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)		Holding	Company	/ Act of 1935 of 3	Section 30	J(n) or th	e investment	Compa	any Act of	1940			
1. Name and Address of Reporting F	2.	. Issuer Name and	Ticker or	Frading Sy	mbol	5. Relationship of Reporting Person(s) to Issuer							
BACON	KENNETH J.			FEDERAL NATIO				(Check all applicable)					
(1)		ASSOCIATION	(FANNIE	MAE)		Director	10% Owner						
(Last)	(First)	(Middle	3.	Date of Earliest T	ransaction	(Month/D	ay/Year)	Officer (give title below)	Other (specify below)				
3900 WISCONSIN AVENUE, NW	V			09/18/2007						EVP-Housing & Community Dev.			
(Street)			4.	If Amendment, D	ate Origina	al Filed (M	Ionth/Day/Year)	6. Individual or Joint	(Check applicable)				
WASHINGTON	DC	20016						Form filed by One Reporting Person Form filed by More than One Reporting Person					
(City)	(State)	(Zip)		Table I Non-Derivative Securities Beneficially Owned									
1. Title of Security (Instr. 3)			2. Transaction Date		med action (A) cution Code (Ins		(A) or Di	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following	6. Owner-ship Form: Direct (D) or	7. Nature of Indirect Beneficial Owner- ship	
				(Month/ Day/ Year)	Code	V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	Indirect (I) (Instr. 4)	(Instr. 4)	
Common Stock			09/18/200	7	A (1)		7684	А	\$0.00	87191	D		
Common Stock										1045.021	I	By ESOP	

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

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 1474 (9-02)



^{*} If the form is filed by more than one reporting person, see Instructions 4(b)(v).

FORM 4 (continued)

Table II -- Derivative Securities 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	on or action Date ice of cri- tive On or Action Date (Month/ Day/	action Deemed Execution (Month/ Day/ Date, if any	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 Secur- ities (Instr. 3 and 4)		8. Price of Deriv- ative Secur- ity (Instr. 5)	9. Number of derivative Securities Beneficially Owned Follow-	Owner- ship Form of Deriv- ative Security: Direct (D) or Indirect	Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exer- cisable	Expira- tion Date	Title	Amount or Number of Shares		ing Reported Trans- action(s) (Instr. 4)	(I) (Instr. 4)	

Explanation of Responses: See attached footnote page.

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.



^{**} Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

see 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)

** Signature of Reporting Person

Date

FORM 4 (continued) **FOOTNOTES** 1 The reported transaction reflects the final determination by the issuer's Board of Directors to pay, in the future, shares of common stock to the reporting person in connection with grants made under the issuer's performance share program for performance cycles covering 2003 through 2006. These payments are discussed in Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2006, which was filed with the SEC on August 16, 2007. End of period holdings reflect ESOP allocations and acquisitions pursuant to a dividend reinvestment feature of the ESOP

through August 27, 2007.

LIMITED SIGNATORY POWER

By this Limited Signatory Power the undersigned authorizes and designates each of Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr, each with full power of substitution, 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 Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr to execute and file on behalf of the undersigned a Form ID, and any amendments thereto, to facilitate the foregoing. The authority of Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr 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 Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr 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.

By this Limited Signatory Power the undersigned hereby revokes any Limited Signatory Powers the undersigned has previously signed with respect to Forms 3, 4 and 5 that the undersigned may be required to file regarding securities of Fannie Mae.

Date: 9/25/07 Signed: /s/ Kenneth J. Bacon

Name: Kenneth J. Bacon