

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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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>Knight Linda</u> (Last) (First) (Middle) 3900 WISCONSIN AVENUE, NW (Street) WASHINGTON DC 20016 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 03/01/2006	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) EVP - Capital Markets	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

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	22,897.191 ⁽¹⁾⁽²⁾	D	
Common Stock	12	I	By Son
Common Stock	1,143.364	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)	11/17/1999 ⁽³⁾	11/17/2008	Common Stock 13,950	69.3125	D	
Employee Stock Option (right to buy)	11/16/2000 ⁽³⁾	11/16/2009	Common Stock 14,130	71.5	D	
Employee Stock Option (right to buy)	01/18/2000	01/18/2010	Common Stock 14,437	62.5	D	
Employee Stock Option (right to buy)	11/21/2001 ⁽³⁾	11/21/2010	Common Stock 12,120	77.095	D	
Employee Stock Option (right to buy)	11/20/2002 ⁽³⁾	11/20/2011	Common Stock 13,150	80.95	D	
Employee Stock Option (right to buy)	01/21/2004 ⁽³⁾	01/21/2013	Common Stock 29,194	69.43	D	
Employee Stock Option (right to buy)	01/23/2005 ⁽³⁾	01/23/2014	Common Stock 32,884	78.315	D	

Explanation of Responses:

- Under Fannie Mae's Performance Share Program, as a member of Fannie Mae's senior management, the reporting person has previously received awards that entitle the reporting person to receive shares of Fannie Mae common stock in an amount based upon and subject to Fannie Mae's meeting corporate performance objectives over three-year periods. Generally, Fannie Mae's Compensation Committee determines in January of the year following completion of the cycle the number of shares of common stock each awardee is entitled to receive, and the shares are paid out in two annual installments that January. (Footnote 1 is continued in 2 below.)
- For the three-year performance cycle completed in 2003, the reporting person was determined in January 2004 to be entitled to receive 8,595 shares, of which the reporting person received 4,297 shares in accordance with the program and the balance was scheduled to be received in January 2005. As previously announced, Fannie Mae's Board of Directors and Compensation Committee have determined to defer payment of unpaid performance shares for the performance cycle completed in 2003 until reliable financial data for the relevant period are available. As a result, 4,298 shares scheduled to be issued to the reporting person in January 2005 have not yet been issued. These shares are included in the reporting person's total holdings above.
- The options vest in four equal annual installments beginning on the date shown.

Remarks:

/s/ Linda Knight

03/10/2006

** 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 Sylvia Mahaffey 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 undersigned further authorizes and

designates each of Sylvia Mahaffey and Scott Lesmes to execute and file

on

behalf of the undersigned a Form ID to facilitate the foregoing. The

authority of Sylvia Mahaffey 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 Sylvia Mahaffey 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/ Linda Knight

Linda Knight

Date: March 8, 2006