

FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE
 Form 4
 March 11, 2005

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)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Vice Chairman & Interim CEO

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

3. Date of Earliest Transaction (Month/Day/Year)
 03/10/2005

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

WASHINGTON, DC 20016

(City) (State) (Zip)

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 Ownership (Instr. 4)
Common Stock	03/10/2005		A	V	95,710 (1)	A	\$ 0 171,449 (2) (3) D

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)

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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)
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Reporting Owners

Reporting Owner Name / Address	Relationships				Amount or Number of Shares
	Director	10% Owner	Officer	Other	
MUDD DANIEL H 3900 WISCONSIN AVENUE, NW WASHINGTON, DC 20016	X		Vice Chairman & Interim CEO		

Signatures

/s/ Scott Lesmes, Attorney-in-Fact for Daniel H. Mudd
 Date: 03/11/2005

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) New restricted stock award which vests in three equal annual installments beginning on the anniversary of the grant date.

Under Fannie Mae's Performance Share Program, as a member of Fannie Mae's senior management the reporting person has previously received awards that entitle 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. These objectives are based on both financial and

(2) non-financial goals, equally weighted. The financial goals under the performance share program are currently tied to growth in core business earnings per share. Generally, Fannie Mae's Compensation Committee determines in January of the year following completion of the cycle the number of shares of common stock each awardee is entitled to receive, and the shares are paid out in two annual installments beginning that January. (Footnote 2 is continued in 3 below.)

For the three-year performance cycle completed in 2003, the reporting person was determined in January 2004 to be entitled to receive 60,090 shares, of which the reporting person was paid 30,045 shares in accordance with the program and the remaining shares were expected to be paid in January 2005. As previously announced, Fannie Mae will restate its previously issued financial statements and re-evaluate previously issued non-GAAP financial information, including core business earnings. The Compensation Committee and Board of Directors of Fannie Mae have determined to consider the impact of Fannie Mae's restatement and re-evaluation on unpaid performance shares for the performance cycle completed in 2003 when reliable financial data for the relevant period are available. As a result, the 30,045 shares expected to be issued to the reporting person in January 2005 have not yet been issued. These shares are included in the the reporting person's total holdings above.

(3)

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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