

\$162,000,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1993-256

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1993-256 (the "Trust"). The assets of the Trust will consist of (i) a single "principal only" Fannie Mae Stripped Mortgage-Backed Security (the "Trust SMBS") evidencing the beneficial ownership interests in certain principal distributions made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates ("MBS") held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (a "Mega Certificate") and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000252-CL and (ii) the REMIC Certificates specified herein (collectively, the "Underlying REMIC Certificates") evidencing beneficial ownership interests in the respective Fannie Mae REMIC Trusts specified herein (collectively, the "Underlying REMIC Trusts"). The assets of each Underlying REMIC Trust consist of direct or indirect beneficial ownership interests in (i) certain MBS having the characteristics described herein or (ii) certain "fully modified pass-through" mortgage-backed securities ("GNMA Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"). Each MBS underlying the Trust SMBS and the Underlying REMIC Certificates will represent a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein. Each GNMA Certificate is based on and backed by a pool of mortgage loans (together with the mortgage loans underlying the MBS, the "Mortgage Loans") which are either insured by the Federal Housing Administration ("FHA") or partially guaranteed by the Department of Veterans Affairs ("VA").

The Certificates will be issued and guaranteed as to timely distribution of principal and, to the extent set forth herein, interest by Fannie Mae and will be offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), its Prospectus for Stripped Mortgage-Backed Securities (the "SMBS Prospectus") and its Prospectus for Guaranteed MBS Pass-Through Certificates (the "Mega Prospectus"), each available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus") accompanying this Prospectus Supplement.

THE CERTIFICATES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE CERTIFICATES UNLESS SUCH INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE PREPAYMENT, YIELD, LIQUIDITY AND OTHER RISKS ASSOCIATED WITH SUCH CERTIFICATES. SEE "DESCRIPTION OF THE CERTIFICATES—PREPAYMENT CONSIDERATIONS AND RISKS" AND "—YIELD CONSIDERATIONS" HEREIN.

An election will be made to treat the Trust as a "real estate mortgage investment conduit" ("REMIC") pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). The R Class will be subject to transfer restrictions. See "Description of the Certificates—Characteristics of the R Class" and "Certain Additional Federal Income Tax Consequences" herein, and "Description of the Certificates—Additional Characteristics of Residual Certificates" and "Certain Federal Income Tax Consequences" in the REMIC Prospectus.

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THE CERTIFICATES, TOGETHER WITH ANY INTEREST THEREON, ARE NOT GUARANTEED BY THE UNITED STATES. THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE CERTIFICATES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND DO NOT CONSTITUTE AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN FANNIE MAE. THE CERTIFICATES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND ARE "EXEMPTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934.

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	Final Distribution Date
F	\$162,000,000	(2)	(3)	FLT	November 2023
R(4)	0	NPR	0	EXE	November 2023

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) The F Class will be entitled to receive the entire Principal Distribution Amount (as defined herein) on each Distribution Date until the principal balance thereof is reduced to zero. See "Description of the Certificates—Distributions of Principal" herein.
- (3) The F Class will bear interest based on "LIBOR," as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus and will be entitled to receive the entire Interest Distribution Amount (as defined herein) on each Distribution Date.
- (4) The R Class will be entitled to receive the monthly distributions from the remaining assets of the Trust, if any, after the principal balance of the F Class has been reduced to zero and any unpaid interest deficiency (together with any accrued and unpaid interest thereon) has been paid in full. See "Description of the Certificates—Characteristics of the R Class" herein.

The Certificates will be offered by Kidder, Peabody & Co. Incorporated (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that delivery of the F Class will be made through the book-entry facilities of The Depository Trust Company on or about December 27, 1993 (the "Settlement Date"). It is expected that the R Class, in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

Kidder, Peabody & Co.
Incorporated

December 8, 1993

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The yield to investors in each Class will be directly related to the level of LIBOR and, among other things, the rate of distributions on the Trust SMBS and the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans included in the related pools and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. Such yields will also be sensitive to the amount of Excess Interest (as defined herein) available for distribution, fluctuations in the index on which the interest rate for any Underlying REMIC Certificate is based and the purchase price paid for the related Class. Accordingly, investors should consider the following risks:

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of either of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- The yield on the F Class will be sensitive to the level of LIBOR. Under certain LIBOR and prepayment scenarios, the Interest Distribution Amount may not be sufficient to pay the full amount of interest accrued on the F Class at the LIBOR based formula rate. Any such deficiency on a particular Distribution Date will be carried forward, with interest, to subsequent Distribution Dates. Once the principal balance of the Trust SMBS and the respective principal balances of the Underlying REMIC Certificates have been reduced to zero, Holders of the F Class will have no future entitlement to any unpaid interest deficiency or interest thereon.
- The distributions on the R Class will be especially sensitive to the level of LIBOR and the rate of prepayments on the Mortgage Loans, since no distributions will be made on such Class until the principal balance of the F Class is reduced to zero and any accrued and unpaid interest thereon (including any unpaid interest deficiency or interest thereon) is paid in full. Under certain LIBOR and prepayment scenarios, little or no assets would remain in the Trust at such time.
- The relationship among the various factors that affect the availability of principal and interest distributions, and correspondingly, the yield on the Certificates, is complex, and an investment in the Certificates should only be made by persons familiar with the analysis of mortgage loan prepayment rates and mortgage-backed securities structures.

See “Description of the Certificates—Prepayment Considerations and Risks” and “—Yield Considerations” herein.

In addition, investors should purchase Certificates only after considering the following:

- The rate of distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Description of the Certificates—Reinvestment Risk” in the REMIC Prospectus.
- Certain of the Underlying REMIC Certificates are “Interest Only” Certificates with nominal principal balances. If such nominal principal balances are reduced disproportionately faster than the reduction of the principal balances of the Trust SMBS and the remaining Underlying REMIC Certificates, any such substantially disproportionate reductions could significantly reduce the amounts available to pay interest on the remaining principal balance of the F Class.
- Certain of the Underlying REMIC Certificates are “Planned Principal Certificates” or “Targeted Principal Certificates” and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than those initially assumed. There is no information in this Prospectus Supplement as to whether any such Underlying REMIC Certificates have adhered to their “Planned” or “Targeted” balances, whether any support securities remain outstanding or whether any Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to a particular Underlying REMIC Certificate may be obtained through an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus, which may be obtained from Fannie Mae as described below.
- The actual final payment of the F Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. In particular, exercise of the optional liquidation of the Trust by Holders of the R Class as described herein will effect the early retirement of the F Class. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.

The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the SMBS Prospectus, the Mega Prospectus, the MBS Prospectus, the Prospectus Supplements or Prospectuses, as applicable, for the respective Underlying REMIC Trusts (collectively, the “Underlying Prospectuses”) or the REMIC Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus Supplement does not contain complete information about the Certificates. Investors should purchase Certificates only after reading this Prospectus Supplement, the REMIC Prospectus, the MBS Prospectus dated December 1, 1993, the SMBS Prospectus dated December 1, 1992, the Mega Prospectus dated December 1, 1992, the Underlying Prospectuses and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the “Information Statement”). The MBS Prospectus, the SMBS Prospectus, the Mega Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying Prospectuses, may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-2N, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents, other than the Underlying Prospectuses, may also be obtained from Kidder Peabody & Co. Incorporated by writing or calling its Prospectus Department at 60 Broad Street, 6th Floor, New York, New York 10004 (telephone 212-656-1584).

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DESCRIPTION OF THE CERTIFICATES

The following summaries describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the REMIC Prospectus, the MBS Prospectus, the SMBS Prospectus, the Mega Prospectus, the Underlying Prospectuses and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the respective meanings assigned to such terms in the REMIC Prospectus (including the Glossary contained therein), the MBS Prospectus, the SMBS Prospectus, the Mega Prospectus, the Underlying Prospectuses or the Trust Agreement (as the context may require).

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto dated as of December 1, 1993 (together, the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as Trustee, and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The F Class will be designated as the “regular interest” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

The assets of the Trust will consist of the Trust SMBS and the Underlying REMIC Certificates (which evidence direct or indirect beneficial ownership interests in the Underlying REMIC Trusts).

Distributions on Underlying Securities. The Trust SMBS and the Underlying REMIC Certificates provide that payments thereon will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance thereof (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day).

Fannie Mae Guaranty. Fannie Mae guarantees to the Holders of Certificates (i) distribution on each Distribution Date of the Principal Distribution Amount and the Interest Distribution Amount, in each case calculated as provided herein, and (ii) distribution in full of the principal balance of the F Class no later than the Final Distribution Date, whether or not sufficient funds are available. Fannie Mae’s guaranty does not cover the receipt of any unpaid interest deficiency (or any interest accrued thereon) once the principal balance of the Trust SMBS and the principal balances of the respective Underlying REMIC Certificates have been reduced to zero. In such event, Holders of the F Class will have no future entitlement to any such payments. See “Distributions of Interest” herein. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not received. The guaranty obligations of Fannie Mae with respect to the Trust SMBS and the related Mega Certificate are described in the SMBS Prospectus and Mega Prospectus, respectively. In addition, Fannie Mae guarantees to each holder of each of the Underlying REMIC Certificates payment of any required installments of principal and, if applicable, interest, and payment in full of the principal balance thereof not later than the applicable final distribution date, whether or not sufficient funds are otherwise available therefor.

The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus, “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus, and “Description of the REMIC Certificates—General—*Fannie Mae Guaranty*” or “Description of the Certificates—General—*Fannie Mae Guaranty*”, as applicable, in the Underlying Prospectuses.

Characteristics of Certificates. The F Class will be represented by one or more certificates to be registered at all times in the name of the nominee of the Depository (as defined herein), which Depository will maintain the F Class through its book-entry facilities. When used herein with respect to the F Class, the terms “Holders” and “Certificateholders” refer to the nominee of the Depository. A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Book-Entry Form” in the REMIC Prospectus.

The R Class will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Class, “Holders” or “Certificateholders” refers to the registered owners thereof. The R Class will be transferable and, if applicable, exchangeable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer and, if applicable, exchange of the R Class and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

Distributions, if any, on the R Class will be made by check mailed by the Paying Agent to the address of each person entitled thereto as it appears on the Certificate Register maintained by the Certificate Registrar (initially State Street) not later than each Distribution Date; provided, however, that the final distribution to the Holders of the R Class will be made only upon presentation and surrender of the Certificates of such Class at the offices of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The F Certificates will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The R Certificates will be issued in minimum percentage interests of 10% and integral multiples of 1% percentage interests in excess thereof.

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day), commencing in the month following the Settlement Date.

Calculation of Interest Distributions. Interest on the F Class is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date. Interest to be distributed on the F Class on a Distribution Date will be in an amount (the “Interest Distribution Amount”) equal to the lesser of (a) the sum of (i) one month’s interest on the outstanding principal balance of the F Class immediately prior to such Distribution Date, (ii) any unpaid interest deficiency (as defined herein) and (iii) interest, if any, accrued on a compounded basis and unpaid on any such unpaid interest deficiency and (b) the sum of (i) the aggregate distributions of interest concurrently made on the Underlying REMIC Certificates and (ii) the aggregate distributions of principal concurrently made on the Trust SMBS and the Underlying REMIC Certificates following the reduction of the principal balance of the F Class to zero. Interest will accrue on the F Class during the one month period set forth herein under “Distributions of Interest—Interest Accrual Periods.” In the event that the Interest Distribution Amount for any Distribution Date is less than the interest accrued on the principal balance of the F Class during the preceding Interest Accrual Period, such deficiency will accrue interest during each Interest Accrual Period thereafter, at the per annum interest rate applicable to the F Class from time to time, to the extent such deficiency remains unpaid on a subsequent Distribution Date.

Calculation of Principal Distributions. Principal on the F Class will be distributed on each Distribution Date in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal concurrently made on the Trust SMBS and the Underlying REMIC Certificates and (ii) the amount (the “Excess Interest”) by which the aggregate distributions of interest concurrently made on the Underlying REMIC Certificates exceeds the sum of (a) the

interest accrued on the F Class during the preceding Interest Accrual Period, (b) any unpaid interest deficiency and (c) interest, if any, accrued on a compounded basis and unpaid on any such unpaid interest deficiency. See “Distributions of Principal” herein.

Record Date. Each monthly distribution on the Certificates will be made to Holders of record on the last day of the preceding month.

REMIC Trust Factors. As soon as practicable following the eleventh calendar day of each month, Fannie Mae will publish or otherwise make available for the F Class the factor (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate of such Class, will equal the remaining principal balance of such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date.

Voting the Trust SMBS and the Underlying REMIC Trusts. In the event any issue arises under the applicable trust agreement governing the Trust SMBS or any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Trust SMBS or Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates having principal denominations aggregating not less than 51% of the aggregate principal denominations of the F Class and, following the final distribution on the F Class, Holders of Certificates having percentage interests aggregating not less than 51% of the aggregate percentage interests of the R Class. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Optional Liquidation. At the option of the Holders of the R Class representing in the aggregate 100% of the ownership percentages thereof, the REMIC may adopt a plan of complete liquidation pursuant to which the Holders of the R Class will purchase the Trust SMBS and Underlying REMIC Certificates remaining in the Trust at such time. The Holders of the R Class, however, may not exercise this option unless (i) the outstanding principal balance of the F Class is less than 25% of the original principal balance thereof, (ii) the proceeds of such liquidation are at least equal to the sum of (x) the outstanding principal balance of the F Class and (y) any accrued and unpaid interest thereon (including any unpaid interest deficiency and interest accrued thereon) and (iii) Fannie Mae has received an opinion of counsel, satisfactory to it, that such redemption will be part of a “qualified liquidation” of the Trust within the meaning of Section 860 F(a)(4)(A) of the Code. Upon such liquidation, (i) the F Class will then be redeemed for an amount equal to the sum of (x) the outstanding principal balance thereof at the time of such redemption and (y) any accrued and unpaid interest thereon (including any unpaid interest deficiency and interest accrued thereon) and (ii) the R Class will be redeemed for an amount equal to the excess of (x) the aggregate liquidation proceeds over (y) the amount distributable to the F Class in redemption thereof. Such liquidation will effect an early retirement of both the F Class and the R Class.

The Trust SMBS

The Trust SMBS will represent principal payments (and no interest payments) on a principal amount of \$42,060,000 of MBS having the general characteristics described in the MBS Prospectus. The MBS underlying the Trust SMBS have a pass-through rate of 7.5% and are held in the form of Mega Certificate CL-190252, the general characteristics of which are described in the Mega Prospectus.

The Mortgage Loans underlying the Trust SMBS will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family residential property having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield

Considerations” in the MBS Prospectus. The characteristics of the Mortgage Loans underlying the Trust SMBS as of December 1, 1993 are expected to be as follows:

Approximate Weighted Average WAC	7.946%
Approximate Weighted Average WAM	350 months
Approximate Weighted Average CAGE	9 months

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the respective Underlying REMIC Trusts, the assets of which evidence the direct or indirect beneficial ownership interests in (i) certain MBS having the general characteristics set forth in the MBS Prospectus or (ii) certain GNMA Certificates having the general characteristics described in the related Underlying Prospectuses. Each MBS evidences beneficial ownership interests in a pool of conventional Level Payment Mortgage Loans or Balloon Mortgages secured by a first mortgage or deed of trust on a one-to four-family residential property, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. Each GNMA Certificate is based on and backed by a pool of mortgage loans that are either insured by the FHA or partially guaranteed by the VA.

The table contained in Exhibit A hereto sets forth certain information with respect to each class of Underlying REMIC Certificates including the interest rate, the interest type, the issue date, the final distribution date, the principal type, the original principal balance, the percentage of such class in the Trust, the current principal factor for such class and the current principal balance of such class contained in the Trust as of December 1, 1993 (the “Issue Date”). The table also sets forth the original term to maturity, approximate weighted average WAC, approximate weighted average WAM or WARM, as applicable, and approximate weighted average CAGE or WALA, as applicable, of the Mortgage Loans underlying the related MBS or GNMA Certificates as of the Issue Date.

Final Data Statement

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other things, the current principal balance of the Trust SMBS as of the Settlement Date and the current principal balance of each of the Underlying REMIC Certificates as of the Settlement Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement or further information regarding the Trust SMBS and the Underlying REMIC Certificates, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the SMBS Prospectus and the Underlying Prospectuses were prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such documents.

Prepayment Considerations and Risks

The rate of distributions of principal of the F Class will be directly related to the rate of principal distributions on the Trust SMBS and the Underlying REMIC Certificates and to Excess Interest, which in turn will be sensitive in varying degrees to the rate of payments of principal of the underlying Mortgage Loans. Certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. In addition, certain of the Underlying REMIC Certificates are “Planned Principal Certificates” or “Targeted Principal Certificates” and, in some cases, may not be scheduled to receive principal payments in accordance with

their Principal Balance Schedules for extended periods. As a result of the foregoing characteristics, distributions of principal in respect of the F Class during certain periods may occur at a slower rate than would otherwise have been the case. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than those initially assumed. There is no information in this Prospectus Supplement as to whether any such Underlying REMIC Certificates have adhered to their “Planned” or “Targeted” balances, whether any support securities remain outstanding or whether any Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to a particular Underlying REMIC Certificate may be obtained through an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus, which may be obtained from Fannie Mae as described above.

The amount available for distributions of interest on the F Class will be directly related to the amount of interest distributed on the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal of the related underlying Mortgage Loans. Certain of the Underlying REMIC Certificates are “Interest Only” certificates with nominal principal balances. It is possible that such nominal principal balances may be reduced disproportionately faster (and possibly substantially faster) than the reduction of the principal balances of the Trust SMBS and the remaining Underlying REMIC Certificates. In such event, the interest accrued on the Underlying REMIC Certificates (some of which are “Principal Only” certificates) may not be sufficient to cover the interest accrued on the principal balance of the F Class. Commencing on the date on which the principal balance of the F Class is reduced to zero, any remaining distributions of principal on the Trust SMBS and the Underlying REMIC Certificates will be applied to any unpaid interest deficiency (and any accrued and unpaid interest thereon).

The Book-Entry Procedures

General

The F Class will be represented by one or more certificates to be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the “Depository”). The Depository will maintain the F Class through its book-entry facilities in \$1,000 original principal amount increments. In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the F Class, whether held for its own account or as a nominee for another person. State Street will act as paying agent for, and perform certain administrative functions with respect to, the F Class.

No person acquiring a beneficial ownership interest in the F Class (a “beneficial owner” or an “investor”) will be entitled to receive a physical certificate representing such ownership interest. An investor’s interest in the F Class will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains such investor’s account for such purpose. In turn, the financial intermediary’s record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as agent for the financial intermediary if such intermediary is not a Depository Participant). Therefore, the investor must rely on the foregoing arrangements to evidence its interest in the F Class. Beneficial ownership of an investor’s interest in the F Class may be transferred only by compliance with the procedures of an investor’s financial intermediary and of Depository Participants. In general, beneficial ownership of an investor’s interest in the F Class will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

Method of Distribution

Each distribution on the F Class will be distributed by the Paying Agent to the Depository in immediately available funds. The Depository will be responsible for crediting the amount of such

distributions to the accounts of the Depository Participants entitled thereto, in accordance with the Depository’s normal procedures, which currently provide for distributions in next-day funds settled through the New York Clearing House. Each Depository Participant and each financial intermediary will be responsible for disbursing such distributions to the beneficial owners of the F Class that it represents.

Distributions of Interest

Categories of Classes

For the purpose of payments of interest, the Classes will be categorized as follows:

<u>Interest Type*</u>	<u>Classes</u>
Floating Rate	F
Excess	R

* See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.

General. The F Class will bear interest at the per annum interest rate described herein. Interest on the F Class is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date. Interest to be distributed on the F Class on a Distribution Date will be in an amount (the “Interest Distribution Amount”) equal to the lesser of (a) the sum of (i) one month’s interest on the outstanding principal balance of the F Class immediately prior to such Distribution Date, (ii) any unpaid interest deficiency (as defined below) and (iii) interest, if any, accrued on a compounded basis and unpaid on any such unpaid interest deficiency and (b) the sum of (i) the aggregate distributions of interest concurrently made on the Underlying REMIC Certificates and (ii) the aggregate distributions of principal concurrently made on the Trust SMBS and the Underlying REMIC Certificates following the reduction of the principal balance of the F Class to zero.

On each Distribution Date, the Interest Distribution Amount will be applied to the distribution of interest on the F Class in the following order:

- (i) an amount equal to the interest accrued on the principal balance of the F Class during the immediately preceding Interest Accrual Period;
- (ii) an amount equal to the interest, if any, accrued and unpaid on the principal balance of the F Class prior to the immediately preceding Interest Accrual Period that has not been previously paid (an “interest deficiency”); and
- (iii) an amount equal to the interest, if any, accrued on a compounded basis and unpaid on any unpaid interest deficiency during each Interest Accrual Period as to which such interest deficiency remained unpaid to the Distribution Date on which such interest deficiency is paid, at the per annum rate in effect from time to time with respect to the F Class.

On each Distribution Date following the reduction of the principal balance of the F Class to zero and the payment in full of all accrued and unpaid interest thereon (including any unpaid interest deficiency together with interest thereon), all distributions from any remaining assets of the Trust will be distributed monthly to Holders of the R Class.

Interest Accrual Periods. Interest to be distributed on a Distribution Date will accrue on the F Class during the one-month period set forth below (an “Interest Accrual Period”).

<u>Class</u>	<u>Interest Accrual Period</u>
F	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date

Floating Rate Class. The F Class will bear interest during its initial Interest Accrual Period at the Initial Interest Rate set forth below, and will bear interest during each Interest Accrual Period

thereafter, subject to the applicable Maximum and Minimum Interest Rates, at the rate determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
F	4.6875%	10.50%	1.50%	LIBOR + 150 basis points

The yield with respect to such Class will be affected by changes in LIBOR, which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an increase in the level of LIBOR. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of LIBOR. Under certain circumstances of increased LIBOR levels, the Interest Distribution Amount may not be sufficient to pay the full amount of interest accrued on the F Class at the LIBOR based formula rate. Any such unpaid interest deficiency on a particular Distribution Date will be carried forward, with interest, to subsequent Distribution Dates. If an unpaid interest deficiency remains on the Distribution Date upon which the principal balance of the F Class is reduced to zero, all distributions on any Trust SMBS and Underlying REMIC Certificates remaining in the Trust will be applied to the payment of any such unpaid interest deficiency (together with any accrued and unpaid interest thereon) on such date and each Distribution Date thereafter before any distributions are made to the R Class. Once the principal balance of the Trust SMBS and the respective principal balances of the Underlying REMIC Certificates have been reduced to zero, Holders of the F Class will have no future entitlement to any unpaid interest deficiency (or any accrued and unpaid interest thereon).

Each LIBOR value will be established as described herein by Fannie Mae two business days prior to the commencement of the related Interest Accrual Period. The establishment of each LIBOR value by Fannie Mae and Fannie Mae’s determination of the rate of interest for the F Class for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. Each such rate of interest may be obtained by telephoning Fannie Mae at 1-800-BEST-MBS or 202-752-6547.

Calculation of LIBOR

On each LIBOR Determination Date, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—LIBOR.”

If on the initial LIBOR Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be 3.1875%.

Distributions of Principal

Categories of Classes

For the purpose of payments of principal, the Classes will be categorized as follows:

<u>Principal Type</u>	<u>Classes</u>
(1)	F
No Payment Residual(2)	R

(1) The F Class will be entitled to receive the entire Principal Distribution Amount on each Distribution Date until the principal balance thereof is reduced to zero.

(2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.

Principal Distribution Amount

Principal will be distributed monthly on the F Class in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal concurrently made on the

Trust SMBS and the Underlying REMIC Certificates and (ii) the amount (the “Excess Interest”) by which the aggregate distributions of interest concurrently made on the Underlying REMIC Certificates exceeds the sum of (a) the interest accrued on the F Class during the preceding Interest Accrual Period, (b) any unpaid interest deficiency and (c) interest, if any, accrued on a compounded basis and unpaid on any such unpaid interest deficiency.

On each Distribution Date, the Principal Distribution Amount will be distributed as principal of the F Class until the principal balance thereof is reduced to zero.

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared on the basis of the actual characteristics of the Mortgage Loans underlying the Trust SMBS and the Underlying REMIC Certificates and the priority sequences affecting the principal distributions on the Underlying REMIC Certificates and the following assumptions (the “Pricing Assumptions”):

- all payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates are distributed on the Certificates in the month in which such payments are received;
- the Mortgage Loans all prepay at the CPR levels specified in the related tables;
- the closing date for the sale of the Certificates is the Settlement Date;
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date; and
- the optional liquidation described herein is not exercised by the Holders of the R Class.

CPR Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus Supplement is the “Constant Prepayment Rate” or “CPR” model. The CPR Model represents an assumed *constant* rate of prepayment each month, expressed as a per annum percentage (for example, 25% CPR) of the then outstanding principal balance of the pool of mortgage loans. There is no assurance that prepayments will occur at any CPR level or at any other constant prepayment rate. *CPR does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans underlying the Trust SMBS or the Underlying REMIC Certificates.*

Characteristics of the R Class

The R Certificates will not have principal balances and will not bear interest. The Holders of the R Class will be entitled to receive the monthly distributions from the remaining assets of the Trust, if any, after (i) the principal balance of the F Class has been reduced to zero and (ii) any unpaid interest deficiency and accrued and unpaid interest thereon have been paid in full.

The R Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. Any transferee of an R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Trans-

holders of an R Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holders of the R Class will be considered to be the holders of the “residual interest” in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the Certificates that may be required under the Code.

Yield Considerations

There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the F Class will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of the F Class will be as assumed. In addition, there can be no assurance that LIBOR will correspond to the levels shown herein. The rate of distributions of principal of the F Class will be directly related to the rate of principal distributions on the Trust SMBS and the Underlying REMIC Certificates and the amount of Excess Interest, which in turn will be related to the amortization (including prepayments) of the Mortgage Loans underlying the pools and the priority sequences affecting principal distributions on certain of the Underlying REMIC Certificates. Certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts, and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. In addition, certain of the Underlying REMIC Certificates are “Planned Principal Certificates” or “Targeted Principal Certificates” and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. As a result of the foregoing characteristics, distributions of principal in respect of the F Class during certain periods may occur at a slower rate than would otherwise have been the case. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than those initially assumed. As described above, certain Underlying REMIC Certificates may not adhere to their “Planned” or “Targeted” balances and any support securities may not remain outstanding. Further, it is not likely that the Mortgage Loans will prepay at the indicated CPR levels or at any other constant rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of LIBOR will remain constant.

The yield on the Certificates will be sensitive to the level of LIBOR. Under certain LIBOR and prepayment scenarios, the Interest Distribution Amount may not be sufficient to pay the full amount of interest accrued on the F Class at the LIBOR based formula rate. Although any such deficiency will be carried forward, with interest, to subsequent Distribution Dates, the effective yield on the F Class may be reduced below the yield otherwise produced because interest payable on a Distribution Date will not be distributed until and unless funds become available.

The timing of changes in the rate of prepayments or the level of LIBOR may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments or the average level of LIBOR is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans or change in the level of LIBOR, the greater the effect on an investor’s yield to maturity. As a result, the effect on an investor’s yield of principal prepayments or the level of LIBOR occurring at a rate or level higher (or lower) than the rate or level anticipated by the investor during the period immediately following the issuance of the Certificates may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments or level of LIBOR.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the F Class to various CPR levels and specified levels of LIBOR. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed

streams of cash flows to be paid on the F Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

The yield to investors in the F Class will be sensitive to the level of LIBOR and to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time.

Changes in LIBOR may not correlate with changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur concurrently with an increased level of LIBOR.

The information in the following table was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the F Class for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based on the indicated level of LIBOR and (ii) the aggregate purchase price of the F Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
F	100%

*The price does not include accrued interest. Accrued interest has been added to such price in calculating the yields set forth in the table below.

Sensitivity of the F Class to Prepayments and LIBOR (Pre-Tax Yields to Maturity)

<u>LIBOR</u>	<u>CPR Prepayment Assumption</u>					
	<u>5%</u>	<u>15%</u>	<u>25%</u>	<u>35%</u>	<u>45%</u>	<u>50%</u>
1.1875%	2.7%	2.8%	2.8%	2.8%	2.9%	2.9%
3.1875%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
5.1875%	6.7%	6.7%	6.7%	6.7%	6.6%	6.6%
7.1875%	8.8%	8.7%	8.6%	8.6%	8.5%	8.4%
9.0000%	10.3%	10.6%	10.4%	10.3%	10.2%	10.1%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a). The weighted average life of a Certificate will be influenced by the level of LIBOR, the rate and distribution among pools of prepayments of principal of the underlying Mortgage Loans, whether the Holders of the R Class exercise their option to liquidate the Trust when the principal balance of the F Class is less than 25% of its original principal balance and other factors. See “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the level of LIBOR, the timing of changes in the rate of principal payments, the amount of Excess Interest available for distribution on each Distribution

Date and the priority sequences of principal distributions on the Underlying REMIC Certificates. See “Distributions of Principal” herein.

The interaction of the foregoing factors may have varying effects at different times during the life of the F Class. Accordingly, no assurance can be given as to the weighted average life of the F Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their respective original principal balances, variability in the weighted average lives of such Certificates could result in variability in the related yields to maturity. For an example of how the weighted average life of the F Class may be affected at various *constant* prepayment rates and levels of LIBOR, see the Decrement Tables below.

Decrement Tables

The following decrement tables indicate the percentages of original principal balance of the F Class that would be outstanding after each of the dates shown at various CPR levels and LIBOR levels and the corresponding weighted average life of such Class. Such tables have been prepared on the basis of (i) the Pricing Assumptions and (ii) the assumption that the interest rates applicable to the F Class for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be calculated based on the indicated level of LIBOR. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs, WALAs or remaining terms to maturity assumed, (ii) the underlying Mortgage Loans will prepay at the indicated CPR levels or (iii) LIBOR will correspond to the levels shown herein. In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the table at the specified CPR levels, even if the distributions of the weighted average remaining terms to maturity and CAGEs or WALAs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs or WALAs specified in the Pricing Assumptions.

Percent of Original Principal Balance of F Class Outstanding

Date	LIBOR = 1.1875%						LIBOR = 3.1875%						LIBOR = 5.1875%					
	CPR Prepayment Assumption						CPR Prepayment Assumption						CPR Prepayment Assumption					
	5%	15%	25%	35%	45%	50%	5%	15%	25%	35%	45%	50%	5%	15%	25%	35%	45%	50%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1994	87	72	58	36	24	23	89	73	59	37	25	24	89	74	60	37	25	24
December 1995	77	54	22	19	16	12	80	57	24	21	18	13	81	58	24	21	18	13
December 1996	69	33	17	15	7	1	74	37	20	17	9	3	75	37	20	17	8	3
December 1997	61	22	9	8	0	0	67	27	12	10	2	1	69	28	12	10	2	1
December 1998	48	12	0	0	0	0	56	17	3	2	1	*	58	17	3	1	*	0
December 1999	33	8	0	0	0	0	43	14	1	*	*	0	45	14	*	0	0	0
December 2000	23	5	0	0	0	0	34	11	0	0	0	0	36	11	0	0	0	0
December 2001	14	3	0	0	0	0	25	9	0	0	0	0	27	9	0	0	0	0
December 2002	9	0	0	0	0	0	21	6	0	0	0	0	22	5	0	0	0	0
December 2003	6	0	0	0	0	0	19	3	0	0	0	0	20	3	0	0	0	0
December 2004	3	0	0	0	0	0	17	2	0	0	0	0	18	1	0	0	0	0
December 2005	0	0	0	0	0	0	14	0	0	0	0	0	14	0	0	0	0	0
December 2006	0	0	0	0	0	0	11	0	0	0	0	0	12	0	0	0	0	0
December 2007	0	0	0	0	0	0	10	0	0	0	0	0	10	0	0	0	0	0
December 2008	0	0	0	0	0	0	8	0	0	0	0	0	8	0	0	0	0	0
December 2009	0	0	0	0	0	0	6	0	0	0	0	0	6	0	0	0	0	0
December 2010	0	0	0	0	0	0	5	0	0	0	0	0	4	0	0	0	0	0
December 2011	0	0	0	0	0	0	3	0	0	0	0	0	1	0	0	0	0	0
December 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.8	2.6	1.5	1.2	0.9	0.8	6.3	3.1	1.7	1.3	1.0	0.9	6.5	3.1	1.7	1.3	1.0	0.8

Date	LIBOR = 7.1875%						LIBOR = 9.0000%					
	CPR Prepayment Assumption						CPR Prepayment Assumption					
	5%	15%	25%	35%	45%	50%	5%	15%	25%	35%	45%	50%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
December 1994	90	74	60	38	25	24	90	75	61	38	26	25
December 1995	82	58	25	21	18	13	83	60	26	22	18	14
December 1996	77	38	19	16	8	3	79	41	21	18	9	3
December 1997	71	28	12	10	1	1	73	31	14	11	2	1
December 1998	60	18	2	1	0	0	63	22	4	3	1	*
December 1999	47	14	0	0	0	0	52	18	2	1	*	0
December 2000	38	11	0	0	0	0	44	16	0	*	0	0
December 2001	29	9	0	0	0	0	37	14	0	0	0	0
December 2002	24	5	0	0	0	0	33	11	0	0	0	0
December 2003	22	2	0	0	0	0	32	8	0	0	0	0
December 2004	20	0	0	0	0	0	31	7	0	0	0	0
December 2005	16	0	0	0	0	0	29	5	0	0	0	0
December 2006	13	0	0	0	0	0	27	4	0	0	0	0
December 2007	11	0	0	0	0	0	27	2	0	0	0	0
December 2008	8	0	0	0	0	0	26	1	0	0	0	0
December 2009	6	0	0	0	0	0	25	0	0	0	0	0
December 2010	4	0	0	0	0	0	24	0	0	0	0	0
December 2011	1	0	0	0	0	0	23	0	0	0	0	0
December 2012	0	0	0	0	0	0	21	0	0	0	0	0
December 2013	0	0	0	0	0	0	18	0	0	0	0	0
December 2014	0	0	0	0	0	0	16	0	0	0	0	0
December 2015	0	0	0	0	0	0	14	0	0	0	0	0
December 2016	0	0	0	0	0	0	12	0	0	0	0	0
December 2017	0	0	0	0	0	0	10	0	0	0	0	0
December 2018	0	0	0	0	0	0	8	0	0	0	0	0
December 2019	0	0	0	0	0	0	6	0	0	0	0	0
December 2020	0	0	0	0	0	0	4	0	0	0	0	0
December 2021	0	0	0	0	0	0	2	0	0	0	0	0
December 2022	0	0	0	0	0	0	1	0	0	0	0	0
December 2023	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.7	3.1	1.7	1.3	1.0	0.8	9.6	3.7	1.7	1.4	1.0	0.9

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.
 ** Determined as specified under "Weighted Average Lives of the Certificates" herein.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The following tax discussion, when read in conjunction with the discussion of “Certain Federal Income Tax Consequences” in the REMIC Prospectus, describes the current federal income tax treatment of investors in the Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Certificates.

REMIC Elections and Special Tax Attributes

An election will be made to treat the Trust as a REMIC for federal income tax purposes. The F Class will be designated as the “regular interest,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

As a consequence of the qualification of the Trust as a REMIC, the Certificates generally will be treated as “qualifying real property loans” for mutual savings banks and domestic building and loan associations, “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The F Class will be issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 25% CPR. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Trust SMBS or the Underlying REMIC Certificates will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

The F Class will qualify as a regular interest under the Regulations because it will receive interest at a variable rate subject to a “funds-available cap.” The funds-available cap will limit the amount of interest to be paid on the F Class to the sum of (i) the aggregate distributions of interest concurrently made on the Underlying REMIC Certificates and (ii) the aggregate distributions of principal concurrently made on the Trust SMBS and the Underlying REMIC Certificates following the reduction of the principal balance of the F Class to zero. The F Class, however, will be issued with original issue discount because under certain circumstances all or a portion of the interest that has accrued at the variable rate may not be paid currently.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Class will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of an R Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 7.10% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual

Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

The Dealer will receive the Certificates in exchange for the Trust SMBS and the Underlying REMIC Certificates pursuant to a Fannie Mae commitment. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect such transactions to or through dealers.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Cleary, Gottlieb, Steen & Hamilton.

Exhibit A

Underlying REMIC Trust	Class	Interest Rate	Interest Type (1)	Date of Issue	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	Class % in the Trust	December 1993 Class Factor	Current Principal Balance in the Trust	Underlying Security Type	Original Term To Maturity (in months)	Approximate Weighted Average WAC	Approximate Weighted Average WARM (2) (in months)	Approximate Weighted Average CAGE or WALA (2) (in months)
1990-119	D	6.000%	FIX	October 1990	March 2017	PAC	\$69,082,000	22.4371037318%	.21726392	\$ 3,367,591	MBS	360	10.078%	313	41
G48	B	7.100	FIX	December 1991	January 2016	SEQ	24,722,000	40.4498017960	.64913252	6,491,325	GNMA	360	9.5	306	48
1992-34	C	7.000	FIX	March 1992	August 2015	PAC	156,167,200	19.5303495228	1.00000000	30,500,000	MBS	360	8.626	328	26
1992-77	D	8.000	FIX	May 1992	August 2016	SEQ	113,200,000	9.4125441696	.25510799	2,718,176	MBS	360	9.018	331	24
1992-80	C	7.375	FIX	May 1992	March 2018	TAC	60,138,000	11.6398949084	.32398745	2,267,912	MBS	360	8.982	331	24
1992-106	A	7.000	FIX	June 1992	June 1999	PAC	25,710,830	38.8941158259	.33420102	3,342,010	MBS	84	8.103	64	20
1992-126	PC	6.450	FIX	July 1992	August 2011	PAC	45,977,000	8.700002175	1.00000000	4,000,000	MBS	360	8.574	335	20
1992-G9	E	7.000	FIX	January 1992	March 2017	SEQ	51,376,000	17.517907194	1.00000000	9,000,000	GNMA	360	9.5	320	34
1992-G31	E	7.000	FIX	June 1992	September 2016	PAC	68,582,000	14.581085416	1.00000000	10,000,000	GNMA	360	9.5	317	37
1993-235	C	(3)	PO	November 1993	February 2014	PAC	10,140,917	43.2990132944	1.00000000	4,390,917	MBS	358	7.489	354	5
1993-235	D	(3)	PO	November 1993	October 2016	PAC	13,549,193	95.2026663138	1.00000000	12,899,193	MBS	358	7.489	354	5
1993-235	K	(3)	PO	November 1993	September 2023	SUP	53,425,004	52.8345660021	.97954987	27,649,626	MBS	358	7.489	354	5
1993-G30	AB	(3)	PO	August 1993	August 2023	PAC	4,570,000	64.3326039387	1.00000000	2,940,000	GNMA	360	9	326	28
1993-G42	FQ	(4)	FLT	December 1993	July 2023	STP	373,250	100	1.00000000	373,250	GNMA	355	9	338	13

- (1) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus. Certain of the Underlying REMIC Certificates are “Planned Principal Certificates” or “Targeted Principal Certificates” and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than those initially assumed. There is no information in this Prospectus Supplement as to whether any such Underlying REMIC Certificates have adhered to their “Planned” or “Targeted” balances, whether any support securities remain outstanding or whether any Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to a particular Underlying REMIC Certificate may be obtained through an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus, which may be obtained from Fannie Mae as described herein.
- (2) “WARM” is the weighted average remaining maturity (in months) of the Mortgage Loans in each pool underlying a GNMA Certificate, and “WALA” is the weighted average loan age (in months) of the Mortgage Loans in each such pool.
- (3) These Classes are Principal Only Classes and bear no interest.
- (4) The FQ Class from REMIC Trust 1993-G42 will bear interest during its initial Interest Accrual Period at the Initial Interest Rate set forth below, and will bear interest during each Interest Accrual Period thereafter, subject to the applicable Maximum and Minimum Interest Rates, at the rate determined as described below:

Class	Initial and Current Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
FQ	1500%	3000%	1500%	506.4935% + (LIBOR × 311.688312)

No dealer, salesman or other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus Supplement, the REMIC Prospectus, the MBS Prospectus, the SMBS Prospectus, the Mega Prospectus, the Underlying Prospectuses and the Information Statement and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the aforementioned documents do not constitute an offer to sell or a solicitation of an offer to buy any of the Certificates offered hereby in any state to any person to whom it is unlawful to make such offer or solicitation in such state. The delivery of this Prospectus Supplement and the aforementioned documents at any time does not imply that the information contained herein or therein is correct as of any time subsequent to the date hereof or thereof.

\$162,000,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1993-256**

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PROSPECTUS SUPPLEMENT

**Kidder, Peabody & Co.
Incorporated**

December 8, 1993