

**Fannie Mae
Federal Credit Union
Comparative Balance Sheet
As of December 31, 2000**

Assets	2000	1999
Loans	\$ 4,608,931	\$ 3,793,401
Cash in Banks	607,708	479,602
Regular Savings		
Investments	4,209,434	4,034,525
Receivables and Other Assets	74,070	46,432
Pre-Paid and Deferred Expenses	21,807	14,934
Fixed Assets	39,567	55,225
Less: Allowance for Loan Loss	<u>(18,558)</u>	<u>(16,839)</u>
Total Assets	\$ <u>9,542,959</u>	\$ <u>8,407,280</u>

Liabilities and Capital

Accounts Payable	\$ 13,256	\$ 19,636
Accrued Expenses	6,854	2,956
Dividend Payable	<u>47,815</u>	<u>44,120</u>
Total Liabilities	\$ 67,925	\$ 66,712
Shares and Share Certificates	\$ 8,035,274	\$ 7,072,038
Regular Reserves	283,891	289,891
Undivided Earnings	<u>1,155,869</u>	<u>978,639</u>
Total Shares and Capital	\$ 9,475,034	\$ 8,340,568
Total Liabilities and Capital	\$ <u>9,542,959</u>	\$ <u>8,407,280</u>

**Income Statement for
Period Ended
December 31, 2000**

Income	2000	1999
Interest on Loans	\$ 319,254	\$ 316,335
Income from Investments	242,390	176,047
Miscellaneous	<u>127,471</u>	<u>90,971</u>
Operating Income		
Total Income	\$ <u>689,115</u>	\$ <u>583,353</u>
Expenses		
Education and Promotions	\$ 4,622	\$ 3,000
Provision for Loan Loss	6,000	6,000
Examination Fees	2,961	2,265
Member Insurance	684	864
Association Dues	3,000	3,000
Loan Servicing Expenses	4,192	3,645
Travel and Conferences	3,459	2,830
Office Operations	42,128	40,328
Professional Services	60,827	46,699
Salaries	155,033	150,701
Miscellaneous	<u>(104)</u>	<u>1,686</u>
Operating Expenses		
Total Expenses	\$ 282,802	\$ 261,018
Net Earnings	\$ <u>406,313</u>	\$ <u>322,335</u>

**Statement of Reserves
and Undivided Earnings
as of December 31, 2000**

Balance— Regular Reserves and Undivided Earnings 1999	\$ 1,268,530	\$ 1,155,614
Add: Net Earnings	406,314	322,335
Less: Dividends Paid in 2000	(235,084)	(209,420)
Balance as of December 31, 2000	\$ <u>1,439,760</u>	\$ <u>1,268,530</u>

Financial and Operating Highlights

	1999	2000
Assets	\$ 8,407,280	\$ 9,542,959
Shares	\$ 7,072,038	\$ 8,035,274
Loans (Outstanding)	\$ 3,793,401	\$ 4,608,931
Income	\$ 583,353	\$ 689,115
Expenses	\$ 261,018	\$ 282,802
Net Earnings (Before Dividends)	\$ 322,335	\$ 406,314
Members	3,709	4,080

**Fannie Mae
Federal
Credit
Union**
2000 Annual Report



Report of the Board of Directors

I am pleased to provide the Fannie Mae Federal Credit Union's Report of the Board of Directors for 2000.

In 2000, the credit union remained financially safe and sound and received the National Credit Union Administration's highest composite "CAMEL" rating of 1 for the seventh consecutive year.

During 2000, we built on our successful transition to a new century at the start of the year. We worked to further refine our services for our members. And our assets continued to grow, as did our membership and our services.

In 2000, the Board of Directors moved quickly to offer an efficient, member-friendly home banking system. Members now have the ability to verify balances, transfer funds between accounts, and request drafts. In the future, we plan to offer additional services on the system, including the ability to submit loan and membership applications online.

Fannie Mae employee-members currently find detailed information on the credit union, our products and services, and auto and personal loan offerings on Fannie Mae's intranet, HomeSite. In 2001, your Board will continue to look for ways to better communicate with *all* members – including those who are Fannie Mae employees and those who are not – to keep them informed of credit union activities.

During this calendar year, the credit union will be moving to a larger, more member-friendly location. Further details on this will be forthcoming.

The Board of Directors and credit union volunteers appreciate your support and, as always, we welcome your comments and suggestions.

Domenic S. Grillo
President

Report of the Treasurer

The financial condition of the Fannie Mae Federal Credit Union continues to be excellent, as evidenced by the accompanying financial statements. We were financially successful by several measures. In 2000, your credit union experienced growth in the following areas:

	% Increase
Total assets	13.50%
Total shares	13.62%
Total loans outstanding	21.49%
Total membership	10.00%
Total reserves and equity	13.49%

The success of the credit union during 2000 could not have been achieved if it were not for the support, patience, and dedication of the members, volunteers, and staff of the credit union.

Thank you for your support. We look forward to serving you in 2001.

Helen Bunn
Treasurer

Report of the Credit Committee

In 2000, the Fannie Mae Federal Credit Union had a record year of lending activity, disbursing \$3,660,907 for 307 loans. This amounts to an increase in loan dollar volume of 42 percent from 1999.

The interest rate environment was mostly stable during the year, and the credit union was able to maintain competitive interest rates for the various loan products offered to our members. The credit union continued to offer various loan specials (including tax, vacation, auto and holiday specials) at below-market rates to accommodate the various borrowing needs of the membership.

In 2001, the credit union will continue to explore new and innovative lending products with competitive rates to ensure that we meet and exceed our members' financial expectations.

Kevin Hickey
Chairman

Report of the Supervisory Committee

During 2000, the Supervisory Committee ensured that the activities of the Fannie Mae Federal Credit Union complied with the requirements of the Federal Credit Union Act, Bylaws, and Rules and Regulations. Members of the committee also monitored cash transactions, reviewed various policies and procedures, investigated members' complaints, and made recommendations for improving the operations and services of the credit union.

In 2001, we will continue zealously to protect members' interests.

James Paige
Chairman

Credit Union Officers, Committee Members, Advisors, and Staff (as of December 31, 2000)

Board of Directors and Officers

	Term expiring
President	Domenic Grillo 2001
Director and Treasurer	Helen Bunn 2002
Director	Denise Ouellette 2002
Director	Robert Catalanotto 2001
Director	Woodrow Jenkins 2001
Director	Susan Mickelson 2002
Director	Mary Beth Preuss 2002
Director	Peter Savarino 2002
Director	Jean Schreier 2001
Director Emeritus	Bill Cupp
Director Emeritus	Robert Reid
Security Officer	Jean Schreier
General Counsel	Juliana O'Reilly

Credit Committee

Kevin Hickey, Chairman	2002
Michelle McMahon	2001
Robert Schmidt	2002
Bonita Jones	2001
Wendy Marcellino (<i>Alternate</i>)	
Darrell Grymes (<i>Alternate</i>)	

Supervisory Committee

James Paige, Chairman
William Cupp
Andrew Hogans
Stacey Montague
Karen Thompson

Staff

Manager
Credit Union Analyst
Credit Union Analyst
Credit Union Analyst
Administrative Associate

Helen Bunn
Hope Graves
Jean Oates
Nancy Williams
Alva Moore

Credit Union Advisors

Loleta Abdullah
William Cragg
Elvira French
Lawrence Gordon
Darlene Smith
Scott Steiger