FORM 4

obligations may continue. See Instruction 1(b).

Check this box if no longer subject to Section 16. Form 4 or Form 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL								
OMB Number:	3235-0287							
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0.5

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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

				$\overline{}$															
1. Name and Address of Reporting Person* HORN KAREN N					2. Issuer Name and Ticker or Trading Symbol FEDERAL NATIONAL MORTGAGE									5. Relationship of Reporting Person(s) to Issuer (Check all applicable)					
														X Direc	ctor	10%	Owner		
(Loct) (First) (Middle)					TIOS CHARTOIT THINITE [TIME]												Other (specify below)		
						3. Date of Earliest Transaction (Month/Day/Year)									,		,		
C/O FANNIE MAE					09/18/2006														
3900 WISCONSIN AVENUE, NW				-															
				, 4. If	4. If Amendment, Date of Original Filed (Month/Day/Year)									6. Individual or Joint/Group Filing (Check Applicable					
														l '					
IGTON DO	3 2	20016													, , ,				
(St	ate) (Zip)																	
	Tabl	e I - Noi	า-Deriv	ative	Sec	curitie	s Acc	uired,	Dis	osed o	f, or	Bene	eficia	ally Own	ed				
Date				Day/Year) if		Execution Date, f any	Transaction Disposed Code (Instr. 5)						nd Securi Benefi Owner	rities ficially d Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership			
								Code	v	Amount			Price	Transa	action(s)		(Instr. 4)		
Common Stock 09/18/					3/2006			A		487(1)	 	A	\$0.	00	487	D			
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)																			
rive Conversion Date Execution Date, or Exercise (Month/Day/Year) if any			Transaction of Code (Instr. Derivative		ative rities ired osed	6. Date Exercisable and Expiration Date (Month/Day/Year)			and 4)			8. Price of Derivative Security (Instr. 5)	derivative Securities Beneficially Owned Following Reported	Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)				
	(Final MARIE	(First) (INIE MAE SCONSIN AVENUE, NW NGTON DC 2 (State) (Table Security (Instr. 3) Stock 2. Conversion or Exercise Price of Derivative (Month/Day/Year)	KAREN N (First) (Middle) NNIE MAE SCONSIN AVENUE, NW NGTON DC 20016 (State) (Zip) Table I - Nor Security (Instr. 3) Stock Table II - I (Month/Day/Year) Z. (Month/Day/Year) Conversion or Exercise Price of Derivative (Month/Day/Year) (Month/Day/Year)	(First) (Middle) NNIE MAE SCONSIN AVENUE, NW NGTON DC 20016 (State) (Zip) Table I - Non-Derive (Month/logon) Stock 09/18 Table II - Derivate (e.g., pto 1/2) Conversion or Exercise Price of Derivative (Month/Day/Year) 2. (Month/Day/Year)	KAREN N (First) (Middle) NIIE MAE SCONSIN AVENUE, NW A. If SCONSIN AVENUE, NW Table I - Non-Derivative Conversion or Exercise Price of Derivative of Derivative of Derivative (Month/Day/Year) I Conversion or Exercise Price of Derivative (Month/Day/Year) STONE (Middle) 3. E 3. Transaction Date (Month/Day/Year) 3. Transaction Date (Month/Day/Year)	KAREN N (First) (Middle) 3. Date of op/18/2 SCONSIN AVENUE, NW 4. If Ame NGTON DC 20016 (State) (Zip) Table I - Non-Derivative Secundary (Month/Day/Year) Stock 1. Transaction Date (Month/Day/Year) Table II - Derivative Secundary (Month/Day/Year) 2. Transaction Date (Month/Day/Year) Stock 2. Transaction Date (Month/Day/Year) 3. Transaction Date (Month/Day/Year) 3. Transaction Date (Month/Day/Year) 3. Transaction Date (Month/Day/Year) 3. Transaction Code (Instr. 8)	KAREN N (First) (Middle) INIE MAE SCONSIN AVENUE, NW Table I - Non-Derivative Securities Gecurity (Instr. 3) Table II - Derivative Securities (Month/Day/Year) Table II - Derivative Securities (e.g., puts, calls, warr. 2. Transaction Date (e.g., puts, calls, warr. 2. Transaction One Exercise Price of Derivative Security (Month/Day/Year) Stock 3. Date of Earlies 09/18/2006 4. If Amendment, 2. Transaction Date (e.g., puts, calls, warr. 3. Transaction Date (Month/Day/Year) 3. 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If Amendment, Date of Original Filed (Month/Day/Year) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned [Month/Day/Year] (Month/Day/Year) Stock O9/18/2006 FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [FNM] 3. Date of Earliest Transaction (Month/Day/Year) 4. If Amendment, Date of Original Filed (Month/Day/Year) Code (Instr. 3) A. 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Explanation of Responses:

1. Shares of restricted stock. Under the issuer's stock compensation plan, the shares vest on the day before the issuer's 2007 annual shareholder meeting. The shares are subject to accelerated vesting in the event of death, disability or, for a recipient who was elected to the issuer's board of directors by shareholders, the failure to re-nominate the recipient after the recipient has reached the age of 70.

(A) (D) Exercisable Date

Remarks:

<u>/s/ Karen N. Horn</u> <u>09/19/2006</u>

** Signature of Reporting Person Date

Shares

Title

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

Code 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.