

FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE
Form 8-K/A
November 19, 2009

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

**FORM 8-K/A
Amendment No. 1
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 19, 2009

Federal National Mortgage Association

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|---|
| Federally Chartered Corporation | 000-50231 | 52-0883107 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

3900 Wisconsin Avenue, NW,
Washington, District of Columbia

20016

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 202-752-7000

Not Applicable

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:

- 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))
-

Explanatory Note

Fannie Mae (formally known as the Federal National Mortgage Association) is filing this Amendment No. 1 to its Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 23, 2009 (the Original Form 8-K), to amend and supplement the disclosures provided under Items 1.01 and 2.03 of the Original Form 8-K. This amendment incorporates the Original Form 8-K by reference, including Exhibit 99.1 thereto. Except as otherwise provided herein, the disclosures made in the Original Form 8-K remain unchanged.

Item 1.01 Entry into a Material Definitive Agreement.

As described in the Original Form 8-K, on October 19, 2009, Fannie Mae entered into a Memorandum of Understanding (the MOU) with the U.S. Department of the Treasury (Treasury), the Federal Housing Finance Agency (FHFA) and the Federal Home Loan Mortgage Corporation (Freddie Mac) that sets forth the terms under which we, Freddie Mac and Treasury intend to provide assistance to state and local housing finance agencies (HFAs) so that the HFAs can continue to meet their mission of providing affordable financing for both single-family and multifamily housing. The MOU contemplates providing assistance to the HFAs through three separate assistance programs: a temporary credit and liquidity facilities program, a new issue bond program and a multifamily credit enhancement program.

At the time of the Original Form 8-K, neither the size of the three assistance programs nor the participating issuers had been determined by Treasury. Based on the participation requests it received from the HFAs, Treasury established the participating issuers under the programs and the initial maximum amount under each program per issuer on November 13, 2009. The amounts initially established by Treasury under the three HFA assistance programs totaled \$29.1 billion: an aggregate of \$10.5 billion for the temporary liquidity and facilities program; an aggregate of \$17.9 billion under the new issue bond program (of which \$13.9 billion was allocated for single-family bonds and \$4.0 billion was allocated for multifamily bonds); and an aggregate of \$637 million for the multifamily credit enhancement program. Treasury has indicated that these initial amounts established under the assistance programs are subject to change as the HFAs finalize their individual participation amounts or withdraw their participation. We and Freddie Mac will administer the temporary credit and liquidity facilities program and the new issue bond program on a coordinated basis. As described in the Original Form 8-K, we will provide temporary credit and liquidity facility support and issue securities backed by HFA bonds on a 50-50 pro rata basis with Freddie Mac under these programs. Treasury will bear the initial losses of principal under these two programs up to 35% of total principal on a program-wide basis, and thereafter we and Freddie Mac each will bear the losses of principal that are attributable to our own portion of the temporary credit and liquidity facilities and the securities that we issue. Treasury will bear all losses of unpaid interest under the two programs. Accordingly, our maximum potential risk of loss under these two programs, assuming a 100% loss of principal, is approximately \$9.2 billion.

The multifamily credit enhancement program will not be administered on a coordinated basis, and Treasury will not be responsible for a share of any losses incurred by us or Freddie Mac under the program.

The parties' obligations with respect to transactions under the three assistance programs contemplated by the MOU will become binding when the parties execute definitive transaction documentation. For more information on the terms of the MOU, refer to the Original Form 8-K (including Exhibit 99.1 thereto), which is incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information required by this Item is incorporated into this Item 2.03 by reference to information under Item 1.01 above.

SIGNATURES

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/ Michael J. Williams

Name: Michael J. Williams

Title: President and Chief Executive
Officer

Date: November 19, 2009