

\$262,500,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-5

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-5 (the "Trust"). The assets of the Trust will consist of a single "principal only" Fannie Mae Stripped Mortgage-Backed Security (the "SMBS") evidencing the beneficial ownership interest in certain distributions of principal made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS") held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the "Mega Certificate") and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000250-CL (the "SMBS Trust"). Each MBS will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), its Prospectus for Stripped Mortgage-Backed Securities (the "SMBS Prospectus") and its Prospectus for Guaranteed MBS Pass-Through Certificates (the "Mega Prospectus"), each available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus"), accompanying this Prospectus Supplement.

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

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

Class	Original Principal Balance	Principal Type (1)	Interest Rate	Interest Type (1)	Final Distribution Date
A.....	\$ 28,785,000	PAC	(2)	PO	May 2010
B.....	28,005,000	PAC	(2)	PO	June 2016
C.....	150,000,000	CPT	(2)	PO	October 2023
D.....	16,065,000	TAC	(2)	PO	February 2019
E.....	39,645,000	SUP	(2)	PO	October 2023
R.....	0	NPR	0	NPR	October 2023

(1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Principal" herein.

(2) These Classes will be Principal Only Classes and will bear no interest.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about January 28, 1994 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer at 100 Gold Street, New York, New York, on or about the Settlement Date.

Prudential Securities Incorporated

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

The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Pool and the purchase price paid for the related Class. Accordingly, investors should consider the following risks:

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.

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

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

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Description of the Certificates—Reinvestment Risk” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.

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

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the REMIC Prospectus, the SMBS Prospectus, the Mega Prospectus or the MBS Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus Supplement does not contain complete information about the Certificates. Investors should purchase Certificates only after reading this Prospectus Supplement, the REMIC Prospectus, the MBS Prospectus dated December 1, 1993, the SMBS Prospectus dated December 1, 1992, the Mega Prospectus dated December 1, 1992 and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the “Information Statement”). The MBS Prospectus, the SMBS Prospectus, the Mega Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Prudential Securities Incorporated by writing or calling its Prospectus Department at 315 Hudson Street, 7th Floor, New York, New York 10013 (telephone 212-776-8906).

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DESCRIPTION OF THE CERTIFICATES

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

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto, dated as of January 1, 1994 (together, the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as Trustee, and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R Class) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The assets of the Trust will consist of the SMBS.

SMBS Distributions. The SMBS will provide that certain principal payments on the MBS will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of the SMBS (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day).

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and to distribute the principal balance of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are available in the MBS Account. The guaranty obligations of Fannie Mae with respect to the SMBS and the Mega Certificate are described in the SMBS Prospectus and the Mega Prospectus, respectively. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the R Certificate, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Book-Entry Form” in the REMIC Prospectus.

The R Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificate will be transferable and, if applicable, exchangeable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York.

The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer or, if applicable, exchange of the R Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

The distribution to the Holder of the R Certificate of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of such Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

Components. For the purpose of calculating payments of principal, the C Class is comprised of different payment components having the designations and original principal balances set forth below:

<u>Designation</u>	<u>Original Principal Balance</u>
C1 Component	\$64,800,000
C2 Component	85,200,000

Components are not separately transferable from the related Class of Certificates.

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

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

Calculation of Distributions. Principal on the Certificates will be distributed on each Distribution Date in an amount equal to the aggregate distributions of principal concurrently made on the SMBS. See “Distributions of Principal” herein.

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

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

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust through the exercise of its right to repurchase the Mortgage Loans underlying any MBS unless only one Mortgage Loan remains in the related Pool or the principal balance of such Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The SMBS

The “principal only” SMBS underlying the Certificates will represent principal payments on a principal amount of \$262,500,000 of MBS having the general characteristics described in the MBS Prospectus. The MBS underlying the SMBS have a Pass-Through Rate of 7.0% and are held in the form of Mega Certificate CL-190250, the general characteristics of which are described in the Mega Prospectus.

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

Considerations” in the MBS Prospectus. The characteristics of the MBS and Mortgage Loans in the SMBS Trust as of January 1, 1994 (the “Issue Date”) are expected to be as follows:

Approximate Weighted Average WAC	7.5%
Approximate Weighted Average WAM	357 months
Approximate Weighted Average CAGE	3 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the unpaid principal balance of the SMBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Principal

Categories of Classes and Components

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

<u>Principal Type*</u>	<u>Classes and Components</u>
PAC	A, B and C1
TAC	C2 and D
Support	E
Component	C
No Payment Residual	R

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

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the aggregate distributions of principal concurrently made on the SMBS.

On each Distribution Date, the Principal Distribution Amount will be distributed as principal of the Classes and Components in the following order of priority:

- (i) sequentially, to the A and B Classes and the C1 Component, in that order, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date; } PAC
Classes
and
Component
- (ii) sequentially, to the D Class and the C2 Component, in that order, until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date; } TAC
Class
and
Component
- (iii) to the E Class, until the principal balance thereof is reduced to zero; } Support
Class
- (iv) sequentially, to the D Class and the C2 Component, in that order, without regard to their Targeted Balances and until the principal balances thereof are reduced to zero; and } TAC
Class
and
Component
- (v) sequentially, to the A and B Classes and the C1 Component, in that order, without regard to their Planned Balances and until the principal balances thereof are reduced to zero. } PAC
Classes
and
Component

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared on the basis of the following assumptions (the “Pricing Assumptions”):

- the Mortgage Loans underlying the SMBS Trust have the characteristics set forth in the table under “The SMBS” above;
- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

PSA Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus Supplement is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA (for example, 250% PSA) is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Considerations and Risks” in the REMIC Prospectus. There is no assurance that prepayments will occur at any PSA rate or at any other constant rate.

The Principal Balance Schedules (which relate to the PAC Classes and Component) and the Preliminary Targeted Balance Schedules (which relate to the TAC Class and Component) have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans prepay at the approximate *constant* levels set forth in the following table.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Components</u>	<u>PSA Levels</u>
Planned Balances	A, B and C1	Between 95% and 500%
Targeted Balances	D and C2	250%*

* PSA level for Preliminary Targeted Balances and Targeted Balances.

The Targeted Balance Schedules will be calculated by Fannie Mae at or about the time of formation of the Trust, on the basis of available information regarding the SMBS delivered to the Trust (the “Settlement Characteristics”). The actual characteristics of the Mortgage Loans underlying each MBS will differ from the Settlement Characteristics and from the characteristics assumed in preparing the Preliminary Targeted Balance Schedules. A table showing the Targeted Balance Schedules will be prepared by Fannie Mae after the SMBS in the Trust has been identified; such table will be included in the Final Data Statement to be made available shortly after formation of the Trust. Fannie Mae’s calculation of the Targeted Balance Schedules will be final and binding on all persons regardless of any defect or alleged defect in the methodology or information used in making such calculation.

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C1 Component Planned Balance</u>
Initial Balance	\$28,785,000.00	\$28,005,000.00	\$64,800,000.00
February 1994	28,419,360.11	28,005,000.00	64,800,000.00
March 1994	28,011,036.51	28,005,000.00	64,800,000.00
April 1994	27,560,139.42	28,005,000.00	64,800,000.00
May 1994	27,066,799.98	28,005,000.00	64,800,000.00
June 1994	26,531,170.27	28,005,000.00	64,800,000.00
July 1994	25,953,423.27	28,005,000.00	64,800,000.00
August 1994	25,333,752.74	28,005,000.00	64,800,000.00
September 1994	24,672,373.17	28,005,000.00	64,800,000.00
October 1994	23,969,519.68	28,005,000.00	64,800,000.00
November 1994	23,225,447.88	28,005,000.00	64,800,000.00
December 1994	22,440,433.77	28,005,000.00	64,800,000.00
January 1995	21,614,773.53	28,005,000.00	64,800,000.00
February 1995	20,748,783.40	28,005,000.00	64,800,000.00
March 1995	19,842,799.47	28,005,000.00	64,800,000.00
April 1995	18,897,177.48	28,005,000.00	64,800,000.00
May 1995	17,912,292.60	28,005,000.00	64,800,000.00
June 1995	16,888,539.21	28,005,000.00	64,800,000.00
July 1995	15,826,330.60	28,005,000.00	64,800,000.00
August 1995	14,726,098.77	28,005,000.00	64,800,000.00
September 1995	13,588,294.09	28,005,000.00	64,800,000.00
October 1995	12,413,385.01	28,005,000.00	64,800,000.00
November 1995	11,201,857.79	28,005,000.00	64,800,000.00
December 1995	9,954,216.09	28,005,000.00	64,800,000.00
January 1996	8,670,980.72	28,005,000.00	64,800,000.00
February 1996	7,352,689.20	28,005,000.00	64,800,000.00
March 1996	5,999,895.43	28,005,000.00	64,800,000.00
April 1996	4,613,169.30	28,005,000.00	64,800,000.00
May 1996	3,232,917.54	28,005,000.00	64,800,000.00
June 1996	1,859,108.17	28,005,000.00	64,800,000.00
July 1996	491,709.37	28,005,000.00	64,800,000.00
August 1996	0.00	27,135,689.47	64,800,000.00
September 1996	0.00	25,781,016.96	64,800,000.00
October 1996	0.00	24,432,660.48	64,800,000.00
November 1996	0.00	23,090,588.82	64,800,000.00
December 1996	0.00	21,754,770.92	64,800,000.00
January 1997	0.00	20,425,175.88	64,800,000.00
February 1997	0.00	19,101,772.95	64,800,000.00
March 1997	0.00	17,784,531.52	64,800,000.00
April 1997	0.00	16,473,421.13	64,800,000.00
May 1997	0.00	15,168,411.48	64,800,000.00
June 1997	0.00	13,869,472.40	64,800,000.00
July 1997	0.00	12,576,573.87	64,800,000.00
August 1997	0.00	11,289,686.04	64,800,000.00
September 1997	0.00	10,008,779.18	64,800,000.00
October 1997	0.00	8,733,823.70	64,800,000.00
November 1997	0.00	7,464,790.18	64,800,000.00
December 1997	0.00	6,201,649.32	64,800,000.00
January 1998	0.00	4,944,371.97	64,800,000.00
February 1998	0.00	3,692,929.13	64,800,000.00

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C1 Component Planned Balance</u>
March 1998	\$ 0.00	\$ 2,447,291.92	\$64,800,000.00
April 1998	0.00	1,207,431.62	64,800,000.00
May 1998	0.00	0.00	64,773,319.64
June 1998	0.00	0.00	63,544,927.54
July 1998	0.00	0.00	62,322,227.00
August 1998	0.00	0.00	61,105,189.86
September 1998	0.00	0.00	59,893,788.07
October 1998	0.00	0.00	58,687,993.74
November 1998	0.00	0.00	57,487,779.11
December 1998	0.00	0.00	56,293,116.54
January 1999	0.00	0.00	55,103,978.54
February 1999	0.00	0.00	53,920,337.75
March 1999	0.00	0.00	52,742,166.95
April 1999	0.00	0.00	51,569,439.03
May 1999	0.00	0.00	50,402,127.04
June 1999	0.00	0.00	49,240,204.13
July 1999	0.00	0.00	48,083,643.61
August 1999	0.00	0.00	46,932,418.91
September 1999	0.00	0.00	45,786,503.58
October 1999	0.00	0.00	44,645,871.30
November 1999	0.00	0.00	43,510,495.89
December 1999	0.00	0.00	42,380,351.28
January 2000	0.00	0.00	41,255,411.56
February 2000	0.00	0.00	40,135,650.89
March 2000	0.00	0.00	39,021,043.62
April 2000	0.00	0.00	37,911,564.16
May 2000	0.00	0.00	36,807,187.10
June 2000	0.00	0.00	35,707,887.13
July 2000	0.00	0.00	34,614,200.92
August 2000	0.00	0.00	33,553,610.87
September 2000	0.00	0.00	32,525,122.96
October 2000	0.00	0.00	31,527,772.87
November 2000	0.00	0.00	30,560,625.08
December 2000	0.00	0.00	29,622,771.99
January 2001	0.00	0.00	28,713,333.16
February 2001	0.00	0.00	27,831,454.43
March 2001	0.00	0.00	26,976,307.17
April 2001	0.00	0.00	26,147,087.51
May 2001	0.00	0.00	25,343,015.63
June 2001	0.00	0.00	24,563,335.00
July 2001	0.00	0.00	23,807,311.73
August 2001	0.00	0.00	23,074,233.87
September 2001	0.00	0.00	22,363,410.76
October 2001	0.00	0.00	21,674,172.40
November 2001	0.00	0.00	21,005,868.85
December 2001	0.00	0.00	20,357,869.60
January 2002	0.00	0.00	19,729,563.02
February 2002	0.00	0.00	19,120,355.77
March 2002	0.00	0.00	18,529,672.31
April 2002	0.00	0.00	17,956,954.28

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C1 Component Planned Balance</u>
May 2002	\$ 0.00	\$ 0.00	\$17,401,660.08
June 2002	0.00	0.00	16,863,264.33
July 2002	0.00	0.00	16,341,257.35
August 2002	0.00	0.00	15,835,144.77
September 2002	0.00	0.00	15,344,447.01
October 2002	0.00	0.00	14,868,698.87
November 2002	0.00	0.00	14,407,449.09
December 2002	0.00	0.00	13,960,259.96
January 2003	0.00	0.00	13,526,706.84
February 2003	0.00	0.00	13,106,377.89
March 2003	0.00	0.00	12,698,873.57
April 2003	0.00	0.00	12,303,806.34
May 2003	0.00	0.00	11,920,800.31
June 2003	0.00	0.00	11,549,490.84
July 2003	0.00	0.00	11,189,524.25
August 2003	0.00	0.00	10,840,557.47
September 2003	0.00	0.00	10,502,257.72
October 2003	0.00	0.00	10,174,302.24
November 2003	0.00	0.00	9,856,377.93
December 2003	0.00	0.00	9,548,181.12
January 2004	0.00	0.00	9,249,417.26
February 2004	0.00	0.00	8,959,800.64
March 2004	0.00	0.00	8,679,054.14
April 2004	0.00	0.00	8,406,908.97
May 2004	0.00	0.00	8,143,104.43
June 2004	0.00	0.00	7,887,387.66
July 2004	0.00	0.00	7,639,513.38
August 2004	0.00	0.00	7,399,243.71
September 2004	0.00	0.00	7,166,347.94
October 2004	0.00	0.00	6,940,602.27
November 2004	0.00	0.00	6,721,789.65
December 2004	0.00	0.00	6,509,699.58
January 2005	0.00	0.00	6,304,127.88
February 2005	0.00	0.00	6,104,876.51
March 2005	0.00	0.00	5,911,753.43
April 2005	0.00	0.00	5,724,572.35
May 2005	0.00	0.00	5,543,152.61
June 2005	0.00	0.00	5,367,318.99
July 2005	0.00	0.00	5,196,901.56
August 2005	0.00	0.00	5,031,735.52
September 2005	0.00	0.00	4,871,661.01
October 2005	0.00	0.00	4,716,523.02
November 2005	0.00	0.00	4,566,171.21
December 2005	0.00	0.00	4,420,459.77
January 2006	0.00	0.00	4,279,247.30
February 2006	0.00	0.00	4,142,396.66
March 2006	0.00	0.00	4,009,774.86
April 2006	0.00	0.00	3,881,252.93
May 2006	0.00	0.00	3,756,705.77
June 2006	0.00	0.00	3,636,012.09

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C1 Component Planned Balance</u>
July 2006	\$ 0.00	\$ 0.00	\$ 3,519,054.26
August 2006	0.00	0.00	3,405,718.19
September 2006	0.00	0.00	3,295,893.26
October 2006	0.00	0.00	3,189,472.18
November 2006	0.00	0.00	3,086,350.91
December 2006	0.00	0.00	2,986,428.56
January 2007	0.00	0.00	2,889,607.29
February 2007	0.00	0.00	2,795,792.23
March 2007	0.00	0.00	2,704,891.38
April 2007	0.00	0.00	2,616,815.52
May 2007	0.00	0.00	2,531,478.13
June 2007	0.00	0.00	2,448,795.33
July 2007	0.00	0.00	2,368,685.76
August 2007	0.00	0.00	2,291,070.54
September 2007	0.00	0.00	2,215,873.17
October 2007	0.00	0.00	2,143,019.49
November 2007	0.00	0.00	2,072,437.58
December 2007	0.00	0.00	2,004,057.69
January 2008	0.00	0.00	1,937,812.21
February 2008	0.00	0.00	1,873,635.57
March 2008	0.00	0.00	1,811,464.18
April 2008	0.00	0.00	1,751,236.40
May 2008	0.00	0.00	1,692,892.46
June 2008	0.00	0.00	1,636,374.40
July 2008	0.00	0.00	1,581,626.04
August 2008	0.00	0.00	1,528,592.87
September 2008	0.00	0.00	1,477,222.08
October 2008	0.00	0.00	1,427,462.44
November 2008	0.00	0.00	1,379,264.30
December 2008	0.00	0.00	1,332,579.49
January 2009	0.00	0.00	1,287,361.35
February 2009	0.00	0.00	1,243,564.60
March 2009	0.00	0.00	1,201,145.37
April 2009	0.00	0.00	1,160,061.11
May 2009	0.00	0.00	1,120,270.58
June 2009	0.00	0.00	1,081,733.77
July 2009	0.00	0.00	1,044,411.93
August 2009	0.00	0.00	1,008,267.47
September 2009	0.00	0.00	973,263.94
October 2009	0.00	0.00	939,366.02
November 2009	0.00	0.00	906,539.47
December 2009	0.00	0.00	874,751.07
January 2010	0.00	0.00	843,968.65
February 2010	0.00	0.00	814,161.01
March 2010	0.00	0.00	785,297.88
April 2010	0.00	0.00	757,349.96
May 2010	0.00	0.00	730,288.81
June 2010	0.00	0.00	704,086.88
July 2010	0.00	0.00	678,717.45
August 2010	0.00	0.00	654,154.64

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C1 Component Planned Balance</u>
September 2010	\$ 0.00	\$ 0.00	\$ 630,373.35
October 2010	0.00	0.00	607,349.23
November 2010	0.00	0.00	585,058.71
December 2010	0.00	0.00	563,478.93
January 2011	0.00	0.00	542,587.73
February 2011	0.00	0.00	522,363.63
March 2011	0.00	0.00	502,785.80
April 2011	0.00	0.00	483,834.07
May 2011	0.00	0.00	465,488.87
June 2011	0.00	0.00	447,731.25
July 2011	0.00	0.00	430,542.84
August 2011	0.00	0.00	413,905.81
September 2011	0.00	0.00	397,802.92
October 2011	0.00	0.00	382,217.42
November 2011	0.00	0.00	367,133.10
December 2011	0.00	0.00	352,534.24
January 2012	0.00	0.00	338,405.62
February 2012	0.00	0.00	324,732.46
March 2012	0.00	0.00	311,500.47
April 2012	0.00	0.00	298,695.78
May 2012	0.00	0.00	286,304.95
June 2012	0.00	0.00	274,314.95
July 2012	0.00	0.00	262,713.17
August 2012	0.00	0.00	251,487.38
September 2012	0.00	0.00	240,625.72
October 2012	0.00	0.00	230,116.71
November 2012	0.00	0.00	219,949.23
December 2012	0.00	0.00	210,112.47
January 2013	0.00	0.00	200,596.00
February 2013	0.00	0.00	191,389.68
March 2013	0.00	0.00	182,483.71
April 2013	0.00	0.00	173,868.57
May 2013	0.00	0.00	165,535.05
June 2013	0.00	0.00	157,474.21
July 2013	0.00	0.00	149,677.42
August 2013	0.00	0.00	142,136.28
September 2013	0.00	0.00	134,842.68
October 2013	0.00	0.00	127,788.75
November 2013	0.00	0.00	120,966.86
December 2013	0.00	0.00	114,369.63
January 2014	0.00	0.00	107,989.89
February 2014	0.00	0.00	101,820.72
March 2014	0.00	0.00	95,855.40
April 2014	0.00	0.00	90,087.42
May 2014	0.00	0.00	84,510.48
June 2014	0.00	0.00	79,118.46
July 2014	0.00	0.00	73,905.45
August 2014	0.00	0.00	68,865.72
September 2014	0.00	0.00	63,993.72
October 2014	0.00	0.00	59,284.06

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C1 Component Planned Balance</u>
November 2014	\$ 0.00	\$ 0.00	\$ 54,731.53
December 2014	0.00	0.00	50,331.09
January 2015	0.00	0.00	46,077.85
February 2015	0.00	0.00	41,967.07
March 2015	0.00	0.00	37,994.16
April 2015	0.00	0.00	34,154.68
May 2015	0.00	0.00	30,444.32
June 2015	0.00	0.00	26,858.93
July 2015	0.00	0.00	23,394.44
August 2015	0.00	0.00	20,046.97
September 2015	0.00	0.00	16,812.72
October 2015	0.00	0.00	13,688.01
November 2015	0.00	0.00	10,669.31
December 2015	0.00	0.00	7,753.17
January 2016	0.00	0.00	4,936.25
February 2016	0.00	0.00	2,215.33
March 2016 and thereafter	0.00	0.00	0.00

Characteristics of the R Class

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

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

The Holder of the R 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” in the REMIC Prospectus. 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 Certificate 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 Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. Because the rate of principal distributions on the Certificates will be related to the amortization of the Mortgage Loans in each Pool, which are likely to include Mortgage Loans that have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans will prepay at a constant PSA 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 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 Certificates.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of certain Classes to various constant percentages of PSA. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present value of such

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

The Principal Only Classes. The Certificates, other than the R Class, will be principal only certificates and will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) will have a negative effect on the yields to investors in the Principal Only Classes.

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 (expressed as percentages of original principal balances) of the Principal Only Classes are as follows:

<u>Class</u>	<u>Price</u>
A	92.71875%
B	82.59375
C	65.00000
D	91.62500
E	85.50000

**Sensitivity of the Principal Only Classes to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>250%</u>	<u>500%</u>	<u>700%</u>
A	3.7%	5.0%	5.0%	5.0%	5.0%
B	3.9%	5.6%	5.6%	5.6%	6.1%
C	2.8%	3.8%	7.6%	9.4%	13.1%
D	0.6%	1.0%	9.0%	9.0%	9.1%
E	0.6%	0.6%	1.0%	12.5%	18.4%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a). For a description of the factors which may influence the weighted average life of a Certificate, see “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Classes and the distribution of principal of certain Classes in accordance with the Principal Balance Schedules herein. In particular, if the amount distributable as principal of the Certificates on any Distribution Date exceeds the amount required to reduce the principal balances of certain Classes with higher principal payment priorities to their respective scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed on the remaining Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce certain Classes to their respective scheduled amounts, no principal will be distributed on the remaining Classes 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 Support Class

and, under certain prepayment scenarios, the TAC Class, than on the weighted average lives of the PAC Classes. See “Distributions of Principal” herein.

The interaction of the foregoing factors may have different effects on various Classes 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. Further, to the extent the prices of the Certificates represent discounts or premiums to their respective original principal balances, variability in the weighted average lives of such Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various *constant* prepayment rates, see the Decrement Tables below.

As described under “*General — Components*” herein, for purposes of calculating payments of principal, the C Class is comprised of two Components. Since such Components are not divisible, the payment characteristics of such Class will reflect a combination of the payment characteristics of the related Components.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 9.5% per annum and has an original and a remaining term to maturity of 360 and 357 months, respectively. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans (which will include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the weighted average remaining term to maturity and the weighted average CAGE of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	250%	500%	700%	0%	95%	250%	500%	700%	0%	95%	250%	500%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1995	94	75	75	75	75	100	100	100	100	100	100	100	100	100	100
January 1996	88	30	30	30	30	100	100	100	100	100	100	100	95	95	79
January 1997	81	0	0	0	0	100	73	73	73	73	100	100	83	71	46
January 1998	73	0	0	0	0	100	18	18	18	0	100	100	73	55	34
January 1999	65	0	0	0	0	100	0	0	0	0	100	94	60	40	20
January 2000	56	0	0	0	0	100	0	0	0	0	100	84	46	28	11
January 2001	45	0	0	0	0	100	0	0	0	0	100	76	34	19	6
January 2002	34	0	0	0	0	100	0	0	0	0	100	70	24	13	4
January 2003	22	0	0	0	0	100	0	0	0	0	100	66	16	9	2
January 2004	8	0	0	0	0	100	0	0	0	0	100	63	9	6	1
January 2005	0	0	0	0	0	93	0	0	0	0	100	56	4	4	1
January 2006	0	0	0	0	0	77	0	0	0	0	100	49	3	3	*
January 2007	0	0	0	0	0	58	0	0	0	0	100	43	2	2	*
January 2008	0	0	0	0	0	38	0	0	0	0	100	37	1	1	*
January 2009	0	0	0	0	0	16	0	0	0	0	100	31	1	1	*
January 2010	0	0	0	0	0	0	0	0	0	0	98	26	1	1	*
January 2011	0	0	0	0	0	0	0	0	0	0	93	21	*	*	*
January 2012	0	0	0	0	0	0	0	0	0	0	88	16	*	*	*
January 2013	0	0	0	0	0	0	0	0	0	0	82	11	*	*	*
January 2014	0	0	0	0	0	0	0	0	0	0	75	7	*	*	*
January 2015	0	0	0	0	0	0	0	0	0	0	68	3	*	*	*
January 2016	0	0	0	0	0	0	0	0	0	0	60	*	*	*	*
January 2017	0	0	0	0	0	0	0	0	0	0	57	0	0	*	*
January 2018	0	0	0	0	0	0	0	0	0	0	52	0	0	*	*
January 2019	0	0	0	0	0	0	0	0	0	0	41	0	0	*	*
January 2020	0	0	0	0	0	0	0	0	0	0	29	0	0	*	*
January 2021	0	0	0	0	0	0	0	0	0	0	16	0	0	*	*
January 2022	0	0	0	0	0	0	0	0	0	0	2	0	0	*	*
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	*	*
January 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.2	1.5	1.5	1.5	1.5	13.3	3.4	3.4	3.4	3.2	23.1	12.0	6.1	5.0	3.6

Date	D Class					E Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	250%	500%	700%	0%	95%	250%	500%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100
January 1995	100	100	52	52	52	100	100	100	69	43
January 1996	100	100	0	0	0	100	100	100	9	0
January 1997	100	100	0	0	0	100	100	100	0	0
January 1998	100	100	0	0	0	100	100	100	0	0
January 1999	100	100	0	0	0	100	100	100	0	0
January 2000	100	100	0	0	0	100	100	100	0	0
January 2001	100	97	0	0	0	100	100	100	0	0
January 2002	100	75	0	0	0	100	100	100	0	0
January 2003	100	41	0	0	0	100	100	100	0	0
January 2004	100	0	0	0	0	100	100	100	0	0
January 2005	100	0	0	0	0	100	100	94	0	0
January 2006	100	0	0	0	0	100	100	81	0	0
January 2007	100	0	0	0	0	100	100	68	0	0
January 2008	100	0	0	0	0	100	100	57	0	0
January 2009	100	0	0	0	0	100	100	48	0	0
January 2010	100	0	0	0	0	100	100	40	0	0
January 2011	100	0	0	0	0	100	100	33	0	0
January 2012	100	0	0	0	0	100	100	27	0	0
January 2013	100	0	0	0	0	100	100	22	0	0
January 2014	100	0	0	0	0	100	100	17	0	0
January 2015	100	0	0	0	0	100	100	14	0	0
January 2016	100	0	0	0	0	100	95	11	0	0
January 2017	43	0	0	0	0	100	81	8	0	0
January 2018	0	0	0	0	0	100	67	6	0	0
January 2019	0	0	0	0	0	100	54	4	0	0
January 2020	0	0	0	0	0	100	42	3	0	0
January 2021	0	0	0	0	0	100	30	2	0	0
January 2022	0	0	0	0	0	100	19	1	0	0
January 2023	0	0	0	0	0	48	8	*	0	0
January 2024	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.0	8.7	1.0	1.0	1.0	29.0	25.5	15.9	1.3	0.9

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.

** Determined as specified under “Weighted Average Lives of the Certificates” herein.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Election and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

The Principal Only Classes will be issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 250% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

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

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 7.37% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of the R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

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

Increase in Certificates. Fannie Mae and the Dealer may agree to offer hereby Certificates in addition to those contemplated as of the date hereof. In such event, the SMBS will be increased in principal balances, but it is expected that all additional MBS will have the same characteristics as described herein under “Description of the Certificates—The SMBS.” The proportion that the original principal balance of each Class (and any Component) bears to the aggregate original principal balance of all the Certificates will remain the same. The dollar amounts reflected in the Principal Balance Schedules will be increased in pro rata amounts that correspond to the increase of the principal balance of the Certificates.

LEGAL MATTERS

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

PRELIMINARY TARGETED BALANCE SCHEDULES

The Preliminary Targeted Balance Schedules below have been prepared using the Pricing Assumptions rather than the Settlement Characteristics. The Targeted Balance Schedules, based upon such Settlement Characteristics, will be calculated at or about the time of the formation of the Trust. Such Targeted Balance Schedules, which will be used in the determination of principal payments, will not be the same as those shown in the preliminary table below.

<u>Distribution Date</u>	<u>C2 Component Preliminary Targeted Balance</u>	<u>D Class Preliminary Targeted Balance</u>
Initial Balance	\$85,200,000.00	\$16,065,000.00
February 1994	85,200,000.00	15,790,477.71
March 1994	85,200,000.00	15,447,487.46
April 1994	85,200,000.00	15,036,304.25
May 1994	85,200,000.00	14,557,324.28
June 1994	85,200,000.00	14,011,065.02
July 1994	85,200,000.00	13,398,165.09
August 1994	85,200,000.00	12,719,383.83
September 1994	85,200,000.00	11,975,600.56
October 1994	85,200,000.00	11,167,813.56
November 1994	85,200,000.00	10,297,138.82
December 1994	85,200,000.00	9,364,808.39
January 1995	85,200,000.00	8,372,168.59
February 1995	85,200,000.00	7,320,677.78
March 1995	85,200,000.00	6,211,903.99
April 1995	85,200,000.00	5,047,522.17
May 1995	85,200,000.00	3,829,311.23
June 1995	85,200,000.00	2,559,150.82
July 1995	85,200,000.00	1,239,017.75
August 1995	85,070,982.33	0.00
September 1995	83,657,204.31	0.00
October 1995	82,199,928.70	0.00
November 1995	80,701,481.24	0.00
December 1995	79,164,263.84	0.00
January 1996	77,590,749.64	0.00
February 1996	75,983,477.97	0.00
March 1996	74,345,049.14	0.00
April 1996	72,678,119.07	0.00
May 1996	71,047,184.97	0.00
June 1996	69,451,697.37	0.00
July 1996	67,891,114.52	0.00
August 1996	66,364,902.33	0.00
September 1996	64,872,534.22	0.00
October 1996	63,413,491.04	0.00
November 1996	61,987,260.96	0.00
December 1996	60,593,339.39	0.00
January 1997	59,231,228.86	0.00
February 1997	57,900,438.91	0.00
March 1997	56,600,486.04	0.00
April 1997	55,330,893.56	0.00
May 1997	54,091,191.55	0.00
June 1997	52,880,916.70	0.00
July 1997	51,699,612.31	0.00
August 1997	50,546,828.11	0.00
September 1997	49,422,120.22	0.00

<u>Distribution Date</u>	<u>C2 Component Preliminary Targeted Balance</u>	<u>D Class Preliminary Targeted Balance</u>
October 1997	\$48,325,051.05	\$ 0.00
November 1997	47,255,189.24	0.00
December 1997	46,212,109.52	0.00
January 1998	45,195,392.67	0.00
February 1998	44,204,625.43	0.00
March 1998	43,239,400.39	0.00
April 1998	42,299,315.97	0.00
May 1998	41,383,976.26	0.00
June 1998	40,492,991.02	0.00
July 1998	39,625,975.54	0.00
August 1998	38,782,550.60	0.00
September 1998	37,962,342.38	0.00
October 1998	37,164,982.40	0.00
November 1998	36,390,107.43	0.00
December 1998	35,637,359.43	0.00
January 1999	34,906,385.46	0.00
February 1999	34,196,837.63	0.00
March 1999	33,508,373.03	0.00
April 1999	32,840,653.65	0.00
May 1999	32,193,346.31	0.00
June 1999	31,566,122.62	0.00
July 1999	30,958,658.88	0.00
August 1999	30,370,636.02	0.00
September 1999	29,801,739.57	0.00
October 1999	29,251,659.57	0.00
November 1999	28,720,090.49	0.00
December 1999	28,206,731.20	0.00
January 2000	27,711,284.92	0.00
February 2000	27,233,459.11	0.00
March 2000	26,772,965.45	0.00
April 2000	26,329,519.78	0.00
May 2000	25,902,842.03	0.00
June 2000	25,492,656.17	0.00
July 2000	25,098,128.27	0.00
August 2000	24,691,482.76	0.00
September 2000	24,273,424.46	0.00
October 2000	23,844,632.45	0.00
November 2000	23,405,760.90	0.00
December 2000	22,957,439.84	0.00
January 2001	22,500,276.01	0.00
February 2001	22,034,853.55	0.00
March 2001	21,561,734.74	0.00
April 2001	21,081,460.76	0.00
May 2001	20,594,552.32	0.00
June 2001	20,101,510.35	0.00
July 2001	19,602,816.66	0.00
August 2001	19,098,934.54	0.00
September 2001	18,590,309.37	0.00
October 2001	18,077,369.23	0.00
November 2001	17,560,525.46	0.00
December 2001	17,040,173.18	0.00
January 2002	16,516,691.87	0.00
February 2002	15,990,445.90	0.00
March 2002	15,461,784.94	0.00

<u>Distribution Date</u>	<u>C2 Component Preliminary Targeted Balance</u>	<u>D Class Preliminary Targeted Balance</u>
April 2002	\$14,931,044.57	\$ 0.00
May 2002	14,398,546.67	0.00
June 2002	13,864,599.87	0.00
July 2002	13,329,500.08	0.00
August 2002	12,793,530.81	0.00
September 2002	12,256,963.66	0.00
October 2002	11,720,058.69	0.00
November 2002	11,183,064.82	0.00
December 2002	10,646,220.22	0.00
January 2003	10,109,752.64	0.00
February 2003	9,573,879.80	0.00
March 2003	9,038,809.72	0.00
April 2003	8,504,741.05	0.00
May 2003	7,971,863.38	0.00
June 2003	7,440,357.60	0.00
July 2003	6,910,396.14	0.00
August 2003	6,382,143.30	0.00
September 2003	5,855,755.53	0.00
October 2003	5,331,381.69	0.00
November 2003	4,809,163.33	0.00
December 2003	4,289,234.94	0.00
January 2004	3,771,724.20	0.00
February 2004	3,256,752.22	0.00
March 2004	2,744,433.79	0.00
April 2004	2,234,877.56	0.00
May 2004	1,728,186.32	0.00
June 2004	1,224,457.17	0.00
July 2004	723,781.73	0.00
August 2004	226,246.37	0.00
September 2004 and thereafter	0.00	0.00

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

\$262,500,000

Federal National Mortgage Association



**Guaranteed
REMIC Pass-Through
Certificates**

**Fannie Mae REMIC Trust
1994-5**

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PROSPECTUS SUPPLEMENT

Prudential Securities Incorporated

December 21, 1993