

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 99-2500-0-3-371	2011 actual	2012 est.	2013 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	802,851	722,158	656,100
1251 Repayments: Repayments and prepayments	-80,693	-66,058	-65,610
1290 Outstanding, end of year	722,158	656,100	590,490

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, privately owned 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.

Stress in the mortgage markets has eliminated Fannie Mae's stockholder equity, and required ongoing assistance from Treasury under authority provided by the Congress in the Housing and Economic Recovery Act (HERA) of 2008. HERA 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. In September 2008, FHFA put Fannie Mae under Federal conservatorship and 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. As of December 31, 2011, Fannie Mae had received \$111.6 billion under the PSPA and made \$19.8 billion in dividend payments to Treasury. 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 99-2500-0-3-371	2010 actual	2011 actual
ASSETS:		
Federal assets: Investments in US securities:		
1102 Treasury securities, par	38,775	40,755
1201 Non-Federal assets: Investments in other securities, net	26,644	38,415
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Mortgage Loans and Mortgage Related Securities	477,433	421,760
1601 Mortgage Loans and Mortgage Related Securities - Consolidated Trusts	2,559,629	2,583,699
1604 Direct loans and interest receivable, net	3,037,062	3,005,459
1606 Acquired Property, net	17,590	12,195
1699 Value of assets related to direct loans	3,054,652	3,017,654
Other Federal assets:		
1801 Cash and other monetary assets	106,781	117,053
1901 Other assets	2,770	.....
1999 Total assets	3,229,622	3,213,877
LIABILITIES:		
Non-Federal liabilities:		
2202 Interest payable	14,212	12,928
2203 Debt	812,047	744,803
2203 Debt - Consolidated Trusts	2,391,415	2,446,973
2204 Estimated liability for loan guarantees	1,023	.....
2207 Other	13,372	16,964
2999 Total liabilities	3,232,069	3,221,668
NET POSITION:		
3300 Senior Preferred Stock	86,100	104,787
3300 Private Equity	-88,627	-112,640
3300 Noncontrolling Interest	80	62
3999 Total net position	-2,447	-7,791
4999 Total liabilities and net position	3,229,622	3,213,877

MORTGAGE-BACKED SECURITIES

Status of Direct Loans (in millions of dollars)

Identification code 99-2501-0-3-371	2011 actual	2012 est.	2013 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,642,820	2,650,633	2,650,633
1231 Disbursements: Direct loan disbursements	632,356	.....	.....
1251 Repayments: Repayments and prepayments	-624,543	.....	.....
1290 Outstanding, end of year	2,650,633	2,650,633	2,650,633

MORTGAGE-BACKED SECURITIES—Continued

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 implemented 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 99-4420-0-3-371	2011 actual	2012 est.	2013 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	710,248	679,133	656,100
1251 Repayments: Repayments and prepayments	-31,115	-23,033	-65,610
1290 Outstanding, end of year	679,133	656,100	590,490

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.

Stress in the mortgage markets has eliminated Freddie Mac's stockholder equity, and required ongoing assistance from Treasury under authority provided by Congress in the Housing and Economic Recovery Act (HERA) of 2008. HERA 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. In September 2008, FHFA put Freddie Mac under Federal conservatorship and 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. As of December 31, 2011, Freddie Mac had received \$71.2 billion under the PSPA and made \$16.5 billion in dividend payments to Treasury. 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 99-4420-0-3-371	2010 actual	2011 actual
ASSETS:		
Federal assets: Investments in US securities:		
1102 Treasury securities, par	29,548	18,159
1201 Non-Federal assets: Investments in other securities, net	46,391	13,305
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Mortgage Loans and Mortgage Related Securities	461,637	456,671
1601 Mortgage Loans and Mortgage Related Securities - Consolidated Trusts	1,681,736	1,611,580
1604 Direct loans and interest receivable, net	2,143,373	2,068,251
1606 Acquired property, net	7,511	5,630
1699 Value of assets related to direct loans	2,150,884	2,073,881
Other Federal assets:		
1801 Cash and other monetary assets	55,773	63,082
1901 Other assets	6,134	3,909
1999 Total assets	2,288,730	2,172,336
LIABILITIES:		
Non-Federal liabilities:		
2202 Interest payable	10,097	8,603
2203 Debt	727,391	674,421
2203 Debt - Consolidated Trusts	1,542,503	1,488,036
2204 Liabilities for loan guarantees	791	.....
2207 Other	8,006	7,267
2999 Total liabilities	2,288,788	2,178,327
NET POSITION:		
3300 Senior Preferred Stock	64,100	66,179
3300 Private Equity	-64,158	-72,170
3999 Total net position	-58	-5,991
4999 Total liabilities and net position	2,288,730	2,172,336

MORTGAGE-BACKED SECURITIES

Status of Direct Loans (in millions of dollars)

Identification code 99-4440-0-3-371	2011 actual	2012 est.	2013 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,763,696	1,689,091	1,689,091
1231 Disbursements: Direct loan disbursements	360,213	.....	.....
1251 Repayments: Repayments and prepayments	-434,818	.....	.....
1290 Outstanding, end of year	1,689,091	1,689,091	1,689,091

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 99-4200-0-3-371	2011 actual	2012 est.	2013 est.
Position with respect to appropriations act limitation on obligations:			
1131 Direct loan obligations	1,451,472	1,451,472	1,451,472
1150 Total direct loan obligations	1,451,472	1,451,472	1,451,472
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	563,982	470,665	470,665
1231 Disbursements: Direct loan disbursements	1,451,472	1,451,472	1,451,472
1251 Repayments: Repayments and prepayments	-1,541,457	-1,451,472	-1,451,472
1264 Write-offs for default: Other adjustments, net (+ or -)	-3,332		
1290 Outstanding, end of year	470,665	470,665	470,665

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 7,700 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 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 FHLBs fulfilled this obligation on August 5, 2011. A rule issued on June 23, 2004 required each

FHLBank to register a class of its stock with the Securities and Exchange Commission. All of the Federal Home Loan Banks complied by 2006. 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 99-4200-0-3-371	2010 actual	2011 actual
ASSETS:		
Federal assets: Investments in US securities:		
1102 Treasury securities, par	6,614	1,452
Non-Federal assets:		
1201 Investments in other securities, net	324,489	289,022
1206 Accounts receivable	2,003	1,614
1401 Net value of assets related to direct loans receivable: Direct loans receivable, gross	563,920	470,548
Other Federal assets:		
1801 Cash and other monetary assets	5,002	14,251
1803 Property, plant and equipment, net	225	220
1901 Other assets	1,664	1,372
1999 Total assets	903,917	778,479
LIABILITIES:		
2101 Federal liabilities: REFCORP and Affordable Housing Program	904	724
Non-Federal liabilities:		
2202 Interest payable	3,161	2,418
2203 Debt	814,180	702,798
2207 Deposit funds and other borrowing	21,022	17,481
2207 Other	20,336	14,815
2999 Total liabilities	859,603	738,236
NET POSITION:		
3100 Invested capital	44,314	40,243
4999 Total liabilities and net position	903,917	778,479

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 of System institutions and 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 either as to 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 99-4130-0-3-351	2011 actual	2012 est.	2013 est.
Position with respect to appropriations act limitation on obligations:			
1131 Direct loan obligations	270,938	265,441	273,404

AGRICULTURAL CREDIT BANK—Continued
Status of Direct Loans—Continued

Identification code 99-4130-0-3-351	2011 actual	2012 est.	2013 est.
1150 Total direct loan obligations	270,938	265,441	273,404
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	46,467	45,028	64,891
1231 Disbursements: Direct loan disbursements	270,859	265,441	273,405
1251 Repayments: Repayments and prepayments	-272,262	-245,532	-270,927
1263 Write-offs for default: Direct loans	-36	-46	-50
1290 Outstanding, end of year	45,028	64,891	67,319

CoBank, ACB, which is headquartered in Denver, Colorado, serves eligible cooperatives nationwide and provides funding to Agricultural Credit Associations (ACAs) 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 ACAs located in the northeast 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)

	2010 act.	2011 act.	2012 est.	2013 est.
Beginning balance of net worth	3,933,268	4,371,376	4,855,255	6,587,126
Capital stock and participations issued	41,315	2,422	1,583,411	118,513
Capital stock and participations retired	43,980	29,900	32,000	195,250
Net income	583,638	725,484	652,267	648,071
Cash/Dividends/Patronage Distributions	-249,771	-293,420	-471,792	-501,016
Other, net	106,906	79,273	-15	0
Ending balance of net worth	4,371,376	4,855,255	6,587,126	6,657,444

Financing Activities

(in thousands of dollars)

	2010 act.	2011 act.	2012 est.	2013 est.
Beginning balance of outstanding system obligations	50,652,159	50,414,059	52,767,035	75,081,986
Consolidated systemwide and other bank bonds issued	13,275,842	18,731,232	41,391,388	18,907,306
Consolidated systemwide and other bank bonds retired	16,255,968	17,118,758	19,576,437	15,841,754
Consolidated systemwide notes, net	2,742,026	740,502	500,000	500,000
Other (Net)	0	0	0	0
Ending balance of outstanding system obligations	50,414,059	52,767,035	75,081,986	78,647,538

Balance Sheet (in millions of dollars)

Identification code 99-4130-0-3-351	2010 actual	2011 actual
ASSETS:		
Non-Federal assets:		
1201 Cash and investment securities	12,139	16,015
1206 Accrued interest receivable on loans	392	332
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	46,467	45,028
1603 Allowance for estimated uncollectible loans and interest (-)	-366	-391
1699 Value of assets related to direct loans	46,101	44,637
1803 Other Federal assets: Property, plant and equipment, net	1,662	1,351
1999 Total assets	60,294	62,335

LIABILITIES:		
2104 Federal liabilities: Resources payable	1,237	872
Non-Federal liabilities:		
2201 Consolidated systemwide and other bank bonds	50,414	52,767
2201 Notes payable and other interest-bearing liabilities	3,901	3,528
2202 Accrued interest payable	371	313
2999 Total liabilities	55,923	57,480
NET POSITION:		
3300 Cumulative results of operations	4,371	4,855
4999 Total liabilities and net position	60,294	62,335

FARM CREDIT BANKS

Status of Direct Loans (in millions of dollars)

Identification code 99-4160-0-3-371	2011 actual	2012 est.	2013 est.
Position with respect to appropriations act limitation on obligations:			
1131 Direct loan obligations	223,808	184,182	194,052
1150 Total direct loan obligations	223,808	184,182	194,052
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	108,320	109,777	95,120
1231 Disbursements: Direct loan disbursements	223,715	184,774	195,032
1251 Repayments: Repayments and prepayments	-222,129	-199,375	-189,935
1263 Write-offs for default: Direct loans	-129	-56	-40
1290 Outstanding, end of year	109,777	95,120	100,177

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 that began in 1992 have continued to date. As a result of this restructuring activity, four FCBs, headquartered in the following cities, remain as of October 1, 2011: AgFirst Farm Credit Bank, Columbia, South Carolina; AgriBank, FCB, St. Paul, Minnesota; U.S. AgBank, FCB, Wichita, Kansas; and FCB of Texas, Austin, Texas. However, as of January 1, 2012, U.S. AgBank, FCB merged into CoBank, ACB, thereby reducing the number of FCBs to three.

FCBs serve as discount banks and as of October 1, 2011 provided funds to three Federal Land Credit Associations (FLCAs) and 81 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 institutions, 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)

	2010 act.	2011 act.	2012 est.	2013 est.
Beginning balance of net worth	6,758,167	8,129,468	8,594,783	7,465,023
Capital stock and participations issued	397,149	154,288	293,226	90,675
Capital stock and participations retired	88,525	180,529	38,773	34,263
Surplus Retired	-1,868	-600	0	0
Net income	1,237,087	1,201,132	878,471	758,457
Cash/Dividends/Patronage Distributions	-625,272	-710,466	-575,860	-470,012
Other, net	448,994	290	-1,686,824	38,753
Ending balance of net worth	8,129,468	8,594,783	7,465,023	7,848,633

Financing Activities

(in thousands of dollars)

	2010 act.	2011 act.	2012 est.	2013 est.
Beginning balance of outstanding system obligations	124,988,111	126,924,149	129,243,811	111,439,527
Consolidated systemwide and other bank bonds issued	106,492,468	330,460,324	230,409,572	232,022,935
Consolidated systemwide and other bank bonds retired	104,322,977	328,912,956	247,771,380	226,651,495
Consolidated systemwide notes, net	-233,453	772,294	-442,476	0
Other (Net)	0	0	0	0
Ending balance of outstanding system obligations	126,924,149	129,243,811	111,439,527	116,810,967

Balance Sheet (in millions of dollars)

Identification code 99-4160-0-3-371	2010 actual	2011 actual
ASSETS:		
Non-Federal assets:		
1201 Cash and investment securities	27,843	29,355
1206 Accrued Interest Receivable	763	698
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	108,321	109,778
1603 Allowance for estimated uncollectible loans and interest (-)	-83	-74
1699 Value of assets related to direct loans	108,238	109,704
1803 Other Federal assets: Property, plant and equipment, net	915	779
1999 Total assets	137,759	140,536
LIABILITIES:		
2104 Federal liabilities: Resources payable	545	506
Non-Federal liabilities:		
2201 Consolidated systemwide and other bank bonds	126,924	129,244
2201 Notes payable and other interest-bearing liabilities	1,651	1,735
2202 Accrued interest payable	510	456
2999 Total liabilities	129,630	131,941
NET POSITION:		
3300 Cumulative results of operations	8,129	8,595
4999 Total liabilities and net position	137,759	140,536

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Status of Guaranteed Loans (in millions of dollars)

Identification code 99-4180-0-3-351	2011 actual	2012 est.	2013 est.
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments	4,278	.....	.....
2150 Total guaranteed loan commitments	4,278	.....	.....
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	11,476	11,841	11,841
2231 Disbursements of new guaranteed loans	4,278	.....	.....
2251 Repayments and prepayments	-3,913	.....	.....
2290 Outstanding, end of year	11,841	11,841	11,841

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,463
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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: "Farmer Mac I," which involves mortgage loans secured by first liens on agricultural real estate, rural utility cooperative real estate, or rural housing (qualified loans), and "Farmer Mac II," which involves the guaranteed portions of USDA-guaranteed 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 or guaranteed portions from lenders; 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 intended to attract new capital for financing qualified loans and guaranteed portions of loans; foster increased long-term, fixed-rate lending; and provide greater liquidity to agricultural and rural lenders.

Farmer Mac is governed by a 15-member Board of Directors. Ten board members are elected by stockholders, including five by the Farm Credit System and five by commercial lenders. 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 obligations, and net 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 its guarantee obligations.

FEDERAL AGRICULTURAL MORTGAGE CORPORATION—Continued

As of September 30, 2011, 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 99-4180-0-3-351	2010 actual	2011 actual
ASSETS:		
Non-Federal assets:		
1201 Investment in securities	1,457	1,913
1206 Receivables, net	123	79
Net value of assets related to direct loans receivable:		
1401 Direct loans receivable, gross	6,123	8,534
1402 Interest receivable	67	80
1499 Net present value of assets related to direct loans	6,190	8,614
1801 Other Federal assets: Cash and other monetary assets	453	825
1999 Total assets	8,223	11,431
LIABILITIES:		
Non-Federal liabilities:		
2201 Accounts payable	167	195
2202 Interest payable	45	49
2203 Debt	7,475	10,606
2204 Liabilities for loan guarantees	40	34
2999 Total liabilities	7,727	10,884
NET POSITION:		
3300 Invested capital	496	547
4999 Total liabilities and net position	8,223	11,431