

**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): **June 15, 2004**

**Federal National Mortgage Association**

*(Exact name of registrant as specified in its charter)*

**Fannie Mae**

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

**0-50231**  
*(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**

***Item 9. Regulation FD Disclosure.***

On June 15, 2004, Fannie Mae (formally, the Federal National Mortgage Association), issued its monthly financial summary release and voluntary initiatives disclosure for the month of May 2004, a copy of which is furnished as Exhibit 99.1 to this report, and which is incorporated herein by reference.

This information, including the exhibits attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any disclosure document of the Company, except as shall be expressly set forth by specific reference in such document.

SIGNATURES

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/ Leanne G. Spencer

Leanne G. Spencer

Senior Vice President and Controller

Date: June 15, 2004

EXHIBIT INDEX

The following is a list of the Exhibits furnished herewith.

| <b>Exhibit Number</b> | <b>Description of Exhibit</b>  |
|-----------------------|--|
| 99.1                  | Monthly summary release and voluntary initiatives disclosure for May 2004 issued by Fannie Mae on June 15, 2004. |

**FANNIE MAE  
MONTHLY SUMMARY****MAY 2004**

Fannie Mae's summary of monthly business volumes, delinquency rates, and interest rate risk measures reflect the company's continued record of disciplined growth.

Because of increased levels of actual and anticipated variability in performance measures on a month-to-month and quarter-to-quarter basis, management believes that it is important to view these measures on a year-to-date basis, and in the context of our longer-term outlook.

**HIGHLIGHTS FOR MAY INCLUDE:**

- Total business volume rose slightly to \$74.6 billion from \$73.8 billion in April.
- Mortgage portfolio purchases were \$26.7 billion in May compared with \$27.4 billion in April. Retained commitments were relatively steady at \$28.4 billion in May.
- Outstanding MBS growth slowed to a 0.7 percent annual rate while the mortgage portfolio declined at a 2.8 percent annual rate.
- Based on lender reports, liquidations peaked in May. Lower liquidations coupled with current levels of mortgage commitments are consistent with a return to positive portfolio growth in June.
- The duration gap on Fannie Mae's mortgage portfolio averaged three months in May.
- The conventional single-family delinquency rate fell two basis points to 0.56 percent and multifamily delinquency rates fell one basis point to 0.16 percent in April.

**MORTGAGE MARKET HIGHLIGHTS:**

- Total residential mortgage debt outstanding grew by 11.4 percent during the first quarter of 2004.



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

|                       | Mortgage Portfolio, Gross 2, 3/ |                | Outstanding MBS 4/ |                | Book of Business 3/ |                |
|-----------------------|---------------------------------|----------------|--------------------|----------------|---------------------|----------------|
|                       | End Balance                     | Growth Rate 5/ | End Balance        | Growth Rate 5/ | End Balance         | Growth Rate 5/ |
| June 2003             | \$814,882                       | (3.6%)         | \$1,237,461        | 66.3%          | \$2,052,343         | 33.5%          |
| July 2003             | 838,236                         | 40.4%          | 1,248,869          | 11.6%          | 2,087,104           | 22.3%          |
| August 2003           | 865,461                         | 46.8%          | 1,227,115          | (19.0%)        | 2,092,576           | 3.2%           |
| September 2003        | 917,123                         | 100.5%         | 1,211,079          | (14.6%)        | 2,128,202           | 22.5%          |
| October 2003          | 912,658                         | (5.7%)         | 1,239,925          | 32.6%          | 2,152,583           | 14.6%          |
| November 2003         | 906,380                         | (7.9%)         | 1,264,673          | 26.8%          | 2,171,053           | 10.8%          |
| December 2003         | 898,438                         | (10.0%)        | 1,300,166          | 39.4%          | 2,198,604           | 16.3%          |
| <b>Full year 2003</b> | <b>\$898,438</b>                | <b>13.1%</b>   | <b>\$1,300,166</b> | <b>26.3%</b>   | <b>\$2,198,604</b>  | <b>20.6%</b>   |
| January 2004          | \$886,665                       | (14.6%)        | \$1,318,712        | 18.5%          | \$2,205,376         | 3.8%           |
| February 2004         | 882,108                         | (6.0%)         | 1,335,714          | 16.6%          | 2,217,822           | 7.0%           |
| March 2004            | 880,911                         | (1.6%)         | 1,345,892          | 9.5%           | 2,226,803           | 5.0%           |
| April 2004            | 880,481                         | (.6%)          | 1,353,399          | 6.9%           | 2,233,880           | 3.9%           |
| May 2004              | 878,386                         | (2.8%)         | 1,354,160          | 0.7%           | 2,232,546           | (.7%)          |
| <b>YTD 2004</b>       | <b>\$878,386</b>                | <b>(5.3%)</b>  | <b>\$1,354,160</b> | <b>10.3%</b>   | <b>\$2,232,546</b>  | <b>3.7%</b>    |

**BUSINESS VOLUMES (\$ in Millions) 1/**

|                       | MBS                  |                    |                                   |                             |                               |                     |                    |
|-----------------------|----------------------|--------------------|-----------------------------------|-----------------------------|-------------------------------|---------------------|--------------------|
|                       | Single-family Issues | Multifamily Issues | Total Lender-originated Issues 6/ | Fannie Mae MBS Purchases 7/ | MBS Issues Acquired by Others | Portfolio Purchases | Business Volume    |
| June 2003             | \$ 121,457           | \$ 1,449           | \$ 122,906                        | \$ 21,655                   | \$101,251                     | \$ 41,183           | \$ 142,434         |
| July 2003             | 118,545              | 1,420              | 119,965                           | 48,266                      | 71,699                        | 72,447              | 144,146            |
| August 2003           | 108,866              | 796                | 109,662                           | 54,295                      | 55,367                        | 82,656              | 138,023            |
| September 2003        | 116,105              | 4,192              | 120,297                           | 73,504                      | 46,793                        | 98,804              | 145,597            |
| October 2003          | 78,765               | 3,009              | 81,774                            | 9,110                       | 72,664                        | 27,609              | 100,273            |
| November 2003         | 56,840               | 3,657              | 60,497                            | 2,888                       | 57,609                        | 17,596              | 75,205             |
| December 2003         | 56,598               | 4,265              | 60,863                            | 1,226                       | 59,637                        | 13,775              | 73,412             |
| <b>Full year 2003</b> | <b>\$1,175,599</b>   | <b>\$ 23,018</b>   | <b>\$ 1,198,617</b>               | <b>\$348,413</b>            | <b>\$850,204</b>              | <b>\$572,852</b>    | <b>\$1,423,056</b> |
| January 2004          | \$ 44,289            | \$ 505             | \$ 44,794                         | \$ 268                      | \$ 44,527                     | 8,573               | \$ 53,100          |
| February 2004         | 38,605               | 200                | 38,804                            | 181                         | 38,624                        | 12,170              | 50,794             |
| March 2004            | 44,345               | 1,019              | 45,365                            | 6,507                       | 38,858                        | 20,260              | 59,118             |
| April 2004            | 56,117               | 424                | 56,541                            | 10,198                      | 46,344                        | 27,448              | 73,792             |
| May 2004              | 57,629               | 931                | 58,559                            | 10,670                      | 47,889                        | 26,686              | 74,575             |
| <b>YTD 2004</b>       | <b>\$ 240,985</b>    | <b>\$ 3,079</b>    | <b>\$ 244,065</b>                 | <b>\$ 27,824</b>            | <b>\$216,241</b>              | <b>\$ 95,138</b>    | <b>\$ 311,379</b>  |

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

|                       | Retained Commitments | Purchases        |                  |                  | Net Yield 8/ | Mortgage Portfolio Sales |
|-----------------------|----------------------|------------------|------------------|------------------|--------------|--------------------------|
|                       |                      | Single-family    | Multifamily      | Total Purchases  |              |                          |
| June 2003             | \$ 75,515            | \$ 40,306        | \$ 877           | \$ 41,183        | 4.96%        | \$ 2,885                 |
| July 2003             | 77,679               | 70,246           | 2,201            | 72,447           | 4.86%        | 513                      |
| August 2003           | 43,351               | 81,255           | 1,401            | 82,656           | 4.83%        | 384                      |
| September 2003        | 27,961               | 97,693           | 1,111            | 98,804           | 4.85%        | 581                      |
| October 2003          | 12,313               | 26,353           | 1,256            | 27,609           | 4.98%        | 1,227                    |
| November 2003         | 13,104               | 16,540           | 1,056            | 17,596           | 4.20%        | 1,452                    |
| December 2003         | 8,057                | 12,249           | 1,526            | 13,775           | 4.96%        | 2,875                    |
| <b>Full year 2003</b> | <b>\$ 489,073</b>    | <b>\$559,669</b> | <b>\$ 13,183</b> | <b>\$572,852</b> | <b>5.00%</b> | <b>\$13,727</b>          |
| January 2004          | \$ 11,696            | \$ 7,996         | \$ 577           | \$ 8,573         | 4.77%        | \$ 2,025                 |
| February 2004         | 12,576               | 11,834           | 337              | 12,170           | 3.68%        | 1,326                    |
| March 2004            | 29,411               | 19,406           | 854              | 20,260           | 4.60%        | 1,023                    |
| April 2004            | 28,860               | 25,997           | 1,451            | 27,448           | 4.37%        | 1,583                    |
| May 2004              | 28,389               | 25,461           | 1,226            | 26,686           | 4.55%        | 885                      |
| <b>YTD 2004</b>       | <b>\$ 110,932</b>    | <b>\$ 90,694</b> | <b>\$ 4,444</b>  | <b>\$ 95,138</b> | <b>4.42%</b> | <b>\$ 6,842</b>          |

1/ Represents unpaid principal balance.

2/ Excludes mark-to-market adjustments, deferred balances and allowance for losses. Includes \$520 billion of Fannie Mae MBS as of May 31, 2004.

- 3/ Prior periods have been revised to be consistent with balance sheet reclassifications implemented during the third quarter of 2003.
- 4/ MBS held by investors other than Fannie Mae's portfolio.
- 5/ Growth rates are compounded.
- 6/ Excludes MBS issued from Fannie Mae's portfolio, which was \$1,511 million in May 2004.
- 7/ Included in total portfolio purchases.
- 8/ Yields shown on a taxable-equivalent basis.

Numbers may not foot due to rounding.

## LIQUIDATIONS (\$ in Millions) 1/

|                       | Mortgage Portfolio Liquidations |               | Outstanding MBS Liquidations |               |
|-----------------------|---------------------------------|---------------|------------------------------|---------------|
|                       | Amount                          | Annual Rate   | Amount                       | Annual Rate   |
| June 2003             | \$ 41,279                       | 60.85%        | \$ 52,607                    | 52.09%        |
| July 2003             | 48,309                          | 70.33%        | 60,611                       | 58.51%        |
| August 2003           | 55,220                          | 77.99%        | 76,854                       | 74.50%        |
| September 2003        | 44,244                          | 59.65%        | 63,577                       | 62.58%        |
| October 2003          | 30,862                          | 40.48%        | 44,975                       | 44.04%        |
| November 2003         | 22,438                          | 29.60%        | 34,214                       | 32.78%        |
| December 2003         | 18,859                          | 25.08%        | 26,301                       | 24.61%        |
| <b>Full year 2003</b> | <b>\$451,487</b>                | <b>53.29%</b> | <b>\$591,351</b>             | <b>50.15%</b> |
| January 2004          | \$ 18,274                       | 24.57%        | \$ 27,717                    | 25.40%        |
| February 2004         | 15,419                          | 20.92%        | 22,948                       | 20.75%        |
| March 2004            | 20,444                          | 27.83%        | 29,702                       | 26.58%        |
| April 2004            | 26,086                          | 35.54%        | 40,419                       | 35.94%        |
| May 2004              | 27,917                          | 38.09%        | 48,013                       | 42.56%        |
| <b>YTD 2004</b>       | <b>\$108,139</b>                | <b>29.34%</b> | <b>\$168,799</b>             | <b>30.35%</b> |

## DELINQUENCY RATES

|  | Single-family Conventional 2/ |                       |          | Multifamily Total 6/ |
|--|-------------------------------|-----------------------|----------|----------------------|
|  | Non-Credit Enhancement 3/     | Credit Enhancement 4/ | Total 5/ |                      |
|  | 0.29%                         | 1.42%                 | 0.56%    | 0.13%                |
|  | 0.29%                         | 1.47%                 | 0.57%    | 0.13%                |
|  | 0.29%                         | 1.52%                 | 0.58%    | 0.13%                |
|  | 0.29%                         | 1.56%                 | 0.58%    | 0.12%                |
|  | 0.29%                         | 1.56%                 | 0.57%    | 0.12%                |
|  | 0.30%                         | 1.63%                 | 0.59%    | 0.13%                |
|  | 0.30%                         | 1.65%                 | 0.60%    | 0.27%                |
|  |                               |                       |          |                      |
|  | 0.31%                         | 1.70%                 | 0.61%    | 0.24%                |
|  | 0.31%                         | 1.70%                 | 0.61%    | 0.24%                |
|  | 0.30%                         | 1.62%                 | 0.58%    | 0.17%                |
|  | 0.29%                         | 1.58%                 | 0.56%    | 0.16%                |

## AVERAGE INVESTMENT BALANCES (\$ in Millions)

|                       | Net Mortgages    | Liquid Investments | Total Net Investments |
|-----------------------|------------------|--------------------|-----------------------|
| June 2003             | \$808,205        | \$ 86,136          | \$894,341             |
| July 2003             | 813,728          | 82,011             | 895,739               |
| August 2003           | 832,100          | 95,607             | 927,708               |
| September 2003        | 876,724          | 78,892             | 955,617               |
| October 2003          | 906,989          | 68,317             | 975,305               |
| November 2003         | 902,601          | 63,262             | 965,863               |
| December 2003         | 898,858          | 65,966             | 964,824               |
| <b>Full year 2003</b> | <b>\$839,171</b> | <b>\$ 75,114</b>   | <b>\$914,286</b>      |
| January 2004          | \$888,908        | \$ 68,830          | \$957,738             |
| February 2004         | 883,892          | 63,749             | 947,641               |
| March 2004            | 876,205          | 66,996             | 943,201               |
| April 2004            | 870,446          | 75,787             | 946,232               |
| May 2004              | 866,855          | 82,711             | 949,567               |
| <b>YTD 2004</b>       | <b>\$877,261</b> | <b>\$ 71,615</b>   | <b>\$948,876</b>      |

## INTEREST RATE RISK DISCLOSURES

|                | Effective Duration Gap 7/ (in months) | Rate Level Shock (50bp) 8/                   |  | Rate Slope Shock (25bp) 8/                   |  |
|----------------|---------------------------------------|--|--|--|--|
|                |                                       | 1 Year Portfolio Net Interest Income at Risk | 4 Year Portfolio Net Interest Income at Risk | 1 Year Portfolio Net Interest Income at Risk | 4 Year Portfolio Net Interest Income at Risk |
| June 2003      | -1                                    | 2.1%   | 6.6%   | 3.9%   | 5.9%   |
| July 2003      | 6                                     | 9.3%   | 8.7%   | 1.9%   | 2.9%   |
| August 2003    | 4                                     | 4.8%   | 3.2%   | 3.4%   | 5.2%   |
| September 2003 | 1                                     | 2.7%   | 1.3%   | 5.2%   | 6.8%   |
| October 2003   | 1                                     | 4.5%   | 2.4%   | 4.1%   | 5.9%   |
| November 2003  | -1                                    | 3.7%   | 2.7%   | 3.7%   | 6.1%   |
| December 2003  | -1                                    | 2.6%   | 2.1%   | 3.6%   | 6.1%   |
| January 2004   | -1                                    | 0.9%   | 3.1%   | 3.0%   | 6.4%   |
| February 2004  | -1                                    | 1.4%   | 3.3%   | 3.7%   | 6.7%   |
| March 2004     | 0                                     | 3.8%   | 5.4%   | 4.0%   | 6.6%   |
| April 2004     | 3                                     | 5.0%   | 5.3%   | 2.9%   | 5.4%   |
| May 2004       | 3                                     | 2.9%   | 2.5%   | 2.5%   | 4.5%   |

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 other credit enhancements.

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



- 6/ Includes loans two or more months delinquent as a percent of loan dollars and includes the total mortgage credit book of business.
- 7/ The duration gap is a weighted average for the month.
- 8/ Expresses projected core net interest income under the more adverse of the interest rate and yield curve scenarios as a percentage of projected net interest income without the rate shocks.

Numbers may not foot due to rounding.

The information presented in this report is unaudited and includes, in the opinion of management, all adjustments (consisting of normally recurring accruals) necessary for a fair presentation. The data should be read in conjunction with audited financial statements and notes to financial statements that are available from the corporation. For more information regarding Fannie Mae, or for a more detailed quarterly report on Fannie Mae's activity, please visit [www.fanniemae.com](http://www.fanniemae.com) or contact us at (202) 752-7115.



Voluntary Initiatives Disclosure  
May 2004

**INTEREST RATE RISK**

|             | Rate Level Shock (50bp)            |  | Rate Slope Shock (25bp)                      |  |  |
|-------------|------------------------------------|--|--|--|--|
|             | Effective Duration Gap (in months) | 1 Year Portfolio Net Interest Income at Risk | 4 Year Portfolio Net Interest Income at Risk | 1 Year Portfolio Net Interest Income at Risk | 4 Year Portfolio Net Interest Income at Risk |
| <b>2003</b> |                                    |  |  |  |  |
| May         | -5                                 | 0.7%   | 2.2%   | 5.3%   | 7.1%   |
| June        | -1                                 | 2.1%   | 6.6%   | 3.9%   | 5.9%   |
| July        | 6                                  | 9.3%   | 8.7%   | 1.9%   | 2.9%   |
| August      | 4                                  | 4.8%   | 3.2%   | 3.4%   | 5.2%   |
| September   | 1                                  | 2.7%   | 1.3%   | 5.2%   | 6.8%   |
| October     | 1                                  | 4.5%   | 2.4%   | 4.1%   | 5.9%   |
| November    | -1                                 | 3.7%   | 2.7%   | 3.7%   | 6.1%   |
| December    | -1                                 | 2.6%   | 2.1%   | 3.6%   | 6.1%   |
| <b>2004</b> |                                    |  |  |  |  |
| January     | -1                                 | 0.9%   | 3.1%   | 3.0%   | 6.4%   |
| February    | -1                                 | 1.4%   | 3.3%   | 3.7%   | 6.7%   |
| March       | 0                                  | 3.8%   | 5.4%   | 4.0%   | 6.6%   |
| April       | 3                                  | 5.0%   | 5.3%   | 2.9%   | 5.4%   |
| May (1)     | 3                                  | 2.9%   | 2.5%   | 2.5%   | 4.5%   |

- **Effective duration gap** — measures the extent the effective duration of the portfolio's assets and liabilities are matched. A positive duration gap indicates that the effective duration of our assets exceeds the effective duration of our liabilities by that amount, while a negative duration gap indicates the opposite. The duration gap is a calculated weighted-average for the month.

- **Net interest income at risk** — compares Fannie Mae's projected change in portfolio net interest income under the financially more adverse of a 50 basis point increase and decrease in interest rates. Fannie Mae also compares the expected change in portfolio net interest income for the more adverse of a 25 basis point decrease and increase in the slope of the yield curve. Both measurements are done for one-year and four-year periods.

A positive number indicates the percent by which net interest income could be reduced by the increased rate shock. A negative number would indicate the percent by which net interest income could be increased by the shock.

**LIQUIDITY**

| Ratio of liquid to total assets | Ratio |
|---------------------------------|-------|
| June 30, 2003                   | 7.5%  |
| September 30, 2003              | 5.6%  |
| December 31, 2003               | 6.5%  |
| March 31, 2004                  | 6.4%  |

- Fannie Mae will maintain at least three months of liquidity to ensure the company can meet all of its obligations in any period of time in which it does not have access to the debt markets. Fannie Mae also will comply with the Basel Committee on Banking Supervision's fourteen principles for sound liquidity management.

- To fulfill its liquidity commitment, Fannie Mae will maintain more than five percent of its on-balance sheet assets in high-quality, liquid assets.

**CREDIT RISK**

| Lifetime credit loss sensitivity as of: | Before Credit Enhancements | After Credit Enhancements |
|---|----------------------------|---------------------------|
| <i>(Dollars in millions)</i>            |                            |                           |
| March 31, 2003                          | \$1,798                    | \$ 635                    |
| June 30, 2003                           | \$2,408                    | \$ 983                    |
| September 30, 2003                      | \$2,678                    | \$1,138                   |
| December 31, 2003 (2)                   | \$2,402                    | \$1,113                   |

- Lifetime credit loss sensitivity measures the sensitivity of Fannie Mae's expected future credit losses to an immediate five percent decline in home values for all single-family mortgages held in Fannie Mae's retained portfolio and underlying guaranteed MBS.

- Credit loss sensitivity is reported in present value terms and measures expected losses in two ways: before receipt of private mortgage insurance claims and any other credit enhancements and after receipt of expected mortgage insurance and other credit enhancements.

**SUBORDINATED DEBT**

| Total capital and subordinated debt | Total Capital | Net Proceeds on Subordinated Debt | Percent |
|-------------------------------------|---------------|-----------------------------------|---------|
| <i>(Dollars in billions)</i>        |               |                                   |         |
| December 31, 2003                   | \$35.182      | \$12.427                          | 4.1     |
| March 31, 2004                      | 36.481        | 12.429                            | 4.3     |

- Fannie Mae will issue subordinated debt in an amount sufficient to bring the sum of total capital (core capital plus general allowance for losses) and subordinated debt to 4% of on-balance sheet assets, after providing for the capitalization of off-balance sheet MBS.

- Subordinated debt only includes net proceeds on issuances from January 1, 2001

- Fannie Mae will maintain a weighted-average maturity of outstanding subordinated debt of at least five years. At March 31, 2004, the weighted-average maturity was 8.1 years.

(1) Net interest income at risk disclosures for May 2004 have been corrected from an earlier release and now conform to the disclosure in Fannie Mae's Monthly Summary for May 2004.

(2) Most recent data available.