

DONILON THOMAS E
 Form 4
 May 03, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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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 OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 DONILON THOMAS E

2. Issuer Name and Ticker or Trading Symbol
 FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE [FNM]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 3900 WISCONSIN AVENUE, NW
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 04/29/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 EVP, Law & Policy

WASHINGTON, DC 20016

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4)
Common Stock	04/29/2005		D	(A) or (D) V Amount 58,779 (1)	\$ 0 20,030 (2) (3)	D	
Common Stock					36.953 (4)	I	By ESOP
Common Stock					100	I	By spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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displays a currently valid OMB control number.

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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONILON THOMAS E 3900 WISCONSIN AVENUE, NW WASHINGTON, DC 20016			EVP, Law & Policy	

Signatures

/s/ Thomas E.
Donilon 04/29/2005
 **Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (1) Represents forfeited shares of unvested restricted stock which under the terms of the grants would have vested as follows: 7,500 shares in 2005; 17,926 shares in 2006; 17,926 shares in 2007; and 15,427 shares in 2008.
 Under Fannie Mae's Performance Share Program, as a member of Fannie Mae's senior management, the reporting person has received annual awards entitling the reporting person to receive shares of Fannie Mae common stock in amounts 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 to current executives in two annual installments. (Footnote 2 is continued in footnote 3 below.)
 - (3) For the performance cycle completed in 2003, the reporting person was determined in January 2004 to be entitled to receive 23,850 shares, of which the reporting person received 11,925 shares in January 2004 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, the 11,925 shares scheduled to be issued to the reporting person in January 2005 have not yet been issued. These shares are

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included in the reporting person's total holdings above.

- (4) End of period holdings include an additional fractional share acquired from the reinvestment of dividends in Issuer's ESOP through February 25, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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