**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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1. **Name and Address of Reporting Person**
   **Pallotta Karen R**
   (Last)  (First)  (Middle)
   3900 WISCONSIN AVENUE, NW
   WASHINGTON DC 20016

2. **Issuer Name and Ticker or Trading Symbol**
   FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [ FNMA ]

3. **Date of Earliest Transaction (Month/Day/Year)**
   01/25/2011

4. **Relationship of Reporting Person(s) to Issuer**
   - Director
   - Officer (give title below)
     EVP - Single-Family Mortgage
   - Other (specify below)

5. **Form filed by One Reporting Person**
   **X**
   **Form filed by More than One Reporting Person**
   
6. **Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>2A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed Of (D) (Instr. 3 and 4)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>01/25/2011</td>
<td>F</td>
<td>712(1)</td>
<td>D</td>
<td>$0.5375</td>
<td>18,118(2)</td>
<td>D</td>
</tr>
</tbody>
</table>

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**Explanation of Responses:**
1. These shares were withheld by the Issuer to pay withholding taxes due upon the vesting of restricted shares.
2. End of period holdings reflect ESOP dispositions that occurred after the date of the reporting person's last ownership report.

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/s/ Karen R. Pallotta 01/27/2011

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 4 (b)(v).
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.