

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>HOWARD J TIMOTHY</u>  (Last) (First) (Middle) 3900 WISCONSIN AVENUE, NW  (Street) WASHINGTON DC 20016  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [ FNM ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Vice Chairman & CFO
	3. Date of Earliest Transaction (Month/Day/Year) 09/16/2004	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**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	09/16/2004		M		3,500	A	\$18.625	27,800	D	
Common Stock	09/16/2004		S		200	D	\$76.64	27,600	D	
Common Stock	09/16/2004		S		300	D	\$76.6	27,300	D	
Common Stock	09/16/2004		S		100	D	\$76.62	27,200	D	
Common Stock	09/16/2004		S		100	D	\$76.7	27,100	D	
Common Stock	09/16/2004		S		200	D	\$76.49	26,900	D	
Common Stock	09/16/2004		S		200	D	\$76.47	26,700	D	
Common Stock	09/16/2004		S		100	D	\$76.45	26,600	D	
Common Stock	09/16/2004		S		100	D	\$76.48	26,500	D	
Common Stock	09/16/2004		S		100	D	\$76.44	26,400	D	
Common Stock	09/16/2004		S		200	D	\$76.46	26,200	D	
Common Stock	09/16/2004		S		100	D	\$76.41	26,100	D	
Common Stock	09/16/2004		S		500	D	\$76.59	25,600	D	
Common Stock	09/16/2004		S		500	D	\$76.56	25,100	D	
Common Stock	09/16/2004		S		100	D	\$76.55	25,000	D	
Common Stock	09/16/2004		S		100	D	\$76.52	24,900	D	
Common Stock	09/16/2004		S		400	D	\$76.5	24,500	D	
Common Stock	09/16/2004		S		100	D	\$76.54	24,400	D	
Common Stock	09/16/2004		S		100	D	\$76.29	24,300	D	
Common Stock								191,771	I	Timothy Howard Revocable Trust
Common Stock								24,000	I	Debra Howard Revocable Trust

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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				
Employee Stock Option (right to buy)	\$18.625	09/16/2004		M			3,500	11/15/1995	11/15/2004	Common Stock	3,500	\$0.00	8,800	D	

Explanation of Responses:

**Remarks:**

All of the foregoing transactions were effected by the Reporting Person's broker pursuant to a written 10b5-1 plan established on February 27, 2004.

/s/ Scott Lesmes, Attorney-in-Fact for J. Timothy Howard      09/17/2004

\*\* 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.