

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 29, 1992)

\$47,920,000

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1994-11

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-11 (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist of (i) certain of the Class 129-G REMIC Certificates (the "Underlying REMIC Certificates") evidencing beneficial ownership interests in Fannie Mae REMIC Trust 1992-129 (the "Underlying REMIC Trust") and (ii) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Trust MBS"). The assets of the Underlying REMIC Trust evidence beneficial ownership interest in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "1992-129 MBS") (the 1992-129 MBS together with the Trust MBS, the "MBS"). Each MBS will represent a beneficial ownership interest in a pool (each, a "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 and interest by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus"), as well as its Prospectus Supplement dated June 11, 1992 for the Underlying REMIC Trust (the "Underlying Prospectus Supplement"), accompanying this Prospectus Supplement.

Prospective investors in the Certificates should carefully consider whether such investment is appropriate in light of their investment objectives. See "Description of the Certificates—Prepayment Considerations and Risks" and "—Yield Considerations" herein.

Elections will be made to treat the Lower Tier REMIC and the Trust as "real estate mortgage investment conduits" ("REMICs") pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). The R and RL Classes will be subject to transfer restrictions. See "Description of the Certificates—Characteristics of the R and RL Classes" 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	\$12,900,000	SEQ	3.000%	FLX	June 2018
B	35,000,000	SEQ	4.625%	FLX	June 2018
C	(2)	NTL	6.000%	FLX/IO	January 2001
R	10,000	SEQ	6.000%	FLX	June 2018
RL	10,000	SEQ	6.000%	FLX	June 2018

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

(2) The C Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially, \$3,290,833). The notional principal balance of the C Class will be calculated based on the principal balance of a Sequential Pay Component. See "Description of the Certificates—General—Notional Class" herein.

The Certificates will be offered by CS First Boston Corporation (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, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry system of the Federal Reserve Banks on or about January 21, 1994 (the "Settlement Date"). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

CS First Boston

The date of this Prospectus Supplement is December 23, 1993.

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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 the A and B Classes will be related to, among other things, the rate of distributions on the Underlying REMIC Certificates which in turn will be sensitive in varying degrees to the rate of principal payments of the Group 1 Mortgage Loans (as defined herein), the characteristics of the Group 1 Mortgage Loans actually included in the related Pool and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. The yield to investors in the B, C, R and RL Classes will be related to, among other things, the rate of distributions on the Trust MBS which in turn will be sensitive to the rate of principal payments of the Group 2 Mortgage Loans (as defined herein) and the characteristics of the Group 2 Mortgage Loans actually included in the related Pool. The yield to investors in each Class will also be sensitive to the 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.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.

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

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

- The Underlying REMIC Certificates are subordinate in priority of distribution to certain classes of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust and, accordingly, there is no assurance that principal distributions will be made on the Underlying REMIC Certificates on any particular Distribution Date. As illustrated herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Classes of the Certificates for an extended period.
- 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 Underlying Prospectus Supplement 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 Underlying Prospectus Supplement, the MBS Prospectus dated December 1, 1993 and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the “Information Statement”). The MBS 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 CS First Boston Corporation by writing or calling its Prospectus Department at 55 East 52nd Street, New York, New York 10055 (telephone 212-909-2000).

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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 Underlying Prospectus Supplement, the MBS 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 Underlying Prospectus Supplement, the MBS Prospectus or the Trust Agreement (as the context may require).

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of January 1, 1994 (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 and RL Classes) 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 interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

The assets of the Trust will consist of the Lower Tier Regular Interests, and the Certificates, other than the RL Class, will evidence the entire beneficial ownership interest in the distributions of principal and interest on the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of (i) the Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trust) and (ii) the Trust MBS, and the Lower Tier Regular Interests and the RL Class (collectively, the “Lower Tier Interests”) will in the aggregate evidence the entire beneficial ownership interest in the distributions of principal and interest on the Underlying REMIC Certificates and the Trust MBS.

MBS Distributions. The MBS will provide that principal and interest on the underlying Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of the MBS (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. The guaranty obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the Underlying Prospectus Supplement. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and interest 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 otherwise available therefor. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “Description of the REMIC Certificates—General—Fannie Mae Guaranty” in the Underlying Prospectus Supplement and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the R and RL Certificates, 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 and RL Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to any R or RL Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R and RL Certificates 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 an R or RL 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 and RL Classes” herein.

Distributions on the R and RL Classes will be made by check mailed by the Paying Agent to the address of each person entitled thereto as it appears on the Certificate Register maintained by the Certificate Registrar (initially State Street) not later than each Distribution Date; provided, however, that the final distribution to the Holders of the R and RL Certificates of the proceeds of any remaining assets of the Trust and the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of the respective Certificates at the office of the Paying Agent. The Paying Agent initially will be State Street.

Components. For purposes of calculating payments of principal, the B Class is comprised of multiple payment components having the designations and original principal balances set forth below:

<u>Designation</u>	<u>Original Principal Balance</u>
B1 Component	\$20,640,000
B2 Component	14,360,000

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

Notional Class. The C Class will be a Notional Class. A Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover or described herein during each Interest Accrual Period on the related notional principal balance. The notional principal balance of the Notional Class will be equal to the indicated percentage of the outstanding principal balance of the following Component immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Component</u>
C	22.9166666667% of B2 Component

The notional principal balance of a Notional Class is used for purposes of the determination of interest distributions thereon and does not represent an interest in the principal distributions of the MBS or the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balance of any Notional Class.

Authorized Denominations. The Certificates, other than the R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R and RL Certificates will be issued in minimum denominations of \$1,000 and integral multiples of \$100 in excess thereof.

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

Calculation of Distributions. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (except with respect to the Accrual Classes, if any) in the month after the Settlement Date. Interest to be distributed or, in the case of any Accrual Class, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month's interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date. Interest to be distributed or, in the case of any Accrual Class, added to principal on a Distribution Date will accrue on the interest-bearing Certificates during the one month periods set forth herein under "Distributions of Interest—*Interest Accrual Periods.*" Principal on the Certificates will be distributed on each Distribution Date in an amount equal to the sum of (i) the aggregate distributions of principal concurrently made on the Underlying REMIC Certificates, (ii) the aggregate distributions of principal concurrently made on the Trust MBS and (iii) any interest accrued and added on such Distribution Date to the principal balances of the Accrual Classes, if any. 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 and any interest to be added as principal to the principal balances of any Accrual Classes on such 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 or the Lower Tier REMIC 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.

Voting the Underlying REMIC Trust. In the event any issue arises under the trust agreement governing the Underlying REMIC Trust that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates of the A and B Classes having principal balances aggregating not less than 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of such Certificateholders.

The Underlying REMIC Certificates

The Underlying REMIC Certificates evidence certain of the beneficial ownership interests in the Underlying REMIC Trust, the assets of which consist of the 1992-129 MBS. As of January 1, 1994, the principal balance of the Class 129-G REMIC Certificates is expected to be \$162,225,000, of which a portion representing a \$33,540,000 principal balance of the Class 129-G REMIC Certificates will be included in the Lower Tier REMIC. The Class 129-G REMIC Certificates bear interest during each

Interest Accrual Period at a rate per annum equal to 4.00%. See the Underlying Prospectus Supplement for a discussion of the general characteristics of the Class 129-G REMIC Certificates.

The 1992-129 MBS have the Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The Mortgage Loans underlying such 1992-129 MBS (the “Group 1 Mortgage Loans”) are conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“single-family”) residential property having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the 1992-129 MBS and the Group 1 Mortgage Loans as of January 1, 1994 (the “Issue Date”) are expected to be as follows:

Pass-Through Rate	7.500%
Approximate Weighted Average WAC	8.126%
Approximate Weighted Average WAM	331 months
Approximate Weighted Average CAGE	22 months

The Trust MBS

The Trust MBS underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The Mortgage Loans underlying the Trust MBS (the “Group 2 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 each providing for a balloon payment at maturity and each having an original maturity of up to seven years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the Trust MBS and the Group 2 Mortgage Loans as of the Issue Date are expected to be as follows:

Aggregate Unpaid Principal Balance	\$14,380,000
Pass-Through Rate	6.00%
Range of WACs (per annum percentages)	6.25% to 8.50%
Range of WAMs	60 months to 84 months
Approximate Weighted Average WAC (per annum percentage)	6.50%
Approximate Weighted Average WAM	83 months
Approximate Weighted Average CAGE	1 month

Final Data Statement

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other things, the current principal balance of the Underlying REMIC Certificates as of the Issue Date and the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Group 2 Mortgage Loans, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Group 2 Mortgage Loans 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. It should be noted that there may have been material changes in facts and circumstances since the date the Underlying Prospectus Supplement was prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such document.

Prepayment Considerations and Risks

The rate of distributions of principal of the A Class and the B1 Component will be directly related to the rate of principal distributions on the Underlying REMIC Certificates, which in turn will be very sensitive to the rate of payments of principal of the Group 1 Mortgage Loans. As described in the Underlying Prospectus Supplement, the Underlying REMIC Certificates are subordinate in priority of distributions to certain classes of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust and, accordingly, distributions of principal of the Group 1 Mortgage Loans may have an exaggerated effect upon distributions of principal of the Underlying REMIC Certificates. As described in the Underlying REMIC Prospectus, the Underlying REMIC Certificates, which comprise a portion of a PAC Class, are not scheduled to receive principal payments until the Distribution Date in November 1998 in accordance with their Principal Balance Schedule, and, accordingly, under certain prepayment scenarios, there would be no distributions of principal in respect of the A Class and the B1 Component prior to such date. However, prepayments on the Group 1 Mortgage Loans may have occurred at a rate faster or slower than those initially assumed. There is no information in this Prospectus Supplement as to whether the Underlying REMIC Certificates have adhered to their Principal Balance Schedule or whether any support securities remain outstanding. Such information may be obtained through an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying Prospectus Supplement.

The rate of distributions of principal of the R and RL Classes and the B2 Component will be directly related to the rate of principal distributions on the Trust MBS, which in turn will be very sensitive to the rate of payments of principal of the Group 2 Mortgage Loans. While the Group 2 Mortgage Loans have original maturities of up to seven years, each such Mortgage Loan will provide for monthly payments based upon a 30-year amortization schedule, with a lump sum payment equal to the unpaid principal balance thereof due at maturity. In addition, the Group 2 Mortgage Loans will provide that upon the satisfaction of certain conditions at maturity (or, at the lender's option, up to six months prior to maturity), the unpaid principal balances thereof may be refinanced for an additional period of 23 years. Investors in the B, R and RL Classes must make their own determinations as to the anticipated effect of these features on the rate of principal payments (including prepayments) of the Group 2 Mortgage Loans. See "Description of the Certificates—Prepayment Considerations and Risks" in the REMIC Prospectus and "Maturity and Prepayment Assumptions" in the MBS Prospectus.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	All Classes
Interest Only	C

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (except with respect to the Accrual Classes, if any) in the month after the Settlement Date. Interest to be distributed or, in the case of any Accrual Classes, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month's interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

Interest Accrual Periods. Interest to be distributed or added to principal on a Distribution Date will accrue on the interest-bearing Certificates during the one-month period set forth below (an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
All interest-bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

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>
Sequential Pay	A, B1, B2, R and RL
Notional	C
Component	B

* 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 sum of (i) the aggregate distributions of principal concurrently made on the Underlying REMIC Certificates (the “Group 1 Principal Distribution Amount”) and (ii) the aggregate distributions of principal concurrently made on the Trust MBS (the “Group 2 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution Date, the Group 1 Principal Distribution Amount will be distributed as principal, concurrently, to the A Class and the B1 Component, in proportion to their original principal balances (or 38.4615384615% and 61.5384615385%, respectively), until the principal balances thereof are reduced to zero.

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal, *first*, concurrently, to the R and RL Classes, in proportion to their original principal balances (or 50% and 50%, respectively), until the principal balances thereof are reduced to zero and, *second*, to the B2 Component until the principal balance thereof is reduced to zero.

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared, in the case of the 1992-129 MBS, based on the actual characteristics of each Pool underlying such MBS and the priority sequences affecting the principal distributions on the Underlying REMIC Certificates, or in the case of the Trust MBS, based on the characteristics set forth for such MBS in the table under “The Trust MBS” above, and in each case on the basis of

the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- 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, 750% 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.

Characteristics of the R and RL Classes

In addition to distributions of principal and interest, the Holders of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes (other than the RL Class) have been reduced to zero, and the Holders of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

The R Class and the RL Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R or RL Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. Any transferee of an R or RL 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 an R or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

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

Yield Considerations

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. The rate of distributions of principal of the A Class and the B1 Component will be directly related to the rate of principal

distributions on the Underlying REMIC Certificates, which in turn will be related to the amortization (including prepayments) of the Group 1 Mortgage Loans and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. Because the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust, it is possible under certain prepayment scenarios that the Underlying REMIC Certificates (and thus the A Class and the B1 Component) will receive no principal distributions for an extended period. Furthermore, the Underlying REMIC Certificates, which comprise a portion of a PAC Class, are not scheduled to receive principal payments until the Distribution Date in November 1998 in accordance with their Principal Balance Schedule. However, prepayments on the Group 1 Mortgage Loans may have occurred at a rate faster or slower than those initially assumed. There is no information in this Prospectus Supplement as to whether the Underlying REMIC Certificates have adhered to their Principal Balance Schedule or whether any support securities remain outstanding. Such information may be obtained through an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying Prospectus Supplement.

The rate of distributions of principal of the R and RL Classes and the B2 Component will be directly related to the rate of principal distributions on the Trust MBS, which in turn will be related to the amortization (including prepayments) of the Group 2 Mortgage Loans. Because some of the Group 2 Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed, the principal distributions on the R and RL Classes and the B2 Component are likely to differ from those assumed, even if all the Group 2 Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans in the related group 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.

The effective yield on the Delay Classes will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay. 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 the Interest Only Class 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 Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

***The Interest Only Class.* As indicated in the table below, the yield to investors in the C Class will be sensitive to the rate of principal payments (including prepayments) of the**

Group 2 Mortgage Loans, which generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the C Class would be 0% if prepayments were to occur at a constant rate of approximately 868% PSA. If the actual prepayment rate of the Group 2 Mortgage Loans were to exceed the foregoing level for as little as one month while equaling such level for the remaining months, the investors in the C Class would not fully recoup their initial investments.

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the C Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
C	14.375%

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

**Sensitivity of the C Class to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>			
	<u>90%</u>	<u>240%</u>	<u>750%</u>	<u>1,000%</u>
C	35.4%	29.0%	5.7%	(6.5)%

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 sequences of distributions of principal of the Classes and the priority sequence of distributions of principal of the certificates (including the Underlying REMIC Certificates) evidencing beneficial ownership interests in the Underlying REMIC Trust. See “Distributions of Principal” herein and “Distributions of Principal” in the Underlying Prospectus Supplement.

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 B Class is comprised of multiple 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 (a) each Group 1 Mortgage Loan bears an interest rate of 10.00% per annum, has an original term to maturity of 360 months and a remaining term to maturity of 342 months and (b) each Group 2 Mortgage Loan bears an interest rate of 8.50% per annum and has an original and remaining term to maturity of 84 months. 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, in the case of the Group 2 Mortgage Loans, 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 distributions of weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C† Class					R and RL Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	90%	240%	750%	1,000%	0%	90%	240%	750%	1,000%	0%	90%	240%	750%	1,000%	0%	90%	240%	750%	1,000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 1995	100	100	100	100	65	100	99	98	95	73	99	98	95	88	84	0	0	0	0	0
January 1996	100	100	100	1	0	99	97	94	26	21	99	93	85	61	50	0	0	0	0	0
January 1997	100	100	100	0	0	99	95	89	14	8	98	87	73	34	21	0	0	0	0	0
January 1998	100	100	100	0	0	99	92	84	8	3	97	81	61	18	8	0	0	0	0	0
January 1999	100	100	64	0	0	98	90	59	4	1	96	76	52	10	3	0	0	0	0	0
January 2000	100	100	29	0	0	98	88	35	2	1	94	70	43	5	1	0	0	0	0	0
January 2001	100	82	0	0	0	59	48	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2002	100	59	0	0	0	59	35	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2003	100	37	0	0	0	59	22	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2004	100	16	0	0	0	59	9	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2005	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2006	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2007	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2008	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2009	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2010	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2011	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2012	100	0	0	0	0	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2013	98	0	0	0	0	58	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2014	76	0	0	0	0	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2015	51	0	0	0	0	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2016	24	0	0	0	0	14	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	0	0	0	0	0
January 2018	0	0	0	0	0	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	0	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	0
January 2021	0	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	0
January 2023	0	0	0	0	0	0	0	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	0	0	0	0	0
Weighted Average Life (years)**	21.0	8.5	5.5	1.6	1.1	15.2	7.4	5.2	2.1	1.6	6.8	5.9	4.8	2.7	2.2	0.2	0.1	0.1	0.1	0.1

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

† In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

Elections will be made to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, 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 Lower Tier Regular Interests will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

As a consequence of the qualification of the Trust and the Lower Tier REMIC as REMICs, 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 and RL Classes, 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 Notional Class and the A Class will be, and the B Class may 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 750% 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. In addition, the B Class may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R nor RL Certificates will have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of any R or RL 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 (or the Lower Tier REMIC) 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 any R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

Under the proposed IRS regulations relating to original issue discount, the Lower Tier Regular Interests would be treated as a single debt instrument for original issue discount purposes because they were issued to the Trust in a single transaction. Although there can be no assurance that final regulations will apply this aggregation rule to the Lower Tier Regular Interests, Fannie Mae intends to calculate the taxable income (or net loss) of the Trust and of the Lower Tier REMIC (and to report to the R and RL Certificateholders) by treating the Lower Tier Regular Interests as a single debt instrument. A failure of the Lower Tier Regular Interests to qualify as a single debt instrument for original issue discount purposes could result in material adverse tax consequences to the beneficial owners of the RL Class.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the Underlying REMIC Certificates and the Trust MBS 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 Trust MBS will be increased in principal balance, but it is expected that all additional Trust MBS will have the same characteristics as described herein under “Description of the Certificates—The Trust MBS.” 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.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Sidley & Austin, New York, New York. Sidley & Austin from time to time 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 Supplement, the REMIC Prospectus, the Underlying Prospectus Supplement, the MBS 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.

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\$47,920,000

**Federal National
Mortgage Association**



**Guaranteed
REMIC Pass-Through
Certificates**

**Fannie Mae REMIC Trust
1994-11**

PROSPECTUS SUPPLEMENT

CS First Boston

December 23, 1993