

# FORM 4

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

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| OMB APPROVAL  |
| OMB Number: 3235-0287                                 |
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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*    |         |          | 2. Issuer Name and Ticker or Trading Symbol                    |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)  |  |
| HORN  | KAREN   | N        | FEDERAL NATIONAL MORTGAGE ASSOCIATION (FANNIE MAE) FNM         |  | <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner   |  |
| (Last)                                      | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year)               |  | <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)  |  |
| C/O FANNIE MAE<br>3900 WISCONSIN AVENUE, NW |         |          | 09/18/2006   |  |   |  |
| (Street)                                    |         |          | 4. If Amendment, Date Original Filed (Month/Day/Year)          |  | 6. Individual or Joint/Group Filing (Check applicable)  |  |
| WASHINGTON                                  | DC      | 20016    |  |  | <input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person |  |
| (City) (State) (Zip)                        |         |          | <b>Table I -- Non-Derivative Securities Beneficially Owned</b> |  |   |  |

| 1. Title of Security<br>(Instr. 3) | 2. Trans-<br>action<br>Date<br><br>(Month/<br>Day/<br>Year) | 2A.<br>Deemed<br>Execution<br>Date, if<br>any<br><br>(Month/<br>Day/<br>Year) | 3. Trans-<br>action<br>Code<br>(Instr. 8) |   | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) |                  |        | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br><br>(Instr. 3 and 4) | 6. Owner-<br>ship<br>Form:<br>Direct<br>(D) or<br>Indirect<br>(I)<br><br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Owner-<br>ship<br><br>(Instr. 4) |
|------------------------------------|---|---|---|---|---|------------------|--------|--|---|--|
|                                    |   |   | Code                                      | V | Amount  | (A)<br>or<br>(D) | Price  |  |   |  |
| Common Stock                       | 09/18/2006  |   | A   |   | 487<br>(1)  | A                | \$0.00 | 487  | 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 4(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 1474 (9-02)

**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) | 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 Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|--|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |  |  |
|  |  |                                      |  |                                |   |  |     |  |                 |   |                            |  |  |  |  |

**Explanation of Responses:** See attached footnote page.

\*\* 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.

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Shares of restricted stock. Under the issuer's stock compensation plan, the shares vest on the day before the issuer's 2007 annual shareholder meeting. The shares are subject to accelerated vesting in the event of death, disability or, for a recipient who was elected to the issuer's board of directors by shareholders, the failure to re-nominate the recipient after the recipient has reached the age of 70.