



FORM 8-K

FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE – FNM

Filed: December 22, 2006 (period: December 22, 2006)

Report of unscheduled material events or corporate changes.

Table of Contents

[Item 7.01. Regulation FD Disclosure.](#)

[Item 9.01. Financial Statements and Exhibits.](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[EX-99.1 \(EX-99.1\)](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 22, 2006

Federal National Mortgage Association

(Exact name of registrant as specified in its charter)

Federally chartered corporation
*(State or other jurisdiction
of incorporation)*

000-50231
*(Commission
File Number)*

52-0883107
*(IRS Employer
Identification Number)*

3900 Wisconsin Avenue, NW
Washington, DC
(Address of principal executive offices)

20016
(Zip Code)

Registrant's telephone number, including area code: 202-752-7000

(Former Name or Former Address, if Changed Since Last Report): _____

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 7.01. Regulation FD Disclosure.

On December 22, 2006, Fannie Mae issued its monthly financial summary release for the month of November 2006. The summary, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference.

The information in this item, including Exhibit 99.1 submitted herewith, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference into any disclosure document relating to Fannie Mae, except to the extent, if any, expressly set forth by specific reference in such document.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.* The exhibit index filed herewith is incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By /s/ Mary B. Doyle
Mary B. Doyle
Senior Vice President,
Financial Controls and Systems

Date: December 22, 2006

-3-

EXHIBIT INDEX

The following exhibit is submitted herewith:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Monthly summary release for November 2006 issued by Fannie Mae on December 22, 2006

**FANNIE MAE
MONTHLY SUMMARY
November 2006**

HIGHLIGHTS FOR NOVEMBER INCLUDE:

- The gross mortgage portfolio balance was \$717.4 billion in November. We currently estimate that our “mortgage portfolio” assets for purposes of the OFHEO consent order were approximately \$718 billion in November. (For a discussion of the differences between these measures see Portfolio Note on page 2.)
- Fannie Mae’s book of business grew at a compound annualized rate of 6.7 percent, driven by outstanding MBS which grew at a 12.2 percent compound annualized rate in November.
- Total business volume was \$49.3 billion, compared with \$48.7 billion in October.
- Lender–originated MBS issues were \$36.1 billion, compared with \$39.1 billion the previous month.
- Net retained commitments rose to \$8.6 billion in November, compared with \$8.0 billion the previous month.
- The conventional single–family delinquency rate rose one basis point in October to 0.62 percent (latest data available). The multifamily delinquency rate fell three basis points to 0.08 percent.
- The duration gap on Fannie Mae’s portfolio averaged zero months in November.

MORTGAGE MARKET HIGHLIGHT:

- According to the Federal Reserve, total residential mortgage debt outstanding grew at a compound annual rate of 7.6 percent during the third quarter of 2006 to a level of \$10.7 trillion, the slowest quarterly pace of growth recorded since early 2001.
-

BUSINESS BALANCES AND GROWTH (\$ in Millions) 1/

	Mortgage Portfolio, Gross 2/		Outstanding MBS 3/		Book of Business	
	End Balance	Growth Rate 4/	End Balance	Growth Rate 4/	End Balance	Growth Rate 4/
December 2005	\$727,545	21.4%	\$1,598,079	2.9%	\$2,325,624	8.3%
Full year 2005	\$727,545	(19.6%)	\$1,598,079	13.9%	\$2,325,624	0.8%
January 2006	\$725,661	(3.1%)	\$1,613,005	11.8%	\$2,338,666	6.9%
February 2006	721,189	(7.1%)	1,630,900	14.2%	2,352,089	7.1%
March 2006	721,544	0.6%	1,644,793	10.7%	2,366,337	7.5%
April 2006	730,367	15.7%	1,649,919	3.8%	2,380,286	7.3%
May 2006	733,786	5.8%	1,657,987	6.0%	2,391,773	5.9%
June 2006	730,906	(4.6%)	1,679,027	16.3%	2,409,933	9.5%
July 2006	731,439	0.9%	1,683,451	3.2%	2,414,890	2.5%
August 2006	726,801	(7.3%)	1,702,373	14.4%	2,429,173	7.3%
September 2006	725,530	(2.1%)	1,732,818	23.7%	2,458,348	15.4%
October 2006	720,947	(7.3%)	1,752,414	14.4%	2,473,361	7.6%
November 2006	717,430	(5.7%)	1,769,341	12.2%	2,486,772	6.7%
YTD 2006	\$717,430	(1.5%)	\$1,769,341	11.7%	\$2,486,772	7.6%

BUSINESS VOLUMES (\$ in Millions) 1/

	MBS			Portfolio Purchases	Business Volume
	Lender-originated Issues 5/	Fannie Mae MBS Purchases 6/	MBS Issues Acquired by Others		
December 2005	\$ 39,553	\$ 10,393	\$ 29,160	\$ 28,760	\$ 57,920
Full year 2005	\$481,260	\$ 15,628	\$ 465,632	\$146,640	\$612,272
January 2006	\$ 41,524	\$ 2,606	\$ 38,918	\$ 12,199	\$ 51,117
February 2006	34,416	821	33,595	11,417	45,012
March 2006	34,236	1,073	33,162	14,165	47,327
April 2006	36,968	7,926	29,042	23,042	52,084
May 2006	35,494	6,341	29,153	18,704	47,857
June 2006	40,547	3,073	37,474	18,697	56,171
July 2006	33,900	6,304	27,596	15,133	42,729
August 2006	37,552	4,523	33,029	15,927	48,956
September 2006	47,038	624	46,413	20,180	66,594
October 2006	39,090	3,483	35,607	13,045	48,652
November 2006	36,141	706	35,435	13,902	49,337
YTD 2006	\$416,906	\$ 37,482	\$ 379,424	\$176,411	\$555,836

MORTGAGE PORTFOLIO COMMITMENTS, PURCHASES, AND SALES (\$ in Millions) 1/

	Net Retained Commitments 7/	Purchases	Purchase Yield 8/	Mortgage Portfolio Sales
December 2005	\$ 19,595	\$ 28,760	5.43%	\$ 2,876
Full year 2005	\$ 35,469	\$146,640	5.16%	\$113,295
January 2006	\$ 9,187	\$ 12,199	5.47%	\$ 1,774
February 2006	9,704	11,417	5.68%	5,142
March 2006	16,584	14,165	5.76%	2,547
April 2006	17,378	23,042	5.47%	2,436
May 2006	12,186	18,704	5.88%	3,729
June 2006	13,181	18,697	5.81%	9,216
July 2006	5,950	15,133	6.23%	2,819
August 2006	6,790	15,927	6.14%	8,898
September 2006	10,398	20,180	6.04%	9,698
October 2006	7,971	13,045	6.04%	6,746
November 2006	8,582	13,902	6.06%	6,317
YTD 2006	\$ 117,912	\$176,411	5.87%	\$ 59,322

-
- 1/ Represents unpaid principal balance.
 - 2/ Does not reflect market valuation adjustments, allowance for loan losses, impairments, unamortized premiums and discounts and the impact of consolidation of variable interest entities. Includes \$302 billion of Fannie Mae MBS as of November 30, 2006.
 - 3/ MBS held by investors other than Fannie Mae's portfolio.
 - 4/ Growth rates are compounded.
 - 5/ Excludes MBS issued from Fannie Mae's portfolio, which was \$1,709 million in November 2006.
 - 6/ Included in total portfolio purchases.
 - 7/ Represents commitments to purchase, net of commitments to sell, entered into during the month, including any modifications to original amounts.
 - 8/ Calculated as commitment yield for single-family loans, pass-thru rate for multifamily loans and coupon divided by price for securities. Yields are presented on a taxable-equivalent basis.

Numbers may not sum due to rounding.

	LIQUIDATIONS (\$ in Millions) 1/				DELINQUENCY RATES			
	Mortgage Portfolio		Outstanding MBS		Single-family Conventional 2/			Multifamily
	Liquidations		Liquidations		Non-Credit	Credit		
	Amount	Annual Rate	Amount	Annual Rate	Enhancement 3/	Enhancement 4/	Total 5/	Total 6/
December 2005	\$ 14,318	23.81%	\$ 28,167	21.18%	0.47%	2.14%	0.79%	0.27%
Full year 2005	\$211,416	26.24%	\$368,067	24.59%				
January 2006	\$ 12,405	20.49%	\$ 25,765	19.26%	0.45%	2.12%	0.77%	0.27%
February 2006	10,843	17.99%	20,830	15.41%	0.43%	2.05%	0.74%	0.27%
March 2006	11,366	18.91%	21,433	15.70%	0.39%	1.85%	0.67%	0.26%
April 2006	11,895	19.66%	26,149	19.05%	0.37%	1.79%	0.64%	0.18%
May 2006	11,669	19.13%	22,707	16.47%	0.35%	1.74%	0.62%	0.14%
June 2006	12,480	20.45%	25,089	18.04%	0.35%	1.70%	0.60%	0.19%
July 2006	11,901	19.53%	25,517	18.21%	0.35%	1.73%	0.61%	0.14%
August 2006	11,791	19.41%	22,416	15.89%	0.34%	1.73%	0.60%	0.15%
September 2006	11,879	19.63%	24,594	17.18%	0.35%	1.74%	0.61%	0.11%
October 2006	11,005	18.26%	22,424	15.44%	0.35%	1.76%	0.62%	0.08%
November 2006	11,218	18.72%	24,824	16.92%				
YTD 2006	\$128,451	19.30%	\$261,749	17.04%				

AVERAGE INVESTMENT BALANCES

Fannie Mae has determined at this time not to provide average investment balances, which are derived from numbers that will not be available until financial statements for the relevant period are complete.

INTEREST RATE RISK DISCLOSURE

	Effective Duration Gap 7/ (in months)
December 2005	0
January 2006	0
February 2006	0
March 2006	0
April 2006	1
May 2006	0
June 2006	-1
July 2006	-1
August 2006	-1
September 2006	0
October 2006	0
November 2006	0

1/ Represents unpaid principal balance.

2/ Includes conventional loans three or more months delinquent or in foreclosure process as a percent of the number of loans.

3/ Loans without primary mortgage insurance or any credit enhancements.

4/ Loans with primary mortgage insurance and/or other credit enhancements.

5/ Total of single-family non-credit enhanced and credit enhanced loans.

6/ Includes loans and securities 60 days or more past due and is calculated based on mortgage credit book of business.

7/ The duration gap is a weighted average for the month. We have included non-mortgage assets and liabilities in the duration gap calculation. Our portfolio duration gap calculation excludes any interest rate sensitivity of the guaranty business.

Numbers may not sum due to rounding.

PORTFOLIO NOTE:

As previously announced, on May 23, 2006, Fannie Mae agreed to a consent order issued by its regulator, OFHEO. Under the consent order, Fannie Mae may not increase its “mortgage portfolio” assets above the amount shown in its December 31, 2005 minimum capital report, except under specified circumstances at the discretion of OFHEO. Fannie Mae believes it is in compliance with the terms of its consent order with OFHEO.

The “gross mortgage portfolio” balances set forth in this monthly summary report represent unpaid principal balances, which represent statistical measures rather than amounts computed in accordance with GAAP. “Mortgage portfolio” assets that are reported to OFHEO under the consent order reflect GAAP adjustments, including market valuation adjustments, allowance for loan losses, impairments and unamortized premiums and discounts. These adjustments are not reflected in the “gross mortgage portfolio” amounts shown in this report.

We expect that some of the information in this monthly summary report will change when the financial statements and related audits for the relevant periods are completed. Management believes that the information may be useful to investors for comparing current business activities with those of prior periods and for reviewing trends in our business, notwithstanding that information may change, perhaps materially, from what is reported herein. Issues that will cause some of this information to change include those related to securities accounting, loan accounting, consolidation and amortization. Information regarding the restatement of our financial statements may be found in our Form 10-K for the year ended December 31, 2004, which we filed with the Securities and Exchange Commission on December 6, 2006.

For more information about Fannie Mae, please visit www.fanniemae.com or contact us at (202) 752-7115.

Created by 10KWizard www.10KWizard.com