Pricing Supplement Dated March 16, 2007
(To Offering Circular dated October 17, 2005)

FannieMae

Universal Debt Facility

This Pricing Supplement relates to the Debt Securities described below (the "Notes"). You should read it together with the Offering Circular dated October 17, 2005 (the "Offering Circular") relating to the Universal Debt Facility of the Federal National Mortgage Association ("Fannie Mae"). Unless defined below, capitalized terms have the meanings we gave to them in the Offering Circular.

The Notes, and interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mae.

The Notes are not suitable investments for all investors, and an investment in the Notes involves certain risks not associated with an investment in conventional fixed or floating rate debt securities. It is important that you read the section titled "Additional Risk Factors" in this Pricing Supplement and the "Risk Factors" section of the Offering Circular.

Certain Securities Terms

1. Title: Variable Rate Notes due July 1, 2037

2. Form: Fed Book-Entry Securities

3. Specified Payment Currency

   a. Interest: U.S. dollars

   b. Principal: U.S. dollars

4. Aggregate Original Principal Amount: $250,000,000

5. Issue Date: April 5, 2007

6. Maturity Date: July 1, 2037

   Amount Payable on the Maturity Date: 100.00% of principal amount plus accrued and unpaid interest, if any, to the Maturity Date.

7. Subject to Redemption Prior to Maturity Date

X No

__ Yes

Interest Category: Variable Rate Securities

8. Interest

a. Frequency of Interest Payments: semi-annually

b. Interest Payment Dates: the 1st day of each January and July

c. First Interest Payment Date: July 1, 2007

d. Interest Rate: A rate per annum equal to the sum of 7.60% plus the Weighted Average Weekly Reset Rate for the relevant Interest Period; provided, however, that if the Interest Rate as so calculated would be less than 0.00%, the Interest Rate shall equal 0.00%, and if the Interest Rate as so calculated would exceed 10.00%, the Interest Rate shall equal 10.00%.

i. Weighted Average Weekly Reset Rate: For any Interest Period, (a) the sum of the Weighted Weekly Reset Rates for all Weekly Reset Calculation Periods during such Interest Period, divided by (b) the total number of actual days in such Interest Period.

ii. Weighted Weekly Reset Rate: For any Weekly Reset Calculation Period, (a) the Weekly Reset Rate for such Weekly Reset Calculation Period, multiplied by (b) the number of actual days during such Weekly Reset Calculation Period.

iii. Weekly Reset Rate: For each Weekly Reset Calculation Period, the Weekly Reset Rate shall be an amount equal to:

[(3-Month LIBOR x 0.65) – SIFMA Index] x 8

iv. Weekly Reset Calculation Period: Each Interest Period will be comprised of Weekly Reset Calculation Periods. A Weekly Reset Calculation Period will be a period from and including each Weekly Reset Date to but excluding the next following Weekly Reset Date. However, the first Weekly Reset Calculation Period of an Interest Period shall be from and including (a) the Issue Date (in the case of the first Interest Period) or (b) the first day of the related Interest Period (in the case of all subsequent Interest Periods) (which may result in a one-day Weekly Reset Calculation Period). Additionally, the final Weekly Reset Calculation Period of each Interest Period will begin on and include the Weekly Reset Date immediately prior to the commencement of the Suspension Period for such Interest Period and end on but exclude the next Interest Payment Date.

v. Weekly Reset Date: Each Thursday (or any other day specified by The Securities Industry and Financial Markets Association (formerly known as The Bond Market Association)), or if any Thursday is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day.

vi. Suspension Period: In respect of any Interest Period, the last six Business Days of such Interest Period. For the avoidance of doubt, the value of 3-Month LIBOR and the SIFMA Index during a Suspension Period for purposes of calculating the Weekly Reset Rate for the related Weekly Reset Calculation Period will be determined by reference to their value as calculated pursuant to clauses 8(d)(iii), (vii) and (viii) for the Weekly Reset Date immediately prior to the first day of such Suspension Period.

vii. SIFMA Index

A Index Currency: U.S. dollars

B. Index: Securities Industry and Financial Markets Association Municipal Swap Index (formerly known as the Bond Market Association Municipal Swap Index)

C. Source: Thomson Municipal Market Data. See “Risk Factors,” “Information about the SIFMA Index” and “Discontinuance of Publication of the SIFMA Index” for further discussion of the SIFMA Index.

D. SIFMA Index Determination Date: The Wednesday immediately preceding each Weekly Reset Calculation Period; provided, however, that if any such day is not a U.S. Government Securities Business Day, the SIFMA Index Determination Date for the relevant Weekly Reset Calculation Period will be postponed to the next succeeding U.S. Government Securities Business Day.

E. U.S. Government Securities Business Day: Any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (formerly known as The Bond Market Association) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

viii. 3-Month LIBOR

A. Index Currency: U.S. dollars

B. Index Maturity: 3-Month

C. Source: See Appendix D of the Offering Circular

D. 3-Month LIBOR Determination Date: The SIFMA Index Determination Date; provided, however, that if any such day is not a London Banking Day, the 3-Month LIBOR Determination Date for the relevant Weekly Reset Calculation Period will be the London Banking Day immediately preceding such SIFMA Index Determination Date.

e. Accrual method (i.e., day count convention): The accrual method for the Notes is "30/360." The 30-day basis for these Notes is ISDA 30, which is the standard specified by the International Swaps and Derivatives Association. See "Description of the Debt Securities—Accrual Methods" in the Offering Circular for a discussion of the "30/360" accrual method.

f. Initial Calculation Agent: Fannie Mae

Additional Information Relating to the Notes

1. Identification Number(s)

   a. CUSIP: 31359M6M0

   b. ISIN: US31359M6M07

   c. Common Code: 029359555

2. Listing Application

   _X_ No

   ___ Yes

3. Eligibility for Stripping on the Issue Date

   _X_ No

   ___ Yes

   ___ Minimum Principal Amount ___________

4. Minimum Denominations: US$100,000 (with additional increments of US$1,000)

5. Additional Tax Information: See Annex 1

6. Selling Restrictions: See Annex 2 of this Pricing Supplement and Appendix E of the Offering Circular

Offering

1. Pricing Date: March 16, 2007

2. Method of Distribution: X Principal ____ Non-underwritten

3. Dealer(s): Goldman, Sachs & Co.

4. Offering Price:

   X__ Fixed Offering Price: 100% of principal amount, plus accrued interest, if any, from the Issue Date

   ___ Variable Price Offering

5. Dealer Purchase Price: 100% of principal amount

   a. Concession: N/A

   b. Reallowance: N/A

6. Special Terms: In connection with the issuance of the Notes, Fannie Mae may enter into swaps or hedging agreements with the Dealer, one of its affiliates, or a third party. Any such agreement may provide for the payment of fees or other compensation or provide other economic benefits (including trading gains or temporary funding) to, and will impose obligations on, the parties, but will not affect the rights of Holders of, or the obligations of Fannie Mae as to, the Notes.

7. Proceeds to Fannie Mae: $250,000,000

Settlement

1. Settlement Date: April 5, 2007

2. Settlement Basis: delivery versus payment

3. Settlement Clearing System: U.S. Federal Reserve Banks

Additional Risk Factors

The Offering Circular and this Pricing Supplement do not describe all of the risks and other ramifications of an investment in the Notes. An investment in the Notes entails significant risks not associated with an investment in a conventional fixed rate or floating rate debt security. Investors should consult their own financial and legal advisors about the risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances, and possible scenarios for economic, interest rate and other factors that may affect their investment.

The amount of interest payable on the Notes is uncertain and could be 0%.

The amount of interest payable on the Notes on each Interest Payment Date (or Maturity Date, as applicable) depends on the spread between 3-Month LIBOR and the SIFMA Index. If 3-Month LIBOR is relatively low and the SIFMA Index is relatively high during an Interest Period, the amount of interest that we will pay on the related Interest Payment Date (or Maturity Date, as applicable) will be relatively low and could be zero. Moreover, the formula for calculating interest on the Notes incorporates leverage (multiplying the result by 8.0) to magnify potential gains and losses resulting from the spread between 3-Month LIBOR and the SIFMA Index; therefore the likelihood is greater that the Notes will pay little or no interest than would be the case if the formula did not incorporate such leverage.

Even if 3-Month LIBOR increases relative to the SIFMA Index for an Interest Period, the interest payable for that Interest Period may be zero.

Although an increase in 3-Month LIBOR relative to the SIFMA Index will tend to increase the amount of interest payable on your Note, it is possible that 3-Month LIBOR could increase relative to the SIFMA Index over the course of an Interest Period but that you would nonetheless receive no interest on your Note for that Interest Period. This is because the interest you receive on your Note for any Interest Period is based on the weighted average of each of the SIFMA Index rates for that period. If 3-Month LIBOR is sufficiently low relative to the SIFMA Index for one or more weeks during an Interest Period, the weekly resets for those weeks may be negative, which may more than offset any positive weekly resets during such Interest Period. In such a case, the Weighted Average Weekly Reset Rate for the Interest Period may be 0%.

The yield on the Notes may be lower than the yield on a standard debt security of comparable maturity.

The amount of interest payable on the Notes on each Interest Payment Date (or Maturity Date, as applicable) depends on the spread between 3-Month LIBOR and the SIFMA Index. As a result, if 3-Month LIBOR is relatively low and the SIFMA Index is relatively high during an Interest Period, the effective yield on the Notes for such Interest Period could be less than what would be payable on conventional, fixed-rate, non-redeemable notes of Fannie Mae of comparable maturity.

Secondary trading may be limited.

The Notes will not be listed on an organized securities exchange. There may be little or no secondary market for the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow a holder to trade or sell Notes easily.

The price at which the Notes may be resold prior to maturity may be substantially less than the amount for which they were originally purchased.

Many economic and market factors will influence the value of the Notes. We expect that, generally, the level of 3-Month LIBOR and the SIFMA Index, and interest rates on any day, will affect the value of the Notes more than any other single factor.

However, holders should not expect the value of the Notes in the secondary market to vary only in proportion to changes in the spread between 3-Month LIBOR and the SIFMA Index. The value of the Notes will be affected by a number of other factors that may either offset or magnify each other, including:

- the actual and expected volatility of, and the spread between, 3-Month LIBOR and the SIFMA Index;
- the market price of the components of the SIFMA Index;
- any market pricing variation for general tax-exempt floating rate bonds;
- changes in U.S. tax law;
- the general level of interest rates;
- the liquidity of the Notes at the time;
- prevailing swap rates in the market for securities of similar tenor;
- the time remaining to the Maturity Date;
- economic, financial, regulatory, political, military and other events that affect financial markets generally and the market segment of which the components of the SIFMA Index are a part, and which may affect the market price of the components of the SIFMA Index; and
- our creditworthiness.

The impact of one of these factors, such as an increase in interest rates, may offset some or all of any change in the market value of the Notes attributable to another factor, such as a favorable change in the spread between 3-Month LIBOR and the SIFMA Index.

The Securities Industry and Financial Markets Association may adjust the SIFMA Index in a way that affects its level, and The Securities Industry and Financial Markets Association has no obligation to consider the interests of holders of the Notes.

The Securities Industry and Financial Markets Association (formerly The Bond Market Association) is responsible for calculating and maintaining the SIFMA Index (formerly known as the Bond Market Association Municipal Swap Index). The Securities Industry and Financial Markets Association may make methodological or other changes that could change the level of the SIFMA Index, and may alter, discontinue or suspend calculation or dissemination of the

SIFMA Index. Any of these actions could adversely affect the value of the Notes. The Securities Industry and Financial Markets Association has no obligation to consider the interests of holders of the Notes in calculating or revising the SIFMA Index.

The historical performance of 3-Month LIBOR and of the SIFMA Index is not an indication of their future performance.

The historical performance of 3-Month LIBOR and the SIFMA Index should not be taken as an indication of the future performance of 3-Month LIBOR and the SIFMA Index during the term of the Notes. Changes in the level of 3-Month LIBOR and the SIFMA Index will affect the trading price of the Notes, but it is impossible to predict whether the level of 3-Month LIBOR or the SIFMA Index will rise or fall.

See "Risk Factors" in the Offering Circular for additional information related to the risks associated with investing in the Notes.

Recent Developments

Our safety and soundness regulator, the Office of Federal Housing Enterprise Oversight ("OFHEO"), announced in July 2003 that it was conducting a special examination of our accounting policies and practices, and in September 2004 issued a preliminary report of its findings to date. OFHEO subsequently identified additional accounting and internal control issues in February 2005, and issued its Report of the Special Examination of Fannie Mae (the "OFHEO Report") on May 23, 2006.

On December 22, 2004, we reported that the Audit Committee of our Board of Directors (the "Board") had determined that our previously filed interim and audited financial statements and the independent auditor's reports thereon for the period from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared using accounting principles that did not comply with U.S. generally accepted accounting principles ("GAAP"). We subsequently initiated an extensive restatement and re-audit of our financial statements with our new independent auditor, Deloitte & Touche LLP.

On December 6, 2006, we filed our Annual Report on Form 10-K for the fiscal year ended December 31, 2004 ("2004 10-K"), which included consolidated financial statements for 2004 and a restatement of previously issued financial information for 2002, 2003, and the first two quarters of 2004. Restatement adjustments relating to periods prior to January 1, 2002 are presented in our 2004 10-K as adjustments to retained earnings as of December 31, 2001.

Our Board and management have initiated numerous internal and external reviews of our accounting processes and controls, our financial reporting processes, and our application of GAAP. See "Risk Factors – Ongoing Internal and External Investigations" in the Offering Circular. One of these external investigations was conducted by the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss"), under the direction of former U.S. Senator Warren Rudman. On February 23, 2006, the Paul Weiss report to the Special Committee of the Board was publicly released, and included numerous findings about Fannie Mae's accounting policies, practices and systems, compensation practices, corporate governance, and internal controls. On February 24, 2006, we filed a Form 8-K with the U.S. Securities and Exchange Commission (the "SEC") that includes the Paul Weiss report.

The OFHEO Report presents OFHEO's findings about Fannie Mae's corporate culture, executive compensation programs, accounting policies and internal controls, internal and external auditors, senior management, and the Board. In conjunction with the release of the OFHEO Report, Fannie Mae entered into settlement agreements with both OFHEO and the SEC on May 23, 2006. The settlement agreements require Fannie Mae to pay civil penalties totaling $400 million. In addition, the settlement agreement with OFHEO requires Fannie Mae to undertake certain remedial actions within a specified time frame to address the recommendations contained in the OFHEO Report, including an undertaking by Fannie Mae not to increase its "mortgage portfolio" assets except as permitted by a plan to be submitted by Fannie Mae for approval by OFHEO.

The settlement agreements constitute comprehensive settlements between Fannie Mae and both OFHEO and the SEC relating to the activities of Fannie Mae during the time period in question. Please refer to our Form 8-K filed with the SEC on May 30, 2006 for further information about the OFHEO Report and the settlement agreements. A complete copy of the OFHEO Report is available on OFHEO's website at www.ofheo.gov.

On July 20, 2006, the Federal Reserve Board implemented revisions to its payment systems risk policy requiring all government sponsored enterprises, including Fannie Mae, to fully fund their accounts with the Federal Reserve Banks before making payments to debt and mortgage-backed securities investors. Fannie Mae complied with this policy by entering into various funding agreements with market participants. In connection with this policy change, Fannie Mae also entered into a new fiscal agency agreement with the Federal Reserve Bank of New York. In addition, Fannie Mae, as trustee for its mortgage-backed securities, invests collections on mortgage loans underlying our mortgage-backed securities in highly rated financial instruments, which may include Fannie Mae's senior debt securities or other debt securities if certain rating requirements are satisfied.

On August 24, 2006, we announced that we had been advised by the United States Attorney's Office for the District of Columbia that it was discontinuing its investigation of Fannie Mae's accounting policies and practices, and did not plan to file charges against Fannie Mae. Please refer to our Form 8-K filed with the SEC on August 24, 2006 for further information.

We filed our 2004 10-K with the SEC on December 6, 2006. We have not filed Quarterly Reports on Form 10-Q for the first, second and third quarters of 2005, or the first, second and third quarters of 2006, nor have we filed our Annual Report on Form 10-K for the years ended December 31, 2005 and December 31, 2006. See "Risk Factors – Lack of Financial Information about Fannie Mae" in the Offering Circular.

Form 8-Ks that we file with the SEC prior to the completion of the offering of the Notes are incorporated by reference in the Offering Circular. This means that we are disclosing information to you by referring you to those documents. You should refer to "Additional Information about Fannie Mae" in the Offering Circular for further details on the information that we incorporate by reference in the Offering Circular and where to find it.

Additional Interest Rate Information

The table below shows the hypothetical annual interest rate that would be payable on your Note in certain hypothetical 3-Month LIBOR and SIFMA Index scenarios, assuming that: (a) a fixed rate of 7.60% will be added to the Weighted Average Weekly Reset Rate for the relevant Interest Period to determine the Interest Rate; (b) 3-Month LIBOR will be multiplied by 65% in the Weekly Reset Rate calculation; and (c) the spread between 3-Month LIBOR and the SIFMA Index will be multiplied by a leverage factor of 8.0 in the Weekly Reset Rate calculation.

The vertical axis represents a range of hypothetical levels for 3-Month LIBOR. The horizontal axis represents a range of hypothetical ratios of the SIFMA Index as a percentage of 3-Month LIBOR, which we refer to as the SIFMA Index/LIBOR Ratio.

3-Month LIBOR	**SIFMA Index/ LIBOR Ratio**									
	50%	**55%**	**60%**	**65%**	**70%**	**75%**	**80%**	**85%**	**90%**	**95%**
1.00%	8.80%	8.40%	8.00%	7.60%	7.20%	6.80%	6.40%	6.00%	5.60%	5.20%
2.00%	10.00%	9.20%	8.40%	7.60%	6.80%	6.00%	5.20%	4.40%	3.60%	2.80%
3.00%	10.00%	10.00%	8.80%	7.60%	6.40%	5.20%	4.00%	2.80%	1.60%	0.40%
4.00%	10.00%	10.00%	9.20%	7.60%	6.00%	4.40%	2.80%	1.20%	0.00%	0.00%
5.00%	10.00%	10.00%	9.60%	7.60%	5.60%	3.60%	1.60%	0.00%	0.00%	0.00%
6.00%	10.00%	10.00%	10.00%	7.60%	5.20%	2.80%	0.40%	0.00%	0.00%	0.00%
7.00%	10.00%	10.00%	10.00%	7.60%	4.80%	2.00%	0.00%	0.00%	0.00%	0.00%
8.00%	10.00%	10.00%	10.00%	7.60%	4.40%	1.20%	0.00%	0.00%	0.00%	0.00%
9.00%	10.00%	10.00%	10.00%	7.60%	4.00%	0.40%	0.00%	0.00%	0.00%	0.00%
10.00%	10.00%	10.00%	10.00%	7.60%	3.60%	0.00%	0.00%	0.00%	0.00%	0.00%

The hypothetical rates shown above should not be taken as an indication of the future development of 3-Month LIBOR or the SIFMA Index or of the actual amount of interest, if any, payable on your Note on any given Interest Payment Date. The hypothetical rates above are intended merely to illustrate the effect of trends in 3-Month LIBOR and the SIFMA Index/LIBOR Ratio on the amount of interest, if any, payable on your Note.

Information about the SIFMA Index

We have compiled all information regarding the SIFMA Index (formerly known as the Bond Market Association Municipal Swap Index) discussed below, including its makeup, method of calculation and changes in its components, from publicly available information.

We accept responsibility as to the correct reproduction of such information, but do not accept any further or other responsibility, including any responsibility for the calculation, maintenance or publication of, or for any error, omission or disruption in, the SIFMA Index, and do not make any representation or give any warranty that the publicly available information about the SIFMA Index is accurate or complete.

The information set forth below reflects the policies of, and is subject to change by, Thompson Municipal Market Data. Thompson Municipal Market Data owns the copyright and all other rights to the SIFMA Index. Thompson Municipal Market Data has no obligation to continue to publish, and may discontinue publication of, the SIFMA Index at any time.

The SIFMA Index has experienced significant fluctuations since its inception. Any historical upward or downward trend in the closing level of the SIFMA Index is not an indication that the SIFMA Index is more or less likely to increase or decrease at any time during the term of your Note. It is impossible to predict whether the price of any of the components of the SIFMA Index will rise or fall, and you should not take the historical levels of the SIFMA Index as an indication of future performance. We cannot give you any assurance that the future performance of the SIFMA Index or any component of the SIFMA Index will result in a particular payment to you on the Interest Payment Dates. We do not make any representation to you as to the performance of the SIFMA Index.

The SIFMA Index is a 7-day high-grade market index comprised of tax-exempt variable rate demand obligations that are included in the database maintained by Thomson Municipal Market Data ("MMD"), a Thompson Financial Services Company. The SIFMA Index has been in existence since 1991. The SIFMA Index is calculated on a weekly basis, and released to subscribers on Thursday. The actual number of issues that make up the SIFMA Index will vary in time as issues mature or are called, converted, or newly issued. In addition, if changes occur which violate the criteria or calculation methods of the SIFMA Index, an issue will be dropped. The qualification criteria for the SIFMA Index have been established by a subcommittee of The Securities Industry and Financial Markets Association (formerly The Bond Market Association). Typically, the SIFMA Index has included 650 issues in any given week.

Thomson Financial Inc. ("Thomson"), the parent company of MMD, is the source and owner of all data relating to the SIFMA Index contained or referenced in this Pricing Supplement. Thomson makes no representations or warranties, either express or implied, including without limitation, any implied warranty of merchantability or fitness for a particular use or purpose, with respect to the data relating to the SIFMA Index. Thomson makes no warranties that the availability of the data will be uninterrupted, timely, complete and accurate or error free.

The table below shows the high, the low and the last closing levels of the SIFMA Index for each of the four calendar quarters in 2004, 2005 and 2006 and the first quarter of 2007, based on the selection criteria and methodology described above.

THE HISTORICAL PERFORMANCE REFLECTED IN THE TABLE BELOW IS BASED ON THE CRITERIA IDENTIFIED ABOVE AND ON ACTUAL PRICE MOVEMENTS IN THE RELEVANT MARKETS ON THE RELEVANT DATE. THERE CAN BE NO ASSURANCE, HOWEVER, THAT THIS PERFORMANCE WILL BE REPLICATED IN THE FUTURE OR THAT THE HISTORICAL PERFORMANCE OF THE SIFMA INDEX WILL SERVE AS A RELIABLE INDICATOR OF ITS FUTURE PERFORMANCE.

Quarterly High, Low and Closing Levels of the SIFMA Index

	High	Low	Close
2004			
Quarter ended March 31 …………………….	1.030%	0.870%	1.030%
Quarter ended June 30 …………………….......	1.090	1.010	1.050
Quarter ended September 30 …………..	1.690	1.000	1.690
Quarter ended December 31 …………...	1.990	1.430	1.990
2005			
Quarter ended March 31 ……………….	2.280	1.480	2.280
Quarter ended June 30 …………………	3.000	2.090	2.280
Quarter ended September 3……………..	2.750	1.970	2.750
Quarter ended December 31…………...	3.510	2.600	3.510
2006			
Quarter ended March 31……………….	3.220	2.930	3.170
Quarter ended June 30 …………….......	3.970	3.060	3.970
Quarter ended September 30 ………...	3.740	3.350	3.740
Quarter ended December 31…………...	3.910	3.370	3.910
2007			
Quarter ended March 31 (through March 7, 2007)………	3.650	3.450	3.520[1]

[1] Close on March 7, 2007.

Source: Bloomberg

Discontinuance of Publication of the SIFMA Index

If the SIFMA Index sponsor discontinues publication of the SIFMA Index and the SIFMA Index sponsor or the relevant information vendor has officially designated a successor index, display page, published source, information vendor or provider (a "Successor Source"), that is comparable to the SIFMA Index (i.e., a substitute index for tax-exempt state and local government bonds meeting the then-current SIFMA or other index sponsor criteria), then the Calculation Agent will determine the amount payable by reference to that Successor Source.

If the Calculation Agent, in its sole discretion, determines that:

(a) the publication of the SIFMA Index has been discontinued and there is no Successor Source,

(b) the level of the SIFMA Index is not available on any observation date for any reason,

(c) the SIFMA Index is not available to us or the Calculation Agent on any relevant date for any other reason, including the inability to use an SIFMA Index for the purposes of performing the calculations required in connection with the Notes because the SIFMA Index is not licensed for such purpose, or

(d) the method of calculating the SIFMA Index is changed at any time in any material respect,

then the Calculation Agent will determine the amount payable on the related date using (in lieu of a published level for the SIFMA Index) the formula, method, components and procedures of calculating the SIFMA Index last in effect prior to the change, failure or cancellation.

If a Successor Source is selected or the Calculation Agent calculates a value as a substitute for the SIFMA Index as described above, the Successor Source or value will be substituted for the SIFMA Index for all purposes. Notwithstanding these alternative arrangements, discontinuance of the production of the SIFMA Index may adversely affect the market value of the Notes.

Other than the designation of a Successor Source, all determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will be conclusive for all purposes and binding on us, counterparties to swaps or similar hedging agreements relating to the Notes (if any), and the beneficial owners of the Notes, absent manifest error.

ANNEX 1

To Pricing Supplement Dated March 16, 2007
Issue: $250,000,000 Variable Rate Notes due July 1, 2037

ADDITIONAL UNITED STATES TAX CONSEQUENCES

The Notes and payments thereon generally are subject to taxation. Therefore, you should consider the tax consequences of owning and receiving payments on a Note before acquiring one.

The following discussion supplements the discussion under the caption "United States Taxation" in the Offering Circular. We have engaged Dewey Ballantine LLP as special tax counsel to review these discussions. They have given us their written legal opinion that, when read together, the two discussions correctly describe the principal U.S. federal tax consequences applicable to beneficial owners of the Notes.

These two discussions do not purport to deal with all U.S. federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the Offering Circular. You should consult your own tax advisors regarding the U.S. federal tax consequences of purchasing, owning and disposing of Notes as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

We intend to treat the Notes as "variable rate debt instruments" ("VRDI"s) under the OID Regulations and the interest payable on the Notes as "qualified stated interest" under the VRDI rules. Accordingly, beneficial owners generally will include interest with respect to a Note as ordinary income in accordance with his or her method of accounting for U.S. federal income tax purposes. Cash basis beneficial owners, including most individuals, will include interest with respect to a Note in income in the year in which they receive an interest payment. Accrual basis beneficial owners generally will include interest with respect to a Note in income during the year in which it is earned or accrued, without regard to when an actual interest payment is received. Although the calculation of interest payments on the Notes is partially linked to the SIFMA Municipal Swap Index, which reflects a tax-free yield, the interest on the Notes is taxable interest income. Upon disposition of a Note by sale, exchange, redemption, or repayment of principal at maturity, a beneficial owner will generally recognize taxable gain or loss as described under "United States Taxation─U.S. Persons─Disposition or Retirement of Debt Securities" in the Offering Circular.

Although unlikely, it is possible that the Notes will be taxed in some other manner. Investors should consult their tax advisors regarding alternative treatments of the Notes, including the possible application of the contingent payment debt regulations.

ANNEX 2

Selling Restrictions

The Notes may be offered or sold only where it is legal to do so. The Dealers have represented to Fannie Mae and agreed that they will comply with all applicable laws and regulations in each jurisdiction in which they may purchase, offer, sell or deliver the Notes or distribute the Offering Circular or this Pricing Supplement. The selling restrictions applicable to the European Economic Area and other jurisdictions where the Notes may be sold are set forth in Appendix E of the Offering Circular.

The European Economic Area selling restrictions are as follows:

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Universal Debt Facility will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Debt Securities to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Debt Securities to the public in that Relevant Member State:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Debt Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Debt Securities to the public" in relation to any Debt Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Debt Securities, as the same may be varied in that Member State by any measure implementing the

Prospectus Directive in that Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.