



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): **October 20, 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**

(Former Name or Former Address, if Changed Since Last Report): \_\_\_\_\_

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure.**

On October 20, 2004, Fannie Mae (formally, the Federal National Mortgage Association) issued its monthly financial summary release for the month of September 2004. The summary, a copy of which is furnished as Exhibit 99.1 to this report, is incorporated herein by reference.

The information in this item, including the exhibit submitted herewith, 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 Fannie Mae, except as shall be expressly set forth by specific reference in such document.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits. The exhibit index filed herewith is incorporated herein by reference.

SIGNATURE

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: October 20, 2004

EXHIBIT INDEX

The following exhibit is submitted herewith.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Monthly summary release for September 2004 issued by Fannie Mae on October 20, 2004.

**FANNIE MAE  
MONTHLY SUMMARY**

**September 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 SEPTEMBER INCLUDE:**

- Fannie Mae's book of business grew at an annual rate of 10.0 percent in September compared with 4.5 percent in August.
- The mortgage portfolio grew at a 13.3 percent annual rate in September.
- September mortgage portfolio purchases rose to \$27.7 billion. Retained commitments rose to \$30.8 billion from \$24.7 billion in August.
- The net yield on September's mortgage purchases fell to 3.61 percent, reflecting a continued shift in both origination volumes and Fannie Mae portfolio purchases towards an increased proportion of hybrid ARMs and Aaa Libor floating rate mortgage securities.
- The duration gap on Fannie Mae's mortgage portfolio averaged a negative two months in September for the second consecutive month.
- The conventional single-family delinquency rate rose one basis point to 0.58 percent in August, while the multifamily delinquency rate remained stable at 0.13 percent.

**MORTGAGE MARKET HIGHLIGHTS:**

- Total residential mortgage debt outstanding grew at a compound annual rate of 12.4 percent during the second quarter of 2004 to \$8.1 trillion.
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**BUSINESS BALANCES AND GROWTH (\$ in Millions) 1/**

	Mortgage Portfolio, Gross 2/		Outstanding MBS 3/		Book of Business	
	End Balance	Growth Rate 4/	End Balance	Growth Rate 4/	End Balance	Growth Rate 4/
October 2003	\$912,665	(5.7%)	\$1,239,925	32.6%	\$2,152,590	14.6%
November 2003	906,387	(7.9%)	1,264,673	26.8%	2,171,060	10.8%
December 2003	898,445	(10.0%)	1,300,166	39.4%	2,198,611	16.3%
<b>Full year 2003</b>	<b>\$898,445</b>	<b>13.1%</b>	<b>\$1,300,166</b>	<b>26.3%</b>	<b>\$2,198,611</b>	<b>20.6%</b>
January 2004	\$886,730	(14.6%)	\$1,318,711	18.5%	\$2,205,441	3.8%
February 2004	882,124	(6.1%)	1,335,714	16.6%	2,217,838	7.0%
March 2004	880,911	(1.6%)	1,345,892	9.5%	2,226,803	5.0%
April 2004	880,481	(.6%)	1,353,399	6.9%	2,233,880	3.9%
May 2004	878,386	(2.8%)	1,354,160	0.7%	2,232,546	(.7%)
June 2004	891,210	19.0%	1,360,045	5.3%	2,251,255	10.5%
July 2004	892,724	2.1%	1,363,317	2.9%	2,256,041	2.6%
August 2004	895,428	3.7%	1,368,918	5.0%	2,264,345	4.5%
September 2004	904,766	13.3%	1,377,680	8.0%	2,282,446	10.0%
<b>YTD 2004</b>	<b>\$904,766</b>	<b>.9%</b>	<b>\$1,377,680</b>	<b>8.0%</b>	<b>\$2,282,446</b>	<b>5.1%</b>

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

	MBS						
	Single-family Issues	Multifamily Issues	Total Lender-originated Issues 5/	Fannie Mae MBS Purchases 6/	MBS Issues Acquired by Others	Portfolio Purchases	Business Volume
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
February 2004	38,605	200	38,804	181	38,624	12,170	50,794
March 2004	44,345	1,019	45,365	6,507	38,858	20,260	59,118
April 2004	56,117	424	56,541	10,198	46,344	27,448	73,792
May 2004	57,629	931	58,559	10,670	47,889	26,686	74,575
June 2004	52,981	711	53,692	13,330	40,362	37,164	77,526
July 2004	38,719	916	39,636	5,676	33,960	21,618	55,578
August 2004	34,685	276	34,961	4,676	30,285	21,787	52,072
September 2004	40,647	224	40,870	5,074	35,796	27,661	63,457
<b>YTD 2004</b>	<b>\$ 408,017</b>	<b>\$ 5,207</b>	<b>\$ 413,224</b>	<b>\$ 56,579</b>	<b>\$356,645</b>	<b>\$203,368</b>	<b>\$ 560,013</b>

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

	Retained Commitments	Purchases			Net Yield 7/	Mortgage Portfolio Sales
		Single-family	Multifamily	Total Purchases		
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
February 2004	12,576	11,834	337	12,170	3.68%	1,326
March 2004	29,411	19,406	854	20,260	4.53%	1,023
April 2004	28,860	25,997	1,451	27,448	4.37%	1,583
May 2004	28,389	25,461	1,226	26,686	4.55%	885
June 2004	29,668	34,775	2,389	37,164	4.44%	1,695
July 2004	19,504	20,667	950	21,618	4.44%	681
August 2004	24,683	20,747	1,040	21,787	4.14%	1,932
September 2004	30,783	24,193	3,468	27,661	3.61%	1,195
<b>YTD 2004</b>	<b>\$215,570</b>	<b>\$191,077</b>	<b>\$12,292</b>	<b>\$203,368</b>	<b>4.28%</b>	<b>\$12,345</b>

- 1/ Represents unpaid principal balance.
- 2/ Excludes mark-to-market adjustments, deferred balances and allowance for losses. Includes \$515 billion of Fannie Mae MBS as of September 30, 2004.
- 3/ MBS held by investors other than Fannie Mae's portfolio.
- 4/ Growth rates are compounded.
- 5/ Excludes MBS issued from Fannie Mae's portfolio, which was \$758 million in September 2004.
- 6/ Included in total portfolio purchases.
- 7/ Yields shown on a taxable-equivalent basis.

Numbers may not foot due to rounding.

## LIQUIDATIONS (\$ in Millions) 1/

## DELINQUENCY RATES

	Mortgage Portfolio Liquidations		Outstanding MBS Liquidations		Single-family Conventional 2/			Multifamily Total 6/
	Amount	Annual Rate	Amount	Annual Rate	Non-Credit Enhancement 3/	Credit Enhancement 4/	Total 5/	
October 2003	\$ 30,862	40.48%	\$ 44,975	44.04%	0.29%	1.56%	0.57%	0.12%
November 2003	22,438	29.60%	34,214	32.78%	0.30%	1.63%	0.59%	0.13%
December 2003	18,859	25.08%	26,301	24.61%	0.30%	1.65%	0.60%	0.27%
<b>Full year 2003</b>	<b>\$451,487</b>	<b>53.29%</b>	<b>\$591,351</b>	<b>50.15%</b>				
January 2004	\$ 18,274	24.57%	\$ 27,717	25.40%	0.31%	1.70%	0.61%	0.24%
February 2004	15,419	20.92%	22,948	20.75%	0.31%	1.70%	0.61%	0.24%
March 2004	20,444	27.83%	29,702	26.58%	0.30%	1.62%	0.58%	0.17%
April 2004	26,086	35.54%	40,419	35.94%	0.29%	1.58%	0.56%	0.16%
May 2004	27,917	38.09%	48,013	42.56%	0.29%	1.61%	0.57%	0.14%
June 2004	22,783	30.90%	36,063	31.89%	0.29%	1.62%	0.57%	0.14%
July 2004	19,467	26.19%	31,363	27.64%	0.29%	1.65%	0.57%	0.13%
August 2004	17,179	23.06%	26,442	23.23%	0.30%	1.67%	0.58%	0.13%
September 2004	17,138	22.85%	27,168	23.74%				
<b>YTD 2004</b>	<b>\$184,705</b>	<b>27.70%</b>	<b>\$289,835</b>	<b>28.67%</b>				

## AVERAGE INVESTMENT BALANCES (\$ in Millions)

	Net Mortgages	Liquid Investments	Total Net Investments
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
February 2004	883,892	63,749	947,641
March 2004	876,205	66,996	943,201
April 2004	870,446	75,787	946,232
May 2004	866,855	82,711	949,567
June 2004	873,386	71,698	945,084
July 2004	883,135	63,078	946,213
August 2004	887,471	64,853	952,324
September 2004	895,701	69,256	964,958
<b>YTD 2004</b>	<b>\$880,667</b>	<b>\$69,662</b>	<b>\$950,329</b>

## INTEREST RATE RISK DISCLOSURES

	Effective Duration Gap 7/ (in months)	Rate Level Shock (50bp) 8/		Rate Slope Shock (25bp) 8/	
		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
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%
February 2004	-1	1.4%	3.3%	3.7%	6.7%
March 2004	0	3.8%	5.4%	4.0%	6.6%
April 2004	3	5.0%	5.3%	2.9%	5.4%
May 2004	3	2.9%	2.5%	2.5%	4.5%
June 2004	2	1.6%	3.5%	2.3%	4.1%
July 2004	0	0.8%	1.9%	2.3%	4.6%
August 2004	-2	2.8%	3.2%	4.0%	6.6%
September 2004	-2	4.2%	4.5%	4.5%	7.7%

1/ Represents unpaid principal balance.

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

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

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

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

6/ Includes loans and securities 60 days or more past due and is calculated based on mortgage credit book of business.

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

8/ 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.