

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

| OMB APPROVAL | |
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| 1. Name and Address of Reporting Person* <u>WILLIAMS MICHAEL J</u> (Last) (First) (Middle) <u>3900 WISCONSIN AVENUE, NW</u> (Street) <u>WASHINGTON DC</u> <u>20016</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [FNM]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>09/18/2007</u> 4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP & COO</u> 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person |
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| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | | | |
|--|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 05/10/2007 | | G | V | 1,000 | D | \$0.00 | 227,525.085 | D | |
| Common Stock | 09/18/2007 | | A ⁽¹⁾ | | 19,956 | A | \$0.00 | 247,483.336 ⁽²⁾ | D | |
| Common Stock | | | | | | | | 875.87 ⁽³⁾ | I | By ESOP |
| Common Stock | | | | | | | | 700 | I | By Reporting Person as UGMA custodian for daughter |

| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) | | | | | | | | | | | | | | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |

Explanation of Responses:

1. The reported transaction reflects the final determination by the issuer's Board of Directors to pay, in the future, shares of common stock to the reporting person in connection with grants made under the issuer's performance share program for performance cycles covering 2003 through 2006. These payments are discussed in Fannie Mae's Annual Report on Form 10-K for the year ended December 31, 2006, which was filed with the SEC on August 16, 2007.

2. End of period holdings include additional shares acquired under the Issuer's dividend reinvestment plan through August 27, 2007.

3. End of period holdings include additional shares acquired from the reinvestment of dividends in issuer's ESOP through August 27, 2007.

Remarks:

/s/ Michael J. Williams 09/25/2007
** 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 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).
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 Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr, each with full power of substitution, 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 undersigned further authorizes and designates each of Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr to execute and file on behalf of the undersigned a Form ID, and any amendments thereto, to facilitate the foregoing. The authority of Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr 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 Curtis P. Lu, Sylvia M. Mahaffey and Suzanne A. Barr 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.

By this Limited Signatory Power the undersigned hereby revokes any Limited Signatory Powers the undersigned has previously signed with respect to Forms 3, 4 and 5 that the undersigned may be required to file regarding securities of Fannie Mae.

Date: 9/25/07 Signed: /s/ Michael J. Williams

Name: Michael J. Williams