

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): **November 19, 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)

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))
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Item 2.02. Results of Operations and Financial Condition.

On November 19, 2004, Fannie Mae (formally, the Federal National Mortgage Association) issued its monthly financial summary release for the month of October 2004, along with a statement by Jayne Shontell, Fannie Mae's Senior Vice President of Investor Relations, on the monthly summary data. The statement by Ms. Shontell, a copy of which is filed as Exhibit 99.2 to this report, is incorporated herein by reference.

The information in this item and in Exhibit 99.2 shall be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.

Item 7.01. Regulation FD Disclosure.

Fannie Mae's monthly financial summary release for the month of October 2004, 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, nor shall it be deemed incorporated by reference in any disclosure document of Fannie Mae, except as shall be expressly set forth by specific reference in such document.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

The following exhibits are submitted herewith:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Monthly summary release for October 2004 issued by Fannie Mae on November 19, 2004.
99.2	November 19, 2004 statement by Jayne Shontell on October 2004 monthly summary data.

Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934. Exhibit 99.2 shall be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.

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/ Leanne G. Spencer
Leanne G. Spencer
Senior Vice President and Controller

Date: November 19, 2004

EXHIBIT INDEX

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**FANNIE MAE
MONTHLY SUMMARY**

October 2004

HIGHLIGHTS FOR OCTOBER INCLUDE:

- Fannie Mae's book of business grew at an annual rate of 9.5 percent in October compared with 9.9 percent in September.
- The mortgage portfolio grew at a 12.2 percent annual rate in October.
- October mortgage portfolio purchases were \$27.1 billion. Portfolio purchases included a higher proportion of hybrid ARMs and Aaa Libor floaters, reflecting a continued shift in the mix of mortgage originations.
- Retained commitments were \$19.4 billion in October.
- Outstanding MBS grew at a 7.7 percent annual rate in October. October growth in outstanding MBS was affected by a high ARM share and strong private label issuance. Private label issuance continued to be driven by sub-prime and Alt-A product, and also included an increasing proportion of ARM, IO ARM and investor product.
- The duration gap on Fannie Mae's mortgage portfolio averaged zero months in October.
- The conventional single-family delinquency rate rose one basis point to 0.59 percent in September, while the multifamily delinquency rate fell one basis point to 0.12 percent.

MORTGAGE MARKET HIGHLIGHTS:

- According to the MBA Survey, October's ARM share rose to 35.6 percent from 34.1 percent in September.
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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/
November 2003	\$906,387	(7.9%)	\$1,264,673	26.8%	\$2,171,060	10.8%
December 2003	898,445	(10.0%)	1,300,166	39.4%	2,198,611	16.3%
Full year 2003	\$898,445	13.1%	\$1,300,166	26.3%	\$2,198,611	20.6%
January 2004	\$886,730	(14.6%)	\$1,318,711	18.5%	\$2,205,441	3.8%
February 2004	882,124	(6.1%)	1,335,714	16.6%	2,217,838	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%)
June 2004	891,210	19.0%	1,360,045	5.3%	2,251,255	10.5%
July 2004	892,724	2.1%	1,363,317	2.9%	2,256,041	2.6%
August 2004	895,428	3.7%	1,368,918	5.0%	2,264,345	4.5%
September 2004	904,543	12.9%	1,377,680	8.0%	2,282,223	9.9%
October 2004	913,246	12.2%	1,386,272	7.7%	2,299,518	9.5%
YTD 2004	\$913,246	2.0%	\$1,386,272	8.0%	\$2,299,518	5.5%

BUSINESS VOLUMES (\$ in Millions) 1/

	MBS						
	Single-family Issues	Multifamily Issues	Total Lender-originated Issues 5/	Fannie Mae MBS Purchases 6/	MBS Issues Acquired by Others	Portfolio Purchases	Business Volume
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
Full year 2003	\$1,175,599	\$23,018	\$1,198,617	\$348,413	\$850,204	\$572,852	\$1,423,056
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
June 2004	52,981	711	53,692	13,330	40,362	37,164	77,526
July 2004	38,719	916	39,636	5,676	33,960	21,618	55,578
August 2004	34,685	276	34,961	4,676	30,285	21,787	52,072
September 2004	40,647	224	40,870	5,074	35,796	27,661	63,457
October 2004	37,594	694	38,289	3,665	34,623	27,142	61,766
YTD 2004	\$ 445,611	\$ 5,901	\$ 451,512	\$ 60,244	\$391,268	\$230,511	\$ 621,779

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

	Retained Commitments	Purchases			Net Yield 7/	Mortgage Portfolio Sales
		Single-family	Multifamily	Total Purchases		
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
Full year 2003	\$489,073	\$559,669	\$13,183	\$572,852	5.00%	\$13,727
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	4.53%	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
June 2004	29,668	34,775	2,389	37,164	4.44%	1,695
July 2004	19,504	20,667	950	21,618	4.44%	681
August 2004	24,683	20,747	1,040	21,787	4.14%	1,932
September 2004	30,783	24,193	3,468	27,661	3.61%	1,195
October 2004	19,356	23,109	4,034	27,142	3.59%	941
YTD 2004	\$234,927	\$214,186	\$16,325	\$230,511	4.20%	\$13,286

- 1/ Represents unpaid principal balance.
- 2/ Excludes mark-to-market adjustments, deferred balances and allowance for losses. Includes \$509 billion of Fannie Mae MBS as of October 31, 2004.
- 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 \$939 million in October 2004.
- 6/ Included in total portfolio purchases.
- 7/ 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
November 2003	\$ 22,438	29.60%	\$ 34,214	32.78%
December 2003	18,859	25.08%	26,301	24.61%
Full year 2003	\$ 451,487	53.29%	\$ 591,351	50.15%
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%
June 2004	22,783	30.90%	36,063	31.89%
July 2004	19,467	26.19%	31,363	27.64%
August 2004	17,179	23.06%	26,442	23.23%
September 2004	17,361	23.15%	27,168	23.74%
October 2004	17,529	23.14%	26,970	23.42%
YTD 2004	\$ 202,457	27.26%	\$ 316,805	28.13%

DELINQUENCY RATES

	Single-family Conventional 2/			Multifamily Total 6/
	Non-Credit Enhancement 3/	Credit Enhancement 4/	Total 5/	
November 2003	0.30%	1.63%	0.59%	0.13%
December 2003	0.30%	1.65%	0.60%	0.27%
January 2004	0.31%	1.70%	0.61%	0.24%
February 2004	0.31%	1.70%	0.61%	0.24%
March 2004	0.30%	1.62%	0.58%	0.17%
April 2004	0.29%	1.58%	0.56%	0.16%
May 2004	0.29%	1.61%	0.57%	0.14%
June 2004	0.29%	1.62%	0.57%	0.14%
July 2004	0.29%	1.65%	0.57%	0.13%
August 2004	0.30%	1.67%	0.58%	0.13%
September 2004	0.30%	1.72%	0.59%	0.12%

AVERAGE INVESTMENT BALANCES (\$ in Millions)

	Net Mortgages	Liquid Investments	Total Net Investments
November 2003	\$902,601	\$63,262	\$965,863
December 2003	898,858	65,966	964,824
Full year 2003	\$839,171	\$75,114	\$914,286
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
June 2004	873,386	71,698	945,084
July 2004	883,135	63,078	946,213
August 2004	887,471	64,853	952,324
September 2004	895,590	69,256	964,846
October 2004	903,065	61,445	964,510
YTD 2004	\$882,895	\$68,840	\$951,736

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
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%
June 2004	2	1.6%	3.5%	2.3%	4.1%
July 2004	0	0.8%	1.9%	2.3%	4.6%
August 2004	-2	2.8%	3.2%	4.0%	6.6%
September 2004	-2	4.2%	4.5%	4.5%	7.7%
October 2004	0	3.4%	3.8%	4.5%	7.6%

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 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.

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, please visit www.fanniemae.com or contact us at (202) 752-7115.

**Statement by Jayne Shontell, Senior Vice President of Investor Relations
On October 2004 Monthly Summary Data**

The business volume data included in our monthly summary release, and unaudited income statement data included in the Form 12b-25 filed with the Securities and Exchange Commission on November 15, 2004, reflect the impact of ongoing changes in the dynamics of our competitive environment—including a substantially changed mortgage product mix, the sustained intensity of competition for mortgage assets, and continuing high levels of mortgage-related securities issuance by entities other than Fannie Mae, Freddie Mac, or Ginnie Mae (“private label securities”).

Changes in Origination Mix

Home price growth has accelerated in 2004. The 4-quarter growth rate in the OFHEO home price index increased to 9.4 percent at the end of the second quarter of this year (the latest period for which the Office of Federal Housing Enterprise Oversight (“OFHEO”) has released data). This is the fastest pace since 1979, and estimates of gains through September indicate that this pace has not abated appreciably. With the rise in home prices, many homebuyers have turned from traditional fixed-rate mortgages to alternative mortgage products, such as adjustable-rate mortgages (“ARMs”) and interest-only mortgages, to maintain affordability by lowering their initial monthly payments. The Federal Housing Finance Board reported that ARMs constituted about 38 percent of purchase loans in the third quarter of 2004, up from the 27 percent ARM share in the last quarter of 2003. The recent flattening in the yield curve has not diminished this percentage. In this environment the market share of private-label securities has increased substantially, with private-label mortgage-backed securities (“MBS”) issuances accounting for over 50 percent of total MBS issuances in the third quarter of 2004, the first time that private-label issuances exceeded the combined MBS issuances of Fannie Mae, Freddie Mac, and Ginnie Mae. Approximately 75 percent of mortgages backing private label MBS in the third quarter were ARMs.

Credit Guaranty Business

Outstanding MBS growth in the third quarter and through October continued to reflect lower refinance-driven volume, a substantial increase in the origination of higher-risk forms of hybrid ARMs, and heightened competition from private label issuers. The sustained high level of ARM originations has led to increased retention of whole loans by depository institutions and a reduction in the availability of MBS in the secondary market. Market share gains by private label issuers have been driven by an increased proportion of sub-prime and Alt-A securitized mortgages, including interest-only hybrid ARMs. Generally slower growth in Fannie Mae outstanding MBS since March 2004 reflects both the reduced availability of MBS and Fannie Mae’s belief that current market pricing does not adequately compensate for the level of credit risk in many private label securities.

Portfolio Investment Business

The changing product mix of originations in our underlying market has resulted in a higher proportion of hybrid ARMs and floating-rate securities purchased for portfolio, which in turn has had a discernable effect on our net interest yield and net interest margin. Lower initial purchase spreads on these securities, together with a flatter yield curve, have caused the portfolio's net interest yield and net interest margin to decline sequentially in each of the past two quarters.

In conjunction with current levels of portfolio liquidations, lower purchase volumes resulting from historically narrow mortgage-to-debt spreads have restrained the growth in our mortgage portfolio. Moreover, the company's agreement with OFHEO defined two specific capital surplus requirements: (1) maintaining the surplus capital percentage attained on August 31, 2004, and (2) achieving a capital surplus of 30 percent above the minimum requirement within 270 days from the date of the OFHEO agreement. Fannie Mae has submitted to the Director of OFHEO for approval a capital plan defining our primary strategies for achieving those requirements. With the current spread environment and the need to achieve the 30 percent capital surplus, it now appears likely that growth in the company's portfolio will be close to zero for 2004.

Forward-Looking Statements

This release includes forward-looking statements, including statements about achieving our capital surplus requirements, statements regarding future growth of Fannie Mae's portfolio and business, and statements regarding Fannie Mae's work to expand access to homeownership. These statements are based on management's estimates and expectations regarding matters that are uncertain and subject to change, such as trends and economic factors in the markets in which Fannie Mae is active; the company's capital plan and its approval, implementation and consequences; the company's business plans; and the outcome of OFHEO's special examination of the company, the Securities and Exchange Commission (SEC) and Department of Justice investigations and the related litigation. For example, Fannie Mae's capital plan is based on its existing financial statements, which are under review and may need to be restated, as described in the company's Form 12b-25 filed with the SEC on November 15, 2004. Future results may vary materially from results described in our forward-looking statements. For a discussion of factors that could cause results to vary from those described, investors should review Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2003, Fannie Mae's Form 12b-25 filed with the SEC on November 15, 2004 and other documents filed with the SEC, which are or will be available on the company's Web site at www.fanniemae.com/ir and SEC's Web site at www.sec.gov under "Federal National Mortgage Association" or CIK number 0000310522. Fannie Mae undertakes no duty to update these forward-looking statements.

Fannie Mae is a New York Stock Exchange company and the largest non-bank financial services company in the world. It operates pursuant to a federal charter and is the nation's largest source of financing for home mortgages. Fannie Mae is working to shrink the nation's "homeownership gaps" through an expansion of our "American Dream Commitment" to expand access to homeownership for 6 million first-time home buyers — including 1.8 million minority families. Since 1968, Fannie Mae has provided over \$6.3 trillion of mortgage financing for 63 million families. More information about Fannie Mae can be found on the Internet at <http://www.fanniemae.com>.

Style Usage: Fannie Mae's Board of Directors has authorized the company to operate as "Fannie Mae," and the company's stock is now listed on the NYSE as "FNM." In order to facilitate clarity and avoid confusion, news organizations are asked to refer to the company exclusively as "Fannie Mae."