

**Fannie Mae
Federal Credit Union
Comparative Balance Sheet
As of December 31, 2001**

Assets	2001	2000
Loans	\$ 5,882,815	\$ 4,608,931
Cash in Banks	740,540	607,708
Investments	5,339,954	4,209,434
Receivables and Other Assets	60,225	74,070
Pre-Paid and Deferred Expenses	23,436	21,807
Fixed Assets	25,038	39,567
Less: Allowance for Loan Loss	<u>(19,512)</u>	<u>(18,558)</u>
Total Assets	\$12,052,496	\$ 9,542,959

Liabilities and Capital

Accounts Payable	\$ 25,674	\$ 13,256
Accrued Expenses	7,771	6,854
Dividend Payable	<u>48,679</u>	<u>47,815</u>
Total Liabilities	\$ 82,124	\$ 67,925
Shares and Share Certificates	\$10,340,721	\$ 8,035,274
Regular Reserves	287,315	283,891
Undivided Earnings	<u>1,342,336</u>	<u>1,155,869</u>
Total Shares and Capital	\$11,970,372	\$ 9,475,034
Total Liabilities and Capital	\$12,052,496	\$ 9,542,959

**Income Statement for
Period Ended
December 31, 2001**

Income	2001	2000
Interest on Loans	\$ 355,151	\$ 319,254
Income from Investments	241,533	242,390
Miscellaneous Operating Income	<u>171,507</u>	<u>127,471</u>
Total Income	\$ 768,191	\$ 689,115

Expenses

Education and Promotions	\$ 3,850	\$ 4,622
Provision for Loan Loss	6,000	6,000
Examination Fees	2,520	2,961
Member Insurance	587	684
Association Dues	3,050	3,000
Loan Servicing Expenses	3,749	4,192
Travel and Conferences	3,497	3,459
Office Operations	44,540	42,128
Professional Services	62,164	60,827
Salaries	163,315	155,033
Miscellaneous Operating Expenses	<u>11</u>	<u>(104)</u>
Total Expenses	\$ 293,283	\$ 282,802
Net Earnings	\$ 474,908	\$ 406,313

**Statement of Reserves
and Undivided Earnings
as of December 31, 2001**

Balance— Regular Reserves and Undivided Earnings 2000	\$ 1,439,760	\$ 1,268,530
Add: Net Earnings	474,908	406,314
Less: Dividends Paid in 2001	(285,016)	(235,084)
Balance as of December 31, 2001	\$ 1,629,652	\$ 1,439,760

Financial and Operating Highlights

	2001	2000
Assets	\$ 12,052,496	\$ 9,542,959
Shares	\$ 10,340,721	\$ 8,035,274
Loans (Outstanding)	\$ 5,882,815	\$ 4,608,931
Income	\$ 768,191	\$ 689,115
Expenses	\$ 293,283	\$ 282,802
Net Earnings (Before Dividends)	\$ 474,908	\$ 406,314
Members	4,520	4,080

**Fannie Mae
Federal
Credit
Union**
2001 Annual Report



Report of the Board of Directors

I am so pleased to provide the Fannie Mae Federal Credit Union’s Report of the Board of Directors for 2001.

In 2001, the credit union remained financially safe and sound and received the National Credit Union Administration’s highest composite “CAMEL” rating of 1 for the eighth consecutive year.

During 2001, we continued to build on our successful transition into this century. We worked to further refine our services for our members. And, our assets continued to grow as did our membership and our services.

In 2001, the Board of Directors continued to offer an efficient, member-friendly home banking system through the audio response system. Members have the ability to verify balances, transfer funds between accounts, and request drafts. In 2002, we plan to offer these same services online plus add the ability to submit loan and membership applications online.

Fannie Mae employee-members currently find detailed information on our products, services, and auto and personal loan offerings on Fannie Mae’s intranet, HomeSite. In 2002, 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 the credit union’s activities.

During this calendar year, we expect that 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, 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. In 2001, your credit union experienced growth in the following areas:

	% Increase
Total shares	26.30%
Total assets	28.70%
Total loans outstanding	27.64%
Total membership	10.79%
Total reserves and equity	13.19%

The success of the credit union during 2001 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 2002.

Helen Bunn
Treasurer

Report of the Credit Committee

In 2001 the Fannie Mae Federal Credit Union had another record year of lending activity, disbursing \$4,134,470 for 294 loans - an increase in loan dollar volume of almost 13% from 2000’s then - record numbers.

2001 has been an interesting year for the economy. We’ve seen the beginning of the first recession in a decade and have had to deal with the after effects of 9/11. The Federal Reserve cut interest rates 11 times, and a large tax cut was passed over the summer. The credit union continues to maintain very competitive interest rates for the various loan products offered to our members. The credit union had a very successful auto loan special in 2001 and continued to offer various other loan specials (including tax, vacation, and holiday specials) at below-market rates to accommodate the various borrowing needs of our membership.

In 2002, the credit union will continue to explore appropriate new and innovative lending products with competitive interest rates to ensure that we meet and exceed our members’ financial expectations.

Kevin Hickey
Chairman

Report of the Supervisory Committee

During 2001, 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 2002, we will continue to zealously protect members’ interests.

James Paige
Chairman

Officers and Credit Union Staff (as of December 31, 2001)

Board of Directors and Officers

	Term expiring
President	Domenic Grillo 2003
Director	Helen Bunn 2002
Director	Robert Catalanotto 2003
Director	Woodrow Jenkins 2003
Director	Susan Mickelson 2002
Director	Denise Ouellette 2002
Director	Mary Beth Preuss 2002
Director	Peter Savarino 2002
Director	Jean Schreier 2003
Director Emeritus	Bill Cupp
Director Emeritus	Robert Reid
Security Officer	Jean Schreier
General Counsel	Juliana O’Reilly

Credit Committee

Kevin Hickey, Chairman	2002
Bonita Jones	2003
Michelle McMahan	2003
Robert Schmidt	2002
Darrell Grymes (Alternate)	
Wendy Marcellino (Alternate)	

Supervisory Committee

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

Staff

Manager	Helen Bunn
Credit Union Analyst	Hope Graves
Credit Union Analyst	Jean Oates
Credit Union Analyst	Nancy Williams
Administrative Associate	Alva Moore

Credit Union Advisors

Loleta R. Abdullah
Paul Barretto
William F. Cragg
Elvira French
Lawrence Gordon
Darlene Smith
Scott C. Steiger