
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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):

November 16, 2004

Federal National Mortgage Association

(Exact name of registrant as specified in its charter)

Federally Chartered Corporation

0-50231

52-0883107

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

3900 Wisconsin Avenue, NW, Washington, District
of Columbia

20016

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

202-752-7000

Not Applicable

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:

- 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))
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Item 1.01. Entry into a Material Definitive Agreement.

In response to passage of The American Jobs Creation Act of 2004 (the "Act"), the Board of Directors of Fannie Mae (formally the Federal National Mortgage Association) has taken steps to ensure that the company's deferred compensation plans, programs, and arrangements comply with new requirements under the Internal Revenue Code of 1986. Specifically, the Act added a new section to the Internal Revenue Code, Section 409A, which imposes new requirements on deferred compensation arrangements. Accordingly, on November 16, 2004, Fannie Mae's Board of Directors authorized and directed the creation of a new elective deferred compensation plan and authorized and directed that steps be taken to ensure that any other deferred compensation plans, programs, or arrangements of the company comply with Section 409A.

Apart from changes required by Section 409A, the terms of the new elective deferred compensation plan will be modeled on the company's current elective deferred compensation plan, a copy of which is incorporated by reference as an exhibit to this Form 8-K. Certain provisions of the new elective deferred compensation plan are expected to be as described below. These and other provisions will be finalized when final regulations and guidance clarifying the requirements of Section 409A are issued by the Treasury Department. In any event, the new elective deferred compensation plan and any changes made to the company's other deferred compensation plans, programs or arrangements are not intended to provide any increase in the value of any participant's benefit.

Under the new elective deferred compensation plan, employees of the company who are among the 15 percent most highly paid employees of the company and who are members of management may elect to defer up to 50 percent of their base salary and up to 100 percent of their annual bonus until a specified date or until the January or July that is at least six months following the date of their retirement or termination of employment. Members of the company's Board of Directors may defer up to 100 percent of their annual retainers and fees until a specified date or until the January or July that is at least six months following termination of their membership on the Board. Participants in the plan will be unsecured creditors of the company and will be paid from the general assets of the company. The new elective deferred compensation plan will apply to compensation that is deferred after December 31, 2004. In addition, the new elective deferred compensation plan is expected to contain the following provisions:

- Participants may choose from three forms of payment: a lump sum, up to 15 annual installments, or a lump sum of a specified amount followed by up to 15 annual installments.
- The initial election to defer must be made in the year before the compensation is earned. Individuals who become newly eligible during the year have 30 days to make an election as to amounts earned after the election.
- A participant may subsequently change the form or timing of payment, within certain limitations, provided the change is elected at least 12 months before the previously scheduled date for commencement of payment. No change to the form or timing of payment is permitted if it would have the effect of accelerating payment. Any change to the timing of payment must be a deferral for at least five additional years.
- Participants also must allocate their deferred compensation account balances among the hypothetical investment options offered by the plan for the purpose of determining the rate of return on their account. A participant may change this allocation at any time in accordance with plan procedures.

Item 9.01. Financial Statements and Exhibits.

The exhibit index filed herewith is incorporated herein by reference.

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

November 22, 2004

By: *Ann M. Kappler*

Name: Ann M. Kappler

Title: Executive Vice President and General Counsel

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Election under Fannie Mae's Elective Deferred Compensation Plan II. This exhibit is a management contract or compensatory plan or arrangement.
10.2	Fannie Mae's Elective Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.13 to Fannie Mae's registration statement on Form 10, filed March 31, 2003. This exhibit is a management contract or compensatory plan or arrangement.

Fannie Mae
Elective Deferred Compensation Plan II
Election for Deferral Year 2005 – Form 1

Name: —

Social Security #: — Employee #: —

This Election Form applies to the period beginning on January 1, 2005 and ending on December 31, 2005, pursuant to the terms of the Fannie Mae Elective Deferred Compensation Plan II (the "Plan"). Fannie Mae reserves the right to amend the Plan and the treatment of deferrals thereunder to the extent it deems it necessary or appropriate to do so in view of the requirements of Section 409A of the Internal Revenue Code, and related guidance, or otherwise in accordance with the Plan.

I. **DEFERRAL ELECTION – EXECUTIVES:** I elect to defer the receipt of a portion of my compensation beginning on the date specified above, as follows (select and complete all of the following that apply):

ANNUAL BASE SALARY:

\$XXX (Minimum deferral is \$1,000 and must be made in \$1,000 increments. Maximum deferral is 50% of annual regular base salary.)

ANNUAL BONUS AWARD:

\$ XXX; **OR**

XXX%; **OR**

XXX% of the amount greater than —.

If you elect to defer 100% of your bonus, the amount deferred will be net of taxes because FICA must be withheld.

II. **DEFERRAL ELECTION – BOARD OF DIRECTORS:** I elect to defer the receipt of a portion of my compensation beginning on the date specified above, as follows:

ANNUAL RETAINER AND FEES:

XXX % (Percentage amount must be in increments of 25%)

III. I understand that this election to defer is contingent on my eligibility to participate in the Plan and my completion and timely submission of any and all enrollment forms applicable to this Plan.

Signature

Date

To be completed by the Company

Accepted on behalf of Fannie Mae

Date

Fannie Mae
Elective Deferred Compensation Plan II
Benefit Distribution for Deferral Year 2005 – Form 2

Name: —

Social Security #: — Employee #: —

Under the Fannie Mae deferred compensation program as in effect for amounts deferred after 2004 (the "Plan"), I understand that, within the limitations of the Plan, I may elect the manner in which I wish to receive all of my account balance attributable to Deferral Year 2005 under the Plan. I acknowledge that Fannie Mae has the right to amend the Plan and the treatment of deferrals thereunder to the extent it deems it necessary or appropriate to do so in view of the requirements of Section 409A of the Internal Revenue Code, and related guidance, or otherwise in accordance with the Plan. Accordingly, I elect as follows:

I. ANNUAL BASE SALARY, RETAINER, AND FEES

Benefit Distribution: I elect to receive payment of my account balance under the Plan for Deferral Year 2005 upon reaching my benefit distribution date in the following manner (select one):

One lump sum distribution

Annual installments for XXX year(s) (not to exceed 15 years)

- One lump sum of \$XXX followed by annual installments for XXX year(s) (not to exceed 15 years).

Benefit Distribution Date: I elect to receive payment of my account balance under the Plan for Deferral Year 2005 according to the form of distribution elected above, beginning as soon as practicable in (select one):

- The first January or July payment date that follows my Retirement by at least six months.
- The first January or July payment date that follows my Termination from Service by at least six months.
- January XXX (year) (no earlier than **January 2006**)

- CONTINUED ON NEXT PAGE -

— Participant's initials

— Date

Fannie Mae page 2
Deferred Compensation Plan
Benefit Distribution for Deferral Year 2005 – Form 2 (continued)

II. ANNUAL BONUS AWARD (EMPLOYEES ONLY)

Form of Benefit Distribution: I elect to receive payment of my account balance attributable to Deferral Year 2005 under the Plan upon reaching my benefit distribution date in the following manner (select one):

- One lump sum distribution
- Annual installments for XXX year(s) (not to exceed 15 years)
- One lump sum of \$ XXX followed by annual installments for XXX year(s) (not to exceed 15 years).

Benefit Distribution Date: I elect to receive payment of my account balance under the Plan for Deferral Year 2005 according to the form of distribution elected above, beginning as soon as practicable in (select one):

- The first January or July payment date that follows my Retirement by at least six months.
- The first January or July payment date that follows my Termination from Service by at least six months.
- January XXX (year) (no earlier than **January 2007**)

III. **TERMINATION OF SERVICE :** In the event that my employment with Fannie Mae ends for reasons other than death or Retirement, I hereby make the following election regarding the unpaid balance of my account(s) (select one):

- I elect to receive the balance of my account(s) in a single lump sum payment in the January or July at least six months following my date of Termination of Service.
- I elect to have my deferral balance continue beyond Termination of Service and to be paid in accordance with the elections I have made in the boxes above. I understand that if I have elected to have payment commence due to retirement, that for purposes of the election, the date used in place of my

retirement date will be the date I reach 55 and would have had 5 years of service had I remained employed with Fannie Mae. (Note: Actual payment(s) will commence no sooner than six months after the Termination date.)

— Participant's initials

— Date

Fannie Mae

**Elective Deferred Compensation Plan II
Investment Allocation for Deferral Year 2005 – Form 3**

Name: —

Social Security #: — Employee #: —

New Deferrals

(Minimum increments of 5%)

I elect to allocate all new deferrals among the following options (allocations in whole percentages only):

HYPOTHETICAL INVESTMENT OPTIONS

XXX %	Advantus Bond
XXX %	Advantus International Bond
XXX %	Advantus Index 400 Mid-Cap
XXX %	Advantus Index 500
XXX %	Advantus Money Market
XXX %	Advantus Mortgage Securities
XXX %	Deutsche VIT Small Cap Index Fund
XXX %	Fannie Mae Cost of Debt (The rate used for the Fannie Mae Cost of Debt Fund is determined each January and applied for the full calendar year. The rate for 2004 is 2.61%. This means that the 2005 rate is not yet known.)
XXX %	Fidelity VIP Equity Income
XXX %	Fidelity VIP High Income
XXX %	Fidelity VIP II Contrafund
XXX %	Janus Aspen Series Capital Appreciation
XXX %	Janus Aspen Series International Growth
XXX %	Waddell & Reed Balanced
XXX %	Waddell & Reed Core Equity
XXX %	Waddell & Reed Growth
XXX %	Waddell & Reed International II
XXX %	Waddell & Reed Micro Cap Growth
XXX %	Waddell & Reed Small Cap Growth
XXX %	Waddell & Reed Small Cap Value
XXX %	Waddell & Reed Value
<u>100 %</u>	<i>Please ensure all allocation selections total 100%</i>

I understand that these allocations represent hypothetical investments only and that my rights under the Plan are solely those of an unsecured general creditor of Fannie Mae.

— Participant's initials

— Date

**Fannie Mae
Elective Deferred Compensation Plan II
Beneficiary Designation – Form 4**

Name: —

Social Security #: — Employee #: —

Address: —

This form supercedes all previous designations made under the Elective Deferred Compensation Plan(s) I or II and the Career Deferred Compensation Plan and will apply to your deferral accounts under all of these plans or any successor plan. **You need to complete this form only if you want to change your beneficiary designations currently on file or if you did not supply a beneficiary designation previously (i.e., this is your first year of enrollment). If you already have a beneficiary designation form on file for any of these plans, it will apply to all of your accounts in all of these plans unless you complete and file this form.**

I. BENEFICIARY DESIGNATION: (Attach separate sheets if necessary)

You must designate a Beneficiary(ies) to receive any Plan benefits payable in the event of your death. If you are married and live in a community property state, you must designate your spouse as your sole (100%) primary Beneficiary unless he or she consents to the designation of another primary Beneficiary(ies). This spousal consent is made in Section III of this form.

Primary Beneficiary (ies):

<i>Name</i>	<i>Address</i>	<i>SSN</i>	<i>Relationship</i>	<i>Share (%)</i>
1.				
2.				
3.				

In the event that all Primary Beneficiaries predecease the participant, benefits will be provided to the Contingent Beneficiaries as you designate below.

Contingent Beneficiary (ies):

<i>Name</i>	<i>Address</i>	<i>SSN</i>	<i>Relationship</i>	<i>Share (%)</i>
1.				
2.				
3.				

- CONTINUED ON NEXT PAGE -

— Participant's initials

— Date

II. ACKNOWLEDGEMENT:

The delivery of this form to Clark Consulting revokes any and all prior Beneficiary designations that I have made under the current or predecessor Plans. I hereby reserve the right to revoke or change my designation of Beneficiary(ies) at any time prior to my death by delivering a properly completed Beneficiary Designation Form to Clark Consulting or by writing and delivering a letter to Clark Consulting setting forth my change of Beneficiary(ies).

III. SPOUSAL CONSENT:

Complete only if spouse is not primary Beneficiary and you live in a community property state.

I, the undersigned spouse, am married (or deemed under applicable state law to be married) to —. I hereby waive my right to any benefits under the plans and give my consent to his/her designation of Beneficiary(ies) as set forth above.

I hereby represent that I have read and understand this form and, further, that I understand that the effect of my consent is that I will not receive from the Plan the benefits which I otherwise could have received upon his/her death.

Spouse's signature

Date

Spouse's printed name

Spousal consent must be notarized

State of: _____ County of: _____

The person whose signature is set forth above as spouse appeared before me this day and completed or affirmed such signature in my presence as his or her free and voluntary act given under my hand and notarial seal this _____ day of _____, 20____.

Notary Public's Printed Name

Notary Public's Address

Notary Public's Signature

Commission Expiration Date

Deliver this completed form to Clark Consulting, 2121 San Jacinto Street, Suite 2200, Dallas, Texas 75201-7906.

____ Participant's initials
____ Date

