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, 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 financing 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		2019 actual	2020 est.	2021 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	199,114	176,989	176,989
1251	Repayments: Net repayments and prepayments	–22,125		
1290	Outstanding, end of year	176,989	176,989	176,989

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 of 2008 reformed 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 in response to the GSEs' declining capital adequacy and to support the safety and soundness of the GSEs. 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, 2019, Fannie Mae had received $119.8 billion under the PSPA, and had made a total of $181.4 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		2018 actual	2019 actual
	ASSETS:		
	Federal assets:		
	Investments in U.S. securities:		
1102	Treasury securities, par	37,328	36,016
1201	Non-Federal assets: Investments in non-Federal securities, net	26,692	23,260
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Mortgage Loans and Mortgage Related Securities	131,599	118,076
1601	Mortgage Loans and Mortgage Related Securities - Consolidated Trusts	3,111,551	3,206,856
1604	Direct loans and interest receivable, net	3,243,150	3,324,932
1606	Acquired Property, net	2,722	2,452
1699	Value of assets related to direct loans	3,245,872	3,327,384
	Other Federal assets:		
1801	Cash and other monetary assets	76,845	95,782
1901	Other assets	14,368	11,994
1999	Total assets	3,401,105	3,494,436
	LIABILITIES:		
	Non-Federal liabilities:		
2202	Interest payable	10,105	10,400
2203	Debt	246,682	213,522
2203	Debt - Consolidated Trusts	3,127,688	3,248,336
2207	Other	9,655	11,836
2999	Total liabilities	3,394,130	3,484,094
	NET POSITION:		
3300	Senior Preferred Stock	120,836	120,836
3300	Private Equity	–113,861	–110,494
3300	Noncontrolling Interest		
3999	Total net position	6,975	10,342
4999	Total liabilities and net position	3,401,105	3,494,436

Mortgage-Backed Securities

Status of Direct Loans (in millions of dollars)

Identification code 915–4987–0–4–371		2019 actual	2020 est.	2021 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	3,097,227	3,218,309	3,218,309
1231	Disbursements: Direct loan disbursements	578,435		
1251	Repayments: Repayments and prepayments	–457,353		
1290	Outstanding, end of year	3,218,309	3,218,309	3,218,309

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	2019 actual	2020 est.	2021 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	227,804	221,601	221,601
1251 Repayments: Repayments and prepayments	–6,203		
1290 Outstanding, end of year	221,601	221,601	221,601

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 of 2008 reformed 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 in response to the GSEs' declining capital adequacy and to support the safety and soundness of the GSEs. 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, 2019, Freddie Mac had received $71.6 billion under the PSPA, and had made a total of $119.7 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	2018 actual	2019 actual
ASSETS:		
Federal assets:		
Investments in U.S. securities:		
1102 Treasury securities, par	25,479	24,282
1201 Non-Federal assets: Investments in non-Federal securities, net	48,540	51,187
Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Mortgage Loans and Mortgage Related Securities	138,103	140,557
1601 Mortgage Loans and Mortgage Related Securities - Consolidated Trusts	1,814,776	1,905,633
1604 Direct loans and interest receivable, net	1,952,879	2,046,190
1606 Acquired property, net		
1699 Value of assets related to direct loans	1,952,879	2,046,190
Other Federal assets:		
1801 Cash and other monetary assets	28,683	42,803
1901 Other assets	7,876	5,784
1999 Total assets	2,063,457	2,170,246
LIABILITIES:		
Non-Federal liabilities:		
2202 Interest payable	6,418	6,688
2203 Debt	276,945	279,951
2203 Debt - Consolidated Trusts	1,765,045	1,869,308
2207 Other	9,490	7,625
2999 Total liabilities	2,057,898	2,163,572
NET POSITION:		
3300 Senior Preferred Stock	72,648	72,648
3300 Private Equity	–67,089	–65,974
3999 Total net position	5,559	6,674
4999 Total liabilities and net position	2,063,457	2,170,246

MORTGAGE-BACKED SECURITIES

Status of Direct Loans (in millions of dollars)

Identification code 914–4989–0–4–371	2019 actual	2020 est.	2021 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,045,101	2,190,219	2,190,219
1231 Disbursements: Direct loan disbursements	455,286		
1251 Repayments: Repayments and prepayments	–310,168		
1290 Outstanding, end of year	2,190,219	2,190,219	2,190,219

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	2019 actual	2020 est.	2021 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	766,096	728,188	728,188
1231 Disbursements: Direct loan disbursements	9,351,696	9,351,696	9,351,696
1251 Repayments: Repayments and prepayments	–9,395,946	–9,351,696	–9,351,696
1264 Other adjustments, net (+ or -)	6,342		
1290 Outstanding, end of year	728,188	728,188	728,188

The Federal Home Loan Bank System is a Government-sponsored enterprise (GSE) in the housing finance market. The Federal Home Loan Banks (FHLBanks) 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 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 nearly 6,800 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. 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, including 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. 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		2018 actual	2019 actual
	ASSETS:		
	Federal assets:		
	Investments in U.S. securities:		
1102	Treasury securities, par	8,623	54,001
	Non-Federal assets:		
1201	Investments in non-Federal securities, net	309,768	297,831
1206	Accounts receivable	2,009	2,034
1401	Net value of assets related to direct loans receivable: Direct loans receivable, gross	766,197	728,261
	Other Federal assets:		
1801	Cash and other monetary assets	772	769
1803	Property, plant and equipment, net	308	
1901	Other assets	1,700	3,111
1999	Total assets	1,089,377	1,086,007
	LIABILITIES:		
2101	Federal liabilities: REFCORP and Affordable Housing Program	1,093	1,080
	Non-Federal liabilities:		
2202	Interest payable	1,737	1,909
2203	Debt	1,016,403	1,010,890
2207	Deposit funds and other borrowing	8,249	10,787
2207	Other	4,313	5,712
2999	Total liabilities	1,031,795	1,030,378
	NET POSITION:		
3100	Invested capital	57,582	55,629
4999	Total liabilities and net position	1,089,377	1,086,007

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 or Corporation), an independent Federal Government-controlled corporation that collects insurance premiums from member banks to fund insurance reserves. All of the FCSIC's operating expenses are also paid from the insurance premiums it receives from the System banks; as a result, the FCSIC does 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		2019 actual	2020 est.	2021 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	98,335	101,899	106,074
1231	Disbursements: Direct loan disbursements	421,179	434,964	449,201
1251	Repayments: Repayments and prepayments	–417,605	–430,747	–445,673
1263	Write-offs for default: Direct loans	–10	–42	–56
1290	Outstanding, end of year	101,899	106,074	109,546

CoBank, Agricultural Credit Bank (ACB), which is headquartered outside Denver, Colorado, provides funding to eligible cooperatives nationwide and Agricultural Credit Associations (ACAs) in its chartered district. CoBank, ACB, is the only Agricultural Credit Bank 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. In exercising its FCB authority, CoBank's charter limits its lending to 21 ACAs 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)

	2018 act.	2019 act.	2020 est.	2021 est.
Beginning balance of net worth	8,897,129	9,058,428	10,447,308	11,065,960
Capital stock and participations issued	75,513	78,467	124,024	110,276
Capital stock and participations retired	31,164	44,027	35,549	33,956
Net income	1,328,251	1,054,550	1,038,528	1,043,706
Cash/Dividends/Patronage Distributions	–655,756	–566,874	–550,148	–563,843
Other, net	–555,545	866,764	41,797	17,092
Ending balance of net worth	9,058,428	10,447,308	11,065,960	11,639,235

Financing Activities (in thousands of dollars)

	2018 act.	2019 act.	2020 est.	2021 est.
Beginning balance of outstanding system obligations	112,319,658	115,909,963	122,493,375	123,101,653

AGRICULTURAL CREDIT BANK—Continued

Financing Activities—Continued

	2018 act.	2019 act.	2020 est.	2021 est.
Consolidated systemwide and other bank bonds issued	44,632,727	55,744,873	57,569,412	59,453,670
Consolidated systemwide and other bank bonds retired	35,721,693	48,978,751	56,949,226	55,397,663
Consolidated systemwide notes, net	–5,295,962	–167,077	0	0
Other (Net)	–24,767	–15,633	–11,908	–8,691
Ending balance of outstanding system obligations	115,909,963	122,493,375	123,101,653	127,148,969

Balance Sheet (in millions of dollars)

Identification code 912–4991–0–4–351		2018 actual	2019 actual
	ASSETS:		
	Non-Federal assets:		
1201	Cash and investment securities	28,969	33,318
1206	Accrued interest receivable on loans	432	452
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	98,335	101,898
1603	Allowance for estimated uncollectible loans and interest (-)	–586	–621
1699	Value of assets related to direct loans	97,749	101,277
1803	Other Federal assets: Property, plant and equipment, net	854	1,323
1999	Total assets	128,004	136,370
	LIABILITIES:		
2104	Federal liabilities: Resources payable to Treasury	1,357	1,789
	Non-Federal liabilities:		
2201	Consolidated systemwide and other bank bonds	115,910	122,493
2201	Notes payable and other interest-bearing liabilities	1,262	1,194
2202	Accrued interest payable	416	447
2999	Total liabilities	118,945	125,923
	NET POSITION:		
3300	Cumulative results of operations	9,059	10,447
4999	Total liabilities and net position	128,004	136,370

FARM CREDIT BANKS

Status of Direct Loans (in millions of dollars)

Identification code 912–4992–0–4–371		2019 actual	2020 est.	2021 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	133,532	139,911	145,812
1231	Disbursements: Direct loan disbursements	205,397	215,345	226,059
1251	Repayments: Repayments and prepayments	–199,012	–209,413	–218,970
1263	Write-offs for default: Direct loans	–6	–31	–36
1290	Outstanding, end of year	139,911	145,812	152,865

The Agricultural Credit Act of 1987 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. 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, 2019: 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, 2019, provided funds to one Federal Land Credit Association and 46 Agricultural Credit Associations. 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)

	2018 act.	2019 act.	2020 est.	2021 est.
Beginning balance of net worth	9,930,452	10,072,862	10,559,072	11,301,575
Capital stock and participations issued	195,623	257,973	478,473	501,439
Capital stock and participations retired	27,943	13,396	17,529	19,019
Surplus Retired	42	105	0	0
Net income	1,070,908	1,063,565	1,024,938	1,015,620
Cash/Dividends/Patronage Distributions	–973,857	–956,091	–1,006,646	–972,682
Other, net	–122,279	134,264	263,264	151,785
Ending balance of net worth	10,072,862	10,559,072	11,301,575	11,978,718

Financing Activities (in thousands of dollars)

	2018 act.	2019 act.	2020 est.	2021 est.
Beginning balance of outstanding system obligations	145,600,456	152,736,019	160,146,949	166,089,986
Consolidated systemwide and other bank bonds issued	217,751,504	251,290,862	235,629,588	239,399,930
Consolidated systemwide and other bank bonds retired	209,655,204	243,996,390	229,662,565	232,658,290
Consolidated systemwide notes, net	–967,779	0	0	0
Other (Net)	7,042	116,458	–23,986	–24,945
Ending balance of outstanding system obligations	152,736,019	160,146,949	166,089,986	172,806,681

Balance Sheet (in millions of dollars)

Identification code 912–4992–0–4–371		2018 actual	2019 actual
	ASSETS:		
	Non-Federal assets:		
1201	Cash and investment securities	29,926	31,658
1206	Accrued Interest Receivable	788	937
	Net value of assets related to direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	133,532	139,910
1603	Allowance for estimated uncollectible loans and interest (-)	–55	–60
1699	Value of assets related to direct loans	133,477	139,850
1803	Other Federal assets: Property, plant and equipment, net	671	758
1999	Total assets	164,862	173,203
	LIABILITIES:		
2104	Federal liabilities: Resources payable to Treasury	394	504
	Non-Federal liabilities:		
2201	Consolidated systemwide and other bank bonds	152,736	160,147
2201	Notes payable and other interest-bearing liabilities	1,056	1,370
2202	Accrued interest payable	603	623
2999	Total liabilities	154,789	162,644
	NET POSITION:		
3300	Cumulative results of operations	10,073	10,559
4999	Total liabilities and net position	164,862	173,203

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Status of Guaranteed Loans (in millions of dollars)

Identification code 912–4993–0–4–351		2019 actual	2020 est.	2021 est.
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	19,541	20,933	20,933
2231	Disbursements of new guaranteed loans	5,025	....	....
2251	Repayments and prepayments	–3,633	....	....
2290	Outstanding, end of year	20,933	20,933	20,933
	Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2,568	....	....

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 telecommunications 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 of qualified loans, 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.

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. 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		2018 actual	2019 actual
	ASSETS:		
	Non-Federal assets:		
1201	Investment in securities	2,269	3,157
1206	Receivables, net	87	78
	Net value of assets related to direct loans receivable:		
1401	Direct loans receivable, gross	15,546	17,333
1402	Interest receivable	136	159
1499	Net present value of assets related to direct loans	15,682	17,492
1801	Other Federal assets: Cash and other monetary assets	436	588
1999	Total assets	18,474	21,315
	LIABILITIES:		
	Non-Federal liabilities:		
2201	Accounts payable	283	63
2202	Interest payable	87	104
2203	Debt	17,285	20,359
2204	Liabilities for loan guarantees	41	39
2999	Total liabilities	17,696	20,565
	NET POSITION:		
3300	Invested capital	778	750
4999	Total liabilities and net position	18,474	21,315