

**Fannie Mae Code of Conduct
and
Conflicts of Interest Policy
for Members of the Board of Directors**

As a Government-Sponsored Enterprise with a mission to expand affordable housing, Fannie Mae (the “Corporation”) is committed to the highest standards of corporate compliance and ethics. Members of the Board of Directors (the “Board”) have a paramount interest in promoting and preserving the interests of the Corporation’s stockholders and the best interests of the Corporation. In support of these ideals, the Board has adopted the following Code of Conduct and Conflicts of Interest Policy for Members of the Board of Directors (the “Code”) to assure that directors have the ability to discharge their duties on behalf of the Corporation in an objective and impartial manner.

This Code is intended to focus the Board and each director on the duties and responsibilities of directors, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. Each director must comply with the letter and spirit of this Code and must annually certify his or her compliance with this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. The Nominating & Corporate Governance Committee (the “Governance Committee”) is charged with the implementation and regulation of this Code. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Governance Committee (the “Governance Committee Chair”) or another member of the Governance Committee, who may consult with inside or outside legal counsel as appropriate.

Directors who also serve as officers of the Corporation must follow this Code in addition to the Corporation’s Code of Conduct for Employees.

A. Conflicts of interest

1. Directors should avoid any conflicts of interest between themselves and the Corporation. A conflict of interest arises when a person’s private interest interferes in any way—or even appears to interfere—with the interests of the Corporation as a whole. A conflict can arise when a director takes actions or has interests that make it difficult to perform his or her work objectively and effectively for the Corporation. Conflicts of interest also arise when a director, or a member of his or her immediate family,¹ receives improper personal benefits as a result of his or her status as a director of the Corporation. Any situation that involves, or appears to involve, a conflict of interest must be disclosed to the Governance Committee Chair or another member of the Governance Committee.

For example, a director must disclose his or her financial interest,² or the financial interest of any member of his or her immediate family, or any of his or her business associates³ in any transaction being considered by the Board. In addition, directors must disclose information regarding their financial interests in organizations doing business with the Corporation.

2. It is imperative that all directors, whether appointed or elected, exercise good faith by disclosing information relating to conflicts or potential conflicts of interest. Directors must excuse themselves from voting on any issue before the Board that could result in a conflict, self-dealing or other circumstance wherein their position as directors would be detrimental to the Corporation or result in a noncompetitive, favored or unfair advantage to either themselves or their associates.

3. Directors must not engage in any conduct or activity that is inconsistent with the Corporation's best interests or that disrupts or impairs the Corporation's relationship with any person or entity with which the Corporation has or proposes to enter into a business or contractual relationship.

4. A director, or any member of his or her immediate family, should not offer, solicit or accept gifts in those instances where the gift is being made in order to influence the director's actions as a Corporation Board member, or where the offer, solicitation or acceptance of such gift gives the appearance of a conflict of interest.

5. Directors should not accept compensation for services performed for the Corporation from any source other than the Corporation.

B. Corporate opportunities

Directors are prohibited from: (1) taking for themselves opportunities that are discovered through the use of the Corporation's property or information, or through their position as a director; (2) using the Corporation's property, information or the director's position as a director for personal gain; or (3) competing with the Corporation; provided, however, that if the Corporation's disinterested directors determine that the Corporation will not pursue an opportunity, then a director may do so. Directors owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

C. Confidentiality

Directors must maintain the confidentiality of information entrusted to them by the Corporation and any other confidential information about the Corporation that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. Furthermore, the obligation to preserve confidential information continues even after the director's term with the Corporation ends. For purposes of this Code, "confidential information" includes all non-public information relating to the Corporation, including all documents concerning the Corporation's

operations and activities, and the work, deliberations and discussions of the Board, the Corporation's officers and the Board committees.

D. Fair Dealing

Directors should endeavor to deal fairly with the Corporation's customers, suppliers, competitors and employees. Directors should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

E. Protection and proper use of Corporation assets

Directors shall oversee the protection of the Corporation's assets and their efficient use. The Corporation's assets include not only tangible items but also intellectual property (such as ideas, inventions, trade secrets, copyrighted materials and trademarked materials). Theft, carelessness and waste have a direct negative impact on the Corporation's profitability. Corporation assets should be used for legitimate business purposes. Directors may not use Corporation assets, labor or information for personal use unless approved by the Governance Committee or as part of a compensation or expense reimbursement program available to all directors.

F. Compliance with laws, rules and regulations

Directors shall comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Corporation. The Corporation is a Government-Sponsored Enterprise and, thus, is subject to special statutory and regulatory provisions. These provisions encompass interactions between the Corporation's directors, officers and employees and any governmental entities, congressional staff or regulatory personnel of entities with jurisdiction over any aspect of the Corporation's business. Directors should familiarize themselves with these provisions and consult with the General Counsel of the Corporation (the "General Counsel") if they have any questions. Furthermore, directors must cooperate with any appropriate government inquiry, investigation or proceeding, while at the same time protecting the legal rights of the Corporation and its employees. All governmental inquiries must be referred to the General Counsel before the director participates in an interview or discloses any information.

G. Insider Trading

Trading in the Corporation's securities while in possession of material, non-public information or communicating such information to others is strictly prohibited and constitutes a violation of the securities laws of the United States. Directors must abide at all times with the Corporation's *Securities Transaction Supervision Program*, a copy of which has been provided to the directors separately.

H. Full, Fair, Accurate and Timely Public Disclosures

Directors shall oversee the integrity of the accounting and financial reporting systems of the Corporation, including independent audits and systems of internal control and the engagement of external auditors. Directors shall oversee the process and adequacy of reports, disclosures and communications to shareholders, investors and potential investors. The Corporation's disclosures should be full, fair, accurate, timely and understandable. No director shall knowingly conceal or falsify information, misrepresent material facts or omit material facts to mislead the Corporation's regulators, investors or independent public auditors.

I. Encouraging the reporting of any illegal or unethical behavior

Directors should promote ethical behavior and take steps to ensure the Corporation: (1) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (2) encourages employees to report violations of laws, rules, regulations or the Corporation's Code of Conduct for Employees to the appropriate personnel; and (3) informs employees that the Corporation will not allow retaliation for reports made in good faith.

J. Compliance procedures

1. Reporting known or suspected violations

Directors should communicate any known or suspected violations of the Code promptly to the Governance Committee Chair or another member of the Governance Committee. The Governance Committee Chair (or such other member if applicable) will report any known or suspected violations of the Code to the Board. The Board will conduct, or appoint a person or persons to conduct, an investigation of any known or suspected violation of the Code by a director or any other actual or alleged misconduct by a director of which the Board has notice. Directors must cooperate and assist with any such investigation.

2. Accountability

If the Board or its designee determines that the a director has violated the Code, the offending director shall be disciplined for non-compliance with penalties, including but not limited to, removal as a director.

3. Waivers

The Code may only be waived in favor of a director by the Governance Committee or the Board after disclosure of all material facts by the director to the Governance Committee or the Board.

4. Amendments

The Code may only be amended by the Governance Committee or the Board.

5. Disclosure of Waivers and Amendments

Pursuant to the NYSE Listing Standards and SEC Rules, any amendment of the Code or waiver of the Code for directors shall be promptly disclosed to the Corporation's shareholders.

K. Periodic Review of Code

The Board will review the adequacy of the Code at least once every three years for consistency with practices appropriate to the Corporation and will make revisions to the Code as appropriate.

Last Revised: November 14, 2006

¹ The term "immediate family", as defined by New York Stock Exchange Rule 303A.02(b), includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who share such person's home.

² The term "financial interest" shall mean an economic interest including an interest as an owner, partner, stockholder or holder of debt.

³ The term "business associate" shall mean any entity or individual with whom the director has a business relationship (outside of Fannie Mae), including but not limited to (i) any corporation or organization (other than Fannie Mae) of which such director is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities (a "10 percent beneficial owner"), (ii) any other partner, officer or 10 percent beneficial owner of any such corporation or organization and (iii) any trust or other estate in which such director has a substantial beneficial interest or as to which such director serves as a trustee or in a similar fiduciary capacity.