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)

Name and Address of Reporting	2	2. Issuer Name and	Ticker or 7	Trading Sy	mbol	5. Relationship of Reporting Person(s) to Issuer							
LEVIN	ROBERT	J.		FEDERAL NATIO				(Check all applicable) Director 10% Owner					
(Last) 3900 WISCONSIN AVENUE, 1	I	Date of Earliest To 02/15/2007	ransaction	(Month/D	ay/Year)	x Officer (give title below) Other (specify below) EVP and Chief Business Officer							
(Street) WASHINGTON DC 20016				4. If Amendment, Date Original Filed (Month/Day/Year)						6. Individual or Joint/Group Filing (Check applicable) x Form filed by One Reporting Person			
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. Trans action Date	n Deemed Execution Date, if any	3. Trans action Code (Instr	ı	4. Securitie (A) or Di (Instr. 3,	sposed (4 and 5)	of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Owner-ship Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Owner- ship	
			Day/ Year)	Day/ Year)	Code	V	Amount	(A) or (D)	Price	(Instr. 3 and 4)	(Instr. 4)	(Instr. 4)	
Common Stock			02/15/200	07	D (1)(2)		14543	D	\$0.00	456867	D		

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	3. Transaction Date (Month/ Day/ Year)	3A. Deemed Execution Date, if any (Month/ Day/ Year)	1 1		ative Sec quired (A posed of	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)		9. Number of deriv- ative Secur- ities Bene- ficially 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.

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** Signature of Reporting Person

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cycle.

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.)

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

2