FEDERAL AGRICULTURAL MORTGAGE CORP
Form 8-K
October 23, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 22, 2002

Federal Agricultural Mortgage Corporation
(Exact name of registrant as specified in its charter)

Federally chartered instrumentality of the United States	0-17440	52-1578738
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

1133 21st Street, N.W., Suite 600, Washington, D.C.	20036
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (202) 872-7700

No change
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Exhibits:

99 Press release dated October 22, 2002.

Item 9. Regulation FD Disclosure.

On October 22, 2002, the Registrant issued a press release to announce the Registrant's financial results for third quarter 2002. The press release is filed as Exhibit 99 hereto and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

By: /s/ Jerome G. Oslick

Name: Jerome G. Oslick
Title: Vice President - General Counsel

Dated: October 22, 2002

EXHIBIT INDEX

Exhibit No.	Description	Page No.

99 Press Release Dated October 22, 2002 5

Exhibit 99

Farmer Mac

NEWS

FOR IMMEDIATE RELEASE
October 22, 2002

CONTACT
Jerome Oslick
202-872-7700

Farmer Mac Achieves Strong Earnings

Confirms Analyst Expectations for the Year

Washington, D.C. -- The Federal Agricultural Mortgage Corporation (Farmer Mac, NYSE: AGM and AGMA) today announced that net income for third quarter 2002 was $5.0 million or $0.42 per diluted share and $18.5 million, or $1.54 per diluted share, for the year-to-date. Later in this release, Farmer Mac provides supplemental information about the impact of Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("FAS 133"), which reduced earnings per diluted share by $0.07 in third quarter 2002 to the level referenced above.

Farmer Mac President and Chief Executive Officer Henry D. Edelman stated, "Farmer Mac's strong third quarter performance continues to underscore the soundness of its business approach and financial strength as it fulfills its mission to serve America's farmers, ranchers and rural homeowners. This quarter's volume of new business took our 2002 year-to-date volume above 2001 full-year results, even though - as anticipated - new business volume was less than in recent quarters. The drop in new business volume was a result of the normal seasonal slowdown in new agricultural mortgage loans, anticipated in the third quarter of each year, compounded by the dampening effect of adverse media coverage on business during the spring and summer months. For the current quarter, our new business prospects have looked past that media coverage and we are seeing a resumption of normal interest in our business.

"This quarter's financial results demonstrate the annuity-like revenue stream of our business model and the benefits of yield maintenance protection in a declining interest rate environment. These items mitigated the effects on our financial performance of the increased professional and regulatory fees incurred during the quarter.

"We are also pleased with the overall performance of our portfolio of loans underlying our guarantees and Long-Term Standby Purchase Commitments ("LTSPCs"). As we have noted in the past, Farmer Mac anticipates fluctuations in the delinquencies, both in dollars and as a percentage of the outstanding portfolio, with higher levels likely at the end of the first and third quarters of each year due to the semi-annual payment characteristics of most Farmer Mac loans. Consistent with that pattern, seriously delinquent loans in the third quarter were slightly higher, in dollars, than they were at the close of the first quarter 2002 and, in percentage terms, below the levels at the close of the first quarter 2002 and of the first and third quarters of 2001. These semi-annual trends are indicative of the positive results of ongoing loan servicing and loss mitigation efforts, offset by the continued maturation of a significant segment of Farmer Mac's portfolio of guarantees and commitments into its peak default years, and a weaker agricultural economy.

"We believe that Farmer Mac is on track to meet or exceed the market analyst's current projection for its financial performance in 2002."

Net Interest Income

Net interest income reached $10.0 million for third quarter 2002 and $26.3 million year-to-date, compared to $7.9 million and $19.7 million for the same periods in 2001. The net interest yield, which does not include guarantee fees for loans purchased prior to April 1, 2001 (the effective date of Statement of Financial Accounting Standards No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities ("FAS 140")), was 103 basis points for third quarter 2002, compared to 93 basis points for second quarter 2002 and 98 basis points for third quarter 2001. The net interest yields for third quarter 2002, second quarter 2002 and third quarter 2001 included the benefits of yield maintenance payments of 15 basis points, 7 basis points and 9 basis points, respectively. The effect of the adoption of FAS 140 for the third quarter 2002 was a reclassification of approximately $0.6 million (6 basis points) of guarantee fee income as interest income. Adjusted to eliminate the effects of both yield maintenance and the effects of FAS 140, the net interest yields for third quarter 2002, second quarter 2002 and third quarter 2001 were 82 basis points, 79 basis points and 89 basis points, respectively.

Guarantee Fees

Guarantee fees, which include commitment fees, were $4.9 million for third quarter 2002, compared to $4.7 million for second quarter 2002 and $4.2 million for third quarter 2001. The relative increase in guarantee fees reflects an increase in the average balance of outstanding guarantees and commitments. Excluding the effects of the adoption of FAS 140 that reclassified $0.6 million of guarantee fee income as interest income, guarantee fees for third quarter 2002 would have been $5.5 million.

Operating Expenses

Operating expenses totaled $3.9 million for third quarter 2002, compared to $3.0 million for second quarter 2002 and $2.5 million for third quarter 2001. The increase in operating expenses in third quarter 2002 primarily reflects higher legal, consulting and regulatory fees. The Farm Credit Administration ("FCA"), the federal agency with direct regulatory authority over Farmer Mac, has advised Farmer Mac that its regulatory assessment for October 1, 2002 through September 30, 2003 will be an estimated $1.4 million, an increase from the estimated $0.7 million for October 1, 2001 through September 30, 2002. Operating expenses as a percentage of operating revenues were 25 percent for third quarter 2002, compared to 22 percent for second quarter 2002 and 21 percent for third quarter 2001.

Credit

As of September 30, 2002, Farmer Mac I loans purchased, guaranteed or committed to be purchased under its LTSPC Program since the enactment in 1996 of changes to Farmer Mac's statutory charter ("post-1996 Act loans"), both on- and off-balance sheet, that were 90 days or more past due, in foreclosure, in bankruptcy and REO ("real estate owned") totaled $91.3 million and represented 2.03 percent of the principal balance of all post-1996 Act loans. This compares to $65.2 million (1.45 percent) as of June 30, 2002, $87.1 million (2.32 percent) as of March 31, 2002, and $71.7 million (2.16 percent) as of September 30, 2001. (Farmer Mac assumes 100 percent of the credit risk on post-1996 Act loans; pre-1996 Act loans are supported by mandatory 10 percent subordinated interests that mitigate Farmer Mac's credit exposure.) The year-over-year increase in dollars is reflective of the continued maturation of a significant segment of Farmer Mac's portfolio of guarantees and commitments into its peak default years. The year-over-year decline in the ratio of delinquencies to outstanding guarantees and commitments is reflective of the growth of the portfolio.

Farmer Mac conducts loan-by-loan analyses of its delinquencies to assess the value of the collateral supporting each individual loan relative to the total amount due, including principal, interest and expenses. In the event that the updated or discounted collateral value does not support the total amount due, Farmer Mac specifically allocates reserves to the loan. Farmer Mac charges off losses against the reserve for losses when management believes a loss has occurred, but no later than when the Corporation takes possession of the property. As of September 30, 2002, Farmer Mac's loan-by-loan analysis of the updated or discounted collateral values for its $91.3 million of delinquent loans indicated that $79.2 million of the delinquent loans were adequately collateralized, while $12.1 million had insufficient collateral to cover principal, interest and expenses. Farmer Mac has specifically allocated $2.2 million of reserves to those under-collateralized loans. As of September 30, 2002, after the allocation of specific reserves to those under-collateralized loans, Farmer Mac had additional non-specific or general reserves of $16.9 million, bringing total reserves to $19.1 million.

Based on Farmer Mac's loan-by-loan analyses, loan collection experience, and continuing provisions for the reserve for losses, Farmer Mac believes that ongoing losses will be covered adequately by the reserve for losses. During third quarter 2002, Farmer Mac charged off $1.5 million in losses against the reserve for losses. In certain collateral liquidation scenarios, Farmer Mac may recover amounts previously charged off or incur additional losses, if liquidation proceeds vary from previous estimates. During third quarter 2002, Farmer Mac recovered $317,000 of previously charged off losses. As of September 30, 2002, the weighted-average original loan-to-value ratio for all post-1996 Act loans was 49 percent, and the weighted-average original loan-to-value ratio for delinquent loans was 56 percent. Farmer Mac's provision for losses was $2.0 million for third quarter 2002, compared to $2.0 million for second quarter 2002 and $2.0 million for third quarter 2001. As of September 30, 2002, Farmer Mac's reserve for losses totaled $19.1 million, or 42 basis points of the outstanding post-1996 Act loans and AMBS, compared to $18.3 million (41 basis points) as of June 30, 2002 and $14.7 million (44 basis points) as of September 30, 2001.

Provision for Income Taxes

The provision for income taxes totaled $2.3 million for third quarter 2002 and $7.5 million year-to-date, compared to $2.5 million and $6.1 million for the same periods in 2001. Farmer Mac's effective tax rate for third quarter 2002 was 29.5 percent compared to 30.1 percent for second quarter 2002 and 33.1 percent for 2001. The reduction in the rate from the prior year reflects the effects of certain tax-advantaged investment securities.

Capital

Farmer Mac's core capital totaled $181.1 million as of September 30, 2002, compared to $126.0 million as of December 31, 2001 and $176.2 million as of June 30, 2002. The regulatory methodology for calculating core capital excludes the effects of Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("FAS 115") and FAS 133, which are reported on Farmer Mac's balance sheet as accumulated other comprehensive income. Farmer Mac's core capital as of September 30, 2002 exceeded the statutory minimum capital requirement of $129.7 million by approximately $51.4 million.

The FCA issued its final risk-based capital regulation for Farmer Mac on April 12, 2001 and the Corporation was required to meet the risk-based capital standards beginning on May 23, 2002. The risk-based capital stress test promulgated by the FCA ("RBC test"), determines the amount of regulatory capital (core capital plus loss reserves) Farmer Mac would need to maintain positive capital during a ten-year period while incurring credit losses equivalent to the highest historical two-year agricultural mortgage loss rates and an interest rate shock at the lesser of 600 basis points or 50 percent of the ten-year U.S. Treasury rate. The RBC test then adds an additional 30 percent to the resulting capital requirement for management and operational risk. Farmer Mac is in compliance with the risk-based capital standards under the regulation and is confident that Farmer Mac will continue to be in compliance.

As of September 30, 2002, the RBC test generated a regulatory capital requirement of $59.4 million. Farmer Mac's regulatory capital of $200.2 million exceeded that amount by approximately $140.8 million. The decrease in the risk-based capital requirement from June 30, 2002 ($80.1 million) to September 30, 2002 ($59.4 million) was a result of changes in interest rates, and the seasoning of Farmer Mac's portfolio. The Corporation is required to hold capital at the higher of the statutory minimum capital requirement or the amount required by the RBC test.

Average return on common equity excluding any extraordinary items was 12.9 percent for third quarter 2002, as compared to 16.4 percent for third quarter 2001 and 17.6 percent for second quarter 2002. The effects of FAS 133 and FAS 115 reduced the average return on common equity by 3.4 percent for third quarter 2002 and 1.3 percent for third quarter 2001, and increased the average return on common equity by 0.8 percent for second quarter 2002.

Interest Rate Risk

The most comprehensive measure of Farmer Mac's interest rate risk is the sensitivity of Market Value of Equity ("MVE") to uniform or "parallel" yield curve shocks. As of September 30, 2002, a parallel increase of 100 basis points across the entire U.S. Treasury yield curve would increase MVE by 7.9 percent, while a parallel decrease of 100 basis points would decrease MVE by 7.5 percent. As of September 30, 2002, a parallel increase of 100 basis points would increase Farmer Mac's Net Interest Income ("NII"), a shorter-term measure of interest rate risk, by 5.5 percent, while a parallel decrease of 100 basis points would decrease NII by 3.9 percent. Farmer Mac also measures the sensitivity of both MVE and NII to a variety of non-parallel interest rate shocks. Farmer Mac's MVE and NII are less sensitive to those non-parallel shocks than to parallel shocks. Finally, Farmer Mac's duration gap, a static measure of interest rate risk, was minus 4.4 months as of September 30, 2002.

The economic effects of derivatives, including interest rate swaps, are included in the MVE, NII and duration gap analyses. Farmer Mac enters into contracts in which the Corporation pays fixed rates of interest and receives floating rates of interest from counterparties. These "floating-to-fixed interest rate swaps" are used to adjust the characteristics of short-term debt to match more closely the cash flow and duration characteristics of longer-term mortgages, thereby reducing interest rate risk, and also to derive an overall lower effective fixed-rate cost of borrowing than would otherwise be available in the conventional debt market. As of September 30, 2002, Farmer Mac had $741.5 million notional amount of floating-to-fixed interest rate swaps for terms ranging from 2 to 15 years.

Farmer Mac uses derivatives as an end-user for hedging purposes, not for speculative purposes. All of Farmer Mac's derivative transactions are conducted through standard, collateralized agreements that limit Farmer Mac's potential credit exposure to any counterparty. As of September 30, 2002, Farmer Mac had no uncollateralized net exposure to any counterparty.

Derivatives and Financial Statement Effects of FAS 133

Farmer Mac accounts for its derivatives under FAS 133, which became effective January 1, 2001. The implementation of FAS 133 resulted in significant accounting changes to both the Corporation's income statement and balance sheet. During third quarter 2002, the reduction in net after-tax income resulting from FAS 133 was $943,000, and the net after-tax decrease in accumulated other comprehensive income was $19.0 million. For second quarter 2002, the increase in net after-tax income and the net after-tax increase in accumulated other comprehensive income resulting from FAS 133 were $149,500 and $14.6 million, respectively. For third quarter 2001, the reductions in net after-tax income and accumulated other comprehensive income resulting from FAS 133 were $190,000, and $14.1 million, respectively. Accumulated other comprehensive income is not a component of Farmer Mac's regulatory core capital.

Net income for third quarter 2002 included the effects of FAS 133, which were a net reduction of $0.07 per diluted share. Accordingly, diluted operating earnings per share were a record $0.49, a 17 percent increase over third quarter 2001 diluted operating earnings per share of $0.42. Operating income reached a record $5.9 million for the third quarter 2002 and $17.0 million for the year-to-date, compared to $5.0 million and $12.3 million for the same periods in 2001.

Forward-Looking Statements

In addition to historical information, this release includes forward-looking statements that reflect management's current expectations for Farmer Mac's future financial results, business prospects and business developments. Management's expectations for Farmer Mac's future necessarily involve assumptions, estimates and the evaluation of risks and uncertainties. Various factors could cause actual events or results to differ materially from those expectations. Some of the important factors that could cause Farmer Mac's actual results to differ materially from management's expectations include uncertainties regarding: (1) the rate and direction of the development of the secondary market for agricultural mortgage loans; (2) the effect on the agricultural economy resulting from low commodity prices, weak demand for U.S. agricultural products and crop damage from natural disasters; (3) the effect on the agricultural economy of federal assistance for agriculture provided for in the farm bill enacted last Spring; (4) the possible effect of the risk-based capital requirement which could, under certain circumstances, be in excess of the statutory minimum capital level; (5) the possible establishment of additional legislative or regulatory restrictions on Farmer Mac; (6) the outcome of the pending analysis of Farmer Mac by the General Accounting Office; and (7) Farmer Mac's continuing access to the debt markets at favorable rates and terms. Other factors are discussed in Farmer Mac's Annual Report on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission ("SEC") on March 27, 2002, and Farmer Mac's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, as filed with the SEC on August 14, 2002. The forward-looking statements contained herein represent management's expectations as of the date of this release. Farmer Mac undertakes no obligation to release publicly the results of any revisions to the forward-looking statements included herein to reflect events or circumstances after today, or to reflect the occurrence of unanticipated events, except as otherwise mandated by the SEC.

Farmer Mac is a stockholder-owned instrumentality of the United States chartered by Congress to establish a secondary market for agricultural real estate and rural housing mortgage loans, and to facilitate capital market funding for USDA guaranteed farm program and rural development loans. Farmer Mac's Class C and Class A common stocks are listed on the New York Stock

Exchange under the symbols AGM and AGMA, respectively. Additional information about Farmer Mac (as well as the Form 10-K and Form 10-Q referenced above) is available on Farmer Mac's website at www.farmermac.com. The conference call to discuss Farmer Mac's third quarter 2002 earnings and this press release will be webcast on Farmer Mac's website beginning at 11:00 a.m. eastern time, Wednesday, October 23, 2002, and an audio recording of that call will be available for two weeks on Farmer Mac's website after the call is concluded.

* * * *

Federal Agricultural Mortgage Corporation
Consolidated Balance Sheets
(in thousands)

	September 30, 2002	December 31, 2001
	(unaudited)	(audited)
Assets:		
Cash and cash equivalents	$ 493,202	$ 437,831
Investment securities	942,827	1,007,954
Farmer Mac guaranteed securities	1,636,639	1,690,376
Loans	878,845	199,355
Real estate owned	4,814	2,457
Financial derivatives	3,660	15
Interest receivable	47,854	56,253
Guarantee fees receivable	4,368	6,004
Prepaid expenses and other assets	24,779	16,963
Total assets	$ 4,036,988	$ 3,417,208
Liabilities and stockholders' equity:		
Notes payable:		
Due within one year	$ 2,589,382	$ 2,233,267
Due after one year	1,118,338	968,463
Total notes payable	3,707,720	3,201,730
Financial derivatives	67,688	20,762
Accrued interest payable	31,803	26,358
Accounts payable and accrued expenses	15,125	18,037
Reserve for losses	19,136	15,884
Total liabilities	3,841,472	3,282,771
Preferred stock	35,000	-
Common stock at par	11,629	11,564
Additional paid-in capital	82,445	80,960
Accumulated other comprehensive income	14,407	8,395
Retained earnings	52,035	33,518
Stockholders' equity	195,516	134,437
Total liabilities and stockholders' equity	$ 4,036,988	$ 3,417,208

Federal Agricultural Mortgage Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three Months Ended		N
	Sept. 30, 2002	Sept. 30, 2001	Sept. 2002
	(unaudited)	(unaudited)	(unaudi
Interest income:			
Investments and cash equivalents	$ 10,234	$ 15,604	$ 31,11
Farmer Mac guaranteed securities	22,793	27,714	68,35
Loans	12,734	1,842	26,92
Total interest income	45,761	45,160	126,39
Interest expense	35,784	37,292	100,09
Net interest income	9,977	7,868	26,29
Gains/(Losses) on financial derivatives and trading assets	(1,451)	(295)	(1,45
Other income:			
Guarantee fees	4,874	4,177	14,16
Miscellaneous	458	137	1,21
Total other income	5,332	4,314	15,38
Total revenues	13,858	11,887	40,22
Expenses			
Compensation and employee benefits	1,325	1,414	3,90
Regulatory fees	397	245	79
General and administrative	2,168	883	4,76
Total operating expenses	3,890	2,542	9,45
Provision for losses	2,037	1,962	6,07
Total expenses	5,927	4,504	15,53
Income before income taxes	7,931	7,383	24,68
Income tax provision	2,341	2,455	7,47
Net income before cumulative effect of change in accounting principles and extraordinary item	5,590	4,928	17,21
Cumulative effect of change in accounting principles, net of tax	-	-	
Extraordinary gain, net of tax	-	-	2,20
Net income	5,590	4,928	19,41
Preferred stock dividends	560	-	89
Net income available to common stockholders	$ 5,030	$ 4,928	$ 18,51
Earnings per share:			
Basic earnings per share	$ 0.43	$ 0.43	$ 1.6
Diluted earnings per share	$ 0.42	$ 0.41	$ 1.5
Earnings per share before cumulative effect of change in accounting principles and extraordinary item:			
Basic earnings per share	$ 0.43	$ 0.43	$ 1.4
Diluted earnings per share	$ 0.42	$ 0.41	$ 1.3

Operating earnings per share:*			
Basic earnings per share	$ 0.51	$ 0.44	$ 1.4
Diluted earnings per share	$ 0.49	$ 0.42	$ 1.4

* operating earnings per share excludes the effects of FAS 133 and extraordinary item

Federal Agricultural Mortgage Corporation
Supplemental Information

The following tables present quarterly and annual information regarding loan purchases, guarantees and commitments to purchase, outstanding guarantees and LTSPCs and delinquencies.

Farmer Mac Purchases, Guarantees and LTSPCs

	Farmer Mac I			
	Loans & AMBS	LTSPC	Farmer Mac II	Total
	(in thousands)			
For the quarter ended:				
September 30, 2002	$ 58,475	$ 140,157	$ 37,374	$ 236,006
June 30, 2002	551,690	280,904	57,769	890,363
March 31, 2002	74,875	338,821	39,154	452,850
December 31, 2001	62,953	237,292	51,056	351,301
September 30, 2001	69,561	246,472	42,396	358,429
June 30, 2001	85,439	499,508	57,012	641,959
March 31, 2001	48,600	49,695	47,707	146,002
For the year ended:				
December 31, 2001	266,553	1,032,967	198,171	1,497,691
December 31, 2000	442,246	373,202	193,505	1,008,953

Farmer Mac Outstanding Guarantees and LTSPCs(1)

	Farmer Mac I				
	Post-1996 Act				
	Loans & AMBS(2)	LTSPC	Pre-1996 Act	Farmer Mac II	To
	(in thousands)				
As of:					
September 30, 2002	$2,127,460	$2,407,469	$ 35,297	$ 630,452	$5,20
June 30, 2002	2,180,948	2,336,886	37,873	617,503	5,17
March 31, 2002	1,655,485	2,126,485	41,414	592,836	4,41
December 31, 2001	1,658,716	1,884,260	48,979	595,156	4,18
September 30, 2001	1,605,160	1,731,861	58,813	608,944	4,00
June 30, 2001	1,572,800	1,537,061	65,709	579,251	3,75
March 31, 2001	1,466,443	1,083,528	72,646	549,003	3,17

Outstanding Balance of Loans Held in Portfolio and Loans Underlying AMBS Held in P

	Fixed Rate	5-to-10-Year ARMs & Resets	1-Month-to-3-Year ARMs
		(in thousands)	
As of:			
September 30, 2002	$ 1,000,518	$ 934,435	$ 498,815
June 30, 2002	1,016,997	892,737	516,892
March 31, 2002	751,222	797,780	350,482
December 31, 2001	764,115	790,948	302,169

Post-1996 Act Loan Delinquencies (4)

	Delinquencies	Outstanding Guarantees and LTSPCs	Percentage
		(dollars in thousands)	
As of:			
September 30, 2002	$ 91,286	$ 4,506,330	2.03%
June 30, 2002	65,196	4,489,735	1.45%
March 31, 2002	87,097	3,754,171	2.32%
December 31, 2001	58,279	3,428,176	1.70%
September 30, 2001	71,686	3,318,796	2.16%
June 30, 2001	53,139	3,089,460	1.72%
March 31, 2001	67,134	2,562,374	2.62%

Distribution of Post-1996 Act Loan Delinquencies
by Original LTV Ratio
As of September 30, 2002

Original LTV Ratio	Delinquencies (dollars in thousands)	Percentage
0.00% to 40.00%	$ 8,485	9%
40.01% to 50.00%	16,161	18%
50.01% to 60.00%	27,853	31%
60.01% to 70.00%	36,890	40%
70.01% to 80.00%	1,790	2%
80.01% +	107	0%
Total	$ 91,286	100%

Distribution of Post-1996 Act Loan Delinquencies
by Loan Origination Date
As of September 30, 2002

(dollars in thousands)

Loan Origination Date	Delinquencies	Outstanding Guarantees and LTSPCs	Delinquency Rate
Before 1994	$ 3,871	$ 699,653	0.55%
1994	532	168,906	0.31%
1995	1,704	152,651	1.12%
1996	15,527	359,691	4.32%
1997	20,366	387,700	5.25%
1998	18,821	686,476	2.74%
1999	13,426	743,989	1.80%
2000	9,853	422,464	2.33%
2001	7,186	582,509	1.23%
2002	-	302,291	0.00%
Total	$ 91,286	$4,506,330	2.03%