## 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. Is:	2. Issuer Name and Ticker or Trading Symbol						5. Relationship of Reporting Person(s) to Issuer				
LEVIN	ROBERT	J.		FEDERAL NATIONAL MORTGAGE FNM ASSOCIATION (FANNIE MAE)					(Check all applicable Director	10% Owner		
(Last) (First) (Middle) 3900 WISCONSIN AVENUE, N.W.			J. D.	ate of Earliest T /17/2006	ransaction	(Month/D	ay/Year)	title below)	title below) below  EVP and Chief Business			
(Street)				Amendment, D	ate Origina	al Filed (M	onth/Day/Year)	6. Individual or Join	6. Individual or Joint/Group Filing (Check applicable)			
WASHINGTON	DC	20016		Form filed by One Repo						Reporting Person e than One Reporting Pers	on	
(City)	(State)	(Zip)		Table I Non-Derivative Securities Beneficially Owned								
1. Title of Security (Instr. 3)		2. Transaction Date	2A. Deemed Execution Date, if any	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	6. Owner- ship Form: Direct (D) or	7. Nature of Indirect Beneficial Owner- ship	
			(Month/ Day/ Year)	(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			10/17/2006		М		30680 (1)	A	\$39.44	386140	D	
Common Stock			10/17/2006		F		25240 (2)	D	\$57.91	360900 (3)(4)(5)	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)



<sup>\*</sup> 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)	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 deriv- ative Secur- ities Bene- ficially Owned Follow-	Owner- ship Form of Deriv- ative Security: Direct (D) or Indirect	Nature of Indirect Benefi- cial Ownership (Instr. 4)
Employee Stock Option				Code	V	(A)	(D) 30680	Date Exer- cisable	Expiration Date	Title	Amount or Number of Shares	\$0.00	ing Reported Trans- action(s) (Instr. 4)	(I) (Instr. 4)	

Explanation of Responses: See attached footnote page.

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.	/s/ Robert J. Levin	10/19/2006
see 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)		
	** 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.

FORM 4 (continued) **FOOTNOTES** 1 These shares were received upon the exercise of employee stock options due to expire in November 2006. 2 These shares were withheld by Fannie Mae for payment of the exercise price and tax liability upon the reporting person's stock option exercise. 3 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. 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 that January. (Footnote 3 is continued in 4 below.) 4 For the three-year performance cycle completed in 2003, the reporting person was determined in January 2004 to be entitled to receive 29,085 shares, of which the reporting person received 14,542 shares in accordance with the program and the balance was scheduled to be received in January 2005. As previously announced, Fannie Mae's Board of Directors and Compensation Committee have determined to defer payment of unpaid performance shares for the performance cycle completed in 2003 until reliable financial data for the relevant period are available. As a result, 14,543 shares scheduled to be issued to the reporting person in January 2005 have not yet been issued. These shares are included in the reporting person's total holdings above. 5 The reporting person no longer has a reportable beneficial ownership interest in 24 shares of the Issuer's common stock owned by his son and included in the reporting person's prior ownership reports.

