



**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): **February 17, 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**

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

On February 17, 2004, Fannie Mae (formally, the Federal National Mortgage Association), issued its monthly financial summary release and voluntary initiatives disclosure for the month of January 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.

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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: February 17, 2004

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## EXHIBIT INDEX

The following is a list of the Exhibits furnished herewith.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Monthly summary release and voluntary initiatives disclosure for January 2004 issued by Fannie Mae on February 17, 2004.

**FANNIE MAE  
MONTHLY SUMMARY  
JANUARY 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 JANUARY INCLUDE:**

- Fannie Mae's book of business grew at an annualized 3.8 percent rate.
- Outstanding MBS grew at an 18.5 percent annual growth rate compared with 39.4 percent the previous month.
- Retained commitments rose slightly to \$11.7 billion. Mortgage portfolio purchases in January were \$8.6 billion.
- The mortgage portfolio declined at a 14.6 percent annualized rate in January.
- The duration gap on Fannie Mae's mortgage portfolio averaged a negative one month for the third consecutive month.
- The conventional single-family delinquency rate rose one basis point to 0.60 percent. The multifamily delinquency rate rose fourteen basis points to 0.27 percent.

**MORTGAGE MARKET HIGHLIGHTS:**

- Mortgage market indicators remain very strong. Fannie Mae now estimates total single-family originations for 2004 will be about \$1.9 trillion and residential mortgage debt outstanding will grow at an annualized rate of 9.4 percent.
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**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/
February 2003	\$ 817,630	8.3%	\$ 1,073,564	33.7%	\$ 1,891,194	22.0%
March 2003	817,656	(.2%)	1,107,520	45.3%	1,925,176	23.7%
April 2003	819,774	3.2%	1,156,205	67.6%	1,975,979	36.7%
May 2003	817,404	(3.4%)	1,186,128	35.9%	2,003,532	18.1%
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%

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

	MBS						Business Volume
	Single-family Issues	Multifamily Issues	Total Lender-originated Issues 6/	Fannie Mae MBS Purchases 7/	MBS Issues Acquired by Others	Portfolio Purchases	
February 2003	\$ 92,720	\$ 465	\$ 93,185	\$ 27,530	\$ 65,655	\$ 40,420	\$ 106,075
March 2003	92,023	719	92,742	18,252	74,490	34,304	108,794
April 2003	120,976	667	121,643	25,648	95,995	43,028	139,024
May 2003	107,447	989	108,436	23,180	85,256	43,749	129,005
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

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

	Retained Commitments	Purchases				Net Yield 8/	Mortgage Portfolio Sales
		Single-family	Multifamily	Total Purchases			
February 2003	\$ 51,238	\$ 39,814	\$ 606	\$ 40,420	5.32%	\$ 780	
March 2003	39,548	33,621	683	34,304	5.20%	431	
April 2003	41,427	42,395	633	43,028	5.20%	646	
May 2003	73,784	42,795	954	43,749	5.12%	1,894	
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	

1/ Represents unpaid principal balance.

2/ Excludes mark-to-market adjustments, deferred balances and allowance for losses. Includes \$546 billion of Fannie Mae MBS as of January 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 \$1,691 million in January 2004.

7/ Included in total portfolio purchases.

8/ Yields shown on a taxable-equivalent basis.

Numbers may not foot due to rounding.

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**LIQUIDATIONS (\$ in Millions) /1**

	Mortgage Portfolio Liquidations		Outstanding MBS Liquidations	
	Amount	Annual Rate	Amount	Annual Rate
February 2003	\$ 33,517	49.43%	\$ 40,771	46.12%
March 2003	34,668	50.96%	40,915	45.02%
April 2003	40,465	59.44%	47,956	50.84%
May 2003	44,203	64.95%	57,226	58.64%
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% <sup>2/</sup>
<b>Full year 2003</b>	<b>\$451,487</b>	<b>53.29%</b>	<b>\$591,351</b>	<b>50.15%<sup>2/</sup></b>
January 2004	\$ 18,274	24.57%	\$ 27,717	25.40%

**DELINQUENCY RATES**

	Single-family Conventional 3/			Multifamily Total 7/
	Non-Credit Enhancement 4/	Credit Enhancement 5/	Total 6/	
February 2003	0.31%	1.36%	0.59%	0.06%
March 2003	0.30%	1.34%	0.57%	0.09%
April 2003	0.29%	1.34%	0.56%	0.09%
May 2003	0.29%	1.38%	0.55%	0.15%
June 2003	0.29%	1.42%	0.56%	0.13%
July 2003	0.29%	1.47%	0.57%	0.13%
August 2003	0.29%	1.52%	0.58%	0.13%
September 2003	0.29%	1.56%	0.58%	0.12%
October 2003	0.29%	1.56%	0.57%	0.12%
November 2003	0.30%	1.63%	0.59%	0.13%
December 2003	0.30%	1.65%	0.60%	0.27%

**AVERAGE INVESTMENT BALANCES (\$ in Millions)**

	Net Mortgages	Liquid Investments	Total Net Investments
February 2003	\$808,377	\$63,706	\$872,083
March 2003	811,757	61,851	873,608
April 2003	809,928	75,874	885,804
May 2003	806,511	83,895	890,406
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

**INTEREST RATE RISK DISCLOSURES**

	Effective Duration Gap 8/ (in months)	Rate Level Shock (50bp) 9/		Rate Slope Shock (25bp) 9/	
		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
February 2003	-5	3.6%	1.3%	4.9%	6.8%
March 2003	-2	1.7%	2.8%	4.4%	6.7%
April 2003	-2	2.1%	2.5%	4.6%	6.5%
May 2003	-5	0.7%	2.2%	5.3%	7.1%
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%

1/ Represents unpaid principal balance.

2/ December 2003 data revised.

3/ Includes conventional loans three or more months delinquent or in foreclosure process as a percent of the number of loans.

4/ Loans without primary mortgage insurance or any credit enhancements.

5/ Loans with primary mortgage insurance and other credit enhancements.

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

7/ Includes loans two or more months delinquent as a percent of loan dollars and includes the total credit book of business.

8/ The duration gap is a weighted average for the month.

9/ 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.

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## INTEREST RATE RISK

	Effective Duration Gap (in months)	Rate Level Shock (50bp)		Rate Slope Shock (25bp)	
		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>					
February	-5	3.6%	1.3%	4.9%	6.8%
March	-2	1.7%	2.8%	4.4%	6.7%
April	-2	2.1%	2.5%	4.6%	6.5%
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%

- **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
March 31, 2003	6.7%
June 30, 2003	7.5%
September 30, 2003	5.6%
December 31, 2003	6.5%

- 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 investments.

## CREDIT RISK

Lifetime credit loss sensitivity as of:	Before Credit Enhancements	After Credit Enhancements
<i>(Dollars in millions)</i>		
December 31, 2002	\$1,838	\$ 596
March 31, 2003	\$1,798	\$ 635
June 30, 2003	\$2,408	\$ 983
September 30, 2003 (1)	\$2,678	\$1,138

- **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

<b>Total capital and subordinated debt</b>	<b>Total Capital</b>	<b>Net Proceeds on Subordinated Debt</b>	<b>Percent</b>
<b><i>(Dollars in billions)</i></b>			
December 31, 2003	\$35.182	\$12.427	4.1

- 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 December 31, 2003, the weighted-average maturity was 8.1 years.

(1) Most recent data available.