loans. Our current LTV ratios are estimates based on available data through the end of each period presented.

**Table 3.6 - Amortized Cost Basis of Single-Family Held-for-Investment Loans by Current LTV Ratio and Vintage**

| | June 30, 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Year of Origination | | | | | | |
| (In millions) | 2026 | 2025 | 2024 | 2023 | 2022 | Prior | Total |
| Current LTV ratio: | | | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | | | | | | | |
| ≤ 60 | $24,157 | $52,245 | $45,040 | $38,862 | $121,153 | $1,469,049 | $1,750,506 |
| > 60 to 80 | 66,488 | 128,519 | 104,634 | 89,543 | 150,703 | 177,168 | 717,055 |
| > 80 to 90 | 28,726 | 63,918 | 62,355 | 40,455 | 35,507 | 7,539 | 238,500 |
| > 90 to 100 | 34,265 | 65,674 | 34,731 | 11,075 | 7,284 | 1,267 | 154,296 |
| > 100 | 115 | 464 | 1,725 | 1,525 | 1,587 | 204 | 5,620 |
| **Total 20- and 30-year or more, amortizing fixed-rate** | **153,751** | **310,820** | **248,485** | **181,460** | **316,234** | **1,655,227** | **2,865,977** |
| Current-year gross charge-offs | — | 7 | 49 | 79 | 84 | 65 | 284 |
| 15-year or less, amortizing fixed-rate | | | | | | | |
| ≤ 60 | 4,496 | 10,818 | 5,498 | 3,816 | 18,930 | 188,545 | 232,103 |
| > 60 to 80 | 4,835 | 8,990 | 3,503 | 1,306 | 1,090 | 143 | 19,867 |
| > 80 to 90 | 1,137 | 1,687 | 406 | 60 | 31 | 1 | 3,322 |
| > 90 to 100 | 518 | 536 | 32 | 5 | 3 | — | 1,094 |
| > 100 | 7 | 2 | 1 | — | — | — | 10 |
| **Total 15-year or less, amortizing fixed-rate** | **10,993** | **22,033** | **9,440** | **5,187** | **20,054** | **188,689** | **256,396** |
| Current-year gross charge-offs | — | — | — | 1 | 1 | 1 | 3 |
| Adjustable-rate and other | | | | | | | |
| ≤ 60 | 1,049 | 2,037 | 331 | 425 | 1,806 | 12,650 | 18,298 |
| > 60 to 80 | 2,872 | 4,772 | 925 | 1,131 | 1,940 | 507 | 12,147 |
| > 80 to 90 | 1,134 | 1,885 | 451 | 491 | 470 | 21 | 4,452 |
| > 90 to 100 | 819 | 1,183 | 149 | 115 | 95 | 4 | 2,365 |
| > 100 | 2 | 2 | 2 | 13 | 25 | 1 | 45 |
| **Total adjustable-rate and other** | **5,876** | **9,879** | **1,858** | **2,175** | **4,336** | **13,183** | **37,307** |
| Current-year gross charge-offs | — | — | — | — | 1 | — | 1 |
| Total for all loan product types by current LTV ratio: | | | | | | | |
| ≤ 60 | 29,702 | 65,100 | 50,869 | 43,103 | 141,889 | 1,670,244 | 2,000,907 |
| > 60 to 80 | 74,195 | 142,281 | 109,062 | 91,980 | 153,733 | 177,818 | 749,069 |
| > 80 to 90 | 30,997 | 67,490 | 63,212 | 41,006 | 36,008 | 7,561 | 246,274 |
| > 90 to 100 | 35,602 | 67,393 | 34,912 | 11,195 | 7,382 | 1,271 | 157,755 |
| > 100 | 124 | 468 | 1,728 | 1,538 | 1,612 | 205 | 5,675 |
| **Total Single-Family loans** | **$170,620** | **$342,732** | **$259,783** | **$188,822** | **$340,624** | **$1,857,099** | **$3,159,680** |
| **Total current-year gross charge-offs** | **$—** | **$7** | **$49** | **$80** | **$86** | **$66** | **$288** |

| | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Year of Origination | | | | | | |
| (In millions) | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Total |
| Current LTV ratio: | | | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | | | | | | | |
| ≤ 60 | $47,112 | $47,188 | $39,388 | $114,149 | $557,834 | $936,838 | $1,742,509 |
| > 60 to 80 | 118,639 | 110,794 | 95,194 | 162,477 | 179,033 | 40,311 | 706,448 |
| > 80 to 90 | 60,372 | 67,451 | 50,223 | 43,480 | 9,002 | 1,135 | 231,663 |
| > 90 to 100 | 77,814 | 51,196 | 16,197 | 10,399 | 1,386 | 292 | 157,284 |
| > 100 | 557 | 2,426 | 1,822 | 1,663 | 156 | 84 | 6,708 |
| **Total 20- and 30-year or more, amortizing fixed-rate** | **304,494** | **279,055** | **202,824** | **332,168** | **747,411** | **978,660** | **2,844,612** |
| Full-year gross charge-offs | 1 | 22 | 44 | 73 | 54 | 172 | 366 |
| 15-year or less, amortizing fixed-rate | | | | | | | |
| ≤ 60 | 9,953 | 5,816 | 3,987 | 19,872 | 96,005 | 111,387 | 247,020 |
| > 60 to 80 | 9,450 | 4,281 | 1,879 | 1,833 | 286 | 17 | 17,746 |
| > 80 to 90 | 1,967 | 639 | 105 | 57 | 3 | — | 2,771 |
| > 90 to 100 | 1,007 | 104 | 15 | 7 | — | — | 1,133 |
| > 100 | 8 | 2 | 1 | — | — | — | 11 |
| **Total 15-year or less, amortizing fixed-rate** | **22,385** | **10,842** | **5,987** | **21,769** | **96,294** | **111,404** | **268,681** |
| Full-year gross charge-offs | — | — | — | 1 | 1 | 1 | 3 |
| Adjustable-rate and other | | | | | | | |
| ≤ 60 | 1,797 | 358 | 412 | 1,753 | 3,121 | 10,469 | 17,910 |
| > 60 to 80 | 4,321 | 923 | 1,184 | 2,138 | 489 | 155 | 9,210 |
| > 80 to 90 | 1,783 | 522 | 581 | 574 | 19 | 9 | 3,488 |
| > 90 to 100 | 1,312 | 226 | 153 | 132 | 3 | 2 | 1,828 |
| > 100 | 2 | 2 | 12 | 19 | — | 2 | 37 |
| **Total adjustable-rate and other** | **9,215** | **2,031** | **2,342** | **4,616** | **3,632** | **10,637** | **32,473** |
| Full-year gross charge-offs | — | — | — | 1 | — | 1 | 2 |
| Total for all loan product types by current LTV ratio: | | | | | | | |
| ≤ 60 | 58,862 | 53,362 | 43,787 | 135,774 | 656,960 | 1,058,694 | 2,007,439 |
| > 60 to 80 | 132,410 | 115,998 | 98,257 | 166,448 | 179,808 | 40,483 | 733,404 |
| > 80 to 90 | 64,122 | 68,612 | 50,909 | 44,111 | 9,024 | 1,144 | 237,922 |
| > 90 to 100 | 80,133 | 51,526 | 16,365 | 10,538 | 1,389 | 294 | 160,245 |
| > 100 | 567 | 2,430 | 1,835 | 1,682 | 156 | 86 | 6,756 |
| **Total Single-Family loans** | **$336,094** | **$291,928** | **$211,153** | **$358,553** | **$847,337** | **$1,100,701** | **$3,145,766** |
| **Total full-year gross charge-offs** | **$1** | **$22** | **$44** | **$75** | **$55** | **$174** | **$371** |

***Multifamily***

The table below presents the amortized cost basis of our multifamily held-for-investment loans, for which we have not elected the fair value option, by credit quality indicator, and charge-offs related to these loans. These indicators are based on available data through the end of each period presented, involve significant management judgment, and are defined as follows:

- "Pass" is current and adequately protected by the borrower's current financial strength and debt service capacity;
- "Special mention" has administrative issues that may affect future repayment prospects but does not have current credit weaknesses. In addition, this category generally includes loans in forbearance;
- "Substandard" has a weakness that jeopardizes the timely full repayment; and
- "Doubtful" has a weakness that makes collection or liquidation in full highly questionable and improbable based on existing conditions.

**Table 3.7 - Amortized Cost Basis of Multifamily Held-for-Investment Loans by Credit Quality Indicator and Vintage**

| | June 30, 2026 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Year of Origination | | | | | | | |
| (In millions) | 2026 | 2025 | 2024 | 2023 | 2022 | Prior | Revolving Loans | Total |
| Category: | | | | | | | | |
| Pass | $26,066 | $66,740 | $27,940 | $12,658 | $15,010 | $19,831 | $1,313 | $169,558 |
| Special mention | — | 115 | 267 | 100 | 185 | 537 | — | 1,204 |
| Substandard | — | — | 391 | 611 | 846 | 478 | — | 2,326 |
| Doubtful | — | — | — | — | — | — | — | — |
| **Total** | **$26,066** | **$66,855** | **$28,598** | **$13,369** | **$16,041** | **$20,846** | **$1,313** | **$173,088** |
| **Current-year gross charge-offs** | **$—** | **$—** | **$—** | **$—** | **$2** | **$50** | **$—** | **$52** |

| | December 31, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Year of Origination | | | | | | | |
| (In millions) | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans | Total |
| Category: | | | | | | | | |
| Pass | $63,205 | $28,613 | $13,374 | $15,732 | $7,238 | $12,947 | $1,851 | $142,960 |
| Special mention | — | 49 | 173 | 177 | 96 | 670 | — | 1,165 |
| Substandard | — | 163 | 266 | 581 | 233 | 225 | — | 1,468 |
| Doubtful | — | — | — | — | — | — | — | — |
| **Total** | **$63,205** | **$28,825** | **$13,813** | **$16,490** | **$7,567** | **$13,842** | **$1,851** | **$145,593** |
| **Full-year gross charge-offs** | **$—** | **$—** | **$—** | **$11** | **$—** | **$115** | **$—** | **$126** |

## Past Due Status

The table below presents the amortized cost basis of our single-family and multifamily held-for-investment loans, for which we have not elected the fair value option, by payment status.

**Table 3.8 - Amortized Cost Basis of Held-for-Investment Loans by Payment Status[1]**

| | June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| (In millions) | Current | One Month Past Due | Two Months Past Due | Three Months or More Past Due, or in Foreclosure[2] | Total | Non-Accrual With No Allowance[3] |
| Single-Family: | | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $2,813,521 | $28,592 | $7,041 | $16,823 | $2,865,977 | $1,159 |
| 15-year or less, amortizing fixed-rate | 254,514 | 1,223 | 222 | 437 | 256,396 | 11 |
| Adjustable-rate and other | 36,720 | 299 | 78 | 210 | 37,307 | 32 |
| **Total Single-Family** | **3,104,755** | **30,114** | **7,341** | **17,470** | **3,159,680** | **1,202** |
| **Total Multifamily** | **172,743** | **143** | **16** | **186** | **173,088** | **124** |
| **Total Single-Family and Multifamily** | **$3,277,498** | **$30,257** | **$7,357** | **$17,656** | **$3,332,768** | **$1,326** |

| (In millions) | December 31, 2025 Current | One Month Past Due | Two Months Past Due | Three Months or More Past Due, or in Foreclosure[2] | Total | Non-Accrual with No Allowance[3] |
|---|---|---|---|---|---|---|
| Single-Family: | | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $2,793,168 | $27,286 | $7,892 | $16,266 | $2,844,612 | $662 |
| 15-year or less, amortizing fixed-rate | 266,741 | 1,196 | 276 | 468 | 268,681 | 7 |
| Adjustable-rate and other | 31,880 | 291 | 87 | 215 | 32,473 | 31 |
| **Total Single-Family** | **3,091,789** | **28,773** | **8,255** | **16,949** | **3,145,766** | **700** |
| **Total Multifamily** | **145,344** | **57** | **2** | **190** | **145,593** | **132** |
| **Total Single-Family and Multifamily** | **$3,237,133** | **$28,830** | **$8,257** | **$17,139** | **$3,291,359** | **$832** |

(1) There were no held-for-investment loans that were three months or more past due and accruing interest as of both June 30, 2026 and December 31, 2025.

(2) Includes $4.6 billion and $4.0 billion of single-family loans that were in the process of foreclosure as of June 30, 2026 and December 31, 2025, respectively.

(3) Loans with no allowance for loan losses primarily represent loans that were previously charged off and for which the amount we expect to collect is sufficiently in excess of the amortized cost to result in recovery of the entire amortized cost basis if the property were foreclosed upon or otherwise subject to disposition. We exclude the amounts of allowance for credit losses on advances of pre-foreclosure costs when determining whether a loan has an allowance for credit losses.

# Loan Restructurings

***Single-Family Loan Restructurings***

We offer several types of restructurings to single-family borrowers that may result in a payment delay, interest rate reduction, term extension, or combination thereof. We do not offer principal forgiveness.

For purposes of the disclosure related to single-family loan restructurings involving borrowers experiencing financial difficulty, we exclude loans that were held-for-sale either at the time of restructuring or at the period end. The table below presents the period-end amortized cost basis of single-family held-for-investment loan restructurings involving borrowers experiencing financial difficulty that we entered into during the periods presented.

**Table 3.9 - Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty[1]**

| (Dollars in millions) | 2Q 2026 Payment Delay[2] | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total | Total as % of Class of Financing Receivable[3] |
|---|---|---|---|---|---|
| Single-Family: | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $5,366 | $1,902 | $674 | $7,942 | 0.3 % |
| 15-year or less, amortizing fixed-rate | 162 | 1 | — | 163 | 0.1 |
| Adjustable-rate and other | 45 | 2 | — | 47 | 0.1 |
| **Total Single-Family loan restructurings** | **$5,573** | **$1,905** | **$674** | **$8,152** | **0.3** |

| (Dollars in millions) | 2Q 2025 Payment Delay[2] | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total | Total as % of Class of Financing Receivable[3] |
|---|---|---|---|---|---|
| Single-Family: | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $5,515 | $2,358 | $264 | $8,137 | 0.3 % |
| 15-year or less, amortizing fixed-rate | 177 | 1 | — | 178 | 0.1 |
| Adjustable-rate and other | 49 | 6 | 1 | 56 | 0.2 |
| **Total Single-Family loan restructurings** | **$5,741** | **$2,365** | **$265** | **$8,371** | **0.3** |

| (Dollars in millions) | YTD 2026 Payment Delay[2] | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total | Total as % of Class of Financing Receivable[3] |
|---|---|---|---|---|---|
| Single-Family: | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $10,436 | $3,743 | $1,054 | $15,233 | 0.5 % |
| 15-year or less, amortizing fixed-rate | 319 | 2 | — | 321 | 0.1 |
| Adjustable-rate and other | 90 | 4 | — | 94 | 0.3 |
| **Total Single-Family loan restructurings** | **$10,845** | **$3,749** | **$1,054** | **$15,648** | **0.5** |

| (Dollars in millions) | YTD 2025 Payment Delay[2] | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total | Total as % of Class of Financing Receivable[3] |
|---|---|---|---|---|---|
| Single-Family: | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $11,545 | $3,969 | $384 | $15,898 | 0.6 % |
| 15-year or less, amortizing fixed-rate | 390 | 1 | — | 391 | 0.1 |
| Adjustable-rate and other | 100 | 9 | 2 | 111 | 0.4 |
| **Total Single-Family loan restructurings** | **$12,035** | **$3,979** | **$386** | **$16,400** | **0.5** |

(1) Type of loan restructurings reflects the cumulative effects of the loan restructurings received during the period. Includes loan modifications in the period in which the borrower completes the trial period and the loan is permanently modified. The amortized cost basis of loans in the trial period modification plans was $4.2 billion and $3.2 billion as of June 30, 2026 and June 30, 2025, respectively. Most of these loans are 20- and 30-year or more, amortizing fixed-rate loans.

(2) Includes $1.8 billion and $4.0 billion related to payment deferral plans for 2Q 2026 and YTD 2026, respectively, compared to $2.2 billion and $4.9 billion for 2Q 2025 and YTD 2025, respectively. Also includes forbearance plans, repayment plans, and loan modifications that only involve payment delays.

(3) Based on the amortized cost basis as of period end, divided by the total period-end amortized cost basis of the corresponding financing receivable class of single-family held-for-investment loans.

The table below shows the financial effect of single-family held-for-investment loan restructurings involving borrowers experiencing financial difficulty that we entered into during the periods presented.

**Table 3.10 – Financial Effects of Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty[1]**

| (Dollars in thousands) | 2Q 2026 Weighted-Average Interest Rate Reduction | Weighted-Average Months of Term Extension | Weighted-Average Payment Deferral or Principal Forbearance[2] |
|---|---|---|---|
| Single-Family: | | | |
| 20- and 30-year or more, amortizing fixed-rate | 0.8 % | 144 | $28 |
| 15-year or less, amortizing fixed-rate | — | 39 | 11 |
| Adjustable-rate and other | NM | 94 | 18 |

| (Dollars in thousands) | 2Q 2025 Weighted-Average Interest Rate Reduction | Weighted-Average Months of Term Extension | Weighted-Average Payment Deferral or Principal Forbearance[2] |
|---|---|---|---|
| Single-Family: | | | |
| 20- and 30-year or more, amortizing fixed-rate | 0.6 % | 147 | $26 |
| 15-year or less, amortizing fixed-rate | — | 45 | 11 |
| Adjustable-rate and other | 1.0 | 142 | 16 |

| | YTD 2026 | | |
|---|---|---|---|
| (Dollars in thousands) | Weighted-Average Interest Rate Reduction | Weighted-Average Months of Term Extension | Weighted-Average Payment Deferral or Principal Forbearance[2] |
| Single-Family: | | | |
| 20- and 30-year or more, amortizing fixed-rate | 0.8 % | 144 | $27 |
| 15-year or less, amortizing fixed-rate | — | 35 | 11 |
| Adjustable-rate and other | NM | 119 | 16 |

| | YTD 2025 | | |
|---|---|---|---|
| (Dollars in thousands) | Weighted-Average Interest Rate Reduction | Weighted-Average Months of Term Extension | Weighted-Average Payment Deferral or Principal Forbearance[2] |
| Single-Family: | | | |
| 20- and 30-year or more, amortizing fixed-rate | 0.6 % | 154 | $21 |
| 15-year or less, amortizing fixed-rate | — | 44 | 10 |
| Adjustable-rate and other | 0.9 | 169 | 13 |

(1) Averages are based on payment deferral plans and loan modifications completed during the periods presented. The financial effects of forbearance plans and repayment plans consist of a payment delay of between one and twelve months. In addition, the financial effect of a forbearance plan is included at the time the forbearance plan is completed if the borrower exits forbearance by entering into a payment deferral plan or loan modification.

(2) Primarily related to payment deferral plans. Amounts are based on non-interest-bearing principal balances on the restructured loans.

The table below provides the amortized cost basis of single-family held-for-investment loans that had a payment default (i.e., loans that became two months delinquent) during the periods presented and had been restructured within the previous 12 months preceding the payment default, when the borrower was experiencing financial difficulty at the time of the restructuring.

**Table 3.11 - Subsequent Defaults of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty[1]**

| | 2Q 2026 | | | |
|---|---|---|---|---|
| (In millions) | Payment Delay | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total |
| Single-Family: | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $1,025 | $945 | $149 | $2,119 |
| 15-year or less, amortizing fixed-rate | 27 | 1 | — | 28 |
| Adjustable-rate and other | 6 | 3 | — | 9 |
| **Total Single-Family** | **$1,058** | **$949** | **$149** | **$2,156** |

| | 2Q 2025 | | | |
|---|---|---|---|---|
| (In millions) | Payment Delay | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total |
| Single-Family: | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $993 | $635 | $24 | $1,652 |
| 15-year or less, amortizing fixed-rate | 30 | — | — | 30 |
| Adjustable-rate and other | 8 | 1 | — | 9 |
| **Total Single-Family** | **$1,031** | **$636** | **$24** | **$1,691** |

| (In millions) | YTD 2026 | | | |
|---|---|---|---|---|
| | Payment Delay | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total |
| Single-Family: | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $1,919 | $1,743 | $257 | $3,919 |
| 15-year or less, amortizing fixed-rate | 46 | 1 | — | 47 |
| Adjustable-rate and other | 15 | 3 | — | 18 |
| **Total Single-Family** | **$1,980** | **$1,747** | **$257** | **$3,984** |

| (In millions) | YTD 2025 | | | |
|---|---|---|---|---|
| | Payment Delay | Payment Delay and Term Extension | Payment Delay, Term Extension, and Interest Rate Reduction | Total |
| Single-Family: | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $1,816 | $1,148 | $32 | $2,996 |
| 15-year or less, amortizing fixed-rate | 60 | — | — | 60 |
| Adjustable-rate and other | 16 | 2 | — | 18 |
| **Total Single-Family** | **$1,892** | **$1,150** | **$32** | **$3,074** |

(1) Excludes forbearance plans and repayment plans as borrowers are typically past due based on the loan's original contractual terms at the time the borrowers enter into these plans.

The table below provides the single-family held-for-investment loan performance in the 12 months after a restructuring involving borrowers experiencing financial difficulty. While a single-family loan is in a forbearance plan or repayment plan, payments continue to be due based on the loan's original contractual terms because the loan has not been permanently modified. As a result, we report single-family loans in forbearance plans and repayment plans as delinquent to the extent that payments are past due based on the loan's original contractual terms. Loans that have been restructured by entering into a payment deferral plan or loan modification are reported as delinquent to the extent that payments are past due based on the loan's restructured terms.

**Table 3.12 - Amortized Cost Basis of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty by Payment Status**

| (In millions) | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| | Current | One Month Past Due | Two Months Past Due | Three Months or More Past Due | Total |
| Single-Family: | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $14,520 | $3,686 | $2,026 | $6,974 | $27,206 |
| 15-year or less, amortizing fixed-rate | 292 | 77 | 43 | 165 | 577 |
| Adjustable-rate and other | 78 | 27 | 14 | 60 | 179 |
| **Total Single-Family** | **$14,890** | **$3,790** | **$2,083** | **$7,199** | **$27,962** |

| (In millions) | June 30, 2025 | | | | |
|---|---|---|---|---|---|
| | Current | One Month Past Due | Two Months Past Due | Three Months or More Past Due | Total |
| Single-Family: | | | | | |
| 20- and 30-year or more, amortizing fixed-rate | $13,871 | $3,371 | $1,828 | $6,840 | $25,910 |
| 15-year or less, amortizing fixed-rate | 353 | 86 | 54 | 191 | 684 |
| Adjustable-rate and other | 79 | 20 | 16 | 71 | 186 |
| **Total Single-Family** | **$14,303** | **$3,477** | **$1,898** | **$7,102** | **$26,780** |

## Non-Cash Investing and Financing Activities

During YTD 2026 and YTD 2025, we acquired $130.1 billion and $122.4 billion, respectively, of loans held-for-investment in exchange for the issuance of debt issued by consolidated trusts in guarantor swap transactions. We received approximately $71.7 billion and $62.3 billion of loans held-for-investment from sellers during YTD 2026 and YTD 2025, respectively, to satisfy advances to lenders that were recorded in other assets on our condensed consolidated balance sheets.

# NOTE 4

## Guarantees and Other Off-Balance Sheet Credit Exposures

### Guarantee Activities

The table below presents information about our mortgage-related guarantees and guarantees of Fannie Mae securities, including the UPB of the loans or securities underlying the guarantee, the maximum potential amount of future payments that we could be required to make under the guarantee, the liability we have recognized on our condensed consolidated balance sheets for the guarantee, and the maximum remaining term of the guarantee. This table does not include our unrecognized guarantees, such as guarantees to consolidated VIEs or to resecuritization trusts that do not expose us to incremental credit risk. We do not believe the potential amount of future payments we could be required to make is representative of the actual payments we will be required to make, or the actual loss we are likely to incur, based on our historical loss experience and after consideration of proceeds from related collateral liquidation, including possible recoveries under credit enhancements.

**Table 4.1 - Financial Guarantees**

| | June 30, 2026 | | | |
|---|---|---|---|---|
| **(Dollars in millions,** terms in years) | **UPB** | **Maximum Exposure** | **Recognized Liability(1)** | **Maximum Remaining Term** |
| Single-Family mortgage-related guarantees: | | | | |
| Nonconsolidated securitization products(2) | $28,936 | $23,731 | $438 | 39 |
| Other mortgage-related guarantees | 6,861 | 6,861 | 82 | 26 |
| **Total Single-Family mortgage-related guarantees** | **35,797** | **30,592** | **520** | |
| Multifamily mortgage-related guarantees: | | | | |
| Nonconsolidated securitization products(2)(3) | 314,464 | 283,834 | 3,221 | 34 |
| Other mortgage-related guarantees | 9,919 | 9,908 | 311 | 32 |
| **Total Multifamily mortgage-related guarantees** | **324,383** | **293,742** | **3,532** | |
| Guarantees of Fannie Mae securities | 95,575 | 95,575 | — | 35 |
| Other | 59 | 368 | — | 29 |

| | December 31, 2025 | | | |
|---|---|---|---|---|
| **(Dollars in millions,** terms in years) | **UPB** | **Maximum Exposure** | **Recognized Liability(1)** | **Maximum Remaining Term** |
| Single-Family mortgage-related guarantees: | | | | |
| Nonconsolidated securitization products(2) | $30,025 | $24,604 | $453 | 40 |
| Other mortgage-related guarantees | 7,212 | 7,212 | 96 | 26 |
| **Total Single-Family mortgage-related guarantees** | **37,237** | **31,816** | **549** | |
| Multifamily mortgage-related guarantees: | | | | |
| Nonconsolidated securitization products(2)(3) | 332,572 | 299,507 | 3,629 | 34 |
| Other mortgage-related guarantees | 10,003 | 9,992 | 332 | 33 |
| **Total Multifamily mortgage-related guarantees** | **342,575** | **309,499** | **3,961** | |
| Guarantees of Fannie Mae securities | 98,370 | 98,370 | — | 36 |
| Other | 64 | 399 | — | 30 |

(1) Excludes allowance for credit losses on off-balance sheet credit exposures. See **Note 5** for additional information on our allowance for credit losses on off-balance sheet credit exposures.

(2) Maximum exposure is based on remaining UPB of the guaranteed securities issued by the VIE.

(3) Maximum exposure to loss excludes the exposure related to advances made by us as guarantor. The outstanding balances of guarantor advances were $0.3 billion and $0.4 billion as of June 30, 2026 and December 31, 2025, respectively.

The table below presents the payment status of the mortgage loans underlying our mortgage-related guarantees.

**Table 4.2 – UPB of Loans Underlying Our Mortgage-Related Guarantees by Payment Status**

| | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| (In millions) | Current | One Month Past Due | Two Months Past Due | Three Months or More Past Due, or in Foreclosure | Total |
| Single-Family | $31,717 | $1,996 | $722 | $1,362 | $35,797 |
| Multifamily | 321,549 | 718 | 271 | 1,845 | 324,383 |
| **Total** | **$353,266** | **$2,714** | **$993** | **$3,207** | **$360,180** |

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| (In millions) | Current | One Month Past Due | Two Months Past Due | Three Months or More Past Due, or in Foreclosure | Total |
| Single-Family | $32,713 | $2,234 | $860 | $1,430 | $37,237 |
| Multifamily | 340,501 | 141 | 218 | 1,715 | 342,575 |
| **Total** | **$373,214** | **$2,375** | **$1,078** | **$3,145** | **$379,812** |

## Other Off-Balance Sheet Credit Exposures

In addition to our guarantees, we enter into other agreements that expose us to off-balance sheet credit risk. These agreements may require us to transfer cash before or upon settlement of our contractual obligation. We recognize an allowance for credit losses for those agreements not measured at fair value or otherwise recognized in the financial statements. Most of these commitments expire in less than one year. See **Note 5** for additional discussion of our allowance for credit losses on our off-balance sheet credit exposures.

The table below presents our other off-balance sheet credit exposures.

**Table 4.3 – Other Off-Balance Sheet Credit Exposures**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Mortgage loan purchase commitments(1) | $15,778 | $14,010 |
| Unsettled securities purchased under agreements to resell, net(2) | 15,752 | 27,811 |
| Other commitments(3) | 3,532 | 3,788 |
| **Total** | **$35,062** | **$45,609** |

(1) Excludes mortgage loan purchase commitments accounted for as derivative instruments. See **Note 8** for additional information on commitments accounted for as derivative instruments.

(2) Net of $4.3 billion and $1.9 billion of unsettled securities sold under agreements to repurchase as of June 30, 2026 and December 31, 2025.

(3) Consists of unfunded portion of revolving lines of credit, liquidity guarantees, and other commitments.

# NOTE 5

## Allowance for Credit Losses

The table below summarizes changes in our allowance for credit losses.

**Table 5.1 - Details of the Allowance for Credit Losses**

| | 2Q 2026 | | | 2Q 2025 | | | YTD 2026 | | | YTD 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (In millions) | Single-Family | Multi-family | Total | Single-Family | Multi-family | Total | Single-Family | Multi-family | Total | Single-Family | Multi-family | Total |
| Beginning balance | $7,228 | $885 | $8,113 | $6,851 | $600 | $7,451 | $7,549 | $956 | $8,505 | $6,691 | $548 | $7,239 |
| Provision (benefit) for credit losses | (846) | (34) | (880) | 622 | 161 | 783 | (1,157) | (43) | (1,200) | 850 | 213 | 1,063 |
| Charge-offs | (181) | (1) | (182) | (96) | (4) | (100) | (359) | (65) | (424) | (287) | (5) | (292) |
| Recoveries collected | 65 | — | 65 | 23 | — | 23 | 125 | 1 | 126 | 50 | 1 | 51 |
| Other(1) | 112 | — | 112 | 116 | — | 116 | 220 | 1 | 221 | 212 | — | 212 |
| **Ending balance** | **$6,378** | **$850** | **$7,228** | **$7,516** | **$757** | **$8,273** | **$6,378** | **$850** | **$7,228** | **$7,516** | **$757** | **$8,273** |
| **Components of the ending balance of the allowance for credit losses:** | | | | | | | | | | | | |
| Mortgage loans held-for-investment | $6,141 | $630 | $6,771 | $7,236 | $493 | $7,729 | | | | | | |
| Other(2) | 237 | 220 | 457 | 280 | 264 | 544 | | | | | | |
| **Total ending balance** | **$6,378** | **$850** | **$7,228** | **$7,516** | **$757** | **$8,273** | | | | | | |

(1) Primarily includes capitalization of past due interest related to non-accrual loans that received payment deferral plans and loan modifications.

(2) Includes allowance for credit losses related to advances of pre-foreclosure costs and off-balance sheet credit exposures.

- **2Q 2026 vs. 2Q 2025 and YTD 2026 vs. YTD 2025 -** The benefit for credit losses for the 2026 periods was primarily due to a credit reserve release in Single-Family driven by updates to our process for generating future house price scenarios. The provision for credit losses for the 2025 periods was primarily driven by a credit reserve build in Single-Family attributable to lower estimated market values of single-family properties based on our internal house price index and lower forecasted house price growth rates.

# NOTE 6

## Investment Securities

The table below summarizes the fair values of our investments in debt securities by classification.

**Table 6.1 - Investment Securities**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Trading securities | $81,938 | $82,096 |
| Available-for-sale securities | 2,404 | 3,316 |
| **Total fair value of investment securities** | **$84,342** | **$85,412** |

## Trading Securities

The table below presents the fair values of our trading securities by major security type. Our non-mortgage-related securities primarily consist of investments in U.S. Treasury securities.

**Table 6.2 - Trading Securities**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Mortgage-related securities | $10,603 | $10,932 |
| Non-mortgage-related securities | 71,335 | 71,164 |
| **Total fair value of trading securities** | **$81,938** | **$82,096** |

The table below provides details of our net trading gains (losses) recognized during the periods presented.

**Table 6.3 - Net Trading Gains (Losses)**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| Net trading gains (losses) | ($517) | $214 | ($948) | $575 |
| Less: Net trading gains (losses) on securities sold | (23) | (7) | (70) | 21 |
| **Net trading gains (losses) related to securities still held at period end** | **($494)** | **$221** | **($878)** | **$554** |

## Available-for-Sale Securities

At both June 30, 2026 and December 31, 2025, all available-for-sale securities were mortgage-related securities.

The table below provides details of the securities classified as available-for-sale on our condensed consolidated balance sheets.

**Table 6.4 - Available-for-Sale Securities**

| | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| (In millions) | Amortized Cost Basis | Gross Unrealized Gains in Other Comprehensive Income | Gross Unrealized Losses in Other Comprehensive Income | Fair Value | Accrued Interest Receivable |
| Agency mortgage-related securities | $1,871 | $9 | ($36) | $1,844 | $4 |
| Other mortgage-related securities | 392 | 189 | (21) | 560 | 6 |
| **Total available-for-sale securities** | **$2,263** | **$198** | **($57)** | **$2,404** | **$10** |

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| (In millions) | Amortized Cost Basis | Gross Unrealized Gains in Other Comprehensive Income | Gross Unrealized Losses in Other Comprehensive Income | Fair Value | Accrued Interest Receivable |
| Agency mortgage-related securities | $2,726 | $16 | ($40) | $2,702 | $6 |
| Other mortgage-related securities | 423 | 209 | (18) | 614 | 7 |
| **Total available-for-sale securities** | **$3,149** | **$225** | **($58)** | **$3,316** | **$13** |

The fair value of our available-for-sale securities held at June 30, 2026 scheduled to contractually mature after five years through ten years was $0.4 billion, with an additional $1.2 billion scheduled to contractually mature after ten years.

The table below presents available-for-sale securities in a gross unrealized loss position and whether such securities have been in an unrealized loss position for less than 12 months, or 12 months or greater.

**Table 6.5 - Available-for-Sale Securities in a Gross Unrealized Loss Position**

| | June 30, 2026 | | | |
|---|---|---|---|---|
| | Less than 12 Months | | 12 Months or Greater | |
| (In millions) | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| Agency mortgage-related securities | $168 | ($1) | $989 | ($35) |
| Other mortgage-related securities | 81 | (1) | 19 | (20) |
| **Total available-for-sale securities in a gross unrealized loss position** | **$249** | **($2)** | **$1,008** | **($55)** |

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Less than 12 Months | | 12 Months or Greater | |
| (In millions) | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| Agency mortgage-related securities | $178 | $— | $1,713 | ($40) |
| Other mortgage-related securities | 43 | — | 22 | (18) |
| **Total available-for-sale securities in a gross unrealized loss position** | **$221** | **$—** | **$1,735** | **($58)** |

At June 30, 2026, the gross unrealized losses in the table above relate to 103 securities.

The table below summarizes the total proceeds, gross realized gains, and gross realized losses from sales of available-for-sale securities.

**Table 6.6 - Total Proceeds, Gross Realized Gains, and Gross Realized Losses from Sales of Available-for-Sale Securities**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| Gross realized gains | $1 | $1 | 1 | $1 |
| Gross realized losses | (15) | (1) | (16) | (1) |
| **Net realized gains (losses)** | **($14)** | **$—** | **($15)** | **$—** |
| **Total proceeds** | **$409** | **$797** | **$690** | **$797** |

## Non-Cash Investing and Financing Activities

During YTD 2025, we derecognized $1.5 billion of mortgage-related securities and debt of consolidated trusts where we were no longer deemed the primary beneficiary. There was no such activity during YTD 2026.

During 2Q 2026, we purchased $0.3 billion and sold $0.2 billion of non-mortgage-related securities that were traded, but not settled at June 30, 2026. We settled our purchase and sale obligations during 3Q 2026.

# NOTE 7

# Short-term and Long-term Debt

## Short-term Debt

The table below summarizes the balances and effective interest rates for our short-term debt (debt with original maturities of one year or less).

**Table 7.1 - Short-term Debt[1]**

| (Dollars in millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Par value | $18,084 | $37,867 |
| Carrying amount | 17,984 | 37,718 |
| Weighted average effective rate | 3.63 % | 3.82 % |

(1) Includes $0.5 billion and $3.0 billion of callable debt as of June 30, 2026 and December 31, 2025, respectively.

## Long-term Debt

The table below summarizes our long-term debt (debt with original maturities of more than one year).

**Table 7.2 - Long-term Debt**

| | June 30, 2026 | | | | December 31, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| (Dollars in millions) | Contractual Maturity | Par Value | Carrying Amount[1] | Weighted Average Effective Rate[2] | Contractual Maturity | Par Value | Carrying Amount[1] | Weighted Average Effective Rate[2] |
| Fixed-rate[3] | 2026 - 2056 | $104,647 | $102,137 | 3.63 % | 2026 - 2054 | $92,236 | $90,104 | 3.62 % |
| Variable-rate[4] | 2026 - 2036 | 58,439 | 58,421 | 4.58 | 2026 - 2035 | 76,008 | 75,991 | 4.74 |
| Zero-coupon | 2027 - 2039 | 3,904 | 2,671 | 4.74 | 2026 - 2039 | 3,904 | 2,610 | 4.73 |
| Other[5] | 2029 - 2053 | 465 | 516 | 7.88 | 2028 - 2053 | 546 | 591 | 8.95 |
| **Total long-term debt** | | **$167,455** | **$163,745** | **4.00** | | **$172,694** | **$169,296** | **4.15** |

(1) Represents par value, net of associated discounts or premiums and issuance costs. Includes $0.2 billion at both June 30, 2026 and December 31, 2025, respectively, of long-term debt that represents the fair value of debt for which the fair value option was elected. Includes hedge-related basis adjustments.

(2) Based on carrying amount. Excludes hedge-related basis adjustments.

(3) Includes $96.8 billion and $84.4 billion of callable debt as of June 30, 2026 and December 31, 2025, respectively.

(4) Includes $0.8 billion and $0.7 billion of callable debt as of June 30, 2026 and December 31, 2025, respectively.

(5) Includes STACR debt notes, SCR debt notes, and IO debt.

A portion of our long-term debt is callable. Callable debt gives us the option to redeem the debt security at par on one or more specified call dates or at any time on or after a specified call date.

The table below summarizes contractual maturities of long-term debt securities at June 30, 2026.

**Table 7.3 - Contractual Maturities of Long-term Debt[1]**

| (In millions) | Par Value |
|---|---|
| 2026 | $24,663 |
| 2027 | 47,291 |
| 2028 | 20,425 |
| 2029 | 18,618 |
| 2030 | 23,933 |
| Thereafter | 32,060 |
| **Total** | **$166,990** |

(1) Excludes $0.5 billion of STACR debt notes and SCR debt notes. Contractual maturities of these debt securities are not presented because they are subject to prepayment risk, as their payments are based upon the performance of a pool of mortgage assets that may be prepaid by the related mortgage borrowers at any time generally without penalty.

# NOTE 8

## Derivatives

### Derivative Assets and Liabilities at Fair Value

The table below presents the notional value and fair value of derivatives reported on our condensed consolidated balance sheets.

**Table 8.1 - Derivative Assets and Liabilities at Fair Value**

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | Notional or Contractual Amount | Derivative Assets | Derivative Liabilities | Notional or Contractual Amount | Derivative Assets | Derivative Liabilities |
| **Not designated as hedges** | | | | | | |
| Interest-rate risk management derivatives: | | | | | | |
| Swaps | $621,553 | $1,160 | ($230) | $557,848 | $1,148 | ($306) |
| Written options | 68,480 | — | (1,420) | 40,480 | — | (1,459) |
| Purchased options | 120,970 | 4,291 | — | 108,030 | 3,893 | — |
| Futures | 87,338 | — | — | 87,007 | — | — |
| **Total interest-rate risk management derivatives** | **898,341** | **5,451** | **(1,650)** | **793,365** | **5,041** | **(1,765)** |
| Mortgage commitment derivatives | 82,420 | 39 | (23) | 57,170 | 28 | (15) |
| CRT-related derivatives[1] | 26,193 | — | (106) | 26,883 | — | (155) |
| Other | 39,864 | 50 | (703) | 31,096 | 73 | (601) |
| **Total derivatives not designated as hedges** | **1,046,818** | **5,540** | **(2,482)** | **908,514** | **5,142** | **(2,536)** |
| **Designated as fair value hedges** | | | | | | |
| Interest-rate risk management derivatives: | | | | | | |
| Swaps | 124,759 | 135 | (2,390) | 125,908 | 198 | (2,224) |
| **Total derivatives designated as fair value hedges** | **124,759** | **135** | **(2,390)** | **125,908** | **198** | **(2,224)** |
| Receivables (payables) | | 199 | — | | 107 | — |
| Netting adjustments[2] | | (4,014) | 3,999 | | (3,981) | 3,979 |
| **Total derivatives portfolio, net** | **$1,171,577** | **$1,860** | **($873)** | **$1,034,422** | **$1,466** | **($781)** |

(1) Includes derivative instruments related to CRT transactions that are considered freestanding credit enhancements.

(2) Represents counterparty netting and cash collateral netting.

# Derivatives Counterparty Credit Risk

The table below presents offsetting and collateral information related to derivatives which are subject to enforceable master netting agreements or similar arrangements.

**Table 8.2 - Offsetting of Derivatives**

| | June 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| (In millions) | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities |
| OTC derivatives | $5,588 | ($4,031) | $5,247 | ($3,989) |
| Cleared and exchange-traded derivatives | 134 | (8) | 77 | — |
| Mortgage commitment derivatives | 103 | (23) | 50 | (15) |
| Other | 49 | (810) | 73 | (756) |
| **Total derivatives** | **5,874** | **(4,872)** | **5,447** | **(4,760)** |
| Counterparty netting | (2,998) | 2,998 | (2,998) | 2,998 |
| Cash collateral netting[1] | (1,016) | 1,001 | (983) | 981 |
| **Net amount presented in the condensed consolidated balance sheets** | **1,860** | **(873)** | **1,466** | **(781)** |
| Gross amount not offset in the condensed consolidated balance sheets[2] | (1,493) | 29 | (1,155) | — |
| **Net amount** | **$367** | **($844)** | **$311** | **($781)** |

(1) Excess cash collateral held is presented as a derivative liability, while excess cash collateral posted is presented as a derivative asset.

(2) Does not include the fair value amount of non-cash collateral posted or held that exceeds the associated net asset or liability, netted by counterparty, presented on the condensed consolidated balance sheets.

# Gains and Losses on Derivatives

The table below presents the gains and losses on derivatives not designated in qualifying hedge relationships. These amounts are reported on our condensed consolidated statements of income as investment gains, net.

**Table 8.3 - Gains and Losses on Derivatives**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| Interest-rate risk management derivatives: | | | | |
| Swaps | $178 | ($98) | $481 | ($415) |
| Written options | 79 | 94 | 73 | 220 |
| Purchased options | (159) | (141) | (144) | (357) |
| Futures | 96 | (10) | 167 | (176) |
| **Total interest-rate risk management derivatives fair value gains (losses)** | **194** | **(155)** | **577** | **(728)** |
| Mortgage commitment derivatives | (60) | (75) | 162 | (183) |
| CRT-related derivatives[1] | 24 | (28) | 56 | 16 |
| Other | (20) | 51 | (103) | 162 |
| **Total derivatives not designated as hedges fair value gains (losses)** | **$138** | **($207)** | **$692** | **($733)** |

(1) Includes derivative instruments related to CRT transactions that are considered freestanding credit enhancements.

# Hedge Accounting

The table below presents the effects of fair value hedge accounting by condensed consolidated statements of income line item, including the gains and losses on derivatives and hedged items designated in qualifying hedge relationships and other components due to the application of hedge accounting.

**Table 8.4 - Gains and Losses on Fair Value Hedges**

| | 2Q 2026 | | 2Q 2025 | |
|---|---|---|---|---|
| (In millions) | Interest Income | Interest Expense | Interest Income | Interest Expense |
| Total amounts of income and expense line items presented in our condensed consolidated statements of income in which the effects of fair value hedges are recorded: | $34,275 | ($28,265) | $32,048 | ($26,749) |
| Interest contracts on mortgage loans held-for-investment: | | | | |
| Gain (loss) on fair value hedging relationships: | | | | |
| Hedged items | (372) | — | 328 | — |
| Derivatives designated as hedging instruments | 366 | — | (341) | — |
| Interest accruals on hedging instruments | 38 | — | 123 | — |
| Discontinued hedge related basis adjustments amortization | 74 | — | 70 | — |
| Interest contracts on debt[1]: | | | | |
| Gain (loss) on fair value hedging relationships: | | | | |
| Hedged items | — | 132 | — | (607) |
| Derivatives designated as hedging instruments | — | (110) | — | 611 |
| Interest accruals on hedging instruments | — | (107) | — | (466) |
| Discontinued hedge related basis adjustment amortization | — | — | — | (1) |
| **Total impact of fair value hedge accounting** | **$106** | **($85)** | **$180** | **($463)** |

| | YTD 2026 | | YTD 2025 | |
|---|---|---|---|---|
| (In millions) | Interest Income | Interest Expense | Interest Income | Interest Expense |
| Total amounts of income and expense line items presented in our condensed consolidated statements of income in which the effects of fair value hedges are recorded: | $67,925 | ($56,296) | $63,413 | ($53,012) |
| Interest contracts on mortgage loans held-for-investment: | | | | |
| Gain (loss) on fair value hedging relationships: | | | | |
| Hedged items | (543) | — | 1,023 | — |
| Derivatives designated as hedging instruments | 439 | — | (1,113) | — |
| Interest accruals on hedging instruments | 94 | — | 252 | — |
| Discontinued hedge related basis adjustments amortization | 127 | — | 136 | — |
| Interest contracts on debt[1]: | | | | |
| Gain (loss) on fair value hedging relationships: | | | | |
| Hedged items | — | 372 | — | (1,408) |
| Derivatives designated as hedging instruments | — | (341) | — | 1,422 |
| Interest accruals on hedging instruments | — | (222) | — | (944) |
| Discontinued hedge related basis adjustment amortization | — | 1 | — | (12) |
| **Total impact of fair value hedge accounting** | **$117** | **($190)** | **$298** | **($942)** |

(1) Represents amounts primarily related to long-term debt on our condensed consolidated balance sheets.

The table below presents the cumulative basis adjustments and the carrying amounts of the hedged item by its respective balance sheet line item.

**Table 8.5 - Cumulative Basis Adjustments Due to Fair Value Hedging**

| | June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | | Cumulative Amount of Fair Value Hedging Basis Adjustment Included in the Carrying Amount | | | Closed Portfolio Under the Portfolio Layer Method | |
| (In millions) | Carrying Amount Assets / (Liabilities) | Total | Under the Portfolio Layer Method | Discontinued - Hedge Related | Total Amount by Amortized Cost Basis | Designated Amount by UPB |
| Mortgage loans held-for-investment | $1,046,082 | ($3,185) | ($450) | ($2,735) | $41,952 | $8,585 |
| Debt[(1)] | (87,230) | 2,449 | — | 17 | — | — |

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | | Cumulative Amount of Fair Value Hedging Basis Adjustment Included in the Carrying Amount | | | Closed Portfolio Under the Portfolio Layer Method | |
| (In millions) | Carrying Amount Assets / (Liabilities) | Total | Under the Portfolio Layer Method | Discontinued - Hedge Related | Total Amount by Amortized Cost Basis | Designated Amount by UPB |
| Mortgage loans held-for-investment | $1,084,479 | ($2,768) | ($330) | ($2,438) | $44,826 | $8,585 |
| Debt[(1)] | (68,285) | 2,054 | — | 15 | — | — |

(1) Represents amounts primarily related to long-term debt on our condensed consolidated balance sheets.

# NOTE 9

## Collateralized Agreements

### Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

The table below presents offsetting and collateral information related to securities purchased under agreements to resell, and securities sold under agreements to repurchase, which are subject to enforceable master netting agreements or similar arrangements.

**Table 9.1 - Offsetting and Collateral Information of Certain Financial Assets and Liabilities**

| | June 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| (In millions) | Securities Purchased Under Agreements to Resell | Securities Sold Under Agreements to Repurchase | Securities Purchased Under Agreements to Resell | Securities Sold Under Agreements to Repurchase |
| Gross amount recognized | $57,089 | ($4,683) | $78,378 | ($6,459) |
| Amount offset in the condensed consolidated balance sheets | (4,683) | 4,683 | (6,459) | 6,459 |
| **Net amount presented in the condensed consolidated balance sheets** | **52,406** | **—** | **71,919** | **—** |
| Gross amount not offset in the condensed consolidated balance sheets(1) | (52,406) | — | (71,919) | — |
| **Net amount** | **$—** | **$—** | **$—** | **$—** |

(1) For securities purchased under agreements to resell, includes $57.0 billion and $78.3 billion of collateral that we had the right to repledge as of June 30, 2026 and December 31, 2025, respectively. We did not repledge collateral as of June 30, 2026 or December 31, 2025.

The table below presents the remaining contractual maturity of our gross obligations for our securities sold under agreements to repurchase. The collateral for such obligations consisted primarily of U.S. Treasury securities.

**Table 9.2 - Remaining Contractual Maturity**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Overnight and continuous | $4,683 | $— |
| 30 days or less | — | 6,459 |
| After 30 days through 90 days | — | — |
| Greater than 90 days | — | — |
| **Total** | **$4,683** | **$6,459** |

### Collateral Pledged

The table below summarizes the fair value of the securities pledged as collateral by us for derivatives and collateralized borrowing transactions, including securities that the secured party may repledge, and for regulatory requirements.

**Table 9.3 - Collateral in the Form of Securities Pledged**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Trading securities | $8,996 | $11,159 |

# NOTE 10

## Net Interest Income

The table below presents the components of net interest income per our condensed consolidated statements of income.

**Table 10.1 - Components of Net Interest Income**

| (In millions) | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| Interest income | | | | |
| Mortgage loans | $32,619 | $29,901 | $64,551 | $59,296 |
| Investment securities | 876 | 845 | 1,709 | 1,465 |
| Securities purchased under agreements to resell | 684 | 1,186 | 1,482 | 2,426 |
| Other | 96 | 116 | 183 | 226 |
| **Total interest income** | **34,275** | **32,048** | **67,925** | **63,413** |
| Interest expense | | | | |
| Debt issued by consolidated trusts | (26,384) | (24,492) | (52,385) | (48,551) |
| Short-term debt | (179) | (177) | (454) | (338) |
| Long-term debt | (1,646) | (2,025) | (3,348) | (4,025) |
| Securities sold under agreements to repurchase | (56) | (55) | (109) | (98) |
| **Total interest expense** | **(28,265)** | **(26,749)** | **(56,296)** | **(53,012)** |
| **Net interest income** | **6,010** | **5,299** | **11,629** | **10,401** |
| (Provision) benefit for credit losses | 880 | (783) | 1,200 | (1,063) |
| **Net interest income after (provision) benefit for credit losses** | **$6,890** | **$4,516** | **$12,829** | **$9,338** |

# NOTE 11

## Segment Reporting

As shown in the table below, we have two reportable segments, Single-Family and Multifamily.

| Segment | Description |
|---|---|
| **Single-Family** | Reflects results from our purchase, securitization, and guarantee of single-family loans, our investments in single-family loans and mortgage-related securities, the management of Single-Family mortgage credit risk and market risk, and any results of our treasury function that are not allocated to each segment. |
| **Multifamily** | Reflects results from our purchase, securitization, and guarantee of multifamily loans, our investments in multifamily loans and mortgage-related securities, and the management of Multifamily mortgage credit risk and market risk. |

## Segment Results

The table below presents the financial results for our Single-Family and Multifamily segments.

**Table 11.1 - Segment Financial Results**

| | 2Q 2026 | | | 2Q 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | Single-Family | Multifamily | Total | Single-Family | Multifamily | Total |
| **Net interest income** | | | | | | |
| Interest income | $31,988 | $2,287 | $34,275 | $30,641 | $1,407 | $32,048 |
| Interest expense | (26,539) | (1,726) | (28,265) | (25,743) | (1,006) | (26,749) |
| **Net interest income** | **5,449** | **561** | **6,010** | **4,898** | **401** | **5,299** |
| **Non-interest income (loss)** | | | | | | |
| Guarantee income | 19 | 269 | 288 | 33 | 365 | 398 |
| Investment gains (losses), net | (438) | 12 | (426) | 142 | (23) | 119 |
| Other income | 70 | 49 | 119 | 62 | 38 | 100 |
| **Non-interest income (loss)** | **(349)** | **330** | **(19)** | **237** | **380** | **617** |
| **Net revenues** | **5,100** | **891** | **5,991** | **5,135** | **781** | **5,916** |
| (Provision) benefit for credit losses | 846 | 34 | 880 | (622) | (161) | (783) |
| **Non-interest expense** | | | | | | |
| Administrative expense[1] | (522) | (154) | (676) | (575) | (173) | (748) |
| Credit enhancement expense | (445) | (62) | (507) | (464) | (47) | (511) |
| Legislative and regulatory assessments | (827) | (13) | (840) | (813) | (12) | (825) |
| Other expense | (76) | 2 | (74) | (53) | (21) | (74) |
| **Non-interest expense** | **(1,870)** | **(227)** | **(2,097)** | **(1,905)** | **(253)** | **(2,158)** |
| **Income before income tax expense** | **4,076** | **698** | **4,774** | **2,608** | **367** | **2,975** |
| Income tax expense | (799) | (137) | (936) | (516) | (72) | (588) |
| **Net income** | **3,277** | **561** | **3,838** | **2,092** | **295** | **2,387** |
| Other comprehensive income (loss), net of taxes and reclassification adjustments | 3 | 6 | 9 | 9 | 12 | 21 |
| **Comprehensive income** | **$3,280** | **$567** | **$3,847** | **$2,101** | **$307** | **$2,408** |

| (In millions) | YTD 2026 Single-Family | YTD 2026 Multifamily | YTD 2026 Total | YTD 2025 Single-Family | YTD 2025 Multifamily | YTD 2025 Total |
|---|---|---|---|---|---|---|
| **Net interest income** | | | | | | |
| Interest income | $63,558 | $4,367 | $67,925 | $60,687 | $2,726 | $63,413 |
| Interest expense | (52,989) | (3,307) | (56,296) | (51,036) | (1,976) | (53,012) |
| **Net interest income** | **10,569** | **1,060** | **11,629** | **9,651** | **750** | **10,401** |
| **Non-interest income (loss)** | | | | | | |
| Guarantee income | 39 | 569 | 608 | 56 | 782 | 838 |
| Investment gains (losses), net | (504) | 120 | (384) | 203 | 108 | 311 |
| Other income | 171 | 100 | 271 | 143 | 75 | 218 |
| **Non-interest income (loss)** | **(294)** | **789** | **495** | **402** | **965** | **1,367** |
| **Net revenues** | **10,275** | **1,849** | **12,124** | **10,053** | **1,715** | **11,768** |
| (Provision) benefit for credit losses | 1,157 | 43 | 1,200 | (850) | (213) | (1,063) |
| **Non-interest expense** | | | | | | |
| Administrative expense[1] | (1,004) | (298) | (1,302) | (1,098) | (326) | (1,424) |
| Credit enhancement expense | (831) | (117) | (948) | (955) | (96) | (1,051) |
| Legislative and regulatory assessments | (1,648) | (24) | (1,672) | (1,620) | (22) | (1,642) |
| Other expense | (167) | (30) | (197) | (103) | (26) | (129) |
| **Non-interest expense** | **(3,650)** | **(469)** | **(4,119)** | **(3,776)** | **(470)** | **(4,246)** |
| **Income before income tax expense** | **7,782** | **1,423** | **9,205** | **5,427** | **1,032** | **6,459** |
| Income tax expense | (1,529) | (280) | (1,809) | (1,074) | (204) | (1,278) |
| **Net income** | **6,253** | **1,143** | **7,396** | **4,353** | **828** | **5,181** |
| Other comprehensive income (loss), net of taxes and reclassification adjustments | (10) | (1) | (11) | 17 | 38 | 55 |
| **Comprehensive income** | **$6,243** | **$1,142** | **$7,385** | **$4,370** | **$866** | **$5,236** |

(1) Includes salaries and employee benefits and professional services, technology, and occupancy.

The table below presents total assets for our Single-Family and Multifamily segments.

**Table 11.2 - Segment Assets**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Single-Family | $3,172,304 | $3,156,290 |
| Multifamily | 504,970 | 495,835 |
| **Total segment assets** | **3,677,274** | **3,652,125** |
| Reconciling items[1] | (158,959) | (154,527) |
| **Total assets per condensed consolidated balance sheets** | **$3,518,315** | **$3,497,598** |

(1) Reconciling items include (1) assets in our mortgage portfolio that are not recognized on our condensed consolidated balance sheets and (2) assets recognized on our condensed consolidated balance sheets that are not allocated to the reportable segments.

# NOTE 12

## Concentration of Credit and Other Risks

### Single-Family Mortgage Portfolio

The table below summarizes the concentration by geographic area of our Single-Family mortgage portfolio. See **Note 2**, **Note 3**, **Note 4**, and **Note 5** for additional information about credit risk associated with single-family loans that we hold or guarantee.

**Table 12.1 - Concentration of Credit Risk of Our Single-Family Mortgage Portfolio**

| | June 30, 2026 | | |
|---|---|---|---|
| (Dollars in millions) | Portfolio UPB(1) | % of Portfolio | SDQ Rate |
| **Region:**(2) | | | |
| West | $922,030 | 29 % | 0.47 % |
| Northeast | 732,103 | 23 | 0.63 |
| Southeast | 569,212 | 18 | 0.69 |
| Southwest | 481,976 | 15 | 0.64 |
| North Central | 466,685 | 15 | 0.60 |
| **Total** | **$3,172,006** | **100 %** | **0.60** |
| **State:** | | | |
| California | $507,190 | 16 % | 0.46 % |
| Texas | 231,131 | 7 | 0.72 |
| Florida | 214,660 | 7 | 0.83 |
| New York | 139,558 | 4 | 0.82 |
| Illinois | 118,733 | 4 | 0.72 |
| All other | 1,960,734 | 62 | 0.57 |
| **Total** | **$3,172,006** | **100 %** | **0.60** |

(1) Excludes UPB of loans underlying certain securitization products for which data was not available.

(2) Region designation: West (AK, AS, AZ, CA, GU, HI, ID, MP, MT, NV, OR, UT, WA); Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, U.S. VI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI).

## Multifamily Mortgage Portfolio

The table below summarizes the concentration by geographic area of our Multifamily mortgage portfolio. See **Note 2**, **Note 3**, **Note 4**, and **Note 5** for additional information about credit risk associated with multifamily loans that we hold or guarantee.

**Table 12.2 - Concentration of Credit Risk of Our Multifamily Mortgage Portfolio**

| | June 30, 2026 | | |
|---|---|---|---|
| (Dollars in millions) | Portfolio UPB | % of Portfolio | Delinquency Rate[1] |
| **Region[2][3]:** | | | |
| Northeast | $129,249 | 26 % | 0.92 % |
| West | 116,794 | 23 | 0.24 |
| Southeast | 107,410 | 21 | 0.19 |
| Southwest | 97,901 | 19 | 0.72 |
| North Central | 53,616 | 11 | 0.37 |
| **Total** | **$504,970** | **100 %** | **0.51** |
| **State[3]:** | | | |
| California | $62,776 | 12 % | 0.25 |
| Texas | 61,184 | 12 | 0.74 |
| Florida | 46,035 | 9 | 0.12 |
| New York | 40,673 | 8 | 2.14 |
| Georgia | 22,200 | 4 | 0.19 |
| All other | 272,102 | 55 | 0.37 |
| **Total** | **$504,970** | **100 %** | **0.51** |

(1) Based on loans two monthly payments or more delinquent or in foreclosure.

(2) Region designation: Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); West (AK, AS, AZ, CA, GU, HI, ID, MP, MT, NV, OR, UT, WA); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, U.S. VI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI).

(3) Loans collateralized by properties located in multiple regions or states are reported entirely in the region or state with the largest UPB as of origination.

# NOTE 13

## Fair Value Disclosures

We use fair value measurements for the initial recording of certain assets and liabilities and periodic remeasurement of certain assets and liabilities on a recurring or non-recurring basis.

## Assets and Liabilities Measured at Fair Value on a Recurring Basis

The table below presents our assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis subsequent to initial recognition, including instruments where we have elected the fair value option.

**Table 13.1 - Assets and Liabilities Measured at Fair Value on a Recurring Basis**

| | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| (In millions) | Level 1 | Level 2 | Level 3 | Netting Adjustments[1] | Total |
| **Assets:** | | | | | |
| Investment securities: | | | | | |
| Available-for-sale | $— | $1,788 | $616 | $— | $2,404 |
| Trading: | | | | | |
| Mortgage-related securities | — | 8,105 | 2,498 | — | 10,603 |
| Non-mortgage-related securities | 71,161 | 174 | — | — | 71,335 |
| **Total trading securities** | **71,161** | **8,279** | **2,498** | **—** | **81,938** |
| **Total investment securities** | **71,161** | **10,067** | **3,114** | **—** | **84,342** |
| Mortgage loans held-for-sale | — | — | 2 | — | 2 |
| Mortgage loans held-for-investment | — | 5,925 | 822 | — | 6,747 |
| Other assets: | | | | | |
| Guarantee assets | — | — | 4,247 | — | 4,247 |
| Derivative assets, net | 2 | 5,624 | 49 | (3,815) | 1,860 |
| Other assets | — | — | 244 | — | 244 |
| **Total other assets** | **2** | **5,624** | **4,540** | **(3,815)** | **6,351** |
| **Total assets carried at fair value on a recurring basis** | **$71,163** | **$21,616** | **$8,478** | **($3,815)** | **$97,442** |
| **Liabilities:** | | | | | |
| Debt issued by consolidated trusts | $— | $5,939 | $52 | $— | $5,991 |
| Long-term debt | — | 120 | 56 | — | 176 |
| Other liabilities: | | | | | |
| Derivative liabilities, net | 8 | 4,734 | 130 | (3,999) | 873 |
| **Total liabilities carried at fair value on a recurring basis** | **$8** | **$10,793** | **$238** | **($3,999)** | **$7,040** |

| (In millions) | Level 1 | Level 2 | Level 3 | Netting Adjustments[1] | Total |
|---|---|---|---|---|---|
| | December 31, 2025 | | | | |
| **Assets:** | | | | | |
| Investment securities: | | | | | |
| Available-for-sale | $— | $2,616 | $700 | $— | $3,316 |
| Trading: | | | | | |
| Mortgage-related securities | — | 8,146 | 2,786 | — | 10,932 |
| Non-mortgage-related securities | 70,916 | 248 | — | — | 71,164 |
| **Total trading securities** | **70,916** | **8,394** | **2,786** | **—** | **82,096** |
| **Total investment securities** | **70,916** | **11,010** | **3,486** | **—** | **85,412** |
| Mortgage loans held-for-investment | — | 5,587 | 1,418 | — | 7,005 |
| Other assets: | | | | | |
| Guarantee assets | — | — | 4,728 | — | 4,728 |
| Derivative assets, net | 5 | 5,261 | 74 | (3,874) | 1,466 |
| Other assets | — | — | 227 | — | 227 |
| **Total other assets** | **5** | **5,261** | **5,029** | **(3,874)** | **6,421** |
| **Total assets carried at fair value on a recurring basis** | **$70,921** | **$21,858** | **$9,933** | **($3,874)** | **$98,838** |
| **Liabilities:** | | | | | |
| Debt issued by consolidated trusts | $— | $5,808 | $33 | $— | $5,841 |
| Long-term debt | — | 125 | 70 | — | 195 |
| Other liabilities: | | | | | |
| Derivative liabilities, net | — | 4,708 | 52 | (3,979) | 781 |
| **Total liabilities carried at fair value on a recurring basis** | **$—** | **$10,641** | **$155** | **($3,979)** | **$6,817** |

(1) Represents counterparty netting and cash collateral netting, and includes accrued interest receivable and payable.

# Level 3 Fair Value Measurements

The table below presents a reconciliation of all assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis using significant unobservable inputs (Level 3), including transfers into and out of Level 3. The table also presents gains and losses due to changes in fair value, including both realized and unrealized gains and losses, recognized on our condensed consolidated statements of income for Level 3 assets and liabilities.

**Table 13.2 - Fair Value Measurements of Assets and Liabilities Using Significant Unobservable Inputs**

| | 2Q 2026 | | | | |
|---|---|---|---|---|---|
| (In millions) | Investment Securities | Mortgage Loans Held-for-Sale | Mortgage Loans Held-for-Investment | Other Assets | Total Liabilities |
| **Balance at April 1, 2026** | **$3,325** | **$—** | **$716** | **$4,793** | **$198** |
| Total realized/unrealized gains/losses[1] | | | | | |
| Included in earnings | (155) | (2) | (64) | (61) | (16) |
| Included in other comprehensive income | (1) | — | — | — | — |
| Purchases | — | — | — | (3) | — |
| Issues | — | — | — | 34 | 64 |
| Sales | — | — | — | — | — |
| Settlements, net | (55) | — | (7) | (223) | (8) |
| Transfers into Level 3 | — | 4 | 267 | — | — |
| Transfers out of Level 3 | — | — | (90) | — | — |
| **Balance at June 30, 2026** | **$3,114** | **$2** | **$822** | **$4,540** | **$238** |
| Change in unrealized gains/losses[1] included in net income related to assets and liabilities still held as of June 30, 2026[2] | ($67) | ($2) | ($64) | ($63) | $7 |
| Change in unrealized gains/losses[1], net of tax, included in OCI related to assets and liabilities still held as of June 30, 2026 | (1) | — | — | — | — |

| | YTD 2026 | | | | |
|---|---|---|---|---|---|
| (In millions) | Investment Securities | Mortgage Loans Held-for-Sale | Mortgage Loans Held-for-Investment | Other Assets | Total Liabilities |
| **Balance at January 1, 2026** | **$3,486** | **$—** | **$1,418** | **$5,029** | **$155** |
| Total realized/unrealized gains/losses[1] | | | | | |
| Included in earnings | (240) | (2) | (70) | (87) | 4 |
| Included in other comprehensive income | (23) | — | — | — | — |
| Purchases | 21 | — | — | (15) | — |
| Issues | — | — | — | 53 | 84 |
| Sales | — | — | — | — | — |
| Settlements, net | (130) | — | (64) | (440) | (5) |
| Transfers into Level 3 | — | 4 | 306 | — | — |
| Transfers out of Level 3 | — | — | (768) | — | — |
| **Balance at June 30, 2026** | **$3,114** | **$2** | **$822** | **$4,540** | **$238** |
| Change in unrealized gains/losses[1] included in net income related to assets and liabilities still held as of June 30, 2026[2] | ($87) | ($2) | ($75) | ($91) | $18 |
| Change in unrealized gains/losses[1], net of tax, included in OCI related to assets and liabilities still held as of June 30, 2026 | (18) | — | — | — | — |

| | 2Q 2025 | | | | |
|---|---|---|---|---|---|
| **(In millions)** | **Investment Securities** | **Mortgage Loans Held-for-Sale** | **Mortgage Loans Held-for-Investment** | **Other Assets** | **Total Liabilities** |
| **Balance at April 1, 2025** | **$3,644** | **$155** | **$737** | **$5,391** | **$204** |
| Total realized/unrealized gains/losses[1] | | | | | |
| Included in earnings | (43) | — | (5) | 65 | (30) |
| Included in other comprehensive income | 7 | — | — | — | — |
| Purchases | 202 | — | — | (9) | — |
| Issues | — | — | — | 156 | — |
| Sales | — | — | — | (2) | — |
| Settlements, net | (48) | — | (14) | (260) | (4) |
| Transfers into Level 3 | — | — | 271 | — | — |
| Transfers out of Level 3 | — | (155) | (5) | — | — |
| **Balance at June 30, 2025** | **$3,762** | **$—** | **$984** | **$5,341** | **$170** |
| Change in unrealized gains/losses[1] included in net income related to assets and liabilities still held as of June 30, 2025[2] | $62 | $— | ($5) | $65 | ($30) |
| Change in unrealized gains/losses[1], net of tax, included in OCI related to assets and liabilities still held as of June 30, 2025 | 6 | — | — | — | — |

| | YTD 2025 | | | | |
|---|---|---|---|---|---|
| **(In millions)** | **Investment Securities** | **Mortgage Loans Held-for-Sale** | **Mortgage Loans Held-for-Investment** | **Other Assets** | **Total Liabilities** |
| **Balance at January 1, 2025** | **$3,610** | **$1,295** | **$841** | **$5,439** | **$241** |
| Total realized/unrealized gains/losses[1] | | | | | |
| Included in earnings | (60) | 3 | 5 | 144 | (67) |
| Included in other comprehensive income | 12 | — | — | — | — |
| Purchases | 289 | 32 | — | (9) | — |
| Issues | — | — | — | 309 | 3 |
| Sales | — | — | — | (8) | — |
| Settlements, net | (89) | — | (69) | (534) | (6) |
| Transfers into Level 3 | — | — | 302 | — | 17 |
| Transfers out of Level 3[3] | — | (1,330) | (95) | — | (18) |
| **Balance at June 30, 2025** | **$3,762** | **$—** | **$984** | **$5,341** | **$170** |
| Change in unrealized gains/losses[1] included in net income related to assets and liabilities still held as of June 30, 2025[2] | $172 | $— | $— | $144 | ($67) |
| Change in unrealized gains/losses[1], net of tax, included in OCI related to assets and liabilities still held as of June 30, 2025 | 10 | — | — | — | — |

(1) For assets, increase and decrease in earnings and other comprehensive income is shown as gains and (losses), respectively. For liabilities, increase and decrease in earnings and comprehensive income is shown as (gains) and losses, respectively.

(2) Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains and losses related to assets and liabilities classified as Level 3 that were still held at June 30, 2026 and June 30, 2025, respectively.

(3) Transfers out of level 3 during YTD 2025 were primarily driven by a decline in the significance of the unobservable inputs for certain multifamily loans.

The table below provides the valuation technique, range, and weighted average of significant unobservable inputs for Level 3 assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis.

**Table 13.3 - Quantitative Information about Recurring Level 3 Fair Value Measurements**

| | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| | | | Unobservable Inputs | | |
| **(Dollars in millions**, except for certain unobservable inputs as shown) | Level 3 Fair Value | Predominant Valuation Technique(s) | Type | Range | Weighted Average(1) |
| **Assets** | | | | | |
| Investment securities | $2,281 | External pricing sources | Price | $0.0 - $2,783.1 | $74.7 |
| | 833 | Other | | | |
| Mortgage loans held-for-sale | 2 | | | | |
| Mortgage loans held-for-investment | 822 | External pricing sources | Price | $25.3 - $103.8 | $82.5 |
| Other assets | 3,957 | Discounted cash flows | OAS | 20 - 1,058 bps | 50 bps |
| | 583 | Other | | | |
| **Total Level 3 assets** | **$8,478** | | | | |
| **Liabilities** | | | | | |
| Total Level 3 liabilities | $238 | | | | |

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | | | Unobservable Inputs | | |
| **(Dollars in millions**, except for certain unobservable inputs as shown) | Level 3 Fair Value | Predominant Valuation Technique(s) | Type | Range | Weighted Average(1) |
| **Assets** | | | | | |
| Investment securities | $2,532 | External pricing sources | Price | $0.0 - $3,520.6 | $82.1 |
| | 954 | Other | | | |
| Mortgage loans held-for-investment | 1,418 | External pricing sources | Price | $48.4 - $105.8 | $89.0 |
| Other assets | 4,424 | Discounted cash flows | OAS | 17 - 8,850 bps | 50 bps |
| | 605 | Other | | | |
| **Total Level 3 assets** | **$9,933** | | | | |
| **Liabilities** | | | | | |
| Total Level 3 liabilities | $155 | | | | |

(1) Unobservable inputs were weighted primarily by the relative fair value of the financial instruments.

# Assets Measured at Fair Value on a Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis. These adjustments usually result from the application of lower-of-cost-or-fair-value accounting or an allowance for credit losses based on the fair value of the underlying collateral.

The table below presents assets measured on our condensed consolidated balance sheets at fair value on a non-recurring basis.

**Table 13.4 - Assets Measured at Fair Value on a Non-Recurring Basis**

| (In millions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Mortgage loans:(1) | | |
| Level 2 | 24 | 109 |
| Level 3(2) | 636 | 508 |
| **Total** | **$660** | **$617** |

(1) Includes loans that are classified as held-for-investment where we recognize credit losses, either through an allowance for credit losses or charge-off, based on the fair value of the underlying collateral and held-for-sale loans where the fair value is below cost. The valuation date for certain items may occur during the period and not at period end.

(2) The predominant valuation technique used for Level 3 non-recurring fair value measurement at both June 30, 2026 and December 31, 2025 was external pricing sources. The unobservable inputs included a range of $76.5 - $99.0 and weighted average of $81.4 at June 30, 2026 and a range of $24.0 - $104.3 and weighted average of $85.7 at December 31, 2025.

# Fair Value of Financial Instruments

The table below presents the carrying value and estimated fair value of our financial instruments. For certain types of financial instruments, such as cash and cash equivalents, securities purchased under agreements to resell, secured lending, and certain debt, the carrying value on our condensed consolidated balance sheets approximates fair value, as these assets and liabilities are short-term in nature and have limited fair value volatility.

**Table 13.5 - Fair Value of Financial Instruments**

| | June 30, 2026 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Fair Value | | | | | |
| (In millions) | GAAP Measurement Category[1] | Carrying Amount[2] | Level 1 | Level 2 | Level 3 | Netting Adjustments[3] | Total |
| **Financial assets** | | | | | | | |
| Cash and cash equivalents | Amortized cost | $4,321 | $4,321 | $— | $— | $— | $4,321 |
| Securities purchased under agreements to resell | Amortized cost | 52,406 | — | 57,089 | — | (4,683) | 52,406 |
| Investment securities: | | | | | | | |
| Available-for-sale | FV - OCI | 2,404 | — | 1,788 | 616 | — | 2,404 |
| Trading | FV - NI | 81,938 | 71,161 | 8,279 | 2,498 | — | 81,938 |
| **Total investment securities** | | **84,342** | **71,161** | **10,067** | **3,114** | **—** | **84,342** |
| Mortgage loans held-for-sale | Lower-of-cost- or fair -value | 1,361 | — | 96 | 1,380 | — | 1,476 |
| Mortgage loans held-for-investment, net of allowance for credit losses | Various[4] | 3,332,294 | — | 2,670,546 | 359,314 | — | 3,029,860 |
| Other assets: | | | | | | | |
| Guarantee assets | FV - NI | 4,247 | — | — | 4,249 | — | 4,249 |
| Derivative assets, net | FV - NI | 1,860 | 2 | 5,624 | 49 | (3,815) | 1,860 |
| Other assets[5] | Various[6] | 1,905 | — | 537 | 1,663 | — | 2,200 |
| **Total other assets** | | **8,012** | **2** | **6,161** | **5,961** | **(3,815)** | **8,309** |
| **Total financial assets** | | **$3,482,736** | **$75,484** | **$2,743,959** | **$369,769** | **($8,498)** | **$3,180,714** |
| **Financial liabilities** | | | | | | | |
| Debt issued by consolidated trusts | Various[7] | $3,236,663 | $— | $2,931,078 | $390 | $— | $2,931,468 |
| Short-term debt | Amortized cost | 17,984 | — | 17,979 | — | — | 17,979 |
| Long-term debt | Various[8] | 163,745 | — | 161,274 | 2,661 | — | 163,935 |
| Securities sold under agreements to repurchase | Amortized cost | — | — | 4,683 | — | (4,683) | — |
| Other liabilities: | | | | | | | |
| Guarantee obligations | Amortized cost | 4,031 | — | 90 | 5,575 | — | 5,665 |
| Derivative liabilities, net | FV - NI | 873 | 8 | 4,734 | 130 | (3,999) | 873 |
| Other liabilities[5] | FV - NI | — | — | 149 | 51 | — | 200 |
| **Total other liabilities** | | **4,904** | **8** | **4,973** | **5,756** | **(3,999)** | **6,738** |
| **Total financial liabilities** | | **$3,423,296** | **$8** | **$3,119,987** | **$8,807** | **($8,682)** | **$3,120,120** |

| | | | December 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|
| | | | Fair Value | | | | |
| (In millions) | GAAP Measurement Category(1) | Carrying Amount(2) | Level 1 | Level 2 | Level 3 | Netting Adjustments(3) | Total |
| **Financial assets** | | | | | | | |
| Cash and cash equivalents | Amortized cost | $5,327 | $5,327 | $— | $— | $— | $5,327 |
| Securities purchased under agreements to resell | Amortized cost | 71,919 | — | 78,378 | — | (6,459) | 71,919 |
| Investment securities: | | | | | | | |
| Available-for-sale | FV - OCI | 3,316 | — | 2,616 | 700 | — | 3,316 |
| Trading | FV - NI | 82,096 | 70,916 | 8,394 | 2,786 | — | 82,096 |
| **Total investment securities** | | **85,412** | **70,916** | **11,010** | **3,486** | **—** | **85,412** |
| Mortgage loans held-for-sale | Lower-of-cost-or fair -value | 1,014 | — | 139 | 939 | — | 1,078 |
| Mortgage loans held-for-investment, net of allowance for credit losses | Various(4) | 3,290,066 | — | 2,626,057 | 382,754 | — | 3,008,811 |
| Other assets: | | | | | | | |
| Guarantee assets | FV - NI | 4,728 | — | — | 4,730 | — | 4,730 |
| Derivative assets, net | FV - NI | 1,466 | 5 | 5,261 | 74 | (3,874) | 1,466 |
| Other assets(5) | Various(6) | 2,607 | — | 445 | 2,442 | — | 2,887 |
| **Total other assets** | | **8,801** | **5** | **5,706** | **7,246** | **(3,874)** | **9,083** |
| **Total financial assets** | | **$3,462,539** | **$76,248** | **$2,721,290** | **$394,425** | **($10,333)** | **$3,181,630** |
| **Financial liabilities** | | | | | | | |
| Debt issued by consolidated trusts | Various(7) | $3,198,008 | $— | $2,913,353 | $434 | $— | $2,913,787 |
| Short-term debt | Amortized cost | 37,718 | — | 37,727 | — | — | 37,727 |
| Long-term debt | Various(8) | 169,296 | — | 167,440 | 2,674 | — | 170,114 |
| Securities sold under agreements to repurchase | Amortized cost | — | — | 6,459 | — | (6,459) | — |
| Other liabilities: | | | | | | | |
| Guarantee obligations | Amortized cost | 4,494 | — | 92 | 6,104 | — | 6,196 |
| Derivative liabilities, net | FV - NI | 781 | — | 4,708 | 52 | (3,979) | 781 |
| Other liabilities(5) | FV - NI | — | — | 184 | 78 | — | 262 |
| **Total other liabilities** | | **5,275** | **—** | **4,984** | **6,234** | **(3,979)** | **7,239** |
| **Total financial liabilities** | | **$3,410,297** | **$—** | **$3,129,963** | **$9,342** | **($10,438)** | **$3,128,867** |

(1) FV - NI denotes fair value through net income. FV - OCI denotes fair value through other comprehensive income.

(2) Excludes allowance for credit losses on off-balance sheet credit exposure.

(3) Represents counterparty netting and cash collateral netting, and includes accrued interest receivable and payable.

(4) The GAAP carrying amounts measured at amortized cost and FV - NI were $3.3 trillion and $6.7 billion as of June 30, 2026, respectively, and $3.3 trillion and $7.0 billion as of December 31, 2025, respectively.

(5) For other assets, includes advances to lenders, secured lending, and loan commitments. For other liabilities, includes loan commitments.

(6) The GAAP carrying amounts measured at amortized cost and FV - NI were $1.7 billion and $0.2 billion as of June 30, 2026, respectively, and $2.4 billion and $0.2 billion as of December 31, 2025, respectively.

(7) The GAAP carrying amounts measured at amortized cost and FV - NI were $3.2 trillion and $6.0 billion as of June 30, 2026, respectively, and $3.2 trillion and $5.8 billion as of December 31, 2025, respectively.

(8) The GAAP carrying amounts measured at amortized cost and FV - NI were $0.2 trillion and $0.2 billion as of June 30, 2026, respectively, and $0.2 trillion and $0.2 billion as of December 31, 2025, respectively.

# Fair Value Option

We elected the fair value option for certain mortgage loans and loan commitments and certain debt issuances.

The table below presents the fair value and UPB related to items for which we have elected the fair value option.

**Table 13.6 - Difference Between Fair Value and UPB for Certain Financial Instruments with Fair Value Option Elected[1]**

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (In millions) | Fair Value | UPB | Difference | Fair Value | UPB | Difference |
| Mortgage loans held-for-sale | $2 | $7 | ($5) | $— | $— | $— |
| Mortgage loans held-for-investment | 6,747 | 6,984 | (237) | 7,005 | 7,148 | ($143) |
| Long-term debt | 38 | 37 | 1 | 51 | 48 | 3 |
| Debt issued by consolidated trusts | 5,389 | 5,496 | (107) | 5,387 | 5,445 | (58) |

(1) Excludes interest-only securities related to debt issued by consolidated trusts and long-term debt with a fair value of $0.7 billion as of June 30, 2026 and $0.6 billion as of December 31, 2025.

The table below presents the changes in fair value related to items for which we have elected the fair value option. These amounts are included in investment gains, net, on our condensed consolidated statements of income.

**Table 13.7 - Changes in Fair Value Under the Fair Value Option Election**

| | 2Q 2026 | 2Q 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| (In millions) | Gains (Losses) | | Gains (Losses) | |
| Mortgage loans held-for-sale | ($2) | $1 | ($2) | $228 |
| Mortgage loans held-for-investment | (73) | 20 | (97) | 68 |
| Long-term debt | 4 | 20 | 7 | 31 |
| Debt issued by consolidated trusts | 39 | (5) | 73 | (53) |
| Other assets/other liabilities | — | 25 | — | 125 |

Changes in fair value attributable to instrument-specific credit risk were not material for the periods presented for assets or liabilities for which we elected the fair value option.

# NOTE 14

## Legal Contingencies

We are involved, directly or indirectly, in a variety of legal and regulatory proceedings arising from time to time in the ordinary course of business (including, among other things, contractual disputes, personal injury claims, employment-related litigation, and other legal proceedings incidental to our business) and in connection with the conservatorship and Purchase Agreement. We are frequently involved, directly or indirectly, in litigation involving mortgage foreclosures. From time to time, we are also involved in proceedings arising from our termination of a seller's or servicer's eligibility to sell loans to, and/or service loans for, us. In these cases, the former seller or servicer sometimes seeks damages against us for wrongful termination under a variety of legal theories. In addition, we are sometimes sued in connection with the origination or servicing of loans. These suits typically involve claims alleging wrongful actions of sellers and servicers. Our contracts with our sellers and servicers generally provide for indemnification of Freddie Mac against liability arising from sellers' and servicers' wrongful actions with respect to loans sold to or serviced for Freddie Mac.

Litigation claims and proceedings of all types are subject to many uncertainties (including appeals and procedural filings), and there can be no assurance as to the ultimate outcome of those actions (including the matters described below). In accordance with the accounting guidance for contingencies, we reserve for litigation claims and assessments asserted or threatened against us when a loss is probable (as defined in such guidance) and the amount of the loss can be reasonably estimated. The actual costs of resolving legal actions may be substantially higher or lower than the amounts accrued for those actions.

It is not possible for us to predict the actions the U.S. government (including Treasury and FHFA) might take in connection with any of these lawsuits or any future lawsuits. However, it is possible that we could be adversely affected by these actions, including, for example, by changes to the Purchase Agreement, or any resulting actual or perceived changes in the level of U.S. government support for our business.

### Putative Securities Class Action Lawsuit: Ohio Public Employees Retirement System v. Freddie Mac, Syron, et al.

This putative securities class action lawsuit was filed against Freddie Mac and certain former officers on January 18, 2008 in the U.S. District Court for the Northern District of Ohio purportedly on behalf of a class of purchasers of Freddie Mac stock from August 1, 2006 through November 20, 2007. FHFA later intervened as Conservator, and the plaintiff amended its complaint on several occasions. The plaintiff alleged, among other things, that the defendants violated federal securities laws by making false and misleading statements concerning our business, risk management, and the procedures we put into place to protect the company from problems in the mortgage industry. The plaintiff seeks unspecified damages and interest, and reasonable costs and expenses, including attorney and expert fees.

In August 2018, the District Court denied the plaintiff's motion for class certification. On April 6, 2023, the U.S. Court of Appeals for the Sixth Circuit reversed the District Court's September 17, 2020 ruling, which had granted the plaintiff's request for summary judgment in favor of Freddie Mac and other defendants, and remanded the case to the District Court for further proceedings. On August 29, 2025, the District Court granted defendants' motions for summary judgment and final judgment was entered for all defendants. The plaintiff appealed to the U.S. Court of Appeals for the Sixth Circuit. Oral argument was held before the U.S. Court of Appeals for the Sixth Circuit on June 2, 2026, and a decision is pending.

### Litigation Concerning the Purchase Agreement in the U.S. District Court for the District of Columbia

***In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations.*** This is a consolidated class action lawsuit filed by private individual and institutional investors (collectively, "Class Plaintiffs") against FHFA, Fannie Mae, and Freddie Mac.

***Fairholme Funds, Inc., et al. v. FHFA, et al.*** This is an individual plaintiffs' lawsuit by certain institutional investors ("Individual Plaintiffs") against FHFA, Fannie Mae, and Freddie Mac.

The Class Plaintiffs and Individual Plaintiffs (collectively "Plaintiffs") in the District of Columbia lawsuits filed an amended complaint on November 1, 2017 alleging claims for breach of contract, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duties, and violation of Delaware and Virginia corporate law. Additionally, the Class Plaintiffs brought derivative claims against FHFA for breach of fiduciary duties and the Individual Plaintiffs brought claims under the Administrative Procedure Act. Both sets of claims are generally based on allegations that the net worth sweep dividend provisions of the senior preferred stock that were implemented pursuant to the August 2012 amendments nullified certain of the shareholders' rights, including the rights to receive dividends and a liquidation preference. On September 28, 2018, the District

Court dismissed all of the claims except those for breach of the implied covenant of good faith and fair dealing. The cases were consolidated for trial.

Court rulings limited the Plaintiffs' damages theories to those based on the decline in Freddie Mac's and Fannie Mae's share value immediately after the Third Amendment. The Plaintiffs asserted losses based on the decline in value of Freddie Mac's common and junior preferred stock from August 16 to August 17, 2012. During the trial in October and early November 2022, the Plaintiffs requested that the jury award $832 million plus pre-judgment interest as damages against Freddie Mac. The jury in that trial was not able to reach a unanimous verdict and on November 7, 2022 the judge declared a mistrial. The retrial began on July 24, 2023. On August 14, 2023, the jury returned a verdict against FHFA, Fannie Mae, and Freddie Mac awarding compensatory damages of $282 million to Freddie Mac junior preferred shareholders and $31 million to Freddie Mac common shareholders. The jury declined to award prejudgment interest to the Freddie Mac shareholders. In 2023, we recorded a $313 million accrual for the adverse judgment. On March 20, 2024, the District Court entered final judgment. On April 17, 2024, the defendants filed a renewed motion for judgment as a matter of law, notwithstanding the jury verdict, which was denied on March 14, 2025. The defendants filed a notice of appeal to the U.S. Court of Appeals for the D.C. Circuit on April 11, 2025. On April 25, 2025, the individual plaintiffs and the class plaintiffs filed their own appeals to the U.S. Court of Appeals for the D.C. Circuit. Following oral argument before the U.S. Court of Appeals for the D.C. Circuit on April 21, 2026, the District Court's judgment was affirmed on July 24, 2026. The defendants are evaluating potential next steps.

# NOTE 15

## Regulatory Capital

### ERCF

The table below presents our capital metrics under the ERCF.

**Table 15.1 - ERCF Available Capital and Capital Requirements**

| (In billions) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Adjusted total assets | $3,905 | $3,905 |
| Risk-weighted assets (standardized approach) | 1,261 | 1,231 |

| | June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Amounts | | | Ratios | | |
| (Dollars in billions) | Available Capital (Deficit) | Minimum Capital Requirement | Capital Requirement (Including Buffer(1)) | Available Capital (Deficit) Ratio(2) | Minimum Capital Requirement Ratio(2) | Capital Requirement Ratio(2) (Including Buffer(1)) |
| **Risk-based capital:** | | | | | | |
| Total capital | $12 | $101 | $101 | 1.0 % | 8.0 % | 8.0 % |
| CET1 capital | (14) | 57 | 117 | (1.1) | 4.5 | 9.2 |
| Tier 1 capital | — | 76 | 136 | — | 6.0 | 10.7 |
| Adjusted total capital | — | 101 | 161 | — | 8.0 | 12.7 |
| **Leverage capital:** | | | | | | |
| Core capital | 5 | 98 | 98 | 0.1 | 2.5 | 2.5 |
| Tier 1 capital | — | 98 | 113 | — | 2.5 | 2.9 |

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Amounts | | | Ratios | | |
| (Dollars in billions) | Available Capital (Deficit) | Minimum Capital Requirement | Capital Requirement (Including Buffer(1)) | Available Capital (Deficit) Ratio(2) | Minimum Capital Requirement Ratio(2) | Capital Requirement Ratio(2) (Including Buffer(1)) |
| **Risk-based capital:** | | | | | | |
| Total capital | $6 | $99 | $99 | 0.5 % | 8.0 % | 8.0 % |
| CET1 capital | (22) | 55 | 114 | (1.8) | 4.5 | 9.3 |
| Tier 1 capital | (7) | 74 | 133 | (0.6) | 6.0 | 10.8 |
| Adjusted total capital | (7) | 99 | 158 | (0.6) | 8.0 | 12.8 |
| **Leverage capital:** | | | | | | |
| Core capital | (2) | 98 | 98 | (0.1) | 2.5 | 2.5 |
| Tier 1 capital | (7) | 98 | 113 | (0.2) | 2.5 | 2.9 |

(1) PCCBA for risk-based capital and PLBA for leverage capital.

(2) As a percentage of RWA for risk-based capital and ATA for leverage capital.

END OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

# Other Information

## LEGAL PROCEEDINGS

We are involved, directly or indirectly, in a variety of legal proceedings arising from time to time in the ordinary course of business and in connection with the conservatorship and Purchase Agreement. See **Note 14** for additional information regarding our involvement as a party to various legal proceedings, including those in connection with the conservatorship and Purchase Agreement.

Over the last several years, numerous lawsuits have been filed against the U.S. government and, in some cases, the Secretary of the Treasury and the Director of FHFA, challenging certain government actions related to the conservatorship (including actions taken in connection with the imposition of conservatorship) and the Purchase Agreement. Two of these cases remain pending and Freddie Mac is not a party to either. One of those lawsuits challenges the constitutionality of the structure of FHFA and seeks to void the net worth sweep dividend provisions of the senior preferred stock, which were implemented pursuant to the August 2012 amendment to the Purchase Agreement. The other pending lawsuit asserts an unlawful taking without just compensation and other claims related to the imposition of conservatorship.

## RISK FACTORS

This Form 10-Q should be read together with the **Risk Factors** section in our 2025 Annual Report, which describes various risks and uncertainties to which we are or may become subject. These risks and uncertainties could, directly or indirectly, adversely affect our business, financial condition, results of operations, cash flows, strategies, and/or prospects.

## UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

### Recent Sales of Unregistered Securities

The securities we issue are "exempted securities" under the Securities Act of 1933, as amended. As a result, we do not file registration statements with the SEC with respect to offerings of our securities.

Following our entry into conservatorship, we suspended the operation of, and ceased making grants under, equity compensation plans. Previously, we had provided equity compensation under those plans to employees and members of the Board of Directors. Under the Purchase Agreement, we cannot issue any new options, rights to purchase, participations, or other equity interests without Treasury's prior approval.

### Information About Certain Securities Issuances by Freddie Mac

We make available, free of charge through our website at **www.freddiemac.com/investors**, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all other SEC reports and amendments to those reports as soon as reasonably practicable after we electronically file the material with the SEC. The SEC also maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

We provide information on the ERCF on our website at **www.freddiemac.com/investors**.

We provide disclosure about our debt securities on our website at **capitalmarkets.freddiemac.com/debt**. From this address, investors can access the offering circular and issuance information for debt securities offerings under Freddie Mac's global debt facility, including any required pricing supplements for individual issuances of debt securities. Similar information about our STACR transactions and MSCR transactions is available at **capitalmarkets.freddiemac.com/crt** and **mf.freddiemac.com/investors**, respectively.

We provide disclosure about our mortgage-related securities, some of which are off-balance sheet obligations (e.g., K Certificates), on our website at **www.freddiemac.com/mbs** and **mf.freddiemac.com/investors**. From these addresses, investors can access information and documents, including offering circulars and offering circular supplements, for mortgage-related securities offerings.

We provide additional information, including product descriptions, investor presentations, securities issuance calendars, transaction volumes and details, redemption notices, Freddie Mac research, and material developments or other events that may be important to investors, in each case as applicable, on the websites for our business divisions, which can be found at **sf.freddiemac.com**, **mf.freddiemac.com**, and **capitalmarkets.freddiemac.com/capital-markets**.

# OTHER INFORMATION

## Insider Trading Arrangements and Policies

No executive officer or director adopted or terminated any contract, instruction, or written plan for the purchase or sale of, or any other such trading arrangement for, our securities during 2Q 2026. For additional information on executive officer and director compensation and security ownership by our executive officers and directors, see **Directors, Corporate Governance, and Executive Officers**, **Executive Compensation**, and **Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters** in our 2025 Annual Report.

# EXHIBITS

The exhibits are listed in the **Exhibit Index** of this Form 10-Q.

# Controls and Procedures

## EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms and that such information is accumulated and communicated to management of the company, including the company's CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. In designing our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and we must apply judgment in implementing possible controls and procedures.

Management, including the company's CEO and CFO, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2026. As a result of management's evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of June 30, 2026, at a reasonable level of assurance, because we have not been able to update our disclosure controls and procedures to provide reasonable assurance that information known by FHFA on an ongoing basis is communicated from FHFA to Freddie Mac's management in a manner that allows for timely decisions regarding our required disclosure under the federal securities laws. We consider this situation to be a material weakness in our internal control over financial reporting. Based on discussions with FHFA and the structural nature of this continuing weakness, we believe it is likely that we will not remediate this material weakness while we are under conservatorship.

## CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING DURING 2Q 2026

We evaluated the changes in our internal control over financial reporting that occurred during 2Q 2026 and concluded that there were no changes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## MITIGATING ACTIONS RELATED TO THE MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As described above under ***Evaluation of Disclosure Controls and Procedures***, we have one material weakness in internal control over financial reporting as of June 30, 2026 that we have not remediated.

Given the structural nature of this material weakness, we believe it is likely that we will not remediate it while we are under conservatorship. However, both we and FHFA have continued to engage in activities and employ procedures and practices intended to permit accumulation and communication to management of information needed to meet our disclosure obligations under the federal securities laws. These include the following:

- FHFA has established a process to facilitate operation of the company under the oversight of the Conservator.
- We provide drafts of our SEC filings to FHFA personnel for their review and comment prior to filing. We also provide drafts of certain external press releases and statements to FHFA personnel for their review and comment prior to release.
- FHFA personnel, including senior officials, review our SEC filings prior to filing, including this Form 10-Q, and engage in discussions with us regarding issues associated with the information contained in those filings. Prior to filing this Form 10-Q, FHFA provided us with a written acknowledgment that it had reviewed the Form 10-Q, was not aware of any material misstatements or omissions in the Form 10-Q, and had no objection to our filing the Form 10-Q.
- Our senior management meets regularly with senior leadership at FHFA, including, but not limited to, the Director.
- FHFA representatives attend meetings frequently with various groups within the company to enhance the flow of information and to provide oversight on a variety of matters, including accounting, credit and capital markets management, external communications, and legal matters.
- Senior officials within FHFA's accounting group meet frequently with our senior financial executives regarding our accounting policies, practices, and procedures.

Although we and FHFA have attempted to design and implement disclosure policies and procedures to account for the conservatorship and accomplish the same objectives as disclosure controls and procedures for a typical reporting company, there are inherent structural limitations on our ability to design, implement, test, or operate effective disclosure controls and procedures under the circumstances of conservatorship. Despite our material weakness, we believe that our condensed consolidated financial statements for 2Q 2026 have been prepared in conformity with GAAP.

# Exhibit Index

| Exhibit | Description* |
|---|---|
| 31.1 | Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a) |
| 31.2 | Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a) |
| 32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 |
| 32.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101. CAL | XBRL Taxonomy Extension Calculation |
| 101.DEF | XBRL Taxonomy Extension Definition |
| 101.LAB | XBRL Taxonomy Label |
| 101. PRE | XBRL Taxonomy Extension Presentation |
| 104 | Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |

* The SEC file number for the Registrant's Registration Statement on Form 10, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K is 001-34139.

# Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Federal Home Loan Mortgage Corporation

By: /s/ Kenny M. Smith

Kenny M. Smith
Chief Executive Officer
(Principal Executive Officer)

Date: July 30, 2026

By: /s/ James Whitlinger

James Whitlinger
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: July 30, 2026

# Form 10-Q Index

**Exhibit 31.1**

# CERTIFICATION

## PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a)

I, Kenny M. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of the Federal Home Loan Mortgage Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 30, 2026

/s/ Kenny M. Smith

Kenny M. Smith
Chief Executive Officer

**Exhibit 31.2**

# CERTIFICATION

## PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a)

I, James Whitlinger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of the Federal Home Loan Mortgage Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2026

/s/ James Whitlinger

James Whitlinger

Executive Vice President and Chief Financial Officer

**Exhibit 32.1**

# CERTIFICATION

## PURSUANT TO 18 U.S.C. SECTION 1350,

## AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenny M. Smith, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2026

/s/ Kenny M. Smith

Kenny M. Smith

Chief Executive Officer

**Exhibit 32.2**

# CERTIFICATION

## PURSUANT TO 18 U.S.C. SECTION 1350,

## AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Whitlinger, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2026

/s/ James Whitlinger

James Whitlinger

Executive Vice President and Chief Financial Officer