

FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE  
 Form 4  
 February 20, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MUDD DANIEL H

2. Issuer Name and Ticker or Trading Symbol  
 FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [FNM]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 3900 WISCONSIN AVENUE, NW  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/15/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President & CEO

WASHINGTON, DC 20016

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/15/2007		D <sup>(1)(2)</sup>	30,045 D	\$ 0 462,161	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MUDD DANIEL H 3900 WISCONSIN AVENUE, NW WASHINGTON, DC 20016	X		President & CEO	

**Signatures**

/s/ Scott Lesmes, Attorney-in-Fact for Daniel H. Mudd  
 \*\*Signature of Reporting Person  
 Date  
 02/20/2007

**Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Under Fannie Mae's Performance Share Program, as a member of Fannie Mae's senior management, the reporting person previously received awards entitling the reporting person to receive shares of Fannie Mae common stock in an amount based upon and subject to Fannie Mae's meeting corporate performance objectives over three-year periods. For the three-year performance cycle completed in 2003, the reporting person was determined in January 2004 to be entitled to receive shares, half of which the reporting person received in January 2004 in accordance with the program. The remaining shares were scheduled to be issued to the reporting person in January 2005; however, as previously announced, Fannie Mae's Board of Directors and Compensation Committee deferred payment of unpaid performance shares for that cycle. On February 15, 2007, Fannie Mae's Board of Directors determined that these unpaid performance shares would not be paid. (Footnote 1 is continued in 2 below.)
- (2) The reported transaction reflects the Board's determination. On February 15, 2007, Fannie Mae's Board also determined that no shares would be paid for the three-year performance cycle completed in 2004. Because the reporting person had not been determined to be entitled to receive shares of common stock for that cycle, the reporting person has not reported shares relating to that performance cycle on a Form 4 and this report does not reflect any disposition of shares related to that performance cycle.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.