FannieMae FUNDINGNOTES®

For Fannie Mae's Investors and Dealers

Fannie Mae's Issuance of Longer-Maturity Callable Debt Securities with Shorter-Lockout Periods

November 2009

Fannie Mae is open to reverse inquiry for a wide range of callable structures with various permutations.

In addition to Fannie Mae's issuance of long-term debt through its Benchmark Notes® program, Fannie Mae is also a leading issuer of longer-maturity callable debt securities via reverse inquiry. Fannie Mae's callable debt securities carry the highest credit rating of triple-A; offer higher yields than noncallable Fannie Mae debt of similar duration in order to compensate investors for the embedded option; and can be a mechanism by which investors express their views on expected volatility. In this edition of *FundingNotes*, we discuss Fannie Mae's callable issuance trends in these longer-maturity callable securities and potential motivations for market participants to invest in these callables[1]. Then, we perform total rate of return analyses based on different volatility surface movements to show how our longer-maturity callable debt has the potential to outperform similar duration Treasuries under a number of volatility and yield curve scenarios.

Longer-Term Callable Debt Securities Issuance Trends

Through the first eleven months of 2009, Fannie Mae has enjoyed ready access to long-term funding, evident in the relatively strong demand for our callable debt securities, issuing a total of approximately $174.0 billion. **Figure 1** shows the percentage of the number of longer-term callable debt securities to total callable issuance issued monthly from January through November 2009.

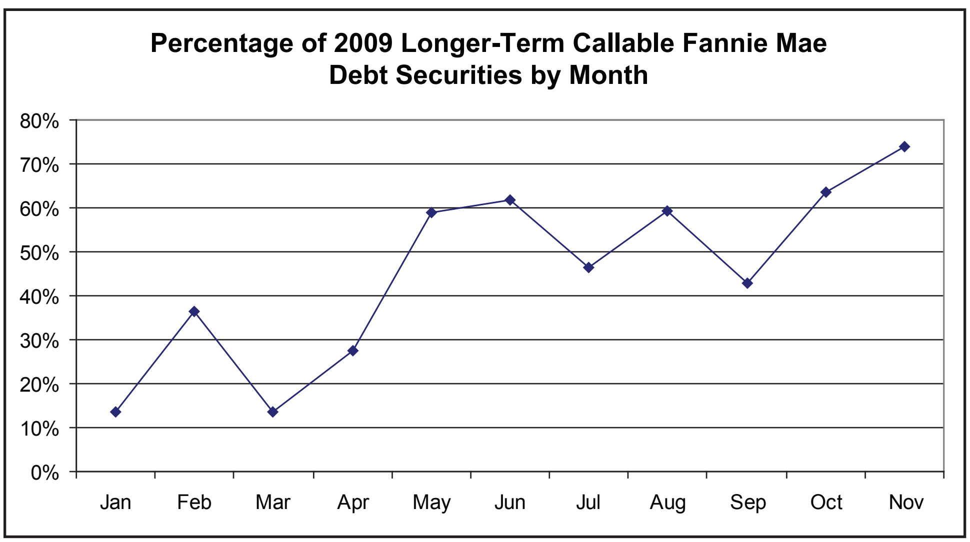


Figure 1

Although Fannie Mae continually issued longer-maturity callable debt securities throughout the first eleven months of 2009, the issuance of these securities accelerated in the months of May through November representing approximately two-thirds of total callable debt issuance.

[1] In this *FundingNotes*, 'longer-maturity' refers to callable securities with maturities greater than five years.

Of the total number of longer-maturity callable securities issued year-to-date through November 2009, 22.6 percent had maturities greater than five years and less than 10 years; 21.9 percent had maturities of 10 years and less than 15 years; 45.6 percent had maturities of 15 years and less than 20 years; and 9.9 percent had maturities of 20 years or greater. Another issuance trend, with respect to recent issuance of longer-term callable debt securities, is that these securities favor maturity terms from 15 years to less than 20 years, which accounts for 45.6 percent of all longer-term callable debt issued year-to-date.

Issuance Trends: Call Options and Lockouts

The most prevalent call option for all the longer-term callables issued through November of this year was the Bermudan call option. **Figure 2** displays the type of call option as a percentage of longer-term callable debt securities for the first eleven months of 2009. Investors may prefer the Bermudan call option due to its higher yield over the European call option and its more predictable cash flows when compared to the American call option.

Percentage of Call Option Type by Maturity Range for Longer-Dated Callables from January 1, 2009 – November 30, 2009

Call Option	Maturity Range: Greater than 5 years and Less than 10 years	Equal to 10 years and Less than 15 years	Equal to 15 years and Less than 20 years	Greater than or eaqual to 20 years
AMER	7.3%	10.9%	25.9%	25.9%
BERM	54.5%	82.4%	73.5%	74.1%
EURO	38.2%	6.7%	0.6%	0.0%

Figure 2

The Bermudan call option allows Fannie Mae to repurchase the bond on specified dates that typically coincide with coupon dates after the lockout period expires. This type of option is slightly more restrictive than the American option and would offer a lower coupon than an American option because investors benefit from the increased predictability of cash flows for a security with a Bermudan call option.

Percentage of Call Lockout Period by Maturity Range for Longer-Dated Callables from January 1, 2009 – November 30, 2009

Lockout Period	Maturity Range: Greater than 5 years and Less than 10 years	Equal to 10 years and Less than 15 years	Equal to 15 years and Less than 20 years	Greater than or eaqual to 20 years
Less than 1 year	54.5%	73.9%	84.5%	0.0%
1 year and less than or equal to 2 years	27.2%	22.7%	14.3%	100.0%
2 years and less than or equal to 3 years	17.1%	1.7%	0.2%	0.0%
Greater than 3 years and less than or equal to 5 years	1.2%	1.7%	1.0%	0.0%

Figure 3

As shown in **Figure 3**, in terms of call lockouts for these longer-dated callable securities, the call lockout period has ranged from as short as three months to as long as five years. It is interesting to note that the shorter call lockout periods of less than one year were the most common in callable debt structures with maturities in the range equal to fifteen years and less than twenty years. The majority of these securities are step-ups[2], 15-year non-call 6-months callables. Even though the maturity range is on the longer end of the curve, investors preferred a relatively shorter call option because of the step-up feature, which may be attributable to their belief of a rising interest rate environment in the future, while trying to maximize yield with the longer maturity and shorter lockout.

A lockout period that is greater than three years has only been underwritten for callable securities with maturities that fall between five years and less than twenty years. By way of contrast, in order to maximize yield in the current low interest rate environment, investors may wish to buy callable securities with long maturities and shorter lockout periods as opposed to more defensive instruments that they would have bought in a higher yield environment such as 10NC5Y or 5NC3Y.

Fannie Mae is open to reverse inquiry for a wide range of callable structures with various permutations with respect to maturity terms, call lockout periods, call option styles, and overall structure. Through November 2009, we had issued over 100 different

[2] Callable Step-up Notes are highlighted in FundingNotes, July 2009. http://www.fanniemae.com/markets/debt/pdf/fundingnotes_07_09.pdf

Most Popular Callable Structures Issued from January – November 2009

	Fixed-Rate Call Options			Structured		
Call Structure (maturity/lockout)	**American**	**Bermudan**	**European**	**Step-Up**	**Range Accrual**	**Floating**
15.00NC0.25	X	X		X		
15.00NC0.50	X	X		X	X	X
5.00NC1.00	X	X	X	X		
3.00NC1.00		X	X	X		
5.00NC2.00		X	X	X		
2.00NC1.00		X	X	X		
5.00NC0.25	X	X	X	X		
5.00NC0.50	X	X	X	X		
2.50NC1.00		X	X	X		
10.00NC0.25				X		
15.00NC1.00	X	X		X		X
20.00NC1.00	X	X		X		
10.00NC0.50	X	X		X		
10.00NC1.00	X	X	X	X		
2.75NC1.00			X			
3.00NC0.50	X	X	X	X		
3.00NC0.25		X	X	X		
2.00NC0.25	X	X	X	X		
2.00NC0.50		X	X	X		
3.50NC1.00		X	X			

Figure 4

types of callable combinations. **Figure 4** displays the top 20 callable structures issued in the first eleven months of 2009.

Longer-Maturity Callable Debt Securities Offer Enhanced Yield and Excess Rates of Return

In this section of *FundingNotes*, we take a close look at longer-maturity callables with short-dated options, which may potentially provide market participants with higher yields than similar duration noncallable debt securities. First, we analyzed a 10-year non-call 6-month callable security with a Bermudan option (10NC6MO). The incremental yield for this security over a duration-neutral Treasury security is estimated to be 245 basis points at time of issuance. Second, we analyzed a 15-year non-call 6-month callable security with a Bermudan option (15NC6MO). The incremental yield for this security over a duration-neutral Treasury is estimated to be 300 basis points at time of issuance. As shown in **Figure 5**, market participants are compensated for taking on the risk in investing in these longer-maturity callables over duration-neutral Treasury securities.

Estimated Longer-Maturity Bermudan Callable Yield Pick-Up over Treasuries

Callable Structure	Coupon	Maturity	Effective Duration	Yield Pickup over Duration Neutral Treasury
10NC6MO	4.300%	11/16/2019	3.61	245 basis points
15NC6MO	5.000%	11/16/2024	3.94	300 basis points

Figure 5

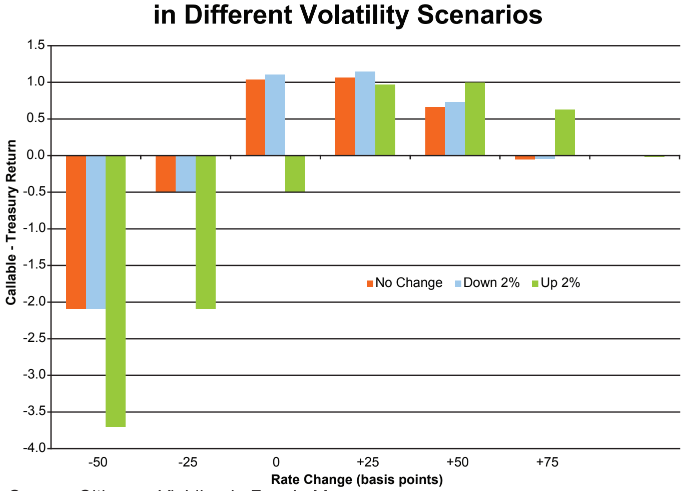
In addition, market participants may also express their view on volatility by investing in Bermudan-style, longer-maturity callable debt. As call options have exposure to movements in volatility, when market participants purchase callable debt, they are selling volatility and expect volatility to decline in the future. Furthermore, if the Fed's actions lead to a range-bound environment in rates, volatility would most likely continue to decline.

Volatility Analysis

To illustrate this point, we analyzed the same securities used earlier in three different volatility scenarios: volatility declines by two percent; volatility remains constant; and volatility increases by two percent. We also shocked the yield curve down 50 basis points and up 75 basis points in 25 basis point increments. If the Fed is on hold, we could experience a curve steepening bias that might limit the rally in rates in the long-end of the curve. In addition, given the current historically low interest rates, it seems more likely that a sell-off in rates could result in an increase of rates in the range of 75 basis points.

If the Fed's actions lead to a range-bound rate environment, such that rates remain constant or increase 25 basis points and volatility decreases, then, as illustrated in **Figure 6**, the 10NC6MO security would perform the best among the three different scenarios, having the highest excess annualized rate of return over a duration neutral Treasury security. However, if uncertainty causes the market to react negatively, and volatility increases, then the 10NC6MO security would not perform as well, although there would still be an excess rate of return over duration neutral Treasuries. If volatility remains constant, the security's performance lies in between the scenarios mentioned above.

Six-Month Horizon Annualized Return Differences of 10NC6MO versus Duration Neutral Treasury Security in Different Volatility Scenarios

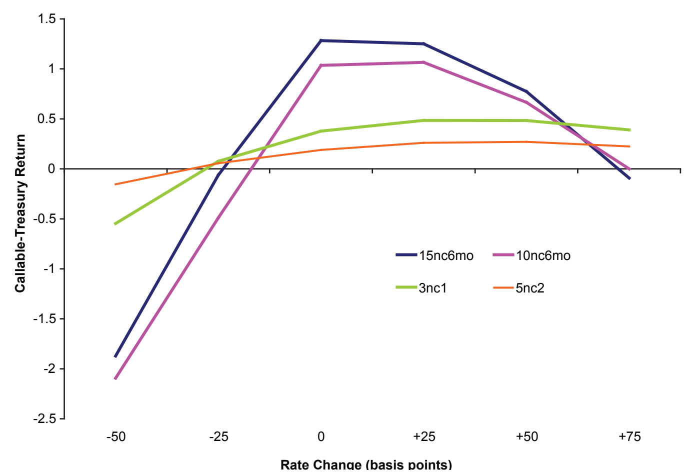


Source: Citigroup Yieldbook, Fannie Mae

Figure 6

In addition, we compare the return advantages of different callable structures in a variety of volatility scenarios over a six-month horizon. The analyses are based on generic Fannie Mae callable securities versus duration-neutral Treasury securities. **Figures 6 through 8** show that 10NC6MO and 15NC6MO callables perform well in all volatility scenarios. Again, these two structures perform the best when rates are range-bound. Since the analysis is based on a six-month horizon and results in a range-bound environment, market participants would expect to receive incrementally higher yields by investing in either 10NC6MO or 15NC6MO callables instead of 3NC1Y or 5NC2Y, if they decide to express a view on interest rates remaining constant. Although the 3NC1Y and 5NC2Y callables underperformed 10NC6MO and 15NC6MO callables when rates remain constant or

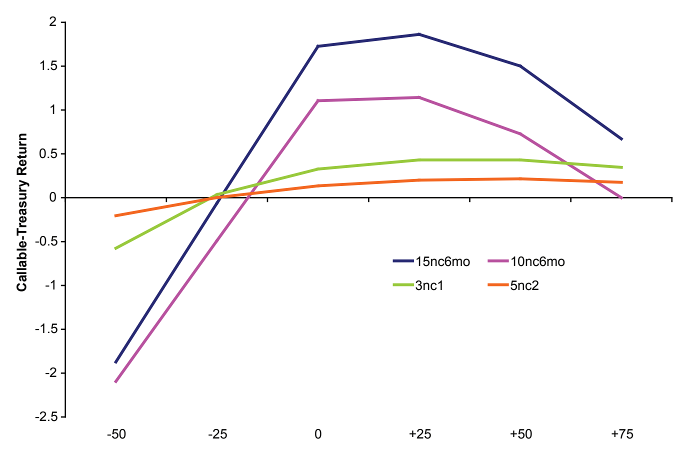
Assumption – No Volatility Change



Source: Citigroup Yieldbook, Fannie Mae

Figure 7

Assumption – Down 2%



Source: Citigroup Yieldbook, Fannie Mae

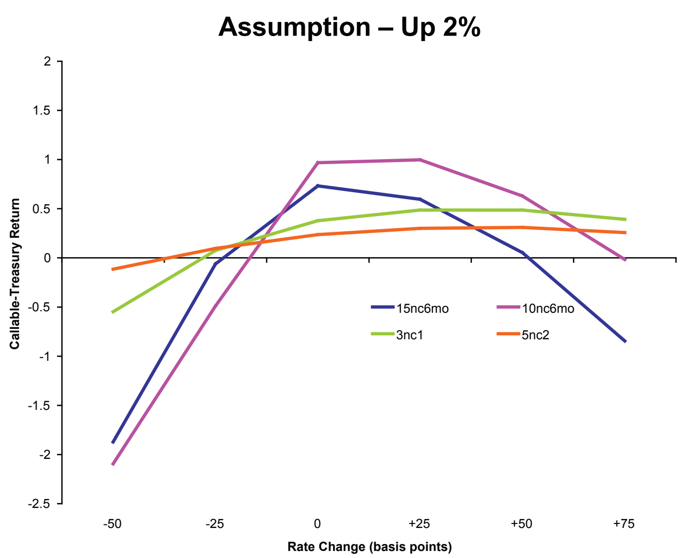
Figure 8

increase by 25 basis points, the 3NC1Y and 5NC1Y will eventually outperform 10NC6MO and 15NC6MO when rates increase by more than 50 basis points.

Conclusion

Fannie Mae has been extremely active in accessing funding for long-term debt in 2009 having issued $67.5 billion in new issue noncallable Benchmark Notes and $174.0 billion in callable debt securities through November 2009. The demand we have seen may be attributable to investors wanting to maximize yield in high credit quality instruments by investing in Fannie Mae callable notes with intermediate- to long-term maturities and shorter lockout periods. As a result, in the first eleven months of 2009, Fannie Mae experienced a proportional increase in its issuance in longer-maturity callable debt securities. These securities could also perform well in various hypothetical volatility and yield curve scenario analyses. Going forward, Fannie Mae continues to maintain flexibility in its issuance of callable debt securities and strives to remain responsive to investor demand for a variety of structures which appeal to a diverse investor base on a day-to-day basis while achieving a cost efficient funding profile.

Figure 9



Source: Citigroup Yieldbook, Fannie Mae

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Fannie Mae Funding Liabilities and Debt Outstanding 2006 through October 31, 2009

Funding Liabilities and Debt Outstanding (in millions)	**12/31/06**	**12/31/07**	**12/31/08**	**10/31/09**
Federal Fund Borrowings	$ 700	$ -	$ -	$ -
Other Short Term Funding Liabilities[1]	-	869	77	5
Total Federal Funds Purchased and Securities Sold under Agreements to Repurchase	**$ 700**	**$ 869**	**$ 77**	**$ 5**
Average maturity (in days)	1	1	-	19
Discount Notes[12]	$ 83,893	$ 155,358	$ 272,476	$ 218,248
FX Discount Notes	1,917	859	402	369
Other Short Term Debt[2]	5,613	50	7,661	61
Total Short Term Debt[3]	**$ 167,923**	**$ 236,267**	**$ 332,542**	**$ 218,678**
Average maturity (in days)	81	74	102	71
Benchmark Notes & Bonds[4]	$ 277,706	$ 256,823	$ 251,315	$ 280,246
Callable Benchmark Notes[4]	-	-	-	-
Subordinated Benchmark Notes	11,000	9,000	7,398	7,398
Callable Fixed Rate MTNs[5,6]	192,374	207,504	190,950	202,455
Noncallable Fixed Rate MTNs[5,6]	114,242	77,331	50,131	44,061
Callable Floating Rate MTNs[5,6]	831	8,135	1,530	4,311
Noncallable Floating Rate MTNs[5,6]	5,470	5,761	45,470	43,014
Other LongTerm Debt[7]	4,138	4,580	3,763	3,379
Total Long Term Debt[8,9]	**$ 605,761**	**$ 569,134**	**$ 550,557**	**$ 584,864**
Average maturity (in months)	57	68	66	61
Agreements to Repurchase and Debt Outstanding	**$ 774,384**	**$ 806,270**	**$ 883,176**	**$ 803,547**
Average maturity (in months)	45	48	42	45

Fannie Mae Funding Liabilities and Debt Issuance 2006 through October 31, 2009

Funding Liabilities and Debt Issuance (in millions)	**2006**	**2007**	**2008**	**2009**
Federal Fund Borrowings	$ 58,186	$ 13,065	$ 5,617	$ 1,000
Other Short Term Funding Liabilities[1]	172,493	25,324	60,888	4,326
Total Federal Funds Purchased and Securities Sold under Agreements to Repurchase	**$ 230,679**	**$ 38,389**	**$ 66,505**	**$ 5,326**
Discount Notes[12]	$ 2,030,188	$ 1,499,540	$ 1,547,462	$ 1,152,326
FX Discount Notes	6,379	2,291	2,583	980
Other Short Term Debt[10]	4,863	86,777	8,661	50
Total Short Term Debt[3]	**$ 2,041,430**	**$ 1,588,608**	**$ 1,558,706**	**$ 1,153,356**
Benchmark Notes & Bonds	$ 42,000	$ 37,000	$ 50,500	$ 69,500
Callable Benchmark Notes	-	-	-	-
Subordinated Benchmark Notes	-	-	-	-
Callable Fixed Rate MTNs[6]	113,716	135,886	150,255	159,741
Noncallable Fixed Rate MTNs[6]	20,898	8,438	4,336	2,517
Callable Floating Rate MTNs[6]	2,700	8,275	1,280	3,846
Noncallable Floating Rate MTNs[6]	2,000	4,176	41,284	23,180
Other LongTerm Debt[11]	0	138	743	217
Total Long Term Debt[8]	**$ 181,314**	**$ 193,913**	**$ 248,399**	**$ 259,001**
Total Federal Funds Purchased and Securities Sold under Agreements to Repurchase and Debt Issued	**$ 2,453,423**	**$ 1,820,910**	**$ 1,873,610**	**$ 1,417,683**
Net Issuance Long Term Debt[11]	**$ 12,058**	**$ (39,201)**	**$ (18,363)**	**$ 34,150**

Please see the Endnotes on the following page for more detail.

Endnotes

Footnotes for Tables 1 and 2

[1] Other Short Term Funding Liabilities includes Benchmark repos, contingency repo lending, and other short term funding liabilities. For 2006, the Other Short Term Funding Liabilities amount of $172,493 million includes intra-days loans in the amount of $163,509 million.
[2] For 2007 and thereafter Other Short Term Debt includes coupon bearing short term notes. For 2006 Other Short Term Debt includes coupon bearing short term notes and investment agreements.
[3] Short term debt consists of borrowings with an original contractual maturity of one year or less.
[4] Outstanding Benchmark Notes & Bonds with expired call options are reported as Benchmark Notes & Bonds.
[5] Outstanding MTNs with expired call options are reported as Noncallable MTNs.
[6] MTNs include all long term non-Benchmark Securities such as globals, zero coupon securities, medium term notes, Final Maturity Amortizing Notes, and other long term debt securities.
[7] For months beginning Oct 2007 and thereafter Other Long Term Debt consists of long term foreign currency debt, investment agreements, and other long term securities. For 2006 Other Long Term Debt consists of long term foreign currency debt and other long term securities.
[8] Long term debt consists of borrowings with an original contractual maturity of greater than one year.
[9] Unamortized discounts and issuance costs of long term zero coupon securities are approximately $11 billion at December 31, 2006, $10.8 billion at December 31, 2007, $14.8 billion at December 31, 2008 and $15.6 billion at October 31, 2009.
[10] For months beginning Oct 2007 and thereafter Other Short Term Debt includes coupon bearing short term notes. For 2006 and the first 9 months of 2007, Other Short Term Debt includes coupon bearing short term notes and investment agreements. For 2007, the Other Short Term Debt issuance amount of $86,777 million includes intra-days loans in the amount of $86,727 million.
[11] Net Issuance Long Term Debt amounts represent the difference between long term debt issued and long term debt repaid during the period. For any period, a positive value indicates that the amount of long term debt issued was greater than the amount of long term debt repaid, and a negative value indicates that the amount of long term debt repaid was greater than the amount of long term debt issued.
[12] Prior period amounts have been collapsed to conform to the current period presentation.

General

On November 9, 2007, we filed current financial statements in our Form 10-Q for the third quarter of 2007. As a result,beginning with the data for October 2007, we are implementing data reclassifications and other changes to betteralign the statistical information we present in our funding summary report with the financial information we report in our quarterly and annual filings with the SEC.

Previously reported amounts have been revised to conform to the current period presentation and to reflect the completion of Fannie Mae's 2005 audited financial statements.

Funding Liabilities and Debt include Federal Funds Purchased and Securities Sold under Agreements to Repurchase, Short Term Debt and Long Term Debt.

Reported amounts represent the unpaid principal balance at each reporting period or, in the case of the long term zero coupon bonds, at maturity. Unpaid principal balance does not reflect the effect of debt basis adjustments, including discounts, premiums, and issuance costs.

Numbers may not foot due to rounding.

Debt Securities Index Reports

	October % of BIG	October Total ROR	Last 3 mos Total ROR	Last 6 mos Total ROR	YTD Total ROR	Last 12 mos Total Return
Citigroup						
Fannie Mae Index:	2.78	0.13	1.40	2.07	1.59	9.89
1-10 Years	2.56	0.30	1.31	1.94	2.44	9.14
10+ Years	0.21	-1.74	2.51	3.61	-6.56	17.46
Callable	0.70	0.18	1.06	1.72	1.98	6.58
Noncallable	2.08	0.12	1.51	2.18	1.53	10.39
Globals*	2.62	0.13	1.55	2.16	1.69	10.02
Agency:	7.2	0.12	1.46	1.96	1.27	9.96
Callable	1.26	0.20	1.12	1.70	2.23	6.59
Noncallable	5.95	0.10	1.52	2.01	1.17	10.29
Globals	6.16	0.16	1.48	2.19	1.78	10.21
Citigroup						
Index:**	100.00	0.41	2.55	5.19	5.47	14.07
U.S. Treasury	28.11	-0.06	1.62	0.80	-2.51	6.28
GSE***	8.26	0.15	1.51	2.17	1.52	9.91
Credit	24.73	0.62	4.34	14.48	15.82	28.71
MBS	38.57	0.68	2.27	3.38	5.92	12.27
ABS	0.31	0.68	7.16	14.48	27.11	31.88

	October% of Agg	October Total ROR	Last 3 mos Total ROR	Last 6 mos Total ROR	YTD Total ROR	Last 12 mos Total Return
Barclays Capital						
Fannie Mae Index:	2.83	0.16	1.35	2.02	1.76	8.92
1-10 Years	2.58	0.30	1.25	1.83	2.44	8.21
10+ Years	0.26	-1.04	2.27	3.62	-3.41	14.49
Callable	0.92	0.25	1.29	1.79	2.38	6.15
Noncallable	1.92	0.12	1.38	2.12	1.45	10.24
Globals	2.06	0.12	1.34	1.95	1.54	9.53
Agency:	9.23	0.20	1.37	1.98	1.83	9.00
Callable	2.07	0.26	1.33	1.76	2.50	5.68
Noncallable	7.15	0.18	1.38	2.04	1.62	10.13
Globals****	6.53	0.18	1.30	1.87	1.74	9.66
Barclays Aggregate						
Index:	100.00	0.49	2.60	5.61	6.24	13.79
U.S. Treasury	26.41	-0.05	1.63	0.81	-2.34	6.33
Government-Related***	13.47	0.13	1.88	3.38	2.81	10.16
Corporate	18.84	0.70	4.37	16.22	17.93	31.07
MBS	37.59	0.71	2.20	3.47	6.04	12.05
ABS	0.38	1.16	5.49	14.24	24.50	23.29
CMBS	3.32	2.40	7.22	20.39	27.36	21.99

* In July 2009 the definition of Globals changed due to a change in index methodology. Previously, if a bond was classified as the Eurodollar Index, then it was "Global." Currently, if a bond is cleared in DTC, Euroclear/Clearstream and/or other clearances, then it is "Global."
** Components of Broad (BIG) Index: Treasury, GSE, Corporate, Mortgage
*** Includes US agencies
**** Includes World Bank global issues

This data has been compiled from reports supplied by Citigroup and Barclays Capital and is reproduced here with their permission. The indexes are constructed according to rules developed by these firms and the index values are calculated by them.

Summary Breakdown of 2009 Debt Issuances

Includes all settled fixed-rate debt issues with maturities greater than one year. Variable rate debt is not included in totals.

Fannie Mae Fixed-Rate Callable Debt

Maturity/Call (Year)	*October 2009 Par Amount (in thousands)*	*# Issues*	*YTD 2009 Par Amount (in thousands)*	*# Issues*
1.49 NC 0.25			1,435,000,000	11
1.99 NC 0.99			50,000,000	2
2.00 NC 0.24			250,000,000	1
2.00 NC 0.25			6,390,000,000	28
2.00 NC 0.42			800,000,000	6
2.00 NC 0.50	40,000,000	1	1,865,000,000	27
2.00 NC 0.75	25,000,000	1	25,000,000	1
2.00 NC 1.00			28,685,000,000	85
2.01 NC 1.01			1,000,000,000	1
2.02 NC 1.02			80,000,000	4
2.05 NC 1.05			150,000,000	4
2.06 NC 1.06			2,000,000,000	1
2.08 NC 1.08			1,000,000,000	1
2.17 NC 1.00	75,000,000	3	75,000,000	3
2.17 NC 1.17			10,000,000	1
2.25 NC 0.25			275,000,000	2
2.25 NC 0.50	25,000,000	1	185,000,000	4
2.25 NC 0.75	25,000,000	1	25,000,000	1
2.25 NC 0.76			25,000,000	1
2.25 NC 1.00	25,000,000	1	630,000,000	18
2.34 NC 1.17			20,000,000	1
2.42 NC 0.42			25,000,000	2
2.49 NC 0.25			95,000,000	2
2.49 NC 0.50			195,000,000	2
2.49 NC 1.00			395,000,000	13
2.50 NC 0.25			325,000,000	6
2.50 NC 0.50	1,250,000,000	2	2,000,000,000	14
2.50 NC 0.75	25,000,000		55,000,000	2
2.50 NC 1.00	115,000,000	4	2,455,000,000	63
2.75 NC 0.25			175,000,000	2
2.75 NC 0.75	95,000,000	4	195,000,000	5
2.75 NC 1.00	125,000,000	3	1,070,000,000	37
2.75 NC 1.75			25,000,000	2
2.83 NC 0.83			65,000,000	1
3.00 NC 0.24			856,000,000	24
3.00 NC 0.25			1,285,000,000	30
3.00 NC 0.50	1,000,000,000	1	3,666,500,000	31
3.00 NC 0.51			400,000,000	2
3.00 NC 0.75	20,000,000	1	45,000,000	2
3.00 NC 1.00	1,000,000,000	1	21,031,000,000	99
3.00 NC 1.49			85,000,000	1
3.00 NC 1.50			375,000,000	8
3.00 NC 2.00			760,000,000	18
3.01 NC 1.01	100,000,000	1	125,000,000	2
3.02 NC 0.52			100,000,000	1
3.17 NC 1.00	50,000,000	2	50,000,000	2
3.17 NC 1.17			20,000,000	2
3.25 NC 0.50	100,000,000	2	100,000,000	2
3.25 NC 1.00	25,000,000	1	125,000,000	5
3.25 NC 1.25			75,000,000	3
3.41 NC 1.41			15,000,000	1
3.42 NC 0.25			10,000,000	1
3.50 NC 0.24			250,000,000	1
3.50 NC 0.25			569,800,000	17
3.50 NC 0.50	25,000,000	1	565,000,000	11
3.50 NC 0.74	300,000,000	2	300,000,000	2
3.50 NC 1.00	170,000,000	6	1,965,000,000	43
3.50 NC 1.25			10,000,000	1
3.50 NC 1.49			75,000,000	2
3.50 NC 1.50			285,000,000	9
3.50 NC 2.00			205,000,000	9
3.51 NC 1.00			110,000,000	3
3.59 NC 0.25			10,000,000	1
3.75 NC 0.24			25,000,000	1
3.75 NC 0.75	50,000,000	2	50,000,000	2
3.75 NC 1.00			25,000,000	1
3.76 NC 0.76			100,000,000	4
3.84 NC 0.84			10,000,000	1
3.92 NC 0.91			25,000,000	1
4.00 NC 0.24			280,000,000	3
4.00 NC 0.25			40,000,000	2
4.00 NC 0.50			210,000,000	6
4.00 NC 1.00	90,000,000	3	590,000,000	16
4.00 NC 2.00			20,000,000	1
4.08 NC 1.08			10,000,000	1
4.50 NC 0.24			250,000,000	1
4.50 NC 0.25			275,000,000	3
4.50 NC 1.00	25,000,000	1	200,000,000	9
4.50 NC 1.50			25,000,000	2
4.58 NC 1.08			15,000,000	1
4.75 NC 0.25			10,000,000	1
4.75 NC 0.50	50,000,000	2	50,000,000	2
4.99 NC 0.50			25,000,000	1
5.00 NC 0.24			530,000,000	19
5.00 NC 0.25			3,550,000,000	83
5.00 NC 0.50	810,000,000	23	2,995,000,000	81
5.00 NC 1.00	2,750,000,000	8	19,520,000,000	107
5.00 NC 1.25			40,000,000	2
5.00 NC 1.50			40,000,000	2
5.00 NC 2.00	50,000,000	1	5,550,000,000	87
5.00 NC 2.50			310,000,000	14
5.00 NC 2.75			15,000,000	1
5.00 NC 3.00	25,000,000	1	275,000,000	11
5.02 NC 1.51			40,000,000	1
5.25 NC 2.00			25,000,000	1
5.25 NC 2.25			15,000,000	1
5.49 NC 0.25			10,000,000	1
5.49 NC 1.00			35,000,000	2
5.49 NC 2.00			25,000,000	1
5.50 NC 0.25			310,000,000	12
5.50 NC 0.50	125,000,000	5	190,000,000	8
5.50 NC 1.00	50,000,000	1	85,000,000	3
5.50 NC 1.50			20,000,000	2
5.50 NC 2.00	25,000,000	1	65,000,000	3
5.59 NC 0.25			10,000,000	1
5.67 NC 0.50			20,000,000	1
5.75 NC 2.00			15,000,000	1
6.00 NC 0.24			105,000,000	2
6.00 NC 0.25			200,000,000	4
6.00 NC 0.50	25,000,000	1	80,000,000	2
6.00 NC 1.00	90,000,000	4	370,000,000	14
6.00 NC 2.00			115,000,000	5
6.00 NC 3.00			25,000,000	1
6.25 NC 0.50	15,000,000	1	15,000,000	1
6.33 NC 2.33			15,000,000	1
6.42 NC 1.42			30,000,000	3
6.49 NC 0.24			10,000,000	1
6.50 NC 0.25			10,000,000	1
6.50 NC 1.00			15,000,000	1
6.50 NC 2.00			20,000,000	2
6.50 NC 2.50	10,000,000	1	10,000,000	1
6.67 NC 0.25			10,000,000	1
6.75 NC 1.75			15,000,000	1
7.00 NC 0.24			35,000,000	3
7.00 NC 0.25			525,000,000	21
7.00 NC 0.50			305,000,000	10
7.00 NC 1.00			4,910,000,000	20
7.00 NC 1.50			50,000,000	2
7.00 NC 2.00	25,000,000	1	245,000,000	13
7.00 NC 3.00			25,000,000	1
7.01 NC 3.01			500,000,000	1
7.25 NC 2.25			20,000,000	2
7.50 NC 0.25			235,000,000	14
7.50 NC 0.50	40,000,000	2	40,000,000	2
7.50 NC 1.50			40,000,000	4
7.50 NC 2.00			10,000,000	1
7.50 NC 2.25			20,000,000	2
7.52 NC 2.01			20,000,000	2
7.75 NC 2.00			20,000,000	2
7.84 NC 1.59			10,000,000	1
8.00 NC 0.24			10,000,000	1
8.00 NC 0.25			60,000,000	3
8.00 NC 0.50	95,000,000	5	305,000,000	13
8.00 NC 1.00	50,000,000	2	50,000,000	2
8.42 NC 0.25			10,000,000	1
8.50 NC 1.00			10,000,000	1
8.50 NC 1.49			25,000,000	2
9.00 NC 0.25			20,000,000	2
9.00 NC 0.50	60,000,000	3	60,000,000	3
9.00 NC 1.00			20,000,000	2
9.00 NC 2.50	25,000,000	1	25,000,000	1
10.00 NC 0.24			100,000,000	7
10.00 NC 0.25			2,915,000,000	70
10.00 NC 0.50	605,000,000	23	1,240,000,000	46
10.00 NC 1.00	160,000,000	9	1,716,000,000	42
10.00 NC 2.00	20,000,000	2	35,000,000	3
10.00 NC 2.50			15,000,000	1
10.00 NC 3.00			25,000,000	1
10.00 NC 4.00			55,000,000	2
11.00 NC 1.00			40,000,000	2
12.00 NC 0.24			25,000,000	1
12.00 NC 0.25			90,000,000	4
12.00 NC 0.50	180,000,000	9	380,000,000	18
12.00 NC 1.00	25,000,000	1	100,000,000	4
13.00 NC 0.25			51,000,000	2
13.00 NC 0.50	10,000,000	1	10,000,000	1
13.00 NC 1.00			25,000,000	1
13.50 NC 0.50	15,000,000	1	15,000,000	1
14.00 NC 0.50			10,700,000	1
15.00 NC 0.24			1,271,000,000	29
15.00 NC 0.25			6,597,500,000	170
15.00 NC 0.50	1,435,000,000	51	5,355,000,000	156
15.00 NC 0.75			20,000,000	1
15.00 NC 1.00	215,000,000	6	3,896,000,000	66
15.00 NC 2.00			250,000,000	1
15.00 NC 3.00			50,000,000	1
15.00 NC 4.00			65,000,000	2
15.00 NC 5.00			90,000,000	2
15.01 NC 0.25			20,000,000	1
15.03 NC 0.28			40,000,000	1
20.00 NC 1.00	425,000,000	10	1,862,075,000	54
25.00 NC 1.00			140,000,000	8
30.00 NC 1.00			6,988,010,000	33
TOTAL			**163,585,585,000**	**2,096**

2009 Debt Redemptions

Callable Debt Redeemed (in billions)

January	$	13.3
February	$	18.7
March	$	12.5
April	$	38.1
May	$	22.2
June	$	15.3
July	$	5.5
August	$	9.2
September	$	8.1
October	$	6.0
TOTAL	**$**	**148.9**

Summary Breakdown of 2009 Benchmark Notes Issuance

Fannie Mae Noncallable Benchmark Notes

	October 09		*YTD 2009*	
Maturity	***Par Amount***	***# Issues***	***Par Amount***	***# Issues***
2 Years	5,000,000,000	1	26,000,000,000	3
3 Years			14,000,000,000	3
5 Years	3,500,000,000	1	27,500,000,000	5
TOTAL			**$67,500,000,000**	**11**

Recent Benchmark Notes Transaction

Benchmark Securities	Size/Cusip	Lead-Managers	Co-Managers	Pricing Date and Spread	Geographic Distribution	Investor Type Distribution
2 year 1.000% 11/23/2011	$5.0 billion 31398AZN5	Banc of America Securities; Citigroup Global Markets Inc.; J.P. Morgan & Co;	Barclays Capital Inc.; FTN Financial Capital Markets; Goldman Sachs & Co.; Mischler Financial Group; S.A. Ramirez & Co., Inc.	October 8, 2009 +24 basis points 1.000% 9/30/2011 U.S. Treasury	U.S. 73.5% Asia 20.1% Europe 2.2% Other 4.2%	Fund Manager 61.6% Comm. Banks 3.3% Insurance 3.9% Corp/Pensions 0.9% Central Banks 23.4% State & Local 6.1% Retail 0.2%
5 year 2.625% 11/20/2014	$3.5 billion 31398AZV7	Barclays Capital Inc.; Deutsche Bank Securities Inc.; J.P. Morgan & Co;	Banc of America Securities; Credit Suisse Securities (USA) LLC; Goldman Sachs & Co.; Jefferies Group Inc.; Williams Capital Group LP	October 23, 2009 +33 basis points 2.375% 9/30/2014 U.S. Treasury	U.S. 64.45% Asia 13.4% Europe 4.9% Other 17.3%	Fund Manager 53.4% Comm. Banks 6.9% Insurance 3.1% Corp/Pensions 0.0% Central Banks 29.5% State & Local 6.8% Retail 0.3%