

## GOVERNMENT-SPONSORED ENTERPRISES

This chapter contains descriptions of the data on the Government-sponsored enterprises listed below. These enterprises were established and chartered by the Federal Government for public policy purposes. They are not included in the Federal Budget because they are private companies, and their securities are not backed by the full faith and credit of the Federal Government. However, because of their public purpose, detailed statements of financial condition are presented, to the extent such information is available, on a basis that is as consistent as practicable with the basis for the budget data of Government agencies.

—The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation provide assistance to the secondary market for residential mortgages.

—The Federal Home Loan Banks assist thrift institutions, banks, insurance companies, and credit unions in providing financing for housing and community development.

—Institutions of the Farm Credit System, which include the Agricultural Credit Bank and Farm Credit Banks, provide financial assistance to agriculture. They are regulated by the Farm Credit Administration.

—The Federal Agricultural Mortgage Corporation, also a Farm Credit System institution under the regulation of the Farm Credit Administration, provides a secondary market for agricultural real estate, rural housing loans, and certain rural utility loans, as well as for farm and business loans guaranteed by the U.S. Department of Agriculture.

### FEDERAL NATIONAL MORTGAGE ASSOCIATION

#### PORTFOLIO PROGRAMS

#### Status of Direct Loans (in millions of dollars)

Identification code 915-4986-0-4-371	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	516,259	438,100	399,181
1251 Repayments: Net repayments and prepayments .....	-78,159	-38,919	-59,877
1290 Outstanding, end of year .....	438,100	399,181	339,304

The Federal National Mortgage Association (Fannie Mae) is a Government-sponsored enterprise (GSE) in the housing finance market. As a housing GSE, Fannie Mae is a federally chartered, shareholder-owned, private company with a public mission to provide stability in and to increase the liquidity of the residential mortgage market and to help increase the availability of mortgage credit to low- and moderate-income families and in underserved areas. Fannie Mae engages primarily in two forms of business: guaranteeing residential mortgage securities and investing in portfolios of residential mortgages.

Fannie Mae was established in 1938 to assist private markets in providing a steady supply of funds for housing. Fannie Mae was originally a subsidiary of the Reconstruction Finance Corporation and was permitted to purchase only loans insured by the Federal Housing Administration (FHA). In 1954, Fannie Mae was restructured as a mixed ownership (part government, part private) corporation. Legislation directed the sale of the Government's remaining interest in Fannie Mae in 1968 and completed the transformation to private shareholder ownership in 1970.

The Housing and Economic Recovery Act (HERA) of 2008 strengthened housing GSE regulation by creating the Federal Housing Finance Agency (FHFA), a new independent regulator, and providing temporary authority for the U.S. Department of the Treasury to purchase obligations of the housing GSEs. On September 6, 2008, FHFA placed Fannie Mae under Federal conservatorship to avoid a possible collapse of the housing finance market and further risks to the broader financial market. On the following day, the U.S. Department of the Treasury entered into a Senior Preferred Stock Purchase Agreement (PSPA) with Fannie Mae to make investments

of up to \$100 billion in senior preferred stock as required to maintain positive equity. In May 2009, Treasury increased the funding commitments for the PSPA to \$200 billion and in December 2009, Treasury modified the funding commitments in the PSPA to the greater of \$200 billion or \$200 billion plus cumulative net worth deficits experienced during 2010–2012, less any surplus remaining as of December 31, 2012. Based on the financial results reported by Fannie Mae as of December 31, 2012 and under the terms of the PSPA, the cumulative funding commitment cap for Fannie Mae was set at \$233.7 billion. As of December 31, 2014, Fannie Mae had received \$116.1 billion under the PSPA and made a total of \$134.5 billion in dividend payments to Treasury on the senior preferred stock. The Budget continues to reflect the GSEs as non-budgetary entities, though their status will continue to be reviewed. All of the current federal assistance being provided to Fannie Mae, including the PSPA, is shown on-budget. For additional discussion and analyses of Fannie Mae, please see the *Analytical Perspectives* volume of the Budget documents.

#### Balance Sheet (in millions of dollars)

Identification code 915-4986-0-4-371	2013 actual	2014 actual
<b>ASSETS:</b>		
Federal assets:		
Investments in US securities:		
1102 Treasury securities, par .....	16,396	17,757
1201 Non-Federal assets: Investments in other securities, net .....	56,764	29,450
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Mortgage Loans and Mortgage Related Securities .....	310,096	287,584
1601 Mortgage Loans and Mortgage Related Securities - Consolidated Trusts .....	2,744,084	2,767,805
1604 Direct loans and interest receivable, net .....	3,054,180	3,055,389
1606 Acquired Property, net .....	11,380	11,339
1699 Value of assets related to direct loans .....	3,065,560	3,066,728
Other Federal assets:		
1801 Cash and other monetary assets .....	94,246	73,624
1901 Other assets .....	48,256	42,757
1999 Total assets .....	3,281,222	3,230,316
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2202 Interest payable .....	10,769	10,492
2203 Debt .....	565,110	474,952
2203 Debt - Consolidated Trusts .....	2,675,011	2,726,528
2207 Other .....	18,715	11,945
2999 Total liabilities .....	3,269,605	3,223,917
<b>NET POSITION:</b>		
3300 Senior Preferred Stock .....	117,149	117,149
3300 Private Equity .....	-105,581	-110,800
3300 Noncontrolling Interest .....	49	50
3999 Total net position .....	11,617	6,399
4999 Total liabilities and net position .....	3,281,222	3,230,316

### MORTGAGE-BACKED SECURITIES

#### Status of Direct Loans (in millions of dollars)

Identification code 915-4987-0-4-371	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	2,752,813	2,768,291	2,768,291
1231 Disbursements: Direct loan disbursements .....	412,282	.....	.....
1251 Repayments: Repayments and prepayments .....	-396,804	.....	.....
1290 Outstanding, end of year .....	2,768,291	2,768,291	2,768,291

Prior to January 1, 2010, the mortgages in the pools of loans supporting the mortgage-backed securities guaranteed by Fannie Mae were considered to be owned by the holders of these securities according to the accounting standards for private corporations. Consequently, on the books of Fannie Mae, these mortgages were not considered assets and the securities outstanding were not considered liabilities. New accounting standards imple-

## MORTGAGE-BACKED SECURITIES—Continued

mented on January 1, 2010 require consolidation of many, but not all, of these securities in Fannie Mae's financial statements. For the purposes of this document they are presented as direct loans for mortgage-backed securities. "Disbursements" and "Repayments" are budgetary terms. These items are reported by Fannie Mae as "Issuances" and "Liquidations" respectively.

## FEDERAL HOME LOAN MORTGAGE CORPORATION

## PORTFOLIO PROGRAMS

## Status of Direct Loans (in millions of dollars)

Identification code 913-4988-0-4-371	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	497,814	413,610	399,181
1251 Repayments: Repayments and prepayments .....	-84,204	-14,429	-59,877
1290 Outstanding, end of year .....	413,610	399,181	339,304

The Federal Home Loan Mortgage Corporation (Freddie Mac) is a Government-sponsored enterprise (GSE) in the housing finance market. As a housing GSE, Freddie Mac is a federally chartered, shareholder-owned, private company with a public mission to provide stability in and increase the liquidity of the residential mortgage market, and to help increase the availability of mortgage credit to low- and moderate-income families and in underserved areas. Freddie Mac engages primarily in two forms of business: guaranteeing residential mortgage securities and investing in portfolios of residential mortgages.

Freddie Mac was established in 1970 under the Emergency Home Finance Act. The Congress chartered Freddie Mac to provide mortgage lenders with an organized national secondary market enabling them to manage their conventional mortgage portfolio more effectively and gain indirect access to a ready source of additional funds to meet new demands for mortgages. Freddie Mac serves as a conduit facilitating the flow of investment dollars from the capital markets to mortgage lenders, and ultimately, to homebuyers.

The Housing and Economic Recovery Act (HERA) of 2008 strengthened housing GSE regulation by creating the Federal Housing Finance Agency (FHFA), a new independent regulator, and provided temporary authority for the U.S. Department of the Treasury to purchase obligations of the housing GSEs. On September 6, 2008, FHFA placed Freddie Mac under Federal conservatorship to avoid a possible collapse of the housing finance market and further risks to the broader financial market. On the following day, the U.S. Department of the Treasury entered into a Senior Preferred Stock Purchase Agreement (PSPA) with Freddie Mac to make investments of up to \$100 billion in senior preferred stock as required to maintain positive equity. In May 2009, Treasury increased the funding commitments for the PSPA to \$200 billion and in December 2009, Treasury modified the funding commitments in the PSPA to the greater of \$200 billion or \$200 billion plus cumulative net worth deficits experienced during 2010–2012, less any surplus remaining as of December 31, 2012. Based on the financial results reported by Freddie Mac as of December 31, 2012 and under the terms of the PSPA, the cumulative funding commitment cap for Freddie Mac was set at \$211.8 billion. As of December 31, 2014, Freddie Mac had received \$71.3 billion under the PSPA and made a total of \$91.0 billion in dividend payments to Treasury on the senior preferred stock. The Budget continues to reflect the GSEs as non-budgetary entities, though their status will continue to be reviewed. All of the current federal assistance being provided to Freddie Mac, including the PSPA, is shown on-budget. For additional discussion and analyses of Freddie Mac, please see the *Analytical Perspectives* volume of the Budget documents.

## Balance Sheet (in millions of dollars)

Identification code 913-4988-0-4-371	2013 actual	2014 actual
<b>ASSETS:</b>		
Federal assets:		
Investments in US securities:		
1102 Treasury securities, par .....	31,641	9,159
1201 Non-Federal assets: Investments in other securities, net .....	41,023	29,956
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Mortgage Loans and Mortgage Related Securities .....	324,228	275,490
1601 Mortgage Loans and Mortgage Related Securities - Consolidated Trusts .....	1,526,070	1,549,533
1604 Direct loans and interest receivable, net .....	1,850,298	1,825,023
1606 Acquired property, net .....	4,368	2,911
1699 Value of assets related to direct loans .....	1,854,666	1,827,934
Other Federal assets:		
1801 Cash and other monetary assets .....	30,525	37,254
1901 Other assets .....	23,930	18,481
1999 Total assets .....	1,981,785	1,922,784
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2202 Interest payable .....	6,504	6,217
2203 Debt .....	515,668	435,706
2203 Debt - Consolidated Trusts .....	1,419,909	1,467,845
2207 Other .....	6,268	7,830
2999 Total liabilities .....	1,948,349	1,917,598
<b>NET POSITION:</b>		
3300 Senior Preferred Stock .....	72,336	72,336
3300 Private Equity .....	-38,900	-67,150
3999 Total net position .....	33,436	5,186
4999 Total liabilities and net position .....	1,981,785	1,922,784

## MORTGAGE-BACKED SECURITIES

## Status of Direct Loans (in millions of dollars)

Identification code 914-4989-0-4-371	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,612,858	1,646,431	1,646,431
1231 Disbursements: Direct loan disbursements .....	273,376	.....	.....
1251 Repayments: Repayments and prepayments .....	-239,803	.....	.....
1290 Outstanding, end of year .....	1,646,431	1,646,431	1,646,431

Prior to January 1, 2010, the mortgages in the pools of loans supporting the mortgage-backed securities guaranteed by Freddie Mac were considered to be owned by the holders of these securities according to the accounting standards for private corporations. Consequently, on the books of Freddie Mac, these mortgages were not considered assets and the securities outstanding were not considered liabilities. New accounting standards implemented on January 1, 2010 require consolidation of many, but not all, of these securities in Freddie Mac's financial statements. For the purposes of this document, they are presented as direct loans for mortgage-backed securities. "Disbursements" and "Repayments" are budgetary terms. These items are reported by Freddie Mac as "Issuances" and "Liquidations" respectively.

## FEDERAL HOME LOAN BANK SYSTEM

## FEDERAL HOME LOAN BANKS

## Status of Direct Loans (in millions of dollars)

Identification code 913-4990-0-4-371	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	510,383	587,969	587,969
1231 Disbursements: Direct loan disbursements .....	3,501,706	3,501,706	3,501,706
1251 Repayments: Repayments and prepayments .....	-3,421,480	-3,501,706	-3,501,706
1264 Write-offs for default: Other adjustments, net (+ or -) .....	-2,640	.....	.....
1290 Outstanding, end of year .....	587,969	587,969	587,969

The Federal Home Loan Bank System is a Government-sponsored enterprise (GSE) in the housing finance market. The Federal Home Loan Banks were chartered by the Federal Home Loan Bank Board under the authority of the Federal Home Loan Bank Act of 1932 (Act). The 12 Federal Home Loan Banks (FHLBanks) are under the supervision of the Federal Housing Finance Agency (FHFA), established by the Congress in 2008. The common mission of FHLBanks is to facilitate the extension of credit through their members. To accomplish this mission, FHLBanks make loans, called "advances", and provide other credit products and services to their over 7,400 member commercial banks, savings associations, insurance companies, and credit unions. Advances and letters of credit must be fully secured by eligible collateral, and long-term advances may be made only for the purpose of providing funds for residential housing finance. However, "community financial institutions" may also use long-term advances to finance small businesses, small farms, and small agribusinesses. Additionally, specialized advance programs provide funds for community reinvestment and affordable housing programs. All regulated financial depositories, certified community development financial institutions, and insurance companies engaged in residential housing finance are eligible for membership. Each FHLBank operates in a geographic district (an application to merge the FHLBanks of Des Moines and Seattle is pending) and together FHLBanks cover all of the United States, as well as the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. The principal source of funds for the lending operation is the sale of consolidated obligations to the public. The consolidated obligations are not guaranteed by the U.S. Government as to principal or interest. Other sources of lendable funds include members' deposits and capital. Funds not immediately needed for advances to members are invested. The capital stock of the Federal Home Loan Banks is owned entirely by the members. Initially the U.S. Government purchased stock of the banks in the amount of \$125 million. The banks had repurchased the Government's investment in full by mid-1951. The Act, as amended in 1989, requires each FHLBank to operate an Affordable Housing Program (AHP). Each FHLBank provides subsidies in the form of direct grants or below-market rate advances for members that use the funds for qualifying affordable housing projects. Each of the FHLBanks must set aside annually 10 percent of its previous year's net earnings, subject to an aggregate minimum of \$100 million, for the AHP. The Act, as amended in 1999, also required that FHLBanks contribute 20 percent of net earnings annually to assist in the payment of interest on bonds issued by the Resolution Funding Corporation until such time as the total payments are equivalent to a \$300 million annual annuity with a final maturity date of April 15, 2030. The FHLBanks fulfilled this obligation on August 5, 2011. For additional discussion and analyses of the FHLBanks, please see the *Analytical Perspectives* volume of the Budget.

#### Balance Sheet (in millions of dollars)

Identification code 913-4990-0-4-371	2013 actual	2014 actual
<b>ASSETS:</b>		
Federal assets:		
Investments in US securities:		
1102 Treasury securities, par .....	1,038	1,229
Non-Federal assets:		
1201 Investments in other securities, net .....	241,619	238,354
1206 Accounts receivable .....	1,144	1,094
1401 Net value of assets related to direct loans receivable: Direct loans receivable, gross .....	510,280	587,913
Other Federal assets:		
1801 Cash and other monetary assets .....	34,093	53,488
1803 Property, plant and equipment, net .....	220	223
1901 Other assets .....	1,053	1,061
1999 Total assets .....	789,447	883,362
<b>LIABILITIES:</b>		
2101 Federal liabilities: REFCORP and Affordable Housing Program .....	772	793
Non-Federal liabilities:		
2202 Interest payable .....	1,625	1,374
2203 Debt .....	722,162	818,042
2207 Deposit funds and other borrowing .....	10,466	9,322
2207 Other .....	11,278	7,169

2999 Total liabilities .....	746,303	836,700
<b>NET POSITION:</b>		
3100 Invested capital .....	43,144	46,662
4999 Total liabilities and net position .....	789,447	883,362

## FARM CREDIT SYSTEM

The Farm Credit System (System) is a Government-sponsored enterprise that provides privately financed credit to agricultural and rural communities. The major functional entities of the System are (1) the Agricultural Credit Bank (ACB); (2) the Farm Credit Banks (FCBs); and (3) the direct-lender associations. Farmer Mac, which is also an institution of the System, is discussed separately below. The history and specific functions of the bank entities are discussed after the presentation of financial schedules for each bank entity. As part of the System, these entities are regulated and examined by the Farm Credit Administration (FCA), an independent Federal agency. The administrative costs of FCA are financed by assessments on System institutions, including Farmer Mac. System banks finance loans primarily from sales of bonds to the public and their own capital funds. The System bonds issued by the banks are not guaranteed by the U.S. Government as to either principal or interest. The bonds are backed by an insurance fund, administered by the Farm Credit System Insurance Corporation (FCSIC), an independent Federal agency that collects insurance premiums from member banks to pay its administrative expenses and fund insurance reserves. All of the banks' current operating expenses are paid from their own income and do not require budgetary resources from the Federal Government.

### AGRICULTURAL CREDIT BANK

#### Status of Direct Loans (in millions of dollars)

Identification code 912-4991-0-4-351	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	70,377	75,638	79,808
1231 Disbursements: Direct loan disbursements .....	328,972	343,775	359,245
1251 Repayments: Repayments and prepayments .....	-323,720	-339,587	-356,017
Write-offs for default:			
1263 Direct loans .....		-18	-25
1264 Other adjustments, net (+ or -) .....	9		
1290 Outstanding, end of year .....	75,638	79,808	83,011

CoBank, ACB, which is headquartered outside Denver, Colorado, serves eligible cooperatives nationwide and provides funding to Agricultural Credit Associations (ACAs) and Federal Land Credit Associations (FLCAs) in its chartered district. CoBank, ACB, is the only Agricultural Credit Bank (ACB) in the Farm Credit System. The ACB operates under statutory authority that combines the authorities of a Farm Credit Bank (FCB) and a Bank for Cooperatives (BC). In exercising its FCB authority, CoBank's charter limits its lending to 25 ACAs and one FLCA located in the northeast, central, and western regions of the country. As an entity lending to cooperatives, CoBank is chartered to provide credit and related services nationwide to eligible cooperatives primarily engaged in farm supply, grain, marketing, and processing (including sugar, dairy, and ethanol). CoBank also makes loans to rural utilities, including telecommunications companies, and it provides international loans for the financing of agricultural exports.

#### Statement of Changes in Net Worth (in thousands of dollars)

	2013 act.	2014 act.	2015 est.	2016 est.
Beginning balance of net worth .....	6,361,670	6,609,288	7,061,398	7,605,859
Capital stock and participations issued .....	627,023	26,635	283,316	33,264
Capital stock and participations retired .....	594,864	33,439	170,250	30,500
Net income .....	782,279	916,449	897,199	897,638
Cash/Dividends/Patronage Distributions .....	-427,788	-428,852	-444,204	-470,649
Other, net .....	-139,032	-28,683	-21,600	2,255
Ending balance of net worth .....	6,609,288	7,061,398	7,605,859	8,037,867

AGRICULTURAL CREDIT BANK—Continued

Financing Activities (in thousands of dollars)

	2013 act.	2014 act.	2015 est.	2016 est.
Beginning balance of outstanding system obligations .....	79,079,791	82,111,600	88,513,292	90,526,086
Consolidated systemwide and other bank bonds issued .....	24,071,306	26,128,369	27,304,146	28,532,833
Consolidated systemwide and other bank bonds retired .....	24,497,790	21,309,889	25,722,852	23,495,326
Consolidated systemwide notes, net .....	3,624,102	1,674,497	500,000	500,000
Other (Net) .....	-165,809	-91,285	-68,500	-50,250
Ending balance of outstanding system obligations .....	82,111,600	88,513,292	90,526,086	96,013,343

Balance Sheet (in millions of dollars)

Identification code 912-4991-0-4-351	2013 actual	2014 actual
<b>ASSETS:</b>		
Non-Federal assets:		
1201 Cash and investment securities .....	22,727	24,965
1206 Accrued interest receivable on loans .....	367	357
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross .....	70,377	75,638
1603 Allowance for estimated uncollectible loans and interest (-) .....	-450	-407
1699 Value of assets related to direct loans .....	69,927	75,231
1803 Other Federal assets: Property, plant and equipment, net .....	1,106	1,071
1999 Total assets .....	94,127	101,624
<b>LIABILITIES:</b>		
2104 Federal liabilities: Resources payable .....	1,068	1,316
Non-Federal liabilities:		
2201 Consolidated systemwide and other bank bonds .....	82,111	88,513
2201 Notes payable and other interest-bearing liabilities .....	4,033	4,461
2202 Accrued interest payable .....	306	273
2999 Total liabilities .....	87,518	94,563
<b>NET POSITION:</b>		
3300 Cumulative results of operations .....	6,609	7,061
4999 Total liabilities and net position .....	94,127	101,624

FARM CREDIT BANKS

Status of Direct Loans (in millions of dollars)

Identification code 912-4992-0-4-371	2014 actual	2015 est.	2016 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	103,071	108,205	112,012
1231 Disbursements: Direct loan disbursements .....	181,373	192,517	201,753
1251 Repayments: Repayments and prepayments .....	-176,239	-188,693	-198,495
1263 Write-offs for default: Direct loans .....	-	-17	-17
1290 Outstanding, end of year .....	108,205	112,012	115,253

The Agricultural Credit Act of 1987 (1987 Act) required the Federal Land Banks (FLBs) and Federal Intermediate Credit Banks (FICBs) to merge into a Farm Credit Bank (FCB) in each of the 12 Farm Credit districts. FCBs operate under statutory authority that combines the prior authorities of an FLB and of an FICB. No merger occurred in the Jackson district in 1988 because the FLB of Jackson was in receivership. Pursuant to section 410(e) of the 1987 Act, as amended by the Farm Credit Banks Safety and Soundness Act of 1992, FICB of Jackson merged with FCB of Columbia on October 1, 1993. Mergers and consolidations of FCBs across district lines, which began in 1992, have continued to date. As a result of this restructuring activity, three FCBs, headquartered in the following cities, remain as of October 1, 2014: AgFirst Farm Credit Bank, Columbia, South Carolina; AgriBank, FCB, St. Paul, Minnesota; and FCB of Texas, Austin, Texas.

FCBs serve as discount banks and, as of October 1, 2014, provided funds to one Federal Land Credit Association (FLCA) and 50 Agricultural Credit Associations (ACAs). These direct-lender associations, in turn, primarily make short- and intermediate-term production loans and long-term real estate loans to eligible farmers and ranchers, farm-related businesses, and rural homeowners. FCBs can also lend to other financing insti-

tutions, including commercial banks, as authorized by the Farm Credit Act of 1971, as amended.

All the capital stock of FICBs, from their organization in 1923 to December 31, 1956, was held by the U.S. Government. The Farm Credit Act of 1956 provided a long-range plan for the eventual ownership of the FICBs by the production credit associations and the gradual retirement of the Government's investment in the banks. This retirement was accomplished in full on December 31, 1968. The last of the Government capital that had been invested in FLBs was repaid in 1947.

Statement of Changes in Net Worth (in thousands of dollars)

	2013 act.	2014 act.	2015 est.	2016 est.
Beginning balance of net worth .....	7,940,682	8,615,024	8,828,842	9,084,655
Capital stock and participations issued .....	462,635	373,384	171,353	172,485
Capital stock and participations retired .....	354,071	559,397	131,243	136,225
Surplus Retired .....	-6	-77	-4	0
Net income .....	1,195,769	1,140,319	994,137	1,023,928
Cash/Dividends/Patronage Distributions .....	-540,706	-777,495	-805,232	-586,355
Other, net .....	-89,291	36,930	26,794	27,467
Ending balance of net worth .....	8,615,024	8,828,842	9,084,655	9,585,955

Financing Activities (in thousands of dollars)

	2013 act.	2014 act.	2015 est.	2016 est.
Beginning balance of outstanding system obligations .....	112,291,707	118,125,324	125,494,765	131,621,448
Consolidated systemwide and other bank bonds issued .....	283,823,221	268,562,125	269,657,053	274,456,385
Consolidated systemwide and other bank bonds retired .....	278,179,850	263,321,191	264,505,272	270,282,042
Consolidated systemwide notes, net .....	190,246	2,128,507	974,902	965,015
Other (Net) .....	0	0	0	0
Ending balance of outstanding system obligations .....	118,125,324	125,494,765	131,621,448	136,760,806

Balance Sheet (in millions of dollars)

Identification code 912-4992-0-4-371	2013 actual	2014 actual
<b>ASSETS:</b>		
Non-Federal assets:		
1201 Cash and investment securities .....	24,994	27,610
1206 Accrued Interest Receivable .....	486	475
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross .....	103,071	108,204
1603 Allowance for estimated uncollectible loans and interest (-) .....	-53	-38
1699 Value of assets related to direct loans .....	103,018	108,166
1803 Other Federal assets: Property, plant and equipment, net .....	569	534
1999 Total assets .....	129,067	136,785
<b>LIABILITIES:</b>		
2104 Federal liabilities: Resources payable .....	315	323
Non-Federal liabilities:		
2201 Consolidated systemwide and other bank bonds .....	118,125	125,495
2201 Notes payable and other interest-bearing liabilities .....	1,720	1,835
2202 Accrued interest payable .....	292	303
2999 Total liabilities .....	120,452	127,956
<b>NET POSITION:</b>		
3300 Cumulative results of operations .....	8,615	8,829
4999 Total liabilities and net position .....	129,067	136,785

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Status of Guaranteed Loans (in millions of dollars)

Identification code 912-4993-0-4-351	2014 actual	2015 est.	2016 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	13,786	14,005	14,005
2231 Disbursements of new guaranteed loans .....	2,666	.....	.....
2251 Repayments and prepayments .....	-2,447	.....	.....
2290 Outstanding, end of year .....	14,005	14,005	14,005
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,760	.....	.....

## FARMER MAC

Farmer Mac is authorized under the Farm Credit Act of 1971, as amended by the Agricultural Credit Act of 1987 (Act), to create a secondary market for agricultural real estate and rural home mortgages. The Farmer Mac title of the Act was amended by the 1990 farm bill to authorize Farmer Mac to purchase, pool, and securitize the guaranteed portions of farmer program, rural business, and community development loans guaranteed by the U.S. Department of Agriculture (USDA). The Farmer Mac title was amended in 1991 to clarify Farmer Mac's authority to issue debt obligations, provide for the establishment of minimum capital standards, establish the Office of Secondary Market Oversight at the Farm Credit Administration (FCA), and expand the Agency's rulemaking authority. The Farm Credit System Reform Act of 1996 (1996 Act) amended the Farmer Mac title to allow Farmer Mac to purchase loans directly from lenders and to issue and guarantee mortgage-backed securities without requiring that a minimum cash reserve or subordinated (first loss) interest be maintained by poolers as had been required under its original authority. The 1996 Act expanded FCA's regulatory authority to include provisions for establishing a conservatorship or receivership, if necessary, and provided for increased core capital requirements at Farmer Mac phased in over three years. Most recently, the 2008 Farm Bill, the Food, Conservation and Energy Act of 2008 amended the Farmer Mac title to authorize the financing of rural electric and telephone cooperatives.

Farmer Mac operates through several programs: the "Farm & Ranch" program involves mortgage loans secured by first liens on agricultural real estate, or rural housing (qualified loans); the "USDA guarantees" program involves the guaranteed portions of certain USDA-guaranteed loans; and the "Rural Utilities" program involves rural electric and telephone loans. Farmer Mac operates by (1) purchasing, or committing to purchase, newly originated or existing qualified loans or guaranteed portions from lenders; (2) purchasing or guaranteeing "AgVantage" bonds backed by qualified loans; and (3) exchanging qualified loans or guaranteed portions for guaranteed securities. Loans purchased by Farmer Mac may be aggregated into pools that back Farmer Mac guaranteed securities, which are held by Farmer Mac or sold into the capital markets.

Farmer Mac is governed by a 15-member Board of Directors. Ten board members are elected by stockholders, including five by stockholders that are Farm Credit System (FCS) institutions and five by stockholders that are non-FCS financial services firms. Five are appointed by the President, subject to Senate confirmation.

## FINANCING

Financial support and funding for Farmer Mac's operations come from several sources: sale of common and preferred stock, issuance of debt ob-

ligations, and income. Under procedures specified in the Act, Farmer Mac may issue obligations to the U.S. Treasury in a cumulative amount not to exceed \$1.5 billion to fulfill Farmer Mac's guarantee obligations.

As of September 30, 2014, Farmer Mac's core capital exceeded statutory requirements. Additionally, Farmer Mac's regulatory capital (core capital plus the allowance for loan losses) exceeded the amount of required regulatory capital as determined by the risk-based capital rule.

## GUARANTEES

Farmer Mac provides a guarantee of timely payment of principal and interest on securities backed by qualified loans or pools of qualified loans. These securities are not guaranteed by the United States and are not "Government securities."

Farmer Mac is subject to reporting requirements under securities laws, and its guaranteed mortgage-backed securities are subject to registration with the Securities and Exchange Commission under the 1933 and 1934 Securities Acts.

## REGULATION

Farmer Mac is federally regulated by FCA, acting through its Office of Secondary Market Oversight (OSMO). FCA is responsible for the supervision of, examination of, and rulemaking for Farmer Mac.

## Balance Sheet (in millions of dollars)

Identification code 912-4993-0-4-351	2013 actual	2014 actual
<b>ASSETS:</b>		
Non-Federal assets:		
1201 Investment in securities .....	2,503	3,616
1206 Receivables, net .....	92	116
Net value of assets related to direct loans receivable:		
1401 Direct loans receivable, gross .....	9,767	10,100
1402 Interest receivable .....	71	66
1499 Net present value of assets related to direct loans .....	9,838	10,166
1801 Other Federal assets: Cash and other monetary assets .....	652	628
1999 Total assets .....	13,085	14,526
<b>LIABILITIES:</b>		
Non-Federal liabilities:		
2201 Accounts payable .....	159	88
2202 Interest payable .....	37	35
2203 Debt .....	12,237	13,577
2204 Liabilities for loan guarantees .....	47	43
2999 Total liabilities .....	12,480	13,743
<b>NET POSITION:</b>		
3300 Invested capital .....	605	783
4999 Total liabilities and net position .....	13,085	14,526

