

\$206,785,284

Federal National Mortgage Association


**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1993-G4**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "REMIC Certificates") represent beneficial ownership interests in Fannie Mae REMIC Trust 1993-G4 (the "Trust"). The assets of the Trust consist of the beneficial ownership interests in Fannie Mae REMIC Trust 1992-G56 (the "Underlying REMIC Trust") evidenced by certain of the Class 56-B REMIC Certificates and all of the Class 56-C and Class 56-D REMIC Certificates (collectively, the "Underlying REMIC Certificates"). The assets of the Underlying REMIC Trust consist of a single "principal only" Fannie Mae Stripped Mortgage-Backed Security (the "SMBS Certificate") which evidences the beneficial ownership interest in distributions of principal made in respect of 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") and included in SMBS Trust 000176-GN in the form of a single Fannie Mae Guaranteed MBS Pass-Through Security (the "Mega Certificate"). Each GNMA Certificate is based on and backed by a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") which are either insured by the Federal Housing Administration ("FHA") or partially guaranteed by the Department of Veterans Affairs ("VA"). See "GNMA and the GNMA Programs" herein. The REMIC Certificates are offered by Fannie Mae pursuant to this Prospectus and the accompanying Prospectus for the Underlying REMIC Trust (the "Underlying Prospectus"), as well as 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. Daiwa Securities America Inc. ("Daiwa") is to receive the REMIC Certificates in exchange for the Underlying REMIC Certificates pursuant to a Fannie Mae commitment and will sell the REMIC Certificates to the public as described below and under "Plan of Distribution" herein.

Prospective investors in the REMIC Certificates should carefully consider whether such investment is appropriate in light of their investment objectives. See "Description of the REMIC 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 REMIC Certificates (other than the Class 4-R REMIC Certificate) will be designated as the "regular interests," and the Class 4-R REMIC Certificate will be designated as the "residual interest," in the REMIC constituted by the Trust. See "Certain Federal Income Tax Consequences" herein.

(Cover continued on next page)

THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE REMIC CERTIFICATES ARE OBLIGATIONS OF FANNIE MAE ONLY AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES. THE REMIC 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.

	Original Principal Balance	Interest Rate	Final Distribution Date
Class 4-A	\$27,000,000	(1)	September 2022
Class 4-B	12,000,000	(1)	September 2022
Class 4-C	23,000,000	(1)	September 2022
Class 4-D	21,000,000	(1)	September 2022
Class 4-E	24,000,000	(1)	September 2022
Class 4-G	24,000,000	(1)	September 2022
Class 4-H	24,000,000	(1)	September 2022
Class 4-J	17,000,000	(1)	September 2022
Class 4-K	34,785,284	(1)	September 2022
Class 4-R	(2)	(2)	September 2022

(1) The REMIC Certificates, other than the Class 4-R REMIC Certificate, are principal only certificates and will not bear interest.

(2) The Class 4-R REMIC Certificate does not have a principal balance and does not bear interest. The Holder of the Class 4-R REMIC Certificate will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of the "regular interests" therein have been reduced to zero. It is not anticipated that there will be any material assets remaining in such circumstance.

The REMIC Certificates are being offered by Daiwa from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The REMIC Certificates are offered by Daiwa, subject to issuance by Fannie Mae, to prior sale, withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by Daiwa, and subject to approval of certain legal matters by counsel. It is expected that the REMIC Certificates, except for the Class 4-R REMIC Certificate, will be available through the book-entry system of the Federal Reserve Banks on or about January 29, 1993. It is expected that the Class 4-R REMIC Certificate in registered, certificated form will be available for delivery at the offices of Daiwa, New York, New York, on or about January 29, 1993.

DAIWA

Daiwa Securities America Inc.

The date of this Prospectus is January 11, 1993

(Cover continued from previous page)

Principal distributions 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 February 1993 (each, a "Distribution Date"). The principal distribution on each Distribution Date will be in an amount equal to the aggregate distributions of principal concurrently made on the Underlying REMIC Certificates. On each Distribution Date, distributions of principal of the REMIC Certificates will be allocated among the Classes of REMIC Certificates, other than the Class 4-R REMIC Certificate, in accordance with the priorities described under "Description of the REMIC Certificates—Distributions of Principal" herein.

The yield to investors in each Class of REMIC Certificates will be directly related to the rate of distributions on the Underlying REMIC Certificates which in turn will be sensitive in varying degrees to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. Because the Underlying REMIC Certificates are subordinate in priority of distribution to another class of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust, there is no assurance that distributions will be made on the Underlying REMIC Certificates (and therefore on the REMIC Certificates) on certain Distribution Dates subsequent to April 1996. As illustrated herein, it is possible under certain prepayment scenarios that no distributions would be made on the REMIC Certificates for an extended period subsequent to April 1996. In addition, the yield to maturity on a Class of REMIC Certificates may vary depending on the extent to which such Class is purchased at a discount. Holders of the REMIC Certificates should consider, in the case of any REMIC Certificates purchased at a discount, the risk that a slower than anticipated rate of principal payments could result in an actual yield that is lower than the anticipated yield. See "Description of the REMIC Certificates—Yield Considerations" herein.

The Class 4-R REMIC Certificate will be subject to certain transfer restrictions. In addition, any transferee of the Class 4-R REMIC Certificate will be required to execute and deliver an affidavit as provided herein. See "Description of the REMIC Certificates—Characteristics of the Class 4-R REMIC Certificate" and "Certain Federal Income Tax Consequences—Sales of Certificates—*Residual Certificates Transferred to or Held by Disqualified Organizations*" herein.

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, the SMBS Prospectus or the Underlying Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus does not contain complete information about the REMIC Certificates. Investors should purchase REMIC Certificates only after reading this Prospectus, the SMBS Prospectus, the Underlying Prospectus and the Fannie Mae Information Statement dated March 30, 1992 and any supplements thereto (the "Information Statement"). The SMBS Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its REMIC Prospectus Department at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 202-752-7585). Such documents may also be obtained from Daiwa by writing or calling its Mortgage Operations Department at One World Financial Center, 200 Liberty Street, New York, New York 10281 (telephone 212-341-5448).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Description of the REMIC		GNMA and the GNMA Programs . . .	23
Certificates	4	GNMA	23
General	4	GNMA Programs	24
<i>Structure</i>	4	Certain Federal Income Tax	
<i>GNMA and SMBS Distributions</i>	4	Consequences	24
<i>Fannie Mae Guaranty</i>	4	General	24
<i>Book-Entry Certificates</i>	4	REMIC Election	25
<i>Definitive Certificate</i>	5	Taxation of Beneficial Owners of	
<i>Authorized Denominations</i>	5	Regular Certificates	25
<i>Record Date</i>	5	<i>Original Issue Discount</i>	25
<i>REMIC Trust Factors</i>	5	<i>Market Discount</i>	27
The Underlying REMIC Certificates, the SMBS Certificate and the GNMA Certificates	6	Taxation of Beneficial Owners of	
Prepayment Considerations and Risks	6	Residual Certificates	27
Distributions of Principal	7	<i>Daily Portions</i>	27
<i>Calculations</i>	7	<i>Taxable Income or Net Loss of a</i> <i>REMIC Trust</i>	28
<i>Priorities</i>	8	<i>Basis Rules and Distributions</i>	29
Assumptions Relating to Tables	8	<i>Excess Inclusions</i>	29
<i>Pricing Assumptions</i>	8	<i>Pass-Through of Servicing and</i> <i>Guaranty Fees to Individuals</i>	31
<i>PSA Assumptions</i>	9	Special Tax Attributes	31
Principal Balance Schedules	10	Taxes on a REMIC Trust	31
Characteristics of the Class 4-R REMIC Certificate	15	<i>Prohibited Transactions</i>	31
Yield Considerations	16	<i>Contributions to a REMIC after the</i> <i>Startup Day</i>	31
<i>General</i>	16	<i>Net Income from Foreclosure</i> <i>Property</i>	32
<i>The REMIC Certificates</i>	17	<i>Application to the REMIC Trust</i>	32
Final Distribution Dates	17	Sales of Certificates	32
Reinvestment Risk	18	<i>In General</i>	32
Weighted Average Lives of the REMIC Certificates	18	<i>Residual Certificates Transferred to</i> <i>or Held by Disqualified</i> <i>Organizations</i>	33
Decrement Tables	19	Termination	33
The Trust Agreement	21	Reporting and Other Administrative Matters	33
Transfer of the Underlying REMIC Certificates to the Trust	21	Backup Withholding	34
Distributions on the Underlying REMIC Certificates; Deposits in the Certificate Account	21	Foreign Investors	34
Reports to Certificateholders	21	<i>Regular Certificates</i>	34
Certain Matters Regarding Fannie Mae	22	<i>Residual Certificates</i>	34
Events of Default	22	ERISA Considerations	35
Rights Upon Event of Default	23	Legal Investment Considerations	35
Amendment	23	Marginability	36
Termination	23	Plan of Distribution	36
		Legal Matters	36

DESCRIPTION OF THE REMIC CERTIFICATES

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

General

Structure. The REMIC Certificates will be issued and guaranteed by the Federal National Mortgage Association (“Fannie Mae”), a corporation organized and existing under the laws of the United States, under the authority contained in Section 304(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 *et seq.*). A description of Fannie Mae and its business, together with certain financial statements and other financial information are contained in the Information Statement incorporated herein by reference. The REMIC Certificates in the Classes and aggregate original principal balances set forth on the cover page hereof will be issued pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto, dated as of January 1, 1993 (together, the “Trust Agreement”), each executed by Fannie Mae in its corporate capacity and in its capacity as Trustee. The Trust will be created pursuant to the Trust Agreement, and an election will be made to treat the Trust as a REMIC for federal income tax purposes.

The assets of the Trust will consist of the Underlying REMIC Certificates. The REMIC Certificates will evidence the entire beneficial ownership interest in the distributions of principal on the Underlying REMIC Certificates, as described herein. Each of the REMIC Certificates, other than the Class 4-R REMIC Certificate, will be designated as a “regular interest” in the Trust. The Class 4-R REMIC Certificate will be designated as the “residual interest” in the Trust and will have the characteristics described herein.

GNMA and SMBS Distributions. The GNMA Certificates provide that principal and interest payments on the underlying Mortgage Loans will be passed through monthly, and the SMBS Certificate provides that the related portion of distributions of principal of the GNMA Certificates will be passed through monthly commencing on the 25th day of the month following the month of the initial issuance of the GNMA Certificates and SMBS Certificate, respectively.

Fannie Mae Guaranty. Pursuant to its guaranty of the REMIC Certificates, Fannie Mae will be obligated to distribute on a timely basis to Holders of REMIC Certificates all installments of principal reflected in the REMIC Trust Factors published by Fannie Mae each month and to distribute the principal balance of each Class of REMIC Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds therefor have been received by the Trust. The guaranty obligations of Fannie Mae with respect to the SMBS Certificate and the Underlying REMIC Certificates are described in the SMBS Prospectus and the Underlying Prospectus, respectively. The obligations of Fannie Mae under its guaranty are obligations solely of Fannie Mae and are not backed by the full faith and credit of the United States.

Book-Entry Certificates. The REMIC Certificates, other than the Class 4-R REMIC Certificate, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Each such Class of REMIC Certificates will be assigned a CUSIP number and will be tradable separately under such CUSIP number. The book-entry REMIC Certificates may be held of record only by entities eligible to maintain book-entry accounts with the Federal Reserve Banks. Such entities whose names appear on the book-entry records of the

Federal Reserve Banks as the entities for whose accounts such REMIC Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a book-entry REMIC Certificate. Beneficial owners will ordinarily hold book-entry REMIC Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of a book-entry REMIC Certificate, and each other financial intermediary in the chain to the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of a book-entry REMIC Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through the Holder of such REMIC Certificate. Fannie Mae and the Federal Reserve Banks will have no direct obligation to a beneficial owner of a book-entry REMIC Certificate that is not also the Holder of such REMIC Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of a book-entry REMIC Certificate.

Fannie Mae’s fiscal agent for the book-entry REMIC Certificates is the Federal Reserve Bank of New York. The Federal Reserve Banks will maintain book-entry accounts with respect to the book-entry REMIC Certificates and make distributions on such REMIC Certificates on behalf of Fannie Mae on the applicable Distribution Dates by crediting Holders’ accounts at the Federal Reserve Banks. A Fiscal Agency Agreement between Fannie Mae and the Federal Reserve Bank of New York makes generally applicable to the book-entry REMIC Certificates (i) regulations governing Fannie Mae’s use of the book-entry system, contained in 24 C.F.R. Part 81, Subpart E, and (ii) such procedures, insofar as applicable, as may from time to time be established by regulations of the United States Department of the Treasury governing United States securities, as now set forth in Treasury Department Circular Number 300, 31 C.F.R. Part 306 (other than Subpart O). The REMIC Certificates are also governed by applicable operating circulars and letters of the Federal Reserve Banks.

Definitive Certificate. The Class 4-R REMIC Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the Class 4-R REMIC Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The Class 4-R REMIC Certificate will be transferable 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, hereinafter referred to as “State Street.” A service charge may be imposed for any registration of transfer of the Class 4-R REMIC Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See “Characteristics of the Class 4-R REMIC Certificate” herein.

The distribution to the Holder of the Class 4-R REMIC Certificate of the proceeds of the remaining assets of the Trust, if any, will be made only upon presentation and surrender of such Certificate at the office of the Paying Agent.

Authorized Denominations. The REMIC Certificates, other than the Class 4-R REMIC Certificate, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The Class 4-R REMIC Certificate will be issued as a single certificate and will not have a principal balance.

Record Date. Each monthly distribution on the REMIC 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 each Class of REMIC Certificates the factor (carried to eight decimal places) which, when multiplied by the original principal balance

of a REMIC Certificate of such Class, will equal the amount of principal remaining to be distributed with respect to such REMIC Certificate after giving effect to the distribution of principal to be made on the following Distribution Date.

The Underlying REMIC Certificates, the SMBS Certificate and the GNMA Certificates

Each of the Underlying REMIC Certificates is a “principal only” certificate, does not bear interest and evidences a beneficial ownership interest in the Underlying REMIC Trust. The unpaid principal balances of the Underlying REMIC Certificates as of January 1, 1993 (the “REMIC Issue Date”), are expected to be as set forth in the following table:

<u>Underlying REMIC Certificates</u>	<u>Principal Balance</u>
Class 56-B	\$110,068,859
Class 56-C	64,000,000
Class 56-D	32,716,425

See the Underlying Prospectus for a discussion of the general characteristics of the Underlying REMIC Certificates.

As of the REMIC Issue Date, the SMBS Certificate held in the Underlying REMIC Trust represents ownership of principal payments (and no interest payments) of the GNMA Certificates having a Pass-Through Rate of 8.00% and the general characteristics described in the Underlying Prospectus.

The Mortgage Loans that underlie the GNMA Certificates are conventional Level Payment Mortgage Loans, each secured by a first mortgage or deed of trust on a one- to four-family (“single-family”) residential property, and each having an original maturity of 360 months. As of the REMIC Issue Date, the weighted average remaining term to maturity of the **Mortgage Loans in each Pool is not expected to be less than 336 months or greater than 355 months, and the weighted average of such weighted average remaining terms to maturity is expected to be approximately 349 months.**

The Underlying REMIC Certificates were issued in book-entry form, and will be registered in Fannie Mae’s name on the books of a Federal Reserve Bank and held by Fannie Mae in its capacity as trustee. The Underlying REMIC Certificates are guaranteed by Fannie Mae. See the Underlying Prospectus for a discussion of the general characteristics of the Underlying REMIC Certificates, including the GNMA Certificates underlying them.

Following the issuance of the REMIC Certificates, Fannie Mae will prepare a Final Data Statement setting forth for each Underlying REMIC Certificate, among other things, the original certificate balance and the current certificate balance as of the REMIC Issue Date. The Final Data Statement will not accompany this Prospectus but will be made available by Fannie Mae to investors on request. To request Final Data Statements, telephone Fannie Mae at (202) 752-7585. The contents of the Final Data Statement and other data specific to the REMIC Certificates are available in electronic form by calling Fannie Mae at (202) 752-6000.

Prepayment Considerations and Risks

The rate of distributions of principal of the REMIC Certificates will be directly related to the rate of distributions of principal of the Underlying REMIC Certificates, which in turn will be very sensitive to the rate of payments of principal of the underlying Mortgage Loans. As described in the Underlying Prospectus, the Underlying REMIC Certificates are subordinate in priority of distributions to a class of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust and, accordingly, distributions of principal of the Mortgage Loans may have an

exaggerated effect upon distributions of principal of the Underlying REMIC Certificates. Under certain low prepayment scenarios, for an extended period subsequent to April 1996, all principal distributions will be applied to the distribution of principal of the class of certificates having priority over the Underlying REMIC Certificates, and, accordingly, there would be no distributions of principal in respect of any Class of REMIC Certificates during such period. As illustrated in the Decrement Tables herein, it is possible, under certain assumptions, that the REMIC Certificates will receive no distributions for an extended period subsequent to April 1996.

Payments of principal of the underlying Mortgage Loans may be in the form of scheduled amortization or prepayments (for this purpose, the term “prepayment” includes prepayments and liquidations resulting from default, casualty or condemnation and payments made pursuant to any guaranty of payment by GNMA). In general, when the level of prevailing interest rates declines sufficiently relative to the interest rates on fixed-rate mortgage loans, the rate of prepayment is likely to increase, although the prepayment rate is influenced by a number of other factors, including general economic conditions and homeowner mobility. The prepayment rate may also be influenced by government subsidy programs, such as the Department of Housing and Urban Development (“HUD”) Section 235 mortgage program for which HUD has established procedures for refinancing certain high-coupon mortgages. All of the Mortgage Loans backing the GNMA Certificates will be first lien, single-family, fixed-rate residential mortgage loans that are either insured by the FHA or partially guaranteed by the VA. None of such loans includes a “due-on-sale” clause. Consequently, the holders of such loans generally may not demand the payment in full of the remaining principal balance of any such loans on the sale or other transfer of the subject property.

Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus, the Public Securities Association’s standard prepayment model (“PSA”), represents an assumed rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans. *PSA 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 GNMA Certificates backing the REMIC Certificates.* 100% PSA assumes prepayment rates of 0.2% per annum of the then unpaid principal balance of such pool of mortgage loans in the first month of the life of such mortgage loans and an additional 0.2% per annum in each month thereafter (for example, 0.4% per annum in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of such mortgage loans, 100% PSA assumes a constant prepayment rate of 6% per annum. Multiples will be calculated from this prepayment rate series; for example, 150% PSA assumes prepayment rates will be 0.30% per annum in month one, 0.60% per annum in month two, reaching 9.00% per annum in month 30 and remaining constant at 9.00% per annum thereafter. 0% PSA assumes no prepayments.

Distributions of Principal

Calculations. On or about the fifth business day of each month, Fannie Mae will aggregate the amount of principal reported to be receivable on the GNMA Certificates (all of which are GNMA I Certificates) during such month on the basis of published GNMA factors for such month. For any GNMA Certificate for which a factor is not available at such time, Fannie Mae will calculate the amount of scheduled payments of principal distributable in respect of such GNMA Certificates during such month on the basis of the assumed amortization schedules of the underlying Mortgage Loans. The amortization schedules will be prepared on the assumption that: (i) each of the Mortgage Loans underlying a single GNMA Certificate had an original term to maturity of 360 months and has a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying such GNMA Certificate at the

origination of such GNMA Certificate adjusted to the REMIC Issue Date; and (ii) each Mortgage Loan underlying a GNMA Certificate bears an interest rate of 8.5% per annum. All such amounts, whether reported in GNMA factors or calculated by Fannie Mae, will be reflected in the factors for the Underlying REMIC Certificates (the "Underlying REMIC Trust Factors") for the Distribution Date in such month and will be distributed to Holders of REMIC Certificates on such Distribution Date, whether or not received. There will also be reflected in the Underlying REMIC Trust Factors and distributable as principal on such Distribution Date the excess of (a) the distributions of principal of the GNMA Certificates received during the month prior to the month of such Distribution Date over (b) the amounts of principal calculated as distributable previously in accordance with the GNMA factors and the assumed amortization schedules specified above. The REMIC Trust Factors will be based on the Underlying REMIC Trust Factors.

Priorities. The principal distribution on each Distribution Date (the "Principal Distribution Amount") will be in an amount equal to the aggregate distributions of principal of the Underlying REMIC Certificates, calculated as described above, for the month of such Distribution Date. The Class 4-A, Class 4-B, Class 4-C, Class 4-D, Class 4-E and Class 4-G REMIC Certificates are "Primary Planned Principal REMIC Certificates" and the Class 4-H and Class 4-J REMIC Certificates are "Secondary Planned Principal REMIC Certificates." Together, the Primary and Secondary Planned Principal REMIC Certificates are referred to herein as "Planned Principal REMIC Certificates."

On each Distribution Date, the Principal Distribution Amount will be applied to the distribution of principal of the Classes of REMIC Certificates in the following order of priority:

- (i) sequentially, to the Class 4-A, Class 4-B, Class 4-C, Class 4-D, Class 4-E and Class 4-G REMIC Certificates, in alphabetical order, in an amount up to the amount necessary to reduce their outstanding principal balances to their respective Planned Principal Balances as set forth in the Principal Balance Schedules herein for such Distribution Date;
- (ii) sequentially, to the Class 4-H and Class 4-J REMIC Certificates, in alphabetical order, in an amount up to the amount necessary to reduce the outstanding principal balances thereof to their respective Planned Principal Balances as set forth in the Principal Balance Schedules for such Distribution Date;
- (iii) to the Class 4-K REMIC Certificates, until the principal balance thereof has been reduced to zero;
- (iv) sequentially, to the Class 4-J and Class 4-H REMIC Certificates, in that order, without regard to their Planned Principal Balances and until the respective principal balances thereof have been reduced to zero; and
- (v) sequentially, to the Class 4-G, Class 4-E, Class 4-D, Class 4-C, Class 4-B and Class 4-A REMIC Certificates, in that order, without regard to their Planned Principal Balances and until the respective principal balances thereof have been reduced to zero.

Assumptions Relating to Tables

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus has been prepared on the basis of the actual characteristics of the Mortgage Loans and the following assumptions (the "Pricing Assumptions"): (i) all payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates are distributed on the REMIC Certificates in the month in which such payments are received; (ii) the Mortgage Loans prepay at the specified *constant* percentages of PSA specified in the related table; (iii) the closing date for the sale of the REMIC Certificates is January 29, 1993; and (iv) the first distribution on the REMIC Certificates is made in February 1993.

PSA Assumptions. The Planned Principal Balances have been prepared on the basis of the Pricing Assumptions, the Planned Principal Balances applicable to the Underlying REMIC Certificates and the assumption that the Mortgage Loans prepay at the approximate *constant* levels set forth below:

<u>Principal Balance Schedule References</u>	<u>Related Certificates</u>	<u>PSA Levels</u>
Planned Principal Balances	Primary Planned Principal REMIC Certificates	Between 75% and 225%
Planned Principal Balances	Secondary Planned Principal REMIC Certificates	Between 100% and 180%

See “Description of the REMIC Certificates—Principal Balance Schedules” in the Underlying Prospectus.

There is no assurance that the principal balances of the Classes of REMIC Certificates specified above will conform on any Distribution Date to the applicable balances specified for such Distribution Date in the Principal Balance Schedules below, or that distributions of principal will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal available for distribution on any Distribution Date over the amount necessary to reduce the principal balances of the applicable REMIC Certificates to their respective scheduled amounts will be distributed, the ability to so reduce the principal balances of such REMIC Certificates will not be enhanced by the averaging of high and low principal payments. Moreover, even if prepayments remain within the ranges specified above, the principal available for distribution may be insufficient to reduce the applicable REMIC Certificates to their respective scheduled principal balances, if prepayments do not occur at a *constant* rate. In addition, because of the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans), the REMIC Certificates specified above may not be reduced to their respective scheduled amounts, even if prepayments occur at a *constant* level within the ranges specified above.

Principal Balance Schedules

<u>Distribution Date</u>	<u>Class 4-A Planned Principal Balance</u>	<u>Class 4-B Planned Principal Balance</u>	<u>Class 4-C Planned Principal Balance</u>	<u>Class 4-D Planned Principal Balance</u>	<u>Class 4-E Planned Principal Balance</u>	<u>Class 4-G Planned Principal Balance</u>	<u>Class 4-H Planned Principal Balance</u>	<u>Class 4-J Planned Principal Balance</u>
Initial Balance ...	\$27,000,000.00	\$12,000,000.00	\$23,000,000.00	\$21,000,000.00	\$24,000,000.00	\$24,000,000.00	\$24,000,000.00	\$17,000,000.00
February 1993 ...	26,199,997.24	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	23,810,663.15	17,000,000.00
March 1993	25,354,119.06	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	23,606,707.60	17,000,000.00
April 1993	24,462,611.37	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	23,388,291.25	17,000,000.00
May 1993	23,525,737.85	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	23,155,585.32	17,000,000.00
June 1993	22,543,779.85	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	22,908,774.18	17,000,000.00
July 1993	21,517,036.24	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	22,648,055.23	17,000,000.00
August 1993	20,446,093.55	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	22,373,731.51	17,000,000.00
September 1993 ..	19,331,292.61	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	22,086,027.10	17,000,000.00
October 1993	18,173,134.31	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	21,785,227.19	17,000,000.00
November 1993 ..	16,972,776.14	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	21,471,845.35	17,000,000.00
December 1993 ...	15,731,167.13	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	21,146,326.27	17,000,000.00
January 1994 ...	14,449,574.01	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	20,809,224.37	17,000,000.00
February 1994 ...	13,129,122.37	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	20,461,047.35	17,000,000.00
March 1994	11,770,438.43	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	20,102,137.03	17,000,000.00
April 1994	10,373,991.73	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	19,732,786.94	17,000,000.00
May 1994	8,940,810.65	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	19,353,481.48	17,000,000.00
June 1994	7,477,918.83	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	18,966,698.06	17,000,000.00
July 1994	5,997,348.49	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	18,576,542.18	17,000,000.00
August 1994	4,503,679.68	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	18,184,595.86	17,000,000.00
September 1994 ..	2,998,921.64	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	17,791,572.13	17,000,000.00
October 1994	1,484,020.76	12,000,000.00	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	17,397,826.33	17,000,000.00
November 1994 ..	0.00	11,960,582.22	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	17,003,928.18	17,000,000.00
December 1994 ...	0.00	10,432,792.74	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	16,611,288.99	17,000,000.00
January 1995 ...	0.00	8,901,100.52	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	16,220,075.30	17,000,000.00
February 1995 ...	0.00	7,367,549.82	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	15,830,975.52	17,000,000.00
March 1995	0.00	5,839,022.73	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	15,446,251.62	17,000,000.00
April 1995	0.00	4,315,497.26	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	15,065,876.33	17,000,000.00
May 1995	0.00	2,796,951.51	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	14,689,822.52	17,000,000.00
June 1995	0.00	1,283,363.66	23,000,000.00	21,000,000.00	24,000,000.00	24,000,000.00	14,318,063.24	17,000,000.00
July 1995	0.00	0.00	22,774,711.95	21,000,000.00	24,000,000.00	24,000,000.00	13,950,571.74	17,000,000.00
August 1995	0.00	0.00	21,270,974.70	21,000,000.00	24,000,000.00	24,000,000.00	13,587,321.41	17,000,000.00
September 1995 ..	0.00	0.00	19,772,130.30	21,000,000.00	24,000,000.00	24,000,000.00	13,228,285.85	17,000,000.00
October 1995	0.00	0.00	18,278,157.22	21,000,000.00	24,000,000.00	24,000,000.00	12,873,438.80	17,000,000.00
November 1995 ..	0.00	0.00	16,789,034.01	21,000,000.00	24,000,000.00	24,000,000.00	12,522,754.17	17,000,000.00
December 1995 ...	0.00	0.00	15,304,739.27	21,000,000.00	24,000,000.00	24,000,000.00	12,176,206.07	17,000,000.00
January 1996 ...	0.00	0.00	13,825,251.70	21,000,000.00	24,000,000.00	24,000,000.00	11,833,768.74	17,000,000.00
February 1996 ...	0.00	0.00	12,350,550.06	21,000,000.00	24,000,000.00	24,000,000.00	11,495,416.61	17,000,000.00
March 1996	0.00	0.00	10,880,613.17	21,000,000.00	24,000,000.00	24,000,000.00	11,161,124.28	17,000,000.00
April 1996	0.00	0.00	9,415,419.95	21,000,000.00	24,000,000.00	24,000,000.00	10,830,866.50	17,000,000.00
May 1996	0.00	0.00	8,589,279.41	21,000,000.00	24,000,000.00	24,000,000.00	10,504,618.20	17,000,000.00
June 1996	0.00	0.00	7,767,840.55	21,000,000.00	24,000,000.00	24,000,000.00	10,182,354.48	17,000,000.00
July 1996	0.00	0.00	6,951,082.50	21,000,000.00	24,000,000.00	24,000,000.00	9,864,050.57	17,000,000.00
August 1996	0.00	0.00	6,138,984.44	21,000,000.00	24,000,000.00	24,000,000.00	9,549,681.89	17,000,000.00
September 1996 ..	0.00	0.00	5,331,525.63	21,000,000.00	24,000,000.00	24,000,000.00	9,239,224.02	17,000,000.00
October 1996	0.00	0.00	4,528,685.40	21,000,000.00	24,000,000.00	24,000,000.00	8,932,652.70	17,000,000.00
November 1996 ..	0.00	0.00	3,684,359.07	21,000,000.00	24,000,000.00	24,000,000.00	8,629,943.81	17,000,000.00

<u>Distribution Date</u>	<u>Class 4-A Planned Principal Balance</u>	<u>Class 4-B Planned Principal Balance</u>	<u>Class 4-C Planned Principal Balance</u>	<u>Class 4-D Planned Principal Balance</u>	<u>Class 4-E Planned Principal Balance</u>	<u>Class 4-G Planned Principal Balance</u>	<u>Class 4-H Planned Principal Balance</u>	<u>Class 4-J Planned Principal Balance</u>
December 1996 ...	\$ 0.00	\$ 0.00	\$ 2,844,610.19	\$21,000,000.00	\$24,000,000.00	\$24,000,000.00	\$ 8,331,073.41	\$17,000,000.00
January 1997	0.00	0.00	2,009,418.30	21,000,000.00	24,000,000.00	24,000,000.00	8,036,017.71	17,000,000.00
February 1997 ...	0.00	0.00	1,178,763.00	21,000,000.00	24,000,000.00	24,000,000.00	7,744,753.08	17,000,000.00
March 1997	0.00	0.00	352,623.97	21,000,000.00	24,000,000.00	24,000,000.00	7,457,256.03	17,000,000.00
April 1997	0.00	0.00	0.00	20,530,980.95	24,000,000.00	24,000,000.00	7,173,503.25	17,000,000.00
May 1997	0.00	0.00	0.00	19,713,813.75	24,000,000.00	24,000,000.00	6,893,471.58	17,000,000.00
June 1997	0.00	0.00	0.00	18,901,102.26	24,000,000.00	24,000,000.00	6,617,137.99	17,000,000.00
July 1997	0.00	0.00	0.00	18,092,826.42	24,000,000.00	24,000,000.00	6,344,479.62	17,000,000.00
August 1997	0.00	0.00	0.00	17,288,966.24	24,000,000.00	24,000,000.00	6,075,473.77	17,000,000.00
September 1997 ..	0.00	0.00	0.00	16,489,501.80	24,000,000.00	24,000,000.00	5,810,097.89	17,000,000.00
October 1997	0.00	0.00	0.00	15,694,413.25	24,000,000.00	24,000,000.00	5,548,329.56	17,000,000.00
November 1997 ..	0.00	0.00	0.00	14,903,680.81	24,000,000.00	24,000,000.00	5,290,146.51	17,000,000.00
December 1997 ...	0.00	0.00	0.00	14,117,284.75	24,000,000.00	24,000,000.00	5,035,526.64	17,000,000.00
January 1998	0.00	0.00	0.00	13,335,205.42	24,000,000.00	24,000,000.00	4,784,447.99	17,000,000.00
February 1998 ...	0.00	0.00	0.00	12,557,423.23	24,000,000.00	24,000,000.00	4,536,888.74	17,000,000.00
March 1998	0.00	0.00	0.00	11,783,918.66	24,000,000.00	24,000,000.00	4,292,827.21	17,000,000.00
April 1998	0.00	0.00	0.00	11,014,672.25	24,000,000.00	24,000,000.00	4,052,241.88	17,000,000.00
May 1998	0.00	0.00	0.00	10,249,664.60	24,000,000.00	24,000,000.00	3,815,111.37	17,000,000.00
June 1998	0.00	0.00	0.00	9,488,876.38	24,000,000.00	24,000,000.00	3,581,414.45	17,000,000.00
July 1998	0.00	0.00	0.00	8,732,288.33	24,000,000.00	24,000,000.00	3,351,130.01	17,000,000.00
August 1998	0.00	0.00	0.00	7,979,881.24	24,000,000.00	24,000,000.00	3,124,237.10	17,000,000.00
September 1998 ..	0.00	0.00	0.00	7,231,635.98	24,000,000.00	24,000,000.00	2,900,714.91	17,000,000.00
October 1998	0.00	0.00	0.00	6,487,533.47	24,000,000.00	24,000,000.00	2,680,542.77	17,000,000.00
November 1998 ..	0.00	0.00	0.00	5,747,554.69	24,000,000.00	24,000,000.00	2,463,700.15	17,000,000.00
December 1998 ...	0.00	0.00	0.00	5,011,680.70	24,000,000.00	24,000,000.00	2,250,166.64	17,000,000.00
January 1999	0.00	0.00	0.00	4,279,892.60	24,000,000.00	24,000,000.00	2,039,922.01	17,000,000.00
February 1999 ...	0.00	0.00	0.00	3,552,171.58	24,000,000.00	24,000,000.00	1,832,946.12	17,000,000.00
March 1999	0.00	0.00	0.00	2,828,498.87	24,000,000.00	24,000,000.00	1,629,218.99	17,000,000.00
April 1999	0.00	0.00	0.00	2,108,855.76	24,000,000.00	24,000,000.00	1,428,720.79	17,000,000.00
May 1999	0.00	0.00	0.00	1,393,223.62	24,000,000.00	24,000,000.00	1,231,431.79	17,000,000.00
June 1999	0.00	0.00	0.00	681,583.86	24,000,000.00	24,000,000.00	1,037,332.43	17,000,000.00
July 1999	0.00	0.00	0.00	0.00	23,973,917.97	24,000,000.00	846,403.26	17,000,000.00
August 1999	0.00	0.00	0.00	0.00	23,270,207.48	24,000,000.00	658,624.97	17,000,000.00
September 1999 ..	0.00	0.00	0.00	0.00	22,570,434.00	24,000,000.00	473,978.38	17,000,000.00
October 1999	0.00	0.00	0.00	0.00	21,874,579.19	24,000,000.00	292,444.44	17,000,000.00
November 1999 ..	0.00	0.00	0.00	0.00	20,857,327.32	24,000,000.00	90,886.35	17,000,000.00
December 1999 ...	0.00	0.00	0.00	0.00	19,843,957.62	24,000,000.00	0.00	16,642,535.49
January 2000	0.00	0.00	0.00	0.00	18,834,451.93	24,000,000.00	0.00	16,198,830.13
February 2000 ...	0.00	0.00	0.00	0.00	17,828,792.15	24,000,000.00	0.00	15,761,106.15
March 2000	0.00	0.00	0.00	0.00	16,826,960.24	24,000,000.00	0.00	15,327,957.16
April 2000	0.00	0.00	0.00	0.00	15,828,938.21	24,000,000.00	0.00	14,899,356.63
May 2000	0.00	0.00	0.00	0.00	14,834,708.14	24,000,000.00	0.00	14,475,278.22
June 2000	0.00	0.00	0.00	0.00	13,844,252.16	24,000,000.00	0.00	14,055,695.70
July 2000	0.00	0.00	0.00	0.00	12,857,552.46	24,000,000.00	0.00	13,640,583.06
August 2000	0.00	0.00	0.00	0.00	11,874,591.29	24,000,000.00	0.00	13,229,914.41
September 2000 ..	0.00	0.00	0.00	0.00	10,895,350.95	24,000,000.00	0.00	12,823,664.09
October 2000	0.00	0.00	0.00	0.00	9,919,813.80	24,000,000.00	0.00	12,421,806.54

<u>Distribution Date</u>	<u>Class 4-A Planned Principal Balance</u>	<u>Class 4-B Planned Principal Balance</u>	<u>Class 4-C Planned Principal Balance</u>	<u>Class 4-D Planned Principal Balance</u>	<u>Class 4-E Planned Principal Balance</u>	<u>Class 4-G Planned Principal Balance</u>	<u>Class 4-H Planned Principal Balance</u>	<u>Class 4-J Planned Principal Balance</u>
November 2000 ..	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,143,140.73	\$24,000,000.00	\$ 0.00	\$12,069,137.91
December 2000 ...	0.00	0.00	0.00	0.00	8,370,135.74	24,000,000.00	0.00	11,720,811.46
January 2001	0.00	0.00	0.00	0.00	7,600,781.36	24,000,000.00	0.00	11,376,802.16
February 2001 ...	0.00	0.00	0.00	0.00	6,835,060.18	24,000,000.00	0.00	11,037,085.10
March 2001	0.00	0.00	0.00	0.00	6,072,954.84	24,000,000.00	0.00	10,701,635.56
April 2001	0.00	0.00	0.00	0.00	5,314,448.04	24,000,000.00	0.00	10,370,428.96
May 2001	0.00	0.00	0.00	0.00	4,559,522.53	24,000,000.00	0.00	10,043,440.87
June 2001	0.00	0.00	0.00	0.00	3,808,161.11	24,000,000.00	0.00	9,720,647.07
July 2001	0.00	0.00	0.00	0.00	3,060,346.65	24,000,000.00	0.00	9,402,023.45
August 2001	0.00	0.00	0.00	0.00	2,316,062.06	24,000,000.00	0.00	9,087,546.04
September 2001 ..	0.00	0.00	0.00	0.00	1,575,290.31	24,000,000.00	0.00	8,777,191.07
October 2001	0.00	0.00	0.00	0.00	838,014.43	24,000,000.00	0.00	8,470,934.87
November 2001 ..	0.00	0.00	0.00	0.00	104,217.49	24,000,000.00	0.00	8,168,754.01
December 2001 ...	0.00	0.00	0.00	0.00	0.00	23,373,882.62	0.00	7,870,625.10
January 2002	0.00	0.00	0.00	0.00	0.00	22,646,993.01	0.00	7,576,524.99
February 2002 ...	0.00	0.00	0.00	0.00	0.00	21,923,531.90	0.00	7,286,430.64
March 2002	0.00	0.00	0.00	0.00	0.00	21,203,482.57	0.00	7,000,319.17
April 2002	0.00	0.00	0.00	0.00	0.00	20,352,447.33	0.00	6,852,548.87
May 2002	0.00	0.00	0.00	0.00	0.00	19,475,372.31	0.00	6,738,147.63
June 2002	0.00	0.00	0.00	0.00	0.00	18,602,431.31	0.00	6,636,835.07
July 2002	0.00	0.00	0.00	0.00	0.00	17,733,604.04	0.00	6,548,446.30
August 2002	0.00	0.00	0.00	0.00	0.00	16,868,870.27	0.00	6,472,818.33
September 2002 ..	0.00	0.00	0.00	0.00	0.00	16,008,209.84	0.00	6,409,790.08
October 2002	0.00	0.00	0.00	0.00	0.00	15,151,602.64	0.00	6,359,202.34
November 2002 ..	0.00	0.00	0.00	0.00	0.00	14,455,995.68	0.00	6,309,763.66
December 2002 ...	0.00	0.00	0.00	0.00	0.00	13,778,133.98	0.00	6,258,720.52
January 2003	0.00	0.00	0.00	0.00	0.00	13,117,800.01	0.00	6,206,116.77
February 2003 ...	0.00	0.00	0.00	0.00	0.00	12,474,778.88	0.00	6,151,995.52
March 2003	0.00	0.00	0.00	0.00	0.00	11,848,858.29	0.00	6,096,399.07
April 2003	0.00	0.00	0.00	0.00	0.00	11,239,828.52	0.00	6,039,369.00
May 2003	0.00	0.00	0.00	0.00	0.00	10,647,482.39	0.00	5,980,946.07
June 2003	0.00	0.00	0.00	0.00	0.00	10,071,615.22	0.00	5,921,170.40
July 2003	0.00	0.00	0.00	0.00	0.00	9,512,024.83	0.00	5,860,081.29
August 2003	0.00	0.00	0.00	0.00	0.00	8,968,511.47	0.00	5,797,717.39
September 2003 ..	0.00	0.00	0.00	0.00	0.00	8,440,877.83	0.00	5,734,116.61
October 2003	0.00	0.00	0.00	0.00	0.00	7,928,928.97	0.00	5,669,316.19
November 2003 ..	0.00	0.00	0.00	0.00	0.00	7,579,139.33	0.00	5,603,352.67
December 2003 ...	0.00	0.00	0.00	0.00	0.00	7,244,651.68	0.00	5,536,261.92
January 2004	0.00	0.00	0.00	0.00	0.00	6,925,278.09	0.00	5,468,079.15
February 2004 ...	0.00	0.00	0.00	0.00	0.00	6,620,832.91	0.00	5,398,838.93
March 2004	0.00	0.00	0.00	0.00	0.00	6,331,132.74	0.00	5,328,575.20
April 2004	0.00	0.00	0.00	0.00	0.00	6,055,996.41	0.00	5,257,321.21
May 2004	0.00	0.00	0.00	0.00	0.00	5,795,244.94	0.00	5,185,109.66
June 2004	0.00	0.00	0.00	0.00	0.00	5,548,701.53	0.00	5,111,972.61
July 2004	0.00	0.00	0.00	0.00	0.00	5,316,191.51	0.00	5,037,941.49
August 2004	0.00	0.00	0.00	0.00	0.00	5,097,542.33	0.00	4,963,047.21
September 2004 ..	0.00	0.00	0.00	0.00	0.00	4,892,583.55	0.00	4,887,320.01

<u>Distribution Date</u>	<u>Class 4-A Planned Principal Balance</u>	<u>Class 4-B Planned Principal Balance</u>	<u>Class 4-C Planned Principal Balance</u>	<u>Class 4-D Planned Principal Balance</u>	<u>Class 4-E Planned Principal Balance</u>	<u>Class 4-G Planned Principal Balance</u>	<u>Class 4-H Planned Principal Balance</u>	<u>Class 4-J Planned Principal Balance</u>
October 2004	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,701,146.78	\$ 0.00	\$ 4,810,789.62
November 2004	0.00	0.00	0.00	0.00	0.00	4,523,065.67	0.00	4,733,485.17
December 2004	0.00	0.00	0.00	0.00	0.00	4,358,175.90	0.00	4,655,435.28
January 2005	0.00	0.00	0.00	0.00	0.00	4,206,315.14	0.00	4,576,667.98
February 2005	0.00	0.00	0.00	0.00	0.00	4,067,323.03	0.00	4,497,210.77
March 2005	0.00	0.00	0.00	0.00	0.00	3,941,041.15	0.00	4,417,090.61
April 2005	0.00	0.00	0.00	0.00	0.00	3,827,313.01	0.00	4,336,333.99
May 2005	0.00	0.00	0.00	0.00	0.00	3,725,984.01	0.00	4,254,966.85
June 2005	0.00	0.00	0.00	0.00	0.00	3,636,901.44	0.00	4,173,014.60
July 2005	0.00	0.00	0.00	0.00	0.00	3,559,914.42	0.00	4,090,502.20
August 2005	0.00	0.00	0.00	0.00	0.00	3,494,873.93	0.00	4,007,454.11
September 2005	0.00	0.00	0.00	0.00	0.00	3,441,632.74	0.00	3,923,894.30
October 2005	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,839,846.25
November 2005	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,786,088.89
December 2005	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
January 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
February 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
March 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
April 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
May 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
June 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
July 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
August 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
September 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
October 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
November 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
December 2006	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
January 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
February 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
March 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
April 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
May 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
June 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
July 2007	0.00	0.00	0.00	0.00	0.00	3,400,045.41	0.00	3,743,257.17
August 2007	0.00	0.00	0.00	0.00	0.00	3,228,169.93	0.00	3,743,257.17
September 2007	0.00	0.00	0.00	0.00	0.00	3,062,452.07	0.00	3,653,485.51
October 2007	0.00	0.00	0.00	0.00	0.00	2,905,381.34	0.00	3,563,666.00
November 2007	0.00	0.00	0.00	0.00	0.00	2,756,850.61	0.00	3,473,812.51
December 2007	0.00	0.00	0.00	0.00	0.00	2,616,754.04	0.00	3,383,938.64
January 2008	0.00	0.00	0.00	0.00	0.00	2,484,987.08	0.00	3,294,057.68
February 2008	0.00	0.00	0.00	0.00	0.00	2,361,446.47	0.00	3,204,182.59
March 2008	0.00	0.00	0.00	0.00	0.00	2,246,030.19	0.00	3,114,326.05
April 2008	0.00	0.00	0.00	0.00	0.00	2,138,637.46	0.00	3,024,500.46
May 2008	0.00	0.00	0.00	0.00	0.00	2,039,168.74	0.00	2,934,717.94
June 2008	0.00	0.00	0.00	0.00	0.00	1,947,525.69	0.00	2,844,990.33
July 2008	0.00	0.00	0.00	0.00	0.00	1,863,611.18	0.00	2,755,329.16
August 2008	0.00	0.00	0.00	0.00	0.00	1,787,329.24	0.00	2,665,745.78

<u>Distribution Date</u>	<u>Class 4-A Planned Principal Balance</u>	<u>Class 4-B Planned Principal Balance</u>	<u>Class 4-C Planned Principal Balance</u>	<u>Class 4-D Planned Principal Balance</u>	<u>Class 4-E Planned Principal Balance</u>	<u>Class 4-G Planned Principal Balance</u>	<u>Class 4-H Planned Principal Balance</u>	<u>Class 4-J Planned Principal Balance</u>
September 2008 ..	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,718,585.09	\$ 0.00	\$ 2,576,251.17
October 2008	0.00	0.00	0.00	0.00	0.00	1,657,285.09	0.00	2,486,856.15
November 2008 ..	0.00	0.00	0.00	0.00	0.00	1,603,336.76	0.00	2,397,571.20
December 2008 ...	0.00	0.00	0.00	0.00	0.00	1,556,648.72	0.00	2,308,406.60
January 2009	0.00	0.00	0.00	0.00	0.00	1,517,130.72	0.00	2,219,372.36
February 2009 ...	0.00	0.00	0.00	0.00	0.00	1,484,693.60	0.00	2,130,478.28
March 2009	0.00	0.00	0.00	0.00	0.00	1,459,249.30	0.00	2,041,733.90
April 2009	0.00	0.00	0.00	0.00	0.00	1,440,710.82	0.00	1,953,148.52
May 2009	0.00	0.00	0.00	0.00	0.00	1,428,992.23	0.00	1,864,731.19
June 2009	0.00	0.00	0.00	0.00	0.00	1,424,008.64	0.00	1,776,490.80
July 2009	0.00	0.00	0.00	0.00	0.00	1,424,008.64	0.00	1,690,103.52
August 2009	0.00	0.00	0.00	0.00	0.00	1,424,008.64	0.00	1,610,478.50
September 2009 ..	0.00	0.00	0.00	0.00	0.00	1,424,008.64	0.00	1,537,542.16
October 2009	0.00	0.00	0.00	0.00	0.00	1,424,008.64	0.00	1,471,221.64
November 2009 ..	0.00	0.00	0.00	0.00	0.00	1,424,008.64	0.00	1,344,777.88
December 2009 ...	0.00	0.00	0.00	0.00	0.00	1,397,583.08	0.00	1,251,232.14
January 2010	0.00	0.00	0.00	0.00	0.00	1,370,785.95	0.00	1,164,459.93
February 2010 ...	0.00	0.00	0.00	0.00	0.00	1,350,080.93	0.00	1,077,927.79
March 2010	0.00	0.00	0.00	0.00	0.00	1,335,392.00	0.00	991,642.72
April 2010	0.00	0.00	0.00	0.00	0.00	1,326,644.07	0.00	905,611.53
May 2010	0.00	0.00	0.00	0.00	0.00	1,323,762.97	0.00	819,840.81
June 2010	0.00	0.00	0.00	0.00	0.00	1,323,762.97	0.00	737,249.47
July 2010	0.00	0.00	0.00	0.00	0.00	1,323,762.97	0.00	660,652.51
August 2010	0.00	0.00	0.00	0.00	0.00	1,323,762.97	0.00	589,984.49
September 2010 ..	0.00	0.00	0.00	0.00	0.00	1,323,762.97	0.00	525,180.71
October 2010	0.00	0.00	0.00	0.00	0.00	1,323,762.97	0.00	464,229.17
November 2010 ..	0.00	0.00	0.00	0.00	0.00	990,357.99	0.00	311,034.49
December 2010 ...	0.00	0.00	0.00	0.00	0.00	593,209.60	0.00	227,257.46
January 2011	0.00	0.00	0.00	0.00	0.00	201,366.36	0.00	143,787.52
February 2011 and thereafter .	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Characteristics of the Class 4-R REMIC Certificate

The Class 4-R REMIC Certificate will not have a principal balance and will not bear interest. The Holder of the Class 4-R REMIC Certificate will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes of REMIC Certificates have been reduced to zero. It is not anticipated that there will be any material assets remaining in such circumstance.

The Class 4-R REMIC Certificate will be subject to certain transfer restrictions. No transfer of record or beneficial ownership in the Class 4-R REMIC Certificate (whether pursuant to a purchase, a default under a secured lending agreement or otherwise) will be allowed to a “disqualified organization,” or to any person holding the Class 4-R REMIC Certificate on behalf of a disqualified organization. The term “disqualified organization” includes the United States, any State or political subdivision thereof, any foreign government, any international organization, or any agency or instrumentality of the foregoing (other than certain taxable instrumentalities), any cooperative organization furnishing electric energy or providing telephone service to persons in rural areas, or any organization (other than a farmer’s cooperative) that is exempt from federal income tax, unless such organization is subject to tax on unrelated business income. Any transferee of the Class 4-R REMIC Certificate must execute and deliver (i) an affidavit stating that neither the transferee nor any person for whose account such transferee is acquiring the Class 4-R REMIC Certificate is a disqualified organization and (ii) an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. In addition, a pass-through entity (including a nominee) that holds the Class 4-R REMIC Certificate may be subject to additional taxes if a disqualified organization is a record holder therein. See “Certain Federal Income Tax Consequences—Sales of Certificates—*Residual Certificates Transferred to or Held by Disqualified Organizations*” herein.

In addition, no transfer of record or beneficial ownership in the Class 4-R REMIC Certificate (whether pursuant to a purchase, a default under a secured lending agreement or otherwise) will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. The term “U.S. Person” means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, or an estate or trust that is subject to U.S. federal income tax regardless of the source of its income.

Under the Regulations (as defined below under the heading “Certain Federal Income Tax Consequences”), a transfer of a “noneconomic residual interest” to a U.S. Person would be disregarded for all federal tax purposes unless no significant purpose of the transfer was to impede the assessment or collection of tax. The Class 4-R REMIC Certificate would be treated as constituting a noneconomic residual interest unless, at the time of the transfer, (i) the present value of the expected future distributions on the Class 4-R REMIC Certificate is no less than the product of the present value of the “anticipated excess inclusions” with respect to such Certificate and the highest rate of tax specified in section 11(b)(1) of the Code for the year in which the transfer occurs, and (ii) the transferor reasonably expects that the transferee will receive distributions from the Trust in an amount sufficient to satisfy the liability for income tax on any “excess inclusions” at or after the time when such liability accrues. Anticipated excess inclusions are the excess inclusions that are anticipated to be allocated to each calendar quarter (or portion thereof) following the transfer of the Class 4-R REMIC Certificate, determined as of the date such Certificate is transferred and based on events that have occurred as of that date and on the Prepayment Assumption. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” and “—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” herein. The Class 4-R REMIC Certificate will constitute a noneconomic residual interest under the Regulations.

The Regulations provide that a significant purpose to impede the assessment or collection of tax exists if, at the time of the transfer, the transferor of the Class 4-R REMIC Certificate has “improper knowledge” (i.e., either knew, or should have known, that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the Trust). A transferor is presumed not to have improper knowledge if (i) the transferor conducts, at the time of the transfer, a reasonable investigation of the financial condition of the transferee and, as a result of the investigation, the transferor finds that the transferee has historically paid its debts as they came due and finds no significant evidence to indicate that the transferee will not continue to pay its debts as they come due in the future; and (ii) the transferee makes certain representations to the transferor in the affidavit relating to disqualified organizations discussed above. Each transferee of the Class 4-R REMIC Certificate must affirm in the affidavit that no purpose of the transfer is to avoid or impede the assessment or collection of tax, that it understands that it may incur tax liabilities in excess of any cash flows generated by the Class 4-R REMIC Certificate and that it intends to pay taxes associated with holding the Class 4-R REMIC Certificate as they become due. Transferors of the Class 4-R REMIC Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the Class 4-R REMIC Certificate will be considered to be the holder of the residual interest in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” herein. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holder (i) such information as is necessary to enable it to prepare its federal income tax return and (ii) any reports regarding the REMIC Certificates that may be required under the Code.

Yield Considerations

General. There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the REMIC Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices thereof will be as assumed. The rate of distributions of principal of the REMIC Certificates will be directly related to the rate of distributions of principal of the Underlying REMIC Certificates which in turn will be related to the amortization (including prepayments) of the Mortgage Loans. Because the Underlying REMIC Certificates are subordinate in priority of distribution to another class of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust, it is possible under certain prepayment scenarios that the Underlying REMIC Certificates (and therefore the REMIC Certificates offered hereby) will receive no distributions for an extended period subsequent to April 1996. In addition, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed, the distributions thereon are likely to differ from those assumed, even if all the Mortgage Loans prepay at the indicated *constant* percentages of PSA. The rate of distribution of principal of the REMIC Certificates also will be affected by the distribution of a portion of the principal payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates in the month following the month in which they are received. In addition, it is not likely that the Mortgage Loans will prepay at a *constant* rate until maturity or that all of such Mortgage Loans will prepay at the same rate. The timing of changes in the rate of prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor’s yield to maturity. As a result, the effect on an investor’s yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the REMIC Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the REMIC Certificates.

The REMIC Certificates. The table below indicates the sensitivity of the pre-tax corporate bond equivalent yield to maturity of certain Classes of REMIC Certificates with respect to various constant prepayment rates. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed stream of cash flows to be paid on the applicable Classes of REMIC Certificates, would cause the discounted present value of such assumed stream of cash flows to equal the assumed aggregate purchase prices of such Classes of REMIC Certificates 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 REMIC Certificates and consequently do not purport to reflect the return on any investment in the REMIC Certificates when such reinvestment rates are considered.

The REMIC Certificates (other than the Class 4-R REMIC Certificate) will be principal only certificates, will not bear interest and will be offered at substantial discounts to their original principal balances. Low prepayment levels will have a negative effect on the yields on the REMIC Certificates.

The information set forth in the following table has been prepared on the basis of the Pricing Assumptions and on the assumption that the aggregate purchase prices of the Class 4-A, Class 4-B, Class 4-C, Class 4-D, Class 4-E, Class 4-G, Class 4-H, Class 4-J and Class 4-K REMIC Certificates are \$25,794,780, \$10,613,388, \$18,886,487, \$14,428,264, \$13,716,570, \$10,607,766, \$19,369,030, \$7,579,584 and \$25,453,674, respectively.

**Sensitivity of the REMIC Certificates to Prepayments
(Pre-Tax Yields to Maturity)**

PSA Percentages	<u>50%</u>	<u>75%</u>	<u>100%</u>	<u>150%</u>	<u>180%</u>	<u>225%</u>	<u>500%</u>
Class 4-A	3.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Class 4-B	4.4%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
Class 4-C	3.8%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Class 4-D	4.6%	7.2%	7.2%	7.2%	7.2%	7.2%	8.9%
Class 4-E	4.5%	7.5%	7.5%	7.5%	7.5%	7.5%	16.3%
Class 4-G	5.0%	7.7%	7.7%	7.7%	7.7%	7.7%	29.7%
Class 4-H	1.2%	1.6%	7.1%	7.1%	7.1%	7.1%	10.9%
Class 4-J	4.1%	5.0%	8.3%	8.3%	8.3%	7.4%	41.0%
Class 4-K	1.4%	1.7%	2.2%	11.7%	11.8%	11.8%	22.6%

Final Distribution Dates

The Final Distribution Date for REMIC Certificates of a particular Class is the date by which the principal thereof is required to be fully paid and is specified on the cover page. The Final Distribution Dates of the respective Classes of REMIC Certificates have been determined so that distributions on the underlying GNMA Certificates will be sufficient to retire each such Class on or before its Final Distribution Date without the necessity of any call on Fannie Mae under its guaranty of the REMIC Certificates. However, because (i) some prepayments of the Mortgage Loans are likely and (ii) certain of the Mortgage Loans have terms to maturity that are shorter than the term to maturity assumed in calculating the Final Distribution Dates, the actual final payment of any Class of REMIC Certificates likely will occur earlier, and could occur significantly earlier, than its Final Distribution Date. However, there can be no assurance that the final distribution of principal of any or all Classes of the REMIC Certificates will be earlier than the Final Distribution Date for such Class.

Reinvestment Risk

Because the Mortgage Loans underlying the GNMA Certificates may be prepaid at any time, it is not possible to predict the rate at which distributions of principal of the REMIC Certificates will be received. Accordingly, since prevailing interest rates are subject to fluctuation, there can be no assurance that investors in the REMIC Certificates will be able to reinvest the distributions thereon at yields equaling or exceeding the yields on the REMIC Certificates. It is possible that yields on any such reinvestments will be lower, and may be significantly lower, than the yields on the REMIC Certificates. Prospective investors in the REMIC Certificates should carefully consider the related reinvestment risks in light of other investments that may be available to such investors. See “Prepayment Considerations and Risks” herein.

Weighted Average Lives of the REMIC Certificates

The weighted average life of a REMIC Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such REMIC Certificate from one Distribution Date to the next Distribution Date by the number of years from the date of issuance 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 REMIC Certificate referred to in clause (a).

The weighted average lives of the REMIC Certificates will be influenced by, among other things, the rate at which principal is paid on the Mortgage Loans. In general, the weighted average lives of the REMIC Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. The weighted average lives will also depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Underlying REMIC Certificates, the priority sequence of distributions of principal of the REMIC Certificates offered hereby, the distribution of principal of certain Classes of REMIC Certificates in accordance with the Principal Balance Schedules herein, and the actual characteristics of the Mortgage Loans. The interaction of such factors may have different effects on the various Classes of REMIC Certificates and the effects on any Class may vary at different times during the life of such Class. Accordingly, no assurance can be given as to the weighted average life of any Class of REMIC Certificates. Further, to the extent the prices of the REMIC Certificates represent discounts to their respective original principal balances, variability in the weighted average lives of such Classes of REMIC Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the REMIC Certificates are affected by the foregoing factors at various *constant* prepayment rates, see the Decrement Tables below.

If the amount distributable as principal of the REMIC Certificates on any Distribution Date exceeds (or is less than) the amount required to reduce the principal balances of certain Classes of REMIC Certificates with higher principal payment priorities to their respective scheduled amounts as set forth in the Principal Balance Schedules, such excess principal (or no principal) will be distributed on the remaining Classes of REMIC Certificates on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans is expected to have a greater effect on the weighted average lives of the Class 4-K REMIC Certificates and, under certain prepayment scenarios, the Secondary Planned Principal REMIC Certificates than on the weighted average lives of the Primary Planned Principal REMIC Certificates. See “Distributions of Principal” herein.

Decrement Tables

The following tables indicate the percentages of the original principal balances of the specified Classes of REMIC Certificates that would be outstanding after each of the dates shown at various constant percentages of PSA and the corresponding weighted average lives of such Classes of REMIC Certificates. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth under 0% PSA, it has been assumed that each Mortgage Loan underlying the GNMA Certificates bears an interest rate of 8.5% per annum, and has an original term to maturity of 360 months and a remaining term to maturity of 356 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rate or remaining term to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a constant level of PSA. In addition, a portion of the payments (including prepayments) on the Mortgage Loans will be distributed in the month following the month in which such payments are received. Moreover, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the various constant percentages of PSA specified, even if the weighted average remaining term to maturity of the Mortgage Loans is identical to the remaining term to maturity specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	Class 4-A					Class 4-B					Class 4-C				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	150%	225%	500%	0%	75%	150%	225%	500%	0%	75%	150%	225%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1994	90	54	54	54	54	100	100	100	100	100	100	100	100	100	100
January 1995	78	0	0	0	0	100	74	74	74	74	100	100	100	100	100
January 1996	66	0	0	0	0	100	0	0	0	0	100	60	60	60	60
January 1997	63	0	0	0	0	100	0	0	0	0	100	9	9	9	9
January 1998	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 1999	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2000	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2001	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2002	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2003	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2004	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2005	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2006	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2007	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2008	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2009	63	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2010	43	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2011	11	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2012	0	0	0	0	0	16	0	0	0	0	100	0	0	0	0
January 2013	0	0	0	0	0	0	0	0	0	0	47	0	0	0	0
January 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)*	11.5	1.0	1.0	1.0	1.0	18.7	2.2	2.2	2.2	2.2	20.0	3.2	3.2	3.2	3.2

* The weighted average life of a REMIC Certificate is determined as specified under "Weighted Average Lives of the REMIC Certificates" herein.

Date	Class 4-D					Class 4-E					Class 4-G				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	150%	225%	500%	0%	75%	150%	225%	500%	0%	75%	150%	225%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1994	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1995	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1996	100	100	100	100	100	100	100	100	100	100	100	100	100	100	38
January 1997	100	100	100	100	87	100	100	100	100	0	100	100	100	100	0
January 1998	100	64	64	64	0	100	100	100	100	0	100	100	100	100	0
January 1999	100	20	20	20	0	100	100	100	100	0	100	100	100	100	0
January 2000	100	0	0	0	0	100	78	78	78	0	100	100	100	100	0
January 2001	100	0	0	0	0	100	32	32	32	0	100	100	100	100	0
January 2002	100	0	0	0	0	100	0	0	0	0	100	94	94	94	0
January 2003	100	0	0	0	0	100	0	0	0	0	100	55	55	55	0
January 2004	100	0	0	0	0	100	0	0	0	0	100	29	29	29	0
January 2005	100	0	0	0	0	100	0	0	0	0	100	18	18	18	0
January 2006	100	0	0	0	0	100	0	0	0	0	100	14	14	14	0
January 2007	100	0	0	0	0	100	0	0	0	0	100	14	14	14	0
January 2008	100	0	0	0	0	100	0	0	0	0	100	10	10	10	0
January 2009	100	0	0	0	0	100	0	0	0	0	100	6	6	6	0
January 2010	100	0	0	0	0	100	0	0	0	0	100	6	6	6	0
January 2011	100	0	0	0	0	100	0	0	0	0	100	1	1	1	0
January 2012	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2013	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2014	78	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2015	0	0	0	0	0	99	0	0	0	0	100	0	0	0	0
January 2016	0	0	0	0	0	23	0	0	0	0	100	0	0	0	0
January 2017	0	0	0	0	0	0	0	0	0	0	30	0	0	0	0
January 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)*	21.4	5.4	5.4	5.4	4.3	22.7	7.7	7.7	7.7	3.6	23.8	11.0	11.0	11.0	3.0

Date	Class 4-H							Class 4-J							Class 4-K				
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption				
	0%	75%	100%	150%	180%	225%	500%	0%	75%	100%	150%	180%	225%	500%	0%	75%	150%	225%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1994	100	100	87	87	87	87	87	100	100	100	100	100	100	100	100	100	79	79	79
January 1995	100	100	68	68	68	68	68	100	100	100	100	100	100	92	100	100	60	60	0
January 1996	100	100	49	49	49	49	0	100	100	100	100	100	100	0	100	100	43	43	0
January 1997	100	100	33	33	33	33	0	100	100	100	100	100	100	0	100	100	29	29	0
January 1998	100	100	20	20	20	20	0	100	100	100	100	100	100	0	100	100	17	17	0
January 1999	100	100	8	8	8	8	0	100	100	100	100	100	100	0	100	100	8	8	0
January 2000	100	100	0	0	0	0	0	100	100	95	95	95	95	0	100	100	1	1	0
January 2001	100	99	0	0	0	0	0	100	100	67	67	67	67	0	100	100	1	1	0
January 2002	100	99	0	0	0	0	0	100	100	45	45	45	45	0	100	100	1	1	0
January 2003	100	99	0	0	0	0	0	100	100	37	37	37	39	0	100	100	1	1	0
January 2004	100	93	0	0	0	0	0	100	100	32	32	32	39	0	100	100	1	1	0
January 2005	100	80	0	0	0	0	0	100	100	27	27	27	39	0	100	100	1	1	0
January 2006	100	62	0	0	0	0	0	100	100	22	22	22	39	0	100	100	1	1	0
January 2007	100	40	0	0	0	0	0	100	100	22	22	22	39	0	100	100	1	1	0
January 2008	100	8	0	0	0	0	0	100	100	19	19	19	34	0	100	100	1	1	0
January 2009	100	0	0	0	0	0	0	100	69	13	13	13	34	0	100	100	1	1	0
January 2010	100	0	0	0	0	0	0	100	23	7	7	7	34	0	100	100	1	1	0
January 2011	100	0	0	0	0	0	0	100	1	1	1	1	34	0	100	86	1	1	0
January 2012	100	0	0	0	0	0	0	100	0	0	0	0	10	0	100	50	0	1	0
January 2013	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	13	0	0	0
January 2014	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0
January 2015	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0
January 2016	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0
January 2017	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0
January 2018	19	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0
January 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)*	24.8	13.3	3.2	3.2	3.2	3.2	2.0	25.5	16.4	10.4	10.4	10.4	12.0	2.2	26.4	19.0	3.0	3.0	1.5

* The weighted average life of a REMIC Certificate is determined as specified under "Weighted Average Lives of the REMIC Certificates" herein.

THE TRUST AGREEMENT

The following summaries describe certain provisions of the Trust Agreement not otherwise summarized in this Prospectus. Certain capitalized terms in these summaries are used as defined in the Trust Agreement. These summaries do not purport to be complete and are subject to, and qualified in their entirety by reference to, the more complete provisions of the Trust Agreement.

Transfer of the Underlying REMIC Certificates to the Trust

The Underlying REMIC Certificates transferred to the Trust will be identified in a Fannie Mae Security Schedule appearing as an exhibit to the Trust Agreement. The Underlying REMIC Certificates will be registered in Fannie Mae's name on the books of a Federal Reserve Bank, and held for the Holders of REMIC Certificates by Fannie Mae in its capacity as Trustee of the Trust.

Distributions on the Underlying REMIC Certificates; Deposits in the Certificate Account

Fannie Mae will deposit or credit to an account (the "Certificate Account") an amount equal to the sum of the distributions of principal on the Underlying REMIC Certificates in the Trust as the same are received. Amounts credited to the Certificate Account as of a Distribution Date will be available to be distributed to Holders on such date to the extent of principal distributions reflected in the REMIC Trust Factors. Any reinvestment earnings on amounts so deposited will be used by Fannie Mae to pay the expenses of the Trust and will not be included in the calculation of amounts distributable to Certificateholders.

The Trust Agreement permits Fannie Mae as Trustee to maintain the Certificate Account either (i) as a trust account with an eligible depository institution (which account may contain other funds held by Fannie Mae in a trust capacity) or (ii) as part of Fannie Mae's general assets, with appropriate entries being made on its books and records designating the funds and investments credited to the Trust.

As noted above, Fannie Mae, as Trustee, has the option to maintain the Certificate Account as part of its general assets, by making appropriate entries on its books and records designating the funds and investments credited to the Trust. Although Fannie Mae is required to hold all such funds (and, upon deposit in the Certificate Account, the investments of such funds) for the account of Certificateholders in the Trust, the law applicable to a liquidation, reorganization or similar proceeding involving the assets of Fannie Mae is unclear and as a result no opinion can be rendered as to the status of Certificateholders' interest in such funds and investments in the event of any such proceeding.

Reports to Certificateholders

As soon as practicable following the eleventh calendar day of the month in which each Distribution Date occurs, Fannie Mae will publish or otherwise make available the REMIC Trust Factor for each Class of REMIC Certificates after giving effect to the distribution of principal to be made on the following Distribution Date. The certificate principal balance of a REMIC Certificate of any Class after giving effect to such principal distribution will be the product of the applicable REMIC Trust Factor and the applicable denomination or initial certificate principal balance of such REMIC Certificate. With respect to each distribution on REMIC Certificates of each Class, Fannie Mae will cause to be forwarded to each Holder thereof a statement setting forth the total principal distributions on such Distribution Date with respect to the REMIC Certificates in each Class held by such Holder. Fannie Mae also will furnish to each person who was a Certificateholder at any time during a calendar year such statements and information as shall be required to be furnished pursuant to the Code.

Calculations with respect to amounts due to Certificateholders will be made by Fannie Mae or on its behalf by another entity retained specifically for that purpose. Fannie Mae intends initially to retain State Street to perform such calculations on behalf of Fannie Mae. For a description of the manner in which the Principal Distribution Amount for any Distribution Date will be calculated, see “Description of the REMIC Certificates—Distributions of Principal.”

Certain Matters Regarding Fannie Mae

The Trust Agreement provides that Fannie Mae may not resign from its obligations and duties thereunder, except upon determination that those duties are no longer permissible under applicable law. No such resignation will become effective until a successor has assumed Fannie Mae’s obligations and duties under the Trust Agreement; provided, however, that no successor will succeed to Fannie Mae’s guaranty obligations described above. Fannie Mae will continue to be responsible under its guaranty notwithstanding any termination of its other duties and responsibilities under the Trust Agreement. See “Rights Upon Event of Default” below.

The Trust Agreement also provides that neither Fannie Mae nor any director, officer, employee, or agent of Fannie Mae will be under any liability to the Trust or to Certificateholders for any action taken, or for refraining from the taking of any action, in good faith pursuant to the Trust Agreement or for errors in judgment; provided, however, that neither Fannie Mae nor any such person will be protected against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence or by reason of willful disregard of obligations and duties.

In addition, the Trust Agreement provides that Fannie Mae is not under any obligation to appear in, prosecute, or defend any legal action that is not incidental to its responsibilities under the Trust Agreement and that in its opinion may involve it in any expense or liability. Fannie Mae may, however, in its discretion, undertake any such legal action that it may deem necessary or desirable in the interests of the Certificateholders. In such event, the legal expenses and costs of such action will be expenses and costs of Fannie Mae that will be reimbursable to Fannie Mae out of the Trust to the extent funds are available in the Certificate Account after required distributions on the REMIC Certificates are made.

Any corporation into which Fannie Mae may be merged or consolidated, or any corporation resulting from any merger, conversion, or consolidation to which Fannie Mae is a party, or any corporation succeeding to the business of Fannie Mae, will be the successor of Fannie Mae under the terms of the Trust Agreement.

Events of Default

Events of Default under the Trust Agreement will consist of (i) any failure by Fannie Mae to distribute to Holders of REMIC Certificates of any Class any required distribution that continues unremedied for 15 days after the giving of written notice of such failure to Fannie Mae by the Holders of REMIC Certificates representing certificate principal balances aggregating not less than five percent of the aggregate certificate principal balances of all REMIC Certificates of such Class; (ii) any failure by Fannie Mae duly to observe or perform in any material respect any other of its covenants or agreements in the Trust Agreement, which failure continues unremedied for 60 days after the giving of written notice of such failure to Fannie Mae by the Holders of REMIC Certificates of any Class representing certificate principal balances aggregating not less than 25 percent of the aggregate certificate principal balances of all of the REMIC Certificates of such Class; and (iii) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings and certain actions by or against Fannie Mae indicating its insolvency, reorganization or inability to pay its obligations.

Rights Upon Event of Default

As long as an Event of Default under the Trust Agreement remains unremedied, the Holders of REMIC Certificates of any Class representing certificate principal balances aggregating not less than 25 percent of the aggregate of the certificate principal balances of all REMIC Certificates of such Class may, in writing, terminate all of the obligations and duties of Fannie Mae as Trustee and in its corporate capacity under the Trust Agreement (other than its guaranty obligations described above, which continue notwithstanding any such termination) and name and appoint, in writing, a successor to succeed to all such responsibilities, duties and obligations of Fannie Mae thereunder (other than Fannie Mae's guaranty obligations) and to the legal title to the Underlying REMIC Certificates held in the Trust.

Amendment

The Trust Agreement may be amended by Fannie Mae and the Trustee without the consent of or notice to any of the Certificateholders, for one or more of the following purposes: (i) to add to the covenants of Fannie Mae; (ii) to evidence the succession of another party or parties to Fannie Mae and the assumption by such successor or successors of the obligations of Fannie Mae thereunder in its corporate capacity or in its capacity as Trustee or in both such capacities; (iii) to eliminate any right reserved to or conferred upon Fannie Mae in its corporate capacity; (iv) to make provisions for the purpose of curing any ambiguity or correcting or supplementing any provision in the Trust Agreement, provided such provisions do not adversely affect the interest of any Certificateholder; or (v) to modify the Trust Agreement to maintain the qualification of the Trust as a REMIC under the Code.

The Trust Agreement also may be amended by Fannie Mae with the consent of the Holders of REMIC Certificates of each Class representing certificate principal balances aggregating not less than 66 percent of the aggregate certificate principal balances of all REMIC Certificates of such Class so as to waive compliance by Fannie Mae with any terms of the Trust Agreement, or to allow Fannie Mae to eliminate, change, add to or modify the terms of the Trust Agreement. However, no such waiver or amendment may, without the consent of all Certificateholders, terminate or modify the guaranty obligations of Fannie Mae or reduce the percentages of the REMIC Certificates the Holders of which are required to consent to any waiver or amendments. In addition, no waiver or amendment shall, without the consent of each Certificateholder affected thereby, reduce in any manner the amount of, or delay the timing of, payments received on the Underlying REMIC Certificates or other assets in the Trust that are required to be distributed on any REMIC Certificate.

Termination

The Trust will terminate upon the distribution to Certificateholders of all required distributions of the principal of the REMIC Certificates.

GNMA AND THE GNMA PROGRAMS

GNMA

The Government National Mortgage Association is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), authorizes GNMA to guarantee the timely payment of the principal of, and interest on, certificates that are based on and backed by a pool of mortgage loans insured by the Federal Housing Administration ("FHA") under the Housing Act or Title V of the Housing Act of 1949, or partially guaranteed by the Department of Veterans Affairs ("VA") under the Servicemen's Readjustment Act of 1944, as amended, or Chapter 37 of Title 38, United States Code.

Section 306(g) of the Housing Act provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” To meet its obligations under such guaranties, GNMA is authorized, under Section 306(d) of the Housing Act, to borrow from the United States Treasury with no limitations as to amount.

GNMA Programs

Each GNMA Certificate underlying the REMIC Certificates will be a “fully modified pass-through” mortgage-backed security issued and serviced by a mortgage banking company or other financial concern approved by GNMA as a seller-servicer of loans insured by the FHA and/or loans partially guaranteed by the VA. GNMA Certificates may be issued under either or both of the GNMA I program (“GNMA I Certificates”) and the GNMA II program (“GNMA II Certificates”). The holder of a GNMA Certificate has essentially the same rights with respect to a GNMA Certificate issued under either program. However, there are certain differences between the two programs.

Under the GNMA I program, monthly payments will be made directly by the GNMA issuer to the registered holder of the GNMA I Certificate by the 15th calendar day of each month. Under the GNMA I program an individual GNMA issuer assembles a pool of mortgage loans against which it issues and markets GNMA I Certificates. All mortgage loans underlying a particular GNMA I Certificate must have the same annual interest rate, and the pass-through rate on each GNMA I Certificate will be 0.5% per annum less than the annual interest rate on the mortgage loans included in the pool of mortgage loans backing such GNMA I Certificate.

Under the GNMA II program, monthly payments will be made to the registered holder of the GNMA II Certificate through Chemical Bank, as paying agent, no later than the 20th calendar day of each month. Under the GNMA II program multiple issuer pools may be formed through the aggregation of loan packages of more than one GNMA issuer. Under this option, packages submitted by various GNMA issuers for a particular issue date and pass-through rate are aggregated into a single pool which backs a single issue of GNMA II Certificates. Each GNMA II Certificate issued under a multiple issuer pool is backed by a proportionate interest in the entire pool rather than solely by the loan package contributed by any one GNMA issuer. Single issuer pools also may be formed under the GNMA II program. Mortgages underlying a particular GNMA II Certificate may have annual interest rates that vary from each other by up to 1%, and the pass-through rate on each GNMA II Certificate will be between 0.5% and 1.5% per annum less than the highest annual interest rate on any mortgage loan included in the pool of mortgage loans backing such GNMA II Certificate.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

The following is a discussion of the material anticipated federal income tax consequences to beneficial owners of the purchase, ownership and disposition of the REMIC Certificates offered hereby. The discussion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. The discussion below does 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 REMIC Certificates.

On December 23, 1992, the Treasury Department issued regulations (the "Regulations") that provide some guidance regarding the federal income tax consequences associated with the purchase, ownership and disposition of the REMIC Certificates. Generally, the Regulations apply to any REMIC the closing date of which is on or after November 12, 1991. While certain material provisions of the Regulations are discussed below, investors should consult their own tax advisors regarding the possible application of the Regulations in their specific circumstances.

REMIC Election

An election will be made to treat the Trust as a REMIC. Qualification as a REMIC requires ongoing compliance with certain conditions. With respect to the REMIC Certificates, Dewey Ballantine, special tax counsel to Fannie Mae, will deliver its opinion to Fannie Mae that, assuming compliance with the Trust Agreement, the Trust will be treated as a REMIC for federal income tax purposes. The REMIC Certificates, other than the Class 4-R REMIC Certificate, will be designated as the "regular interests," and the Class 4-R REMIC Certificate will be designated as the "residual interest," in the REMIC constituted by the Trust. The Class 4-R REMIC Certificate will be referred to as the "Residual Certificate" and the remaining REMIC Certificates will be referred to as "Regular Certificates."

The Trust will not be subject to federal income tax except with respect to income from prohibited transactions and in certain other instances described below. See "Taxes on a REMIC Trust" below. Generally, the total income of the Underlying REMIC Certificates held by the Trust will be taxable to the beneficial owners of the REMIC Certificates, as described below.

Taxation of Beneficial Owners of Regular Certificates

Except as indicated below in this federal income tax discussion, the Regular Certificates will be treated for federal income tax purposes as debt instruments issued by the Trust on the date such Certificates are first sold to the public (the "Closing Date") and not as ownership interests in the Trust or its assets. Beneficial owners of Regular Certificates ("Regular Owners") that otherwise report income under a cash method of accounting will be required to report income with respect to such Certificates under an accrual method.

Original Issue Discount

Each Class of Regular Certificates will be issued with "original issue discount" within the meaning of section 1273(a) of the Code. Owners of Regular Certificates should be aware that for federal income tax purposes they must include in gross income original issue discount as it accrues under a method that takes account of the compounding of interest, generally in advance of receipt of the cash attributable to such income. Fannie Mae will supply, at the time and in the manner required by the IRS, to Holders of Regular Certificates, brokers and middlemen information with respect to the original issue discount accruing on such Certificates.

In general, a Regular Certificate will be considered to be issued with original issue discount equal to the excess, if any, of its "stated redemption price at maturity" over its "issue price." The issue price of a Regular Certificate is the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of the Regular Certificates was sold. The stated redemption price at maturity of any Regular Certificate is equal to the sum of all distributions to be made under such Certificate.

Notwithstanding the general definition, original issue discount will be treated as zero in the case of a Regular Certificate if such discount is less than 0.25 percent of the stated redemption price at maturity of such Certificate multiplied by its weighted average life. The weighted average life of

a Regular Certificate is apparently computed for this purpose as the sum, for all distributions included in the stated redemption price at maturity of the Certificate, of the amounts determined by multiplying (i) the number of complete years (rounding down for partial years) from the Closing Date until the date on which each such distribution is expected to be made under the assumption that the Mortgage Loans underlying the GNMA Certificates prepay at 150 percent PSA (the "Prepayment Assumption") by (ii) a fraction, the numerator of which is the amount of such distribution and the denominator of which is the Regular Certificate's stated redemption price at maturity. If original issue discount is treated as zero under this rule, the actual amount of original issue discount must be allocated to the principal distributions on the Regular Certificate and, when each such distribution is received, gain equal to the discount allocated to such distribution will be recognized.

Section 1272(a)(6) of the Code contains special original issue discount rules applicable to the Regular Certificates. Under these rules, (i) it is anticipated that the amount and rate of accrual of original issue discount on the Regular Certificates will be based on the Prepayment Assumption and (ii) adjustments will be made in the amount of discount accruing in each taxable year in which the actual prepayment rate differs from the Prepayment Assumption.

Section 1272(a)(6)(B)(iii) of the Code requires that the prepayment assumption used to calculate original issue discount be determined in the manner prescribed in Treasury regulations. To date, no such regulations have been promulgated. The legislative history of this Code provision indicates that the regulations will provide that the assumed prepayment rate must be the rate used by the parties in pricing the particular transaction. The Prepayment Assumption for the Regular Certificates is consistent with this standard. Fannie Mae makes no representation, however, that the Mortgage Loans underlying the GNMA Certificates will prepay at the rate reflected in the Prepayment Assumption or at any other rate. Each investor must make its own decision as to the appropriate prepayment assumption to be used in deciding whether or not to purchase any of the REMIC Certificates.

Each Owner of a Regular Certificate must include in gross income the sum of the "daily portions" of original issue discount on its Regular Certificate for each day during its taxable year on which it held such Certificate. For this purpose, in the case of an original Owner, the daily portions of original issue discount will be determined as follows. A calculation will first be made of the portion of the original issue discount that accrued during each "accrual period." In general, an accrual period for tax purposes is not the same as an Interest Accrual Period but is a period that ends on a Distribution Date and begins on the day immediately following the preceding accrual period. The period from the Closing Date to the first Distribution Date will constitute a short first accrual period (a "Short Period").

The portion of original issue discount treated as accruing for any accrual period will equal the *excess*, if any, of (i) the sum of (A) the present values of all of the distributions remaining to be made on the Regular Certificate, if any, as of the end of the accrual period and (B) the distribution made on such Certificate during the accrual period, *over* (ii) the adjusted issue price of such Certificate at the beginning of the accrual period. The present value of the remaining distributions referred to in the preceding sentence will be calculated based on (i) the yield to maturity of the Regular Certificate, calculated as of the Closing Date, giving effect to the Prepayment Assumption, (ii) events (including actual prepayments) that have occurred prior to the end of the accrual period, and (iii) the Prepayment Assumption. The adjusted issue price of a Regular Certificate at the beginning of any accrual period will equal the issue price of such Certificate, increased by the aggregate amount of original issue discount with respect to such Certificate that accrued in prior accrual periods, and reduced by the amount of any distributions, other than "qualified periodic interest payments," made on such Certificate in prior accrual periods. The term "qualified periodic

interest payments” means all payments of interest on a Regular Certificate that are not included in the stated redemption price at maturity of such Regular Certificate, as discussed above. The original issue discount accruing during any accrual period will then be allocated ratably to each day during the period to determine the daily portion of original issue discount.

A subsequent purchaser of a Regular Certificate also will be required to include in gross income for each day on which it holds such Certificate, the daily portion of original issue discount with respect to such Certificate (but reduced, if the cost of such Certificate to such purchaser exceeds its “revised issue price,” by an amount equal to the product of (i) such daily portion and (ii) a constant fraction, the numerator of which is such excess and the denominator of which is the sum of the daily portions of original issue discount on such Certificate for all days on or after the day of purchase). The revised issue price of a Regular Certificate on any given day is equal to the sum of the adjusted issue price of the Regular Certificate at the beginning of the accrual period during which such day occurs and the daily portions of original issue discount for all days during such accrual period prior to such day.

Market Discount

An Owner that purchases a Regular Certificate at a market discount, that is, at a purchase price less than the remaining stated redemption price at maturity of such Certificate, or in the case of a Regular Certificate issued with original issue discount, less than the revised issue price of such Certificate, will be required to allocate each principal distribution first to accrued market discount on the Certificate, and to recognize ordinary income to the extent such distribution does not exceed the aggregate amount of accrued market discount on such Certificate that was not previously included in income. With respect to Regular Certificates that have unaccrued original issue discount, such market discount must be included in income in addition to original issue discount includible under the rules described above under “*Original Issue Discount*.” An Owner that incurs or continues indebtedness to acquire a Regular Certificate at a market discount may also be required to defer the deduction of all or a portion of the interest on such indebtedness until the corresponding amount of market discount is included in income. In general terms, market discount on a Regular Certificate may be treated as accruing either (i) under a constant yield method, taking into account the Prepayment Assumption, or (ii) in proportion to remaining accruals of original issue discount, if any, or if none, in proportion to remaining distributions of interest on the Regular Certificate. Fannie Mae will make available, as required by the IRS, to Holders of Regular Certificates information necessary to compute the accrual of market discount under the second of these two methods.

Notwithstanding the above rules, market discount on a Regular Certificate will be considered to be zero if such discount is less than 0.25 percent of the remaining stated redemption price at maturity of such Certificate multiplied by its weighted average remaining life. Weighted average remaining life presumably would be calculated in a manner similar to weighted average life, taking into account payments (including prepayments) prior to the date of acquisition of the Regular Certificate by the subsequent purchaser. If market discount on a Regular Certificate is treated as zero under this rule, the actual amount of market discount must be allocated to the remaining principal distributions on the Regular Certificate and, when each such distribution is received, gain equal to the discount allocated to such distribution will be recognized.

Taxation of Beneficial Owners of Residual Certificates

Daily Portions

Except as indicated below, a beneficial owner of a Residual Certificate (a “Residual Owner”) for a REMIC trust generally will be required to report its daily portion of the taxable income or

net loss of the REMIC trust for each day during a calendar quarter that the Residual Owner owned such Residual Certificate. For this purpose, the daily portion shall be determined by allocating to each day in the calendar quarter its ratable portion of the taxable income or net loss of the REMIC trust for such quarter and by allocating the amount so allocated among the Residual Owners (on such day) in accordance with their percentage interests on such day. Any amount included in the gross income or allowed as a loss of any Residual Owner by virtue of this paragraph will be treated as ordinary income or loss.

The requirement that each Residual Owner report its daily portion of the taxable income or net loss of a REMIC trust will continue until there are no regular interests outstanding, even though the Residual Owner may have received full payment of its stated interest and principal.

Taxable Income or Net Loss of a REMIC Trust

The taxable income or net loss of a REMIC trust will be the income from the “qualified mortgages” it holds and any reinvestment earnings less deductions allowed to the REMIC trust. In the case of the Trust, the qualified mortgages are the Underlying REMIC Certificates. Such taxable income or net loss for a given calendar quarter will be determined in the same manner as for an individual having the calendar year as his taxable year and using the accrual method of accounting, with certain modifications. The first modification is that a deduction will be allowed for accruals of interest (including any original issue discount, but without regard to the investment interest limitation in section 163(d) of the Code) on the regular interests in a REMIC trust (but not the residual interest in the trust), even though regular interests are for non-tax purposes certificates of beneficial ownership rather than indebtedness of the trust. Second, market discount or premium equal to the difference between the total stated principal balance of the qualified mortgages and the basis to the REMIC trust therein generally will be included in income (in the case of discount) or deductible (in the case of premium) by the REMIC trust as it accrues under a constant yield method, taking into account the Prepayment Assumption. The basis to the REMIC trust in the qualified mortgages is the aggregate of the issue prices of all the regular and residual certificates in the REMIC trust on the Closing Date. If, however, a substantial amount of a class of regular or residual certificates has not been sold to the public, then the fair market value of all the regular or residual certificates in that class as of the date of this Prospectus should be substituted for the issuer price. Third, no item of income, gain, loss or deduction allocable to a prohibited transaction (see “Taxes on a REMIC Trust—*Prohibited Transactions*” below) will be taken into account. Fourth, a REMIC trust generally may not deduct any item that would not be allowed in calculating the taxable income of a partnership by virtue of section 703(a)(2) of the Code. Finally, the limitation on miscellaneous itemized deductions imposed on individuals by section 67 of the Code will not be applied at the REMIC trust level to any administrative fees, such as servicing and guaranty fees. (See, however, “*Pass-Through of Servicing and Guaranty Fees to Individuals*” below.) In addition, under the Regulations, any expenses that are incurred in connection with the formation of a REMIC trust and the issuance of Regular and Residual Certificates are not treated as expenses of the REMIC trust for which a deduction is allowed. Moreover, the Regulations provide that a REMIC trust is not allowed a deduction for expenses and interest allocable to tax-exempt income, as determined under section 265(b)(2) of the Code without regard to section 265(b)(3) of the Code. If the deductions allowed to a REMIC trust exceed its gross income for a calendar quarter, such excess will be the net loss for the REMIC trust for that calendar quarter. The Regulations also provide that any gain or loss to a REMIC trust from the disposition of any asset, including a qualified mortgage or “permitted investment” (as defined in section 860G(a)(5) of the Code) will be treated as ordinary gain or loss.

A Residual Owner may be required to recognize taxable income for a given period without being entitled to receive a corresponding amount of cash. This will occur if the accrual of original

issue discount on the qualified mortgages in a REMIC trust for that period exceeds the REMIC trust's deduction for accrued original issue discount on the regular interests in the trust by an amount that exceeds the principal distribution on the residual interest in the trust for that period. Taxable income may also be greater in earlier years as a result of the fact that interest expense deductions, expressed as a percentage of the outstanding principal amount of the regular interests in a REMIC trust, may increase over time as the earlier classes of regular interests are paid, whereas interest income with respect to any given Mortgage Loan underlying a GNMA Certificate, expressed as a percentage of the outstanding principal amount of that Mortgage Loan, will remain constant over time.

Basis Rules and Distributions

A Residual Owner has an initial basis in its Residual Certificate equal to the amount paid for such Residual Certificate. Such basis is increased by amounts included in the income of the Residual Owner and decreased by distributions and by any net loss taken into account with respect to such Residual Certificate. A distribution on a Residual Certificate to a Residual Owner is not included in gross income to the extent it does not exceed such Residual Owner's basis in the Residual Certificate (adjusted as described above) and, to the extent it exceeds the adjusted basis of the Residual Certificate, shall be treated as gain from the sale of the Residual Certificate.

A Residual Owner is not allowed to take into account any net loss for any calendar quarter to the extent such net loss exceeds such Residual Owner's adjusted basis in its Residual Certificate as of the close of such calendar quarter (determined without regard to such net loss). Any loss disallowed by reason of this limitation may be carried forward indefinitely to future calendar quarters and, subject to the same limitation, may be used only to offset income from the Residual Certificate.

Excess Inclusions

Any "excess inclusions" with respect to a Residual Certificate are subject to certain special tax rules. With respect to a Residual Owner, the excess inclusion for any calendar quarter is defined as the excess (if any) of the daily portions of taxable income over the sum of the "daily accruals" for each day during such quarter that such Residual Certificate was held by such Residual Owner. The daily accruals are determined by allocating to each day during a calendar quarter its ratable portion of the product of the "adjusted issue price" of the Residual Certificate at the beginning of the calendar quarter and 120 percent of the "federal long-term rate" in effect on the Closing Date, based on quarterly compounding, and properly adjusted for the length of such quarter. For this purpose, the adjusted issue price of a Residual Certificate as of the beginning of any calendar quarter is equal to the issue price of the Residual Certificate, increased by the amount of daily accruals for all prior quarters and decreased by any distributions made with respect to such Residual Certificate before the beginning of such quarter. The issue price of a Residual Certificate is the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of the Residual Certificates was sold. The federal long-term rate is a blend of current yields on Treasury securities having a maturity of more than nine years, computed and published monthly by the IRS. With respect to the REMIC Certificates, 120% of the federal long-term rate based on quarterly compounding that will be in effect on the Closing Date is 8.51%.

For Residual Owners that are organizations to which section 593 of the Code applies, income from a Residual Certificate generally may be offset by losses from other activities. Under the Regulations, such an organization is treated as having applied its allowable deductions for the year first to offset income that is not an excess inclusion and then to offset that portion of its income that is an excess inclusion. For other Residual Owners, any excess inclusions cannot be offset by losses from other activities. For Residual Owners that are subject to tax only on unrelated business

taxable income (as defined in section 511 of the Code), an excess inclusion of such Residual Owner is treated as unrelated business taxable income. With respect to variable contracts (within the meaning of section 817 of the Code), a life insurance company cannot adjust its reserve to the extent of any excess inclusion, except as provided in regulations. The Regulations indicate that if a Residual Owner is a member of an affiliated group filing a consolidated income tax return, the taxable income of the affiliated group cannot be less than the sum of the excess inclusions attributable to all residual interests in REMICs held by members of the affiliated group. For a discussion of the effect of excess inclusions on certain foreign investors that own Residual Certificates, see “Foreign Investors—*Residual Certificates*” below.

The Regulations provide that an organization to which section 593 of the Code applies and which is the beneficial owner of the Class 4-R REMIC Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate if such Certificate does not have “significant value.” For this purpose, the Class 4-R REMIC Certificate would have significant value under the Regulations if (i) its issue price would be at least 2% of the aggregate of the issue prices of all the REMIC Certificates and (ii) its “anticipated weighted average life” would be at least 20% of the “anticipated weighted average life” of the Trust. The Class 4-R REMIC Certificate will not satisfy either requirement discussed above. Thus, under the Regulations, the Class 4-R REMIC Certificate will not have significant value, the result of which will be to prevent an organization to which section 593 of the Code applies and which is the beneficial owner of the Class 4-R REMIC Certificate from using its allowable deductions to offset any excess inclusions with respect to such Certificate.

In determining whether the Class 4-R REMIC Certificate has significant value, the anticipated weighted average life of such Certificate is based on the Prepayment Assumption and is determined as described in “Description of the REMIC Certificates—Weighted Average Lives of the REMIC Certificates” herein, except that all anticipated payments on the Class 4-R REMIC Certificate are taken into account, regardless of their designation as principal or interest. The anticipated weighted average life of the Trust is the weighted average of the anticipated weighted average lives of the REMIC Certificates. Each such weighted average is determined under the formula described in “Description of the REMIC Certificates—Weighted Average Lives of the REMIC Certificates” herein, with two distinctions. First, the formula is applied by treating all payments taken into account in computing the anticipated weighted average lives of the regular and residual interests in the Trust as principal payments on a single Regular Certificate. Second, for any residual interest or for a regular interest that is an interest only Class or on which the interest payments are disproportionately high relative to its specified principal amount (*i.e.*, the issue price of the regular interest is greater than 125% of the specified principal amount), all anticipated payments on that residual or regular interest, regardless of their designation as principal or interest, are taken into account in computing the anticipated weighted average life of the interest.

The Treasury Department also has the authority to issue regulations that would treat all taxable income of the Trust as excess inclusions if the Class 4-R REMIC Certificate does not have “significant value.” The Conference Report issued in connection with the Tax Reform Act of 1986 states that Treasury regulations should take into account the value of the residual interest relative to the aggregate value of all the regular and residual interests in the REMIC trust and that the value of the residual interest would be considered “significant” in cases where such value is at least 2% of the combined value of the regular and residual interests in the REMIC trust. Although the Treasury Department did not exercise this authority in the Regulations, future regulations may contain such a rule. If such a rule were adopted, it is unclear whether the test for “significant value” that is contained in the Regulations and discussed in the two preceding paragraphs would be applicable. If no such rule is applicable, excess inclusions should be calculated as discussed above. The determination of the amount of excess inclusions with respect to the Residual Certificates, as described above, may affect Residual Owners for certain other tax purposes, as

described below. See “Foreign Investors—*Residual Certificates*” below. The federal income tax consequences of any consideration paid to a transferee on the transfer of the Class 4-R REMIC Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

In the case of any Residual Certificate that is held by a real estate investment trust, the aggregate excess inclusions with respect to such Residual Certificate reduced (but not below zero) by the real estate investment trust taxable income (within the meaning of section 857(b)(2) of the Code, excluding any net capital gain) will be allocated among the shareholders of such trust in proportion to the dividends received by such shareholders from such trust, and any amount so allocated will be treated as an excess inclusion with respect to a Residual Certificate as if held directly by such shareholder. Similar rules will apply in the case of regulated investment companies, common trust funds and certain cooperatives that hold a Residual Certificate.

Pass-Through of Servicing and Guaranty Fees to Individuals

A Residual Owner who is an individual will be required to include in income a share of the administrative fees of a REMIC trust. A deduction for such fees will be allowed to such Owner only to the extent that such fees, along with certain of such Owner’s other miscellaneous itemized deductions exceed 2% of such Owner’s adjusted gross income. In addition, a Residual Owner may not be able to deduct any portion of such fees in computing such Residual Owner’s alternative minimum tax liability. A Residual Owner’s share of such fees will generally be determined by (i) allocating the amount of such expenses for each calendar quarter on a pro rata basis to each day in the calendar quarter, and (ii) allocating the daily amount among the Owners in proportion to their respective holdings on such day.

Special Tax Attributes

Regular and Residual Certificates will be “regular or residual interests in a REMIC” within the meaning of section 7701(a)(19)(C)(xi) of the Code, “qualifying real property loans” within the meaning of section 593(d) of the Code and “real estate assets” within the meaning of section 856(c)(5)(A) of the Code. If at any time during a calendar year qualified mortgages represent less than 95 percent of the assets of a REMIC trust, then the portion of the Regular and Residual Certificates that are qualifying assets under those sections during such calendar year may be limited to the portion of the assets of such trust represented by the qualified mortgages. Similarly, income on the Regular and Residual Certificates will be treated as “interest on obligations secured by mortgages on real property” within the meaning of section 856(c)(3)(B) of the Code, subject to the same limitation as set forth in the preceding sentence. Regular and Residual Certificates held by a financial institution to which section 585, 586 or 593 of the Code applies will be treated as evidences of indebtedness for purposes of section 582(c)(1) of the Code. Regular Certificates will also be “qualified mortgages” within the meaning of section 860G(a)(3) of the Code with respect to other REMICs.

Taxes on a REMIC Trust

Prohibited Transactions

The Code imposes a tax on a REMIC equal to 100 percent of the net income derived from “prohibited transactions.” In general, a prohibited transaction means the disposition of all or a portion of the qualified mortgages in a REMIC trust other than pursuant to certain specified exceptions, the receipt of investment income from a source other than the qualified mortgages or certain other permitted investments, the receipt of compensation for services, or the disposition of an asset purchased with the payments on the qualified mortgages for temporary investment pending distribution on the regular and residual interests in a REMIC trust.

Contributions to a REMIC after the Startup Day

The Code imposes a tax on a REMIC equal to 100 percent of the value of any property contributed to the REMIC after the “startup day” (generally the same as the Closing Date).

Exceptions are provided for cash contributions to a REMIC (i) during the three month period beginning on the startup day, (ii) made to a qualified reserve fund by a Residual Certificateholder, (iii) in the nature of a guarantee, (iv) made to facilitate a qualified liquidation or clean-up call, and (v) as otherwise permitted by Treasury regulations.

Net Income from Foreclosure Property

The Code imposes a tax on a REMIC equal to the highest corporate rate on “net income from foreclosure property.” The terms “foreclosure property” and “net income from foreclosure property” are defined by reference to the rules applicable to real estate investment trusts. Generally, property acquired by deed in lieu of foreclosure would be also treated as foreclosure property for a period of two years, with possible extensions. Net income from foreclosure property generally means gain from the sale of foreclosure property that is inventory property and gross income from foreclosure property other than qualifying rents and other qualifying income for a real estate investment trust.

Application to the REMIC Trust

It is not anticipated that the REMIC Trust will engage in any transactions that will give rise to a tax on the Trust. In any event, pursuant to its guaranty obligations, Fannie Mae will make distributions on Regular Certificates and the Residual Certificate without offset or deduction for any tax imposed on the Trust.

Sales of Certificates

In General

Except as provided below, if a Regular or Residual Certificate is sold, the seller will recognize gain or loss equal to the difference between the amount realized in the sale and its adjusted basis in the Certificate. The adjusted basis of a Regular Certificate generally will equal the cost of such Certificate to the seller, increased by any original issue discount or market discount included in the seller’s gross income with respect to such Certificate and reduced by distributions on such Certificate previously received by the seller of amounts included in the stated redemption price at maturity. The adjusted basis of a Residual Certificate is determined as described above under “Taxation of Beneficial Owners of Residual Certificates—*Basis Rules and Distributions.*” Except as provided in the following paragraph or under section 582(c) of the Code, any such gain or loss will be capital gain or loss, provided such Certificate is held as a “capital asset” (generally, property held for investment) within the meaning of section 1221 of the Code.

Gain from the sale of a Regular Certificate that might otherwise be capital gain will be treated as ordinary income to the extent that such gain does not exceed the excess, if any, of (i) the amount that would have been includible in the income of the Regular Owner had income accrued at a rate equal to 110 percent of the “applicable Federal rate” (generally, an average of current yields on Treasury securities) as of the date of purchase over (ii) the amount actually includible in such Regular Owner’s income. In addition, gain recognized on such a sale by a Regular Owner who purchased a Regular Certificate at a market discount would also be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period such Certificate was held by such Regular Owner, reduced by any market discount includible in income under the rules described above under “Taxation of Beneficial Owners of Regular Certificates—*Market Discount.*”

If a Residual Owner sells its Residual Certificate at a loss, the loss will not be recognized if, within six months before or after the sale of the Residual Certificate, such Residual Owner purchases another residual interest in any REMIC or any interest in a taxable mortgage pool (as defined in section 7701(i) of the Code) comparable to a residual interest in a REMIC. Such

disallowed loss would be allowed upon the sale of the other residual interest (or comparable interest) if the rule referred to in the preceding sentence does not apply to that sale. While this rule may be modified by Treasury regulations, no such regulations have yet been published.

Certain restrictions affecting the transfer of Residual Certificates are discussed above under the heading “Description of the REMIC Certificates—Characteristics of the Class 4-R REMIC Certificate.”

Residual Certificates Transferred to or Held by Disqualified Organizations

Section 860E(e) of the Code imposes a substantial tax, payable by the transferor (or, if a transfer is through a broker, nominee, or other middleman as the transferee’s agent, payable by that agent) upon any transfer of a Residual Certificate to a “disqualified organization” and upon a pass-through entity (including regulated investment companies, real estate investment trusts, common trust funds, partnerships, trusts, estates, certain cooperatives, and nominees) that owns a Residual Certificate if such pass-through entity has a disqualified organization as a record holder. For purposes of the preceding sentence, a transfer includes any transfer of record or beneficial ownership, whether pursuant to a purchase, a default under a secured lending agreement or otherwise. The term “disqualified organization” is defined herein under “Description of the REMIC Certificates—Characteristics of the Class 4-R REMIC Certificate.”

A transferor of a Residual Certificate (or an agent of a transferee of a Residual Certificate, as the case may be) will be relieved of such tax liability if (i) the transferee furnishes to the transferor (or the transferee’s agent) an affidavit that the transferee is not a disqualified organization, and (ii) the transferor (or the transferee’s agent) does not have actual knowledge that the affidavit is false at the time of the transfer. Similarly, no such tax will be imposed on a pass-through entity for a period with respect to an interest therein owned by a disqualified organization if (i) the record holder of such interest furnishes to the pass-through entity an affidavit that it is not a disqualified organization, and (ii) during such period, the pass-through entity has no actual knowledge that the affidavit is false.

Termination

In general, no special tax consequences will apply to a Regular Owner upon the termination of the Trust by virtue of the final payment of principal of the qualified mortgages held by the Trust. If a Residual Owner’s adjusted basis in its Residual Certificate at the time such termination occurs exceeds the amount of cash distributed to such Residual Owner in liquidation of its interest, then, although the matter is not entirely free from doubt, it would appear that the Residual Owner is entitled to a loss equal to the amount of such excess.

Reporting and Other Administrative Matters

For purposes of the administrative provisions of the Code, the Trust will be treated as a partnership and the Residual Owners will be treated as partners in the Trust. Fannie Mae will prepare, sign and file federal income tax returns for the Trust, which returns are subject to audit by the IRS. Moreover, within a reasonable time after the end of each calendar year, Fannie Mae will furnish to each Holder that received a distribution during such year a statement setting forth the portions of any such distributions that constitute interest distributions, original issue discount and such other information as is required by Treasury regulations and, with respect to a Holder of the Residual Certificate, information necessary to compute the daily portions of the taxable income (or net loss) of the Trust for each day during such year. Fannie Mae will also act as the tax matters partner for the Trust, either in its capacity as an Owner of a Residual Certificate or in a fiduciary capacity. Each Residual Owner, by the acceptance of its Residual Certificate, agrees that Fannie Mae will act as its fiduciary in the performance of any duties required of it in the event that it is the tax matters partner.

Each Residual Owner is required to treat items on its return consistently with the treatment on the return of the Trust in which it holds an interest, unless the Residual Owner either files a statement identifying the inconsistency or establishes that the inconsistency resulted from incorrect information received from the Trust. The IRS may assert a deficiency resulting from a failure to comply with the consistency requirement without instituting an administrative proceeding at the Trust level. Fannie Mae does not intend to register the Trust as a tax shelter pursuant to section 6111 of the Code.

Backup Withholding

Distributions of principal, as well as distributions of proceeds from the sale of Regular and Residual Certificates, may be subject to the “back-up withholding tax” under section 3406 of the Code at a rate of 31 percent if recipients of such distributions fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from such tax. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against such recipient’s federal income tax. Furthermore, certain penalties may be imposed by the IRS on a recipient of distributions that is required to supply information but that does not do so in the proper manner.

Foreign Investors

Regular Certificates

Distributions made on a Regular Certificate to, or on behalf of, a Regular Owner that is not a U.S. Person (a “Non-U.S. Person”) generally will be exempt from U.S. federal income and withholding taxes, provided (a) the Regular Owner is not subject to U.S. tax as a result of a connection to the United States other than ownership of the Certificate, (b) the Regular Owner signs a statement under penalties of perjury that certifies that such Regular Owner is a Non-U.S. Person, and provides the name and address of such Regular Owner, and (c) the last U.S. Person in the chain of payment to the Regular Owner receives such statement from such Regular Owner or a financial institution holding on its behalf and does not have actual knowledge that such statement is false. Regular Owners should be aware that the IRS might take the position that this exemption does not apply to a Regular Owner that also owns 10 percent or more of the Residual Certificates or of the voting stock of Fannie Mae, or to a Regular Owner that is a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code.

“U.S. Person” means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, or an estate or trust that is subject to U.S. federal income tax regardless of the source of its income.

Residual Certificates

Amounts distributed to a Residual Owner that is a Non-U.S. Person generally will be treated as interest for purposes of applying the 30 percent (or lower treaty rate) withholding tax on Non-U.S. Persons with respect to income on its Residual Certificate that is not effectively connected with a U.S. trade or business. The Treasury Department has adopted temporary regulations that clarify that amounts distributed on the Class 4-R REMIC Certificate that do not constitute an excess inclusion will qualify as “portfolio interest” within the meaning of section 871(h) of the Code, subject to the conditions described above under “Foreign Investors—*Regular Certificates*,” but only to the extent that the Mortgage Loans were issued after July 18, 1984. The portion of any such distribution that does not constitute an “excess inclusion” will be exempt from the 30 percent (or lower treaty rate) withholding tax. In no case will any portion of the taxable income of the Trust

that constitutes an excess inclusion be entitled to any exemption from the withholding tax or a reduced treaty rate for withholding. See “Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions.*”

ERISA CONSIDERATIONS

The Department of Labor issued a final regulation on November 13, 1986, which provides that in the case where an employee benefit plan (“plan”) subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) acquires a “guaranteed governmental mortgage pool certificate” then, for purposes of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of the Code, the plan’s assets include the certificate and all of its rights with respect to such certificate under applicable law, but do not, solely by reason of the plan’s holding of such certificate, include any of the mortgages underlying such certificate. Under the regulation, the term “guaranteed governmental mortgage pool certificate” is specifically defined to include a certificate “backed by, or evidencing an interest in specified mortgages or participation interests therein” and with respect to which interest and principal payable pursuant to the certificate are guaranteed by Fannie Mae. The effect of such regulations is to make clear that the sponsor (that is, the entity that organizes and services the trust, in this case Fannie Mae), the trustee, and other persons, in providing services with respect to the assets in the trust, would not be subject to the fiduciary responsibility provisions of Title I of ERISA, nor be subject to the prohibited transaction provisions of Section 4975 of the Code, merely by reason of the plan’s investment in a certificate. At the time this Labor Department regulation was originally issued, certificates similar to the REMIC Certificates were not in existence. However, Fannie Mae has been advised by its counsel, Brown & Wood, that the REMIC Certificates should qualify as “guaranteed governmental mortgage pool certificates,” and thus the acquisition and holding of the REMIC Certificates by plans should not be prohibited either by ERISA or related provisions of the Code.

LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investment in certain Classes of the REMIC Certificates. Any financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority should review any applicable rules, guidelines and regulations prior to purchasing the REMIC Certificates. Financial institutions should review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities (to the extent adopted by their respective federal regulators), which, among other things, sets forth guidelines for investing in certain types of mortgage related securities, including securities such as the REMIC Certificates. In addition, financial institutions should consult their regulators concerning the risk-based capital treatment of any REMIC Certificate. Investors should consult their own legal advisors in determining whether and to what extent the REMIC Certificates constitute legal investments or are subject to restrictions on investment.

The REMIC Certificates will be “securities issued or guaranteed by . . . the Federal National Mortgage Association” within the meaning of the Secondary Mortgage Market Enhancement Act of 1984. Accordingly, subject to general considerations governing investment practices and as noted above, investors whose investments are governed by state law may purchase, hold or invest in the REMIC Certificates to the same extent that they are authorized to invest in obligations issued or

guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. In addition, many entities whose investments are governed by federal law (including national banks, federal savings and loan associations, federal savings banks and federal credit unions) are specifically authorized to purchase, hold and invest in Fannie Mae's Guaranteed Mortgage Pass-Through Certificates. Subject to general considerations governing investment practices and to the matters noted above, the REMIC Certificates will be treated identically for such purposes for such entities.

MARGINABILITY

The REMIC Certificates are "exempted securities" for purposes of the margin rules of the Board of Governors of the Federal Reserve System and the New York Stock Exchange. Such rules do not, however, specify the collateral value which participants in particular transactions will accord any Class of REMIC Certificates.

PLAN OF DISTRIBUTION

Daiwa proposes to offer the REMIC Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. Daiwa may effect such transactions to or through dealers and such dealers may receive compensation in the form of discounts, concessions or commissions from any purchaser of such REMIC Certificates, for whom they may act as agents.

LEGAL MATTERS

Any purchaser of the REMIC Certificates will be furnished upon request an opinion by the General Counsel or Deputy General Counsel of Fannie Mae as to the validity of the REMIC Certificates and the Trust Agreement.

Certain legal matters will be passed upon for Daiwa by Brown & Wood. Brown & Wood also performs legal services for Fannie Mae.

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 and the Underlying Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus and the Underlying Prospectus do not constitute an offer to sell or a solicitation of an offer to buy any of the REMIC 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 and the Underlying Prospectus at any time does not imply that the information contained herein or therein is correct as of any time subsequent to the date hereof.

TABLE OF CONTENTS

Prospectus

	<u>Page</u>
Table of Contents	3
Description of the REMIC Certificates	4
The Trust Agreement	21
GNMA and the GNMA Programs	23
Certain Federal Income Tax Consequences	24
ERISA Considerations	35
Legal Investment Considerations	35
Marginability	36
Plan of Distribution	36
Legal Matters	36

1992-G56 REMIC Prospectus

	<u>Page</u>
Table of Contents	3
Description of the REMIC Certificates	4
The Trust Agreement	19
GNMA and the GNMA Programs	21
Certain Federal Income Tax Consequences	22
ERISA Considerations	33
Legal Investment Considerations	33
Marginability	34
Plan of Distribution	34
Legal Matters	34

\$206,785,284

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates**

**Fannie Mae REMIC
Trust 1993-G4**

PROSPECTUS

DAIWA
Daiwa Securities America Inc.

January 11, 1993