

FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE  
 Form 4  
 October 18, 2007

**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 \*  
**WILLIAMS MICHAEL J**

(Last) (First) (Middle)

3900 WISCONSIN AVENUE, NW  
 (Street)

WASHINGTON, DC 20016

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 10/17/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 EVP & COO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	10/17/2007		M	11,920 A \$ 51.72	259,403.336	D	
Common Stock	10/17/2007		F	10,736 (1) D \$ 62.99	248,667.336	D	
Common Stock					875.87	I	By ESOP
Common Stock					700	I	By Reporting Person as UGMA

custodian  
for  
daughter

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

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SEC 1474  
(9-02)

**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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 51.72	10/17/2007		M	11,920	11/18/1998 <sup>(2)</sup> 11/18/2007	Common Stock	11,920

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

WILLIAMS MICHAEL J  
3900 WISCONSIN AVENUE, NW  
WASHINGTON, DC 20016

EVP & COO

## Signatures

/s/ Michael J. Williams  
10/18/2007

\*\*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) These shares were withheld by Fannie Mae for payment of the exercise price and tax liability upon the exercise of 11,920 stock options.

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(2) The options vested in four equal annual installments beginning on the date shown.

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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