

FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE

Form 4

February 20, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
WILLIAMS MICHAEL J

(Last) (First) (Middle)

3900 WISCONSIN AVENUE, NW

(Street)

WASHINGTON, DC 20016

(City) (State) (Zip)

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

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

02/15/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

EVP & COO

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 ⁽¹⁾⁽²⁾	11,925 D	\$ 0 235,150.106 ⁽³⁾	D	
Common Stock					856.93 ⁽⁴⁾	I	By ESOP
Common Stock					700	I	By Reporting Person as UGMA custodian for daughter

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

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SEC 1474
(9-02)

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

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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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
WILLIAMS MICHAEL J 3900 WISCONSIN AVENUE, NW WASHINGTON, DC 20016			EVP & COO	

Signatures

/s/ Michael J.
Williams

02/20/2007

**Signature of
Reporting Person

Date

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.)

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- 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.
- (2)
 - (3) End of period holdings include additional shares acquired under the Issuer's dividend reinvestment plan through December 29, 2006.
 - (4) End of period holdings include additional shares acquired from the reinvestment of dividends in issuer's ESOP through December 29, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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