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. These statements are not reviewed by the President; they are presented as submitted by the enterprises.

—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, 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		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....
1131	Direct loan obligations	310,260	....	....
1150	Total direct loan obligations	310,260	....	....
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	761,396	792,675	792,675
1231	Disbursements: Direct loan disbursements	310,260	....	....
1251	Repayments: Repayments and prepayments	–278,981	....	....
1290	Outstanding, end of year	792,675	792,675	792,675

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 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.

Growing stress in the mortgage markets over the last two years has reduced Fannie Mae's capital, demonstrated by a dramatic decline in stockholder equity. The Housing and Economic Recovery Act 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 Treasury to purchase obligations of the housing GSEs. In September 2008, FHFA put Fannie Mae under Federal conservatorship and the U.S. Department of Treasury entered into a 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. On May 6, 2009, Treasury increased the funding commitments for the PSPA to $200 billion and on December 24, 2009, Treasury announced that the funding commitments in the purchase agreements would be modified to allow for additional funding in the event that cumulative losses at Fannie Mae exceed $200 billion before December 31, 2012. As of December 31, 2009 Fannie Mae had received $59.9 billion under the PSPA and made $2.5 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 Fannie Mae, including the PSPA, is shown on-budget. For additional discussion and analyses of Fannie Mae, please see the *Analytical Perspectives* and *Summary Tables* volumes of the Budget documents.

Balance Sheet (in millions of dollars)

Identification code 99–2500–0–3–371		2008 actual	2009 actual
	ASSETS:		
1201	Non-Federal assets: Investments in other securities, net	172,242	176,676
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans (net of discount)	627,645	634,398
1606	Acquired Property, net	7,493	7,735
1699	Value of assets related to direct loans	635,138	642,133
	Other Federal assets:		
1801	Cash and other monetary assets	64,570	54,566
1901	Other assets	24,665	16,900
1999	Total assets	896,615	890,275
	LIABILITIES:		
	Federal liabilities:		
2102	Accrued interest payable	6,264	5,032
2105	Other	18,988	27,139
	Non-Federal liabilities:		
2203	Debt	831,310	802,990
2204	Estimated liability for loan guarantees	30,618	70,074
2999	Total liabilities	887,180	905,235
	NET POSITION:		
3300	Senior Preferred Stock	....	45,900
3300	Private Equity	9,276	–60,965
3300	Noncontrolling Interest	159	105
3999	Total net position	9,435	–14,960
4999	Total liabilities and net position	896,615	890,275

Mortgage-Backed Securities

Status of Direct Loans (in millions of dollars)

Identification code 99–2501–0–3–371		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	....	....	....

MORTGAGE-BACKED SECURITIES—Continued

Status of Direct Loans—Continued

Identification code 99–2501–0–3–371		2009 actual	2010 est.	2011 est.
1131	Direct loan obligations	760,839		
1150	Total direct loan obligations	760,839		
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2,559,521	2,795,734	2,795,734
1231	Disbursements: Direct loan disbursements	760,839		
1251	Repayments: Repayments and prepayments	–524,626		
1290	Outstanding, end of year	2,795,734	2,795,734	2,795,734

According to accounting practices for private corporations, the mortgages in the pools of loans supporting the mortgage-backed securities are considered to be owned by the holders of these securities. Consequently, on the books of Fannie Mae, these mortgages are not considered assets and the securities outstanding are not considered liabilities. However, 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		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans			
1131	Direct loan obligations	353,238		
1150	Total direct loan obligations	353,238		
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	736,876	784,171	784,171
1231	Disbursements: Direct loan disbursements	353,238		
1251	Repayments: Repayments and prepayments	–305,943		
1290	Outstanding, end of year	784,171	784,171	784,171

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 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.

Growing stress in the mortgage markets over the last two years has reduced Freddie Mac's capital, demonstrated by a dramatic decline in stockholder equity. The Housing and Economic Recovery Act 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. Deparment of Treasury to purchase obligations of the housing GSEs. In September 2008, FHFA put Freddie Mac under Federal conservatorship and the U.S. Department of 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. On May 6, 2009, Treasury increased the funding commitments for the PSPA to $200 billion and on December 24, 2009, Treasury announced that the funding commitments in the PSPA would be modified to allow for additional funding in the event that cumulative losses at Freddie Mac exceed $200 billion before December 31, 2012. As of December 31, 2009 Freddie Mac had received $50.7 billion under the PSPA and made $4.3 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* and *Summary Tables* volumes of the Budget documents.

Balance Sheet (in millions of dollars)

Identification code 99–4420–0–3–371		2008 actual	2009 actual
	ASSETS:		
	Federal assets: Investments in US securities:		
1102	Treasury securities, par		12,394
1201	Non-Federal assets: Investments in other securities, net	18,410	15,682
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	3,224	1,698
1606	Acquired property, net	694,618	742,898
1699	Value of assets related to direct loans	697,842	744,596
	Other Federal assets:		
1801	Cash and other monetary assets	50,180	55,620
1901	Other assets	37,958	38,309
1999	Total assets	804,390	866,601
	LIABILITIES:		
	Non-Federal liabilities:		
2202	Interest payable	6,207	4,341
2203	Debt	783,950	803,781
2204	Liabilities for loan guarantees	23,635	40,819
2207	Other	4,298	7,254
2999	Total liabilities	818,090	856,195
	NET POSITION:		
3300	Senior Preferred Stock		51,700
3300	Private Equity	–13,795	–41,389
3300	Noncontrolling Interest	95	95
3999	Total net position	–13,700	10,406
4999	Total liabilities and net position	804,390	866,601

MORTGAGE-BACKED SECURITIES

Status of Direct Loans (in millions of dollars)

Identification code 99–4440–0–3–371		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans			
1131	Direct loan obligations	426,004		
1150	Total direct loan obligations	426,004		
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	1,834,408	1,862,021	1,862,021
1231	Disbursements: Direct loan disbursements	426,004		
1251	Repayments: Repayments and prepayments	–398,391		
1290	Outstanding, end of year	1,862,021	1,862,021	1,862,021

According to accounting practices for private corporations, the mortgages in the pools of loans supporting the mortgage-backed securities are considered to be owned by the holders of these securities. Consequently, on the books of Freddie Mac, these mortgages are not considered assets and the securities outstanding are not considered liabilities. However, 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		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans			
1131	Direct loan obligations	4,352,928	4,352,928	
1150	Total direct loan obligations	4,352,928	4,352,928	
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	1,099,624	752,084	752,084
1231	Disbursements: Direct loan disbursements	4,352,928	4,352,928	
1251	Repayments: Repayments and prepayments	–4,711,486	–4,352,928	
1261	Adjustments: Capitalized interest			
1264	Other adjustments, net (+ or -)	11,018		
1290	Outstanding, end of year	752,084	752,084	752,084

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 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 8,114 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 requires that FHLBanks contribute 20 percent of net earnings annually to assist in the payment of interest on bonds issued by the Resolution Funding Corporation. 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		2008 actual	2009 actual
	ASSETS:		
	Non-Federal assets:		
1201	Investments in other securities, net	316,647	292,979
1206	Accounts receivable	4,249	2,549
1401	Net value of assets related to direct loans receivable: Direct loans receivable, gross	1,099,613	752,056
	Other Federal assets:		
1801	Cash and other monetary assets	6,560	12,807
1803	Property, plant and equipment, net	197	203
1901	Other assets	2,124	1,547
1999	Total assets	1,429,390	1,062,141
	LIABILITIES:		
2101	Federal liabilities: REFCORP and Affordable Housing Program	1,057	880
	Non-Federal liabilities:		
2202	Interest payable	7,402	4,336
2203	Debt	1,323,417	980,264
2207	Deposit funds and other borrowing	28,825	15,827
2207	Other	11,593	15,859
2999	Total liabilities	1,372,294	1,017,166
	NET POSITION:		
3100	Invested capital	57,096	44,975
3999	Total net position	57,096	44,975
4999	Total liabilities and net position	1,429,390	1,062,141

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		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans			
1131	Direct loan obligations	176,280	186,855	194,329
1150	Total direct loan obligations	176,280	186,855	194,329
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	43,109	42,415	45,454
1231	Disbursements: Direct loan disbursements	176,278	186,855	194,329
1251	Repayments: Repayments and prepayments	–176,908	–183,757	–192,623
1263	Write-offs for default: Direct loans	–64	–59	–50
1264	Other adjustments, net (+ or -)			
1290	Outstanding, end of year	42,415	45,454	47,110

CoBank, ACB, which is headquartered in Denver, Colorado, serves eligible cooperatives nationwide and provides funding to Agricultural Credit Associations (ACAs) in two of its regions. 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 northwest 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)

	2008 act.	2009 act.	2010 est.	2011 est.
Beginning balance of net worth	3,161,880	3,526,570	3,933,268	4,142,675
Capital stock and participations issued	211,694	43,864	42,649	17,796
Capital stock and participations retired	40,758	7,526	44,175	28,208
Net income	560,704	517,374	507,400	557,002
Cash/Dividends/Patronage Distributions	–243,897	–246,922	–259,708	–268,824
Other, net	–123,053	99,908	–36,759	–547
Ending balance of net worth	3,526,570	3,933,268	4,142,675	4,419,894

Financing Activities

(in thousands of dollars)

	2008 act.	2009 act.	2010 est.	2011 est.
Beginning balance of outstanding system obligations	41,610,180	51,386,797	50,652,159	52,872,297
Consolidated systemwide and other bank bonds issued	26,630,980	15,470,439	16,398,665	17,054,612
Consolidated systemwide and other bank bonds retired	10,747,483	16,829,273	14,453,527	14,357,693
Consolidated systemwide notes, net	–6,106,880	624,196	275,000	250,000
Other (Net)	0	0	0	0
Ending balance of outstanding system obligations	51,386,797	50,652,159	52,872,297	55,819,216

Balance Sheet (in millions of dollars)

Identification code 99–4130–0–3–351		2008 actual	2009 actual
	ASSETS:		
	Non-Federal assets:		
1201	Cash and investment securities	14,036	16,210
1206	Accrued interest receivable on loans	385	440
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	43,110	42,415
1603	Allowance for estimated uncollectible loans and interest (-)	–441	–344
1699	Value of assets related to direct loans	42,669	42,071
1803	Other Federal assets: Property, plant and equipment, net	809	1,464
1999	Total assets	57,899	60,185
	LIABILITIES:		
2104	Federal liabilities: Resources payable	485	1,101
	Non-Federal liabilities:		
2201	Consolidated systemwide and other bank bonds	51,387	50,652
2201	Notes payable and other interest-bearing liabilities	2,025	4,063
2202	Accrued interest payable	475	436
2999	Total liabilities	54,372	56,252
	NET POSITION:		
3300	Cumulative results of operations	3,527	3,933
3999	Total net position	3,527	3,933
4999	Total liabilities and net position	57,899	60,185

FARM CREDIT BANKS

Status of Direct Loans (in millions of dollars)

Identification code 99–4160–0–3–371		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans			
1131	Direct loan obligations	218,639	224,000	244,648
1150	Total direct loan obligations	218,639	224,000	244,648
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	103,381	107,553	111,657
1231	Disbursements: Direct loan disbursements	218,602	74,913	247,806
1251	Repayments: Repayments and prepayments	–214,318	–70,809	–238,770
1263	Write-offs for default: Direct loans	–112		
1290	Outstanding, end of year	107,553	111,657	120,693

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: AgFirst Farm Credit Bank, Columbia, South Carolina; AgriBank, FCB, St. Paul, Minnesota; U.S. AgBank, FCB, Wichita, Kansas; and FCB of Texas, Austin, Texas.

FCBs serve as discount banks and as of October 1, 2009 provided funds to seven Federal Land Credit Associations (FLCAs) and 83 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)

	2008 act.	2009 act.	2010 est.	2011 est.
Beginning balance of net worth	5,976,301	6,090,651	6,758,167	7,242,103
Capital stock and participations issued	716,991	407,698	83,647	156,708
Capital stock and participations retired	113,129	120,499	0	0
Surplus Retired	1,001	869	0	0
Net income	698,366	743,443	739,828	777,480
Cash/Dividends/Patronage Distributions	–512,906	–494,451	–390,221	–414,908
Other, net	–673,971	132,194	50,682	82,614
Ending balance of net worth	6,090,651	6,758,167	7,242,103	7,843,997

Financing Activities

(in thousands of dollars)

	2008 act.	2009 act.	2010 est.	2011 est.
Beginning balance of outstanding system obligations	105,181,000	121,740,706	124,988,111	129,688,374
Consolidated systemwide and other bank bonds issued	89,058,106	92,950,949	75,325,894	71,654,904
Consolidated systemwide and other bank bonds retired	70,839,044	87,837,552	73,700,875	65,660,384
Consolidated systemwide notes, net	–1,659,356	–1,865,992	3,075,244	3,668,659
Other (Net)	0	0	0	0
Ending balance of outstanding system obligations	121,740,706	124,988,111	129,688,374	139,351,553

Balance Sheet (in millions of dollars)

Identification code 99–4160–0–3–371		2008 actual	2009 actual
	ASSETS:		
	Non-Federal assets:		
1201	Cash and investment securities	25,133	25,255
1206	Accrued Interest Receivable	951	852
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	103,382	107,553
1603	Allowance for estimated uncollectible loans and interest (-)	–31	–119
1699	Value of assets related to direct loans	103,351	107,434
1803	Other Federal assets: Property, plant and equipment, net	577	1,036
1999	Total assets	130,012	134,577
	LIABILITIES:		
2104	Federal liabilities: Resources payable	346	490
	Non-Federal liabilities:		
2201	Consolidated systemwide and other bank bonds	121,741	124,988
2201	Notes payable and other interest-bearing liabilities	912	1,622
2202	Accrued interest payable	922	719
2999	Total liabilities	123,921	127,819
	NET POSITION:		
3300	Cumulative results of operations	6,091	6,758
3999	Total net position	6,091	6,758
4999	Total liabilities and net position	130,012	134,577

Federal Agricultural Mortgage Corporation

Status of Guaranteed Loans (in millions of dollars)

Identification code 99–4180–0–3–351		2009 actual	2010 est.	2011 est.
	Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans			
2131	Guaranteed loan commitments	2,720		
2150	Total guaranteed loan commitments	2,720		
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	9,810	10,772	10,772
2231	Disbursements of new guaranteed loans	2,720		
2251	Repayments and prepayments	–1,758		
2290	Outstanding, end of year	10,772	10,772	10,772
	Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,142		

Farmer Mac

Farmer Mac is authorized under the Farm Credit Act of 1971 (Act), as amended by the Agricultural Credit Act of 1987, 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 are 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.

As of September 30, 2009, Farmer Mac's core capital exceeded statutory requirements. Additionally, Farmer Mac's regulatory capital (core capital plus the allowance for loan losses) exceeded

FEDERAL AGRICULTURAL MORTGAGE CORPORATION—Continued

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		2008 actual	2009 actual
	ASSETS:		
	Non-Federal assets:		
1201	Investment in securities	1,468	1,021
1206	Receivables, net	225	150
	Net value of assets related to direct loans receivable:		
1401	Direct loans receivable, gross	2,857	4,232
1402	Interest receivable	58	56
1499	Net present value of assets related to direct loans	2,915	4,288
1801	Other Federal assets: Cash and other monetary assets	51	275
1999	Total assets	4,659	5,734
	LIABILITIES:		
	Non-Federal liabilities:		
2201	Accounts payable	91	173
2202	Interest payable	32	37
2203	Debt	4,307	5,118
2204	Liabilities for loan guarantees	58	56
2999	Total liabilities	4,488	5,384
	NET POSITION:		
3300	Invested capital	171	350
3999	Total net position	171	350
4999	Total liabilities and net position	4,659	5,734