

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

<b>OMB APPROVAL</b>	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>BACON KENNETH J</u>  (Last) (First) (Middle) <u>3900 WISCONSIN AVENUE, NW</u>  (Street) <u>WASHINGTON DC 20016</u>  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>01/03/2005</u>	3. Issuer Name and Ticker or Trading Symbol <u>FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [ FNM ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> X Officer (give title below) Other (specify below) <input type="checkbox"/> <u>SVP &amp; Interim Head of HCD</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person  Form filed by More than One Reporting Person <input type="checkbox"/>

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	8,942	D	
Common Stock	918.076	I	By ESOP

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
Employee Stock Option (right to buy)	11/18/1998 <sup>(1)</sup>	11/16/2007	Common Stock	11,310	51.7188	D
Employee Stock Option (right to buy)	11/17/1999 <sup>(1)</sup>	11/17/2008	Common Stock	10,230	69.3125	D
Employee Stock Option (right to buy)	11/16/2000 <sup>(1)</sup>	11/16/2009	Common Stock	9,220	71.5	D
Employee Stock Option (right to buy)	01/23/2004	01/18/2010	Common Stock	16,536	62.5	D
Employee Stock Option (right to buy)	11/21/2001 <sup>(1)</sup>	11/21/2010	Common Stock	11,410	77.095	D
Employee Stock Option (right to buy)	11/20/2002 <sup>(1)</sup>	11/20/2011	Common Stock	13,080	80.95	D
Employee Stock Option (right to buy)	01/21/2004 <sup>(1)</sup>	01/21/2013	Common Stock	25,478	69.43	D
Employee Stock Option (right to buy)	01/23/2005 <sup>(1)</sup>	01/23/2014	Common Stock	27,622	78.315	D

**Explanation of Responses:**

1. The option vests in four equal annual installments beginning on the date shown.

**Remarks:**

/s/ Kenneth J. Bacon 01/13/2005

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

LIMITED SIGNATORY POWER

By this Limited Signatory Power the undersigned authorizes and designates each of Ann Kappler and Scott Lesmes to execute and file on behalf of the undersigned all Forms 3, 4 and 5 (including any exhibits, attachments and amendments thereto) that the undersigned may be required to file with the Securities and Exchange Commission as a result of the undersigned's ownership of or transactions in securities of Fannie Mae. The authority of Ann Kappler and Scott Lesmes under this Limited Signatory Power shall continue until the undersigned is no longer required to file Forms 3, 4 and 5 with regard to his or her ownership of or transactions in securities of Fannie Mae, unless earlier revoked in writing. The undersigned acknowledges that Ann Kappler and Scott Lesmes are not assuming, nor is Fannie Mae assuming, any of the undersigned's responsibilities to file Forms 3, 4 and 5 or otherwise comply with any related laws or regulations.

/s/ Kenneth J. Bacon

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Kenneth J. Bacon

Date:  
January 11, 2005