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		2015 actual	2016 est.	2017 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	438,100	370,450	339,304
1251	Repayments: Net repayments and prepayments	–67,650	–31,146	–50,896
1290	Outstanding, end of year	370,450	339,304	288,408

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 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, 2015, Fannie Mae had received $116.1 billion under the PSPA and made a total of $144.8 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		2014 actual	2015 actual
	ASSETS:		
	Federal assets:		
	Investments in US securities:		
1102	Treasury securities, par	17,757	26,961
1201	Non-Federal assets: Investments in non-Federal securities, net	29,450	26,600
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Mortgage Loans and Mortgage Related Securities	287,584	248,930
1601	Mortgage Loans and Mortgage Related Securities - Consolidated Trusts	2,767,805	2,804,581
1604	Direct loans and interest receivable, net	3,055,389	3,053,511
1606	Acquired Property, net	11,339	7,691
1699	Value of assets related to direct loans	3,066,728	3,061,202
	Other Federal assets:		
1801	Cash and other monetary assets	73,624	77,007
1901	Other assets	42,757	39,012
1999	Total assets	3,230,316	3,230,782
	LIABILITIES:		
	Non-Federal liabilities:		
2202	Interest payable	10,492	10,016
2203	Debt	474,952	417,458
2203	Debt - Consolidated Trusts	2,726,528	2,788,787
2207	Other	11,945	10,518
2999	Total liabilities	3,223,917	3,226,779
	NET POSITION:		
3300	Senior Preferred Stock	117,149	117,149
3300	Private Equity	–110,800	–113,177
3300	Noncontrolling Interest	50	31
3999	Total net position	6,399	4,003
4999	Total liabilities and net position	3,230,316	3,230,782

Mortgage-Backed Securities

Status of Direct Loans (in millions of dollars)

Identification code 915–4987–0–4–371		2015 actual	2016 est.	2017 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2,768,291	2,801,954	2,801,954
1231	Disbursements: Direct loan disbursements	522,948		
1251	Repayments: Repayments and prepayments	–489,285		
1290	Outstanding, end of year	2,801,954	2,801,954	2,801,954

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 the Budget 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	2015 actual	2016 est.	2017 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	413,610	367,145	339,304
1251 Repayments: Repayments and prepayments	–46,465	–27,841	–50,896
1290 Outstanding, end of year	367,145	339,304	288,408

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, 2015, Freddie Mac had received $71.3 billion under the PSPA and made a total of $96.5 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 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	2014 actual	2015 actual
ASSETS:		
Federal assets:		
Investments in US securities:		
1102 Treasury securities, par	9,159	12,158
1201 Non-Federal assets: Investments in non-Federal securities, net	29,956	38,738
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Mortgage Loans and Mortgage Related Securities	275,490	239,797
1601 Mortgage Loans and Mortgage Related Securities - Consolidated Trusts	1,549,533	1,615,291
1604 Direct loans and interest receivable, net	1,825,023	1,855,088
1606 Acquired property, net	2,911	1,795
1699 Value of assets related to direct loans	1,827,934	1,856,883
Other Federal assets:		
1801 Cash and other monetary assets	37,254	36,551
1901 Other assets	18,481	17,817
1999 Total assets	1,922,784	1,962,147
LIABILITIES:		
Non-Federal liabilities:		
2202 Interest payable	6,217	6,135
2203 Debt	435,706	408,281
2203 Debt - Consolidated Trusts	1,467,845	1,539,108
2207 Other	7,830	7,324
2999 Total liabilities	1,917,598	1,960,848
NET POSITION:		
3300 Senior Preferred Stock	72,336	72,336
3300 Private Equity	–67,150	–71,037
3999 Total net position	5,186	1,299
4999 Total liabilities and net position	1,922,784	1,962,147

MORTGAGE-BACKED SECURITIES

Status of Direct Loans (in millions of dollars)

Identification code 914–4989–0–4–371	2015 actual	2016 est.	2017 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,646,431	1,719,202	1,719,202
1231 Disbursements: Direct loan disbursements	379,847		
1251 Repayments: Repayments and prepayments	–307,076		
1290 Outstanding, end of year	1,719,202	1,719,202	1,719,202

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 the Budget, 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	2015 actual	2016 est.	2017 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	587,969	636,324	636,324
1231 Disbursements: Direct loan disbursements	5,097,753	5,097,753	5,097,753
1251 Repayments: Repayments and prepayments	–5,049,665	–5,097,753	–5,097,753
1264 Write-offs for default: Other adjustments, net (+ or -)	267		
1290 Outstanding, end of year	636,324	636,324	636,324

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 11 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 7,300 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, and must meet other requirements in the Act to obtain 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 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		2014 actual	2015 actual
	ASSETS:		
	Federal assets:		
	Investments in US securities:		
1102	Treasury securities, par	1,229	307
	Non-Federal assets:		
1201	Investments in non-Federal securities, net	238,354	263,134
1206	Accounts receivable	1,094	1,106
1401	Net value of assets related to direct loans receivable: Direct loans receivable, gross	587,891	636,325
	Other Federal assets:		
1801	Cash and other monetary assets	53,488	17,480
1803	Property, plant and equipment, net	223	210
1901	Other assets	1,060	1,364
1999	Total assets	883,339	919,926
	LIABILITIES:		
2101	Federal liabilities: REFCORP and Affordable Housing Program	793	833
	Non-Federal liabilities:		
2202	Interest payable	1,374	1,353
2203	Debt	818,042	858,606
2207	Deposit funds and other borrowing	9,322	8,268
2207	Other	7,170	4,649
2999	Total liabilities	836,701	873,709
	NET POSITION:		
3100	Invested capital	46,638	46,217
4999	Total liabilities and net position	883,339	919,926

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		2015 actual	2016 est.	2017 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	75,638	84,524	85,914
1231	Disbursements: Direct loan disbursements	307,720	314,859	322,164
1251	Repayments: Repayments and prepayments	–298,827	–313,427	–320,139
1263	Write-offs for default: Direct loans	–7	–42	–54
1290	Outstanding, end of year	84,524	85,914	87,885

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)

	2014 act.	2015 act.	2016 est.	2017 est.
Beginning balance of net worth	6,609,288	7,061,398	7,800,245	8,129,3359
Capital stock and participations issued	26,635	335,770	51,693	29,968
Capital stock and participations retired	33,439	169,301	29,400	28,100
Net income	916,449	915,751	866,495	821,553
Cash/Dividends/Patronage Distributions	–428,852	–456,814	–487,810	–505,858
Other, net	–28,683	113,441	–71,888	–15,238
Ending balance of net worth	7,061,398	7,800,245	8,129,335	8,431,660

AGRICULTURAL CREDIT BANK—Continued

Financing Activities (in thousands of dollars)

	2014 act.	2015 act.	2016 est.	2017 est.
Beginning balance of outstanding system obligations	82,111,600	88,513,292	97,279,304	100,796,741
Consolidated systemwide and other bank bonds issued	26,128,369	41,260,664	42,217,911	43,197,367
Consolidated systemwide and other bank bonds retired	21,309,889	31,383,539	39,150,224	40,380,459
Consolidated systemwide notes, net	1,674,497	–1,043,732	500,000	500,000
Other (Net)	–91,285	–67,381	–50,250	–36,250
Ending balance of outstanding system obligations	88,513,292	97,279,304	100,796,741	104,077,399

Balance Sheet (in millions of dollars)

Identification code 912–4991–0–4–351		2014 actual	2015 actual
	ASSETS:		
	Non-Federal assets:		
1201	Cash and investment securities	24,965	25,081
1206	Accrued interest receivable on loans	357	315
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	75,638	84,524
1603	Allowance for estimated uncollectible loans and interest (-)	–407	–460
1699	Value of assets related to direct loans	75,231	84,064
1803	Other Federal assets: Property, plant and equipment, net	1,071	1,025
1999	Total assets	101,624	110,485
	LIABILITIES:		
2104	Federal liabilities: Resources payable to Treasury	1,316	1,484
	Non-Federal liabilities:		
2201	Consolidated systemwide and other bank bonds	88,513	97,279
2201	Notes payable and other interest-bearing liabilities	4,461	3,636
2202	Accrued interest payable	273	286
2999	Total liabilities	94,563	102,685
	NET POSITION:		
3300	Cumulative results of operations	7,061	7,800
4999	Total liabilities and net position	101,624	110,485

FARM CREDIT BANKS

Status of Direct Loans (in millions of dollars)

Identification code 912–4992–0–4–371		2015 actual	2016 est.	2017 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	108,205	115,851	119,570
1231	Disbursements: Direct loan disbursements	191,962	202,012	212,677
1251	Repayments: Repayments and prepayments	–184,314	–198,279	–207,492
1263	Write-offs for default: Direct loans	–2	–14	–20
1290	Outstanding, end of year	115,851	119,570	124,735

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, 2015: 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, 2015, provided funds to one Federal Land Credit Association (FLCA) and 49 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)

	2014 act.	2015 act.	2016 est.	2017 est.
Beginning balance of net worth	8,615,024	8,828,842	9,149,023	9,491,888
Capital stock and participations issued	373,384	185,976	190,100	193,290
Capital stock and participations retired	559,397	85,259	70,741	74,322
Surplus Retired	–43	–2,162	0	0
Net income	1,140,319	1,049,060	877,182	882,883
Cash/Dividends/Patronage Distributions	–777,461	–778,566	–655,281	–551,848
Other, net	36,930	–53,192	1,605	–49,133
Ending balance of net worth	8,828,842	9,149,023	9,491,888	9,892,758

Financing Activities (in thousands of dollars)

	2014 act.	2015 act.	2016 est.	2017 est.
Beginning balance of outstanding system obligations	118,125,324	125,494,765	133,822,885	138,943,867
Consolidated systemwide and other bank bonds issued	268,562,125	222,845,285	226,189,209	235,002,654
Consolidated systemwide and other bank bonds retired	263,321,191	215,967,375	222,218,861	225,855,012
Consolidated systemwide notes, net	2,128,507	1,450,210	1,150,634	1,392,485
Other (Net)	0	0	0	0
Ending balance of outstanding system obligations	125,494,765	133,822,885	138,943,867	149,483,994

Balance Sheet (in millions of dollars)

Identification code 912–4992–0–4–371		2014 actual	2015 actual
	ASSETS:		
	Non-Federal assets:		
1201	Cash and investment securities	27,610	28,678
1206	Accrued Interest Receivable	475	502
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	108,204	115,850
1603	Allowance for estimated uncollectible loans and interest (-)	–38	–37
1699	Value of assets related to direct loans	108,166	115,813
1803	Other Federal assets: Property, plant and equipment, net	534	560
1999	Total assets	136,785	145,553
	LIABILITIES:		
2104	Federal liabilities: Resources payable to Treasury	323	394
	Non-Federal liabilities:		
2201	Consolidated systemwide and other bank bonds	125,495	133,822
2201	Notes payable and other interest-bearing liabilities	1,835	1,849
2202	Accrued interest payable	303	339
2999	Total liabilities	127,956	136,404
	NET POSITION:		
3300	Cumulative results of operations	8,829	9,149
4999	Total liabilities and net position	136,785	145,553

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Status of Guaranteed Loans (in millions of dollars)

Identification code 912–4993–0–4–351		2015 actual	2016 est.	2017 est.
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	14,005	15,628	15,628
2231	Disbursements of new guaranteed loans	3,479	....	....
2251	Repayments and prepayments	–1,856	....	....
2290	Outstanding, end of year	15,628	15,628	15,628
	Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,899	....	....

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 obligations, 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, 2015, 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		2014 actual	2015 actual
	ASSETS:		
	Non-Federal assets:		
1201	Investment in securities	3,616	2,032
1206	Receivables, net	116	151
	Net value of assets related to direct loans receivable:		
1401	Direct loans receivable, gross	10,100	11,080
1402	Interest receivable	66	74
1499	Net present value of assets related to direct loans	10,166	11,154
1801	Other Federal assets: Cash and other monetary assets	628	1,517
1999	Total assets	14,526	14,854
	LIABILITIES:		
	Non-Federal liabilities:		
2201	Accounts payable	88	121
2202	Interest payable	35	38
2203	Debt	13,577	14,110
2204	Liabilities for loan guarantees	43	44
2999	Total liabilities	13,743	14,313
	NET POSITION:		
3300	Invested capital	783	541
4999	Total liabilities and net position	14,526	14,854