

FORM 3

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

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| OMB APPROVAL |
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INITIAL STATEMENT OF 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)

| | | | | | | |
|---|---------|---|--|---|---|--|
| 1. Name and Address of Reporting Person* | | | 2. Date of Event Requiring Statement (Month/Day/Year) | 3. Issuer Name and Ticker or Trading Symbol | | |
| HORN | KAREN | N | 09/18/2006 | FEDERAL NATIONAL MORTGAGE ASSOCIATION (FANNIE MAE) FNM | | |
| (Last) | (First) | (Middle) | | 4. Relationship of Reporting Person to Issuer(s) (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) | 5. If Amendment, Date Original Filed (Month/Day/Year) | |
| C/O FANNIE MAE 3900 WISCONSIN AVENUE, NW | | | | | 6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | |
| (Street) | | | | | | |
| WASHINGTON | DC | 20016 | | | | |
| (City) (State) (Zip) | | | Table I -- Non-Derivative Securities Beneficially Owned | | | |
| 1. Title of Security (Instr. 4) | | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) | | |
| No Securities Beneficially Owned | | 0 | D | | | |

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

* If the form is filed by more than one reporting person, see Instructions 5(b)(v).

Persons who respond to the collection of the information contained in this form are not required to respond unless the form displays a currently valid OMB control number

SEC 1473 (7-02)

FORM 3 (continued)

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Securities (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|--|--------------------|---|--|--|--|--|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
see 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)

/s/ Karen N. Horn

09/19/2006

** Signature of Reporting Person

Date

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 control number.

LIMITED SIGNATORY POWER

By this Limited Signatory Power the undersigned authorizes and designates each of Beth Wilkinson, Scott Lesmes and Christine Reddy to execute and file on behalf of the undersigned all Forms 3, 4 and 5 (including any exhibits, attachments and amendments thereto) that the undersigned may be required to file with the Securities and Exchange Commission as a result of the undersigned's ownership of or transactions in securities of Fannie Mae. The undersigned further authorizes and designates each of Beth Wilkinson, Scott Lesmes and Christine Reddy to execute and file on behalf of the undersigned a Form ID, and any amendments thereto, to facilitate the foregoing. The authority of Beth Wilkinson, Scott Lesmes and Christine Reddy under this Limited Signatory Power shall continue until the undersigned is no longer required to file Forms 3, 4 and 5 with regard to his or her ownership of or transactions in securities of Fannie Mae, unless earlier revoked in writing. The undersigned acknowledges that Beth Wilkinson, Scott Lesmes and Christine Reddy are not assuming, nor is Fannie Mae assuming, any of the undersigned's responsibilities to file Forms 3, 4 and 5 or otherwise comply with any related laws or regulations.

Signed: /s/ Karen N. Horn

Name: Karen N. Horn

Date: September 19, 2006