

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 29, 1992)

\$500,000,000

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1994-31

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 1994-31 (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 Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"), each of which 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 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"), accompanying this Prospectus Supplement.

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	Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	Final Distribution Date
A	\$149,873,485	SEQ	6.00%	FIX	October 2018	ZC	\$ 14,536,750	SEQ	6.50%	Z	February 2024
AB	40,000,000	SEQ	6.00%	FLX	March 2015	VA	26,324,000	AD/LIQ	5.50%	FLX	October 1998
AD	25,000,000	SEQ	6.00%	FIX	March 2015	VB	18,319,000	AD	6.00%	FLX	April 2001
AC	29,427,557	SEQ	6.00%	FLX	October 2018	VC	12,987,000	AD	6.00%	FLX	November 2002
F	48,860,208	SEQ	(2)	FLT	October 2018	VD	14,678,000	AD	6.25%	FLX	May 2005
S	(3)	NTL	(2)	INV/IO	October 2018	VE	14,013,000	AD	6.50%	FLX	March 2011
B	43,820,000	SEQ	6.50%	FIX	February 2020	VG	(3)	NTL	6.50%	FLX/IO	May 2005
ZA	27,280,000	SEQ	6.50%	Z	July 2021	R	1,190,000	CPT	6.50%	FLX	February 2024
ZB	33,681,000	SEQ	6.50%	Z	March 2023	RL	10,000	STP	6.50%	FLX	February 2024

(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) These Classes will bear interest based on "LIBOR" as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus.

(3) The S and VG Classes will be Notional Classes, will have no principal balances and will bear interest on their notional principal balances (initially, \$48,860,208 and \$7,022,538, respectively). The notional principal balance of the S Class will be calculated based on the principal balance of a Sequential Class and the notional principal balance of the VG Class will be calculated based on the principal balances of certain Accretion Directed Classes. See "Description of the Certificates—General—Notional Classes" herein.

The Certificates will be offered by CS First Boston (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 February 28, 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 January 26, 1994.

(Cover continued from previous page)

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, the purchase price paid for the related Class and, in the case of any Floating Rate and Inverse Floating Rate Classes, the level of the applicable Index (as defined herein). 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.
- The yield on any Floating Rate or Inverse Floating Rate Class will be sensitive to the level of the applicable Index, particularly if the interest rate thereon fluctuates as a multiple of such Index.

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 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 January 1, 1994 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 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 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 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 February 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 the 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 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. 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 available in the MBS Account. 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 and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates offered hereby, 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 an R or RL Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R and RL Certificates will be transferable and exchangeable, if applicable, 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 exchange, if applicable, or registration of transfer of the R and RL Certificates 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 Classes 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.

Notional Classes. The S and VG Classes will be Notional Classes. 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 each Notional Class will be equal to the indicated percentage of the outstanding principal balance of the following Classes immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
S	100% of F Class
VG	15.3846153846% of VA Class 7.6923076923% of VB Class 7.6923076923% of VC Class 3.8461538462% of VD Class

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.

Components. For purposes of calculating payments of principal, the R 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>
R1 Component	\$1,140,000
R2 Component	50,000

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

Authorized Denominations. The Certificates offered hereby, 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 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 to be distributed or, in the case of any Accrual Classes, 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 the aggregate distributions of principal concurrently made on the MBS and 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 offered hereby the factor (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate of such Class, will equal the amount of principal remaining to be distributed with respect to 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.

Liquid Asset. The VA Class is intended to qualify as a "liquid asset" for purposes of the liquidity requirements applicable to federal savings associations, federal savings banks and state chartered associations whose deposits are insured by Federal Deposit Insurance Corporation.

The MBS

The 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 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 as of February 1, 1994 (the “Issue Date”) are expected to be as follows:

Aggregate Unpaid Principal Balance	\$500,000,000
MBS Pass-Through Rate	6.50%
Range of WACs (per annum percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	354 months
Approximate Weighted Average CAGE	6 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth 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 Mortgage Loans underlying each MBS, 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 Mortgage Loans underlying the MBS 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 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 except the Floating Rate and Inverse Floating Rate Classes
Floating Rate	F
Inverse Floating Rate	S
Interest Only	S and VG
Accrual	ZA, ZB and ZC

* 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 any Accrual Classes) 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 periods set forth below (each, an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
F and S (collectively, the “No Delay Classes”)	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date
All other Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

Accrual Classes. The ZA, ZB and ZC Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the respective per annum rates set forth on the cover hereof; however, such interest will not be distributed thereon for so long as such Classes remain outstanding. Interest so accrued and unpaid on the Accrual Classes will be added as principal to the respective principal balances thereof on each Distribution Date. Distributions of principal of the Accrual Classes will be distributed as described herein.

Floating Rate and Inverse Floating Rate Classes. Each of the following Classes will bear interest during its initial Interest Accrual Period at the Initial Interest Rate set forth below, and will bear interest during each Interest Accrual Period thereafter, subject to the applicable Maximum and Minimum Interest Rates, at the rate determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
F	3.525%	9.0%	0.40%	LIBOR + 40 basis points
S	5.475%	8.6%	0.00%	8.6% – LIBOR

The yields with respect to such Classes will be affected by changes in the applicable index as set forth in the table above (each, an “Index”), which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an increase in the level of an Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of an Index.

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

Calculation of LIBOR

On each LIBOR Determination Date, until the principal balances of the F and S Classes (the “LIBOR Classes”) have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—LIBOR.”

If on the initial LIBOR Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be 3.125%.

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	A, AB, AD, AC, F, B, ZA, ZB and ZC
Strip	R1, R2 and RL
Notional	S and VG
Accretion Directed	VA, VB, VC, VD and VE
Component	R
Liquid Asset	VA

* 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 MBS (the “Cash Flow Distribution Amount”) and (ii) any interest accrued and added on such Distribution Date to the principal balances of the Accrual Classes.

Accrual Amount from ZA Class

On each Distribution Date, the interest, if any, accrued and added to the principal balance of the ZA Class will be distributed, sequentially, as principal of the VA, VB and VC Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the ZA Class.

Accrual Amount from ZB Class

On each Distribution Date, the interest, if any, accrued and added to the principal balance of the ZB Class will be distributed, sequentially, as principal of the VA, VB, VC and VD Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the ZB Class.

Accrual Amount from ZC Class

On each Distribution Date, the interest, if any, accrued and added to the principal balance of the ZC Class will be distributed, sequentially, as principal of the VA, VB, VC, VD and VE Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the ZC Class.

Accretion
Directed
and
Accrual
Classes

Cash Flow Distribution Amount

(a) On each Distribution Date, the R2 Component will receive 0.01% of the Cash Flow Distribution Amount, which percentage is equal to the proportion that the original principal balance of the R2 Component bears to the aggregate original principal balance of the Certificates.

(b) On each Distribution Date, an amount equal to 4% of the excess of the Cash Flow Distribution Amount over the amount applied pursuant to paragraph (a) above will be distributed, concurrently, as principal of the R1 Component and the RL Class, in proportion to their original principal balances (or 99.1304347826% and 0.8695652174%, respectively), until the principal balances thereof are reduced to zero.

Strip
Class
and
Components

(c) On each Distribution Date, the excess of the Cash Flow Distribution Amount over the amount applied pursuant to paragraphs (a) and (b) above will be distributed as principal of the Classes specified below, in the following order of priority:

(i) concurrently, to the A, F, AB and AD Classes, in the proportions of 51.1232248464%, 16.6666665530%, 19.8216052927% and 12.3885033079%, respectively, until the principal balances of the AB and AD Classes are reduced to zero;

(ii) concurrently, to the A, F and AC Classes, in the proportions of 51.1232248464%, 16.6666665530% and 32.2101086006%, respectively, until the principal balances thereof are reduced to zero; and

(iii) sequentially, to the B, VA, VB, VC, ZA, VD, ZB, VE and ZC Classes, in that order, until the respective principal balances thereof are reduced to zero.

Sequential
Classes

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”):

- each Mortgage Loan bears interest at a rate of 7.20% per annum and has an original term to maturity of 360 months, a CAGE of 6 months and a remaining term to maturity of 354 months;
- 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, 195% 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. In addition, there can be no assurance that the applicable Index will correspond to the levels shown herein. 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, that all of such Mortgage Loans will prepay at the same rate or that the level of the applicable Index will remain constant.

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

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 tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of certain Classes to various constant percentages of PSA and, where specified, to changes in an Index. The yields set forth in the tables 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 Interest Only Class. As indicated in the table below, the yield to investors in the VG Class will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the VG Class would be 0% if prepayments were to occur at a constant rate of approximately 500% PSA. If the actual prepayment rate of the 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 VG 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 VG Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
VG.....	20.796875%

* 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 VG Class to Prepayments (Pre-Tax Yields to Maturity)

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
VG	11.8%	11.8%	11.8%	7.4%	0.0%

The Inverse Floating Rate Class. The yield to investors in the Inverse Floating Rate Class will be sensitive to the level of the applicable Index and to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. As indicated in the table below, a high level of the applicable Index will have a material negative effect on the yield to investors in the Inverse Floating Rate Class. It is possible that, under certain high Index and/or prepayment scenarios, investors in the Inverse Floating Rate Class would not fully recoup their initial investments.

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

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

<u>Class</u>	<u>Price*</u>
S	10.234375%

* 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 S Class to Prepayments and LIBOR (Pre-Tax Yields to Maturity)

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
1.125%	77.1%	72.1%	61.6%	42.4%	23.7%
3.125%	52.8%	47.4%	35.6%	14.5%	(5.4)%
5.125%	29.2%	22.9%	8.8%	(15.5)%	(36.8)%
7.125%	4.5%	(4.3)%	(23.2)%	(52.6)%	(76.0)%
8.600%	*	*	*	*	*

* Pre-tax yield to maturity would be less than (99.9)%.

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 and the priority sequence of distributions of principal of the 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 R 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 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 9.00% per annum and has an original and remaining term to maturity of 360 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 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, F and S† Classes					AB and AD Classes					AC Class					B Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1995	99	94	90	84	77	98	92	86	77	67	100	100	100	100	100	100	100	100	100	100
February 1996	98	85	73	56	40	97	78	61	36	13	100	100	100	100	100	100	100	100	100	100
February 1997	96	74	55	28	6	95	62	35	0	0	100	100	100	91	19	100	100	100	100	100
February 1998	95	63	39	7	0	93	47	11	0	0	100	100	100	21	0	100	100	100	100	0
February 1999	93	53	25	0	0	90	32	0	0	0	100	100	80	0	0	100	100	100	31	0
February 2000	92	44	12	0	0	88	19	0	0	0	100	100	40	0	0	100	100	100	0	0
February 2001	90	36	2	0	0	85	6	0	0	0	100	100	5	0	0	100	100	100	0	0
February 2002	87	27	0	0	0	82	0	0	0	0	100	88	0	0	0	100	100	47	0	0
February 2003	85	20	0	0	0	78	0	0	0	0	100	63	0	0	0	100	100	0	0	0
February 2004	82	12	0	0	0	74	0	0	0	0	100	40	0	0	0	100	100	0	0	0
February 2005	80	6	0	0	0	70	0	0	0	0	100	18	0	0	0	100	100	0	0	0
February 2006	76	0	0	0	0	66	0	0	0	0	100	0	0	0	0	100	94	0	0	0
February 2007	73	0	0	0	0	61	0	0	0	0	100	0	0	0	0	100	53	0	0	0
February 2008	69	0	0	0	0	55	0	0	0	0	100	0	0	0	0	100	15	0	0	0
February 2009	65	0	0	0	0	49	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2010	61	0	0	0	0	43	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2011	56	0	0	0	0	36	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2012	50	0	0	0	0	28	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2013	45	0	0	0	0	19	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2014	38	0	0	0	0	10	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2015	31	0	0	0	0	*	0	0	0	0	100	0	0	0	0	100	0	0	0	0
February 2016	24	0	0	0	0	0	0	0	0	0	75	0	0	0	0	100	0	0	0	0
February 2017	15	0	0	0	0	0	0	0	0	0	49	0	0	0	0	100	0	0	0	0
February 2018	6	0	0	0	0	0	0	0	0	0	19	0	0	0	0	100	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 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)**	16.6	5.7	3.5	2.3	1.8	13.7	3.9	2.4	1.7	1.3	22.9	9.6	5.8	3.6	2.7	25.3	13.1	8.0	4.8	3.6

Date	ZA Class					ZB Class					ZC Class					VA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1995	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	81	81	81	81	81
February 1996	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	60	60	60	60	60
February 1997	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	38	38	38	38	38
February 1998	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	15	15	15	15	0
February 1999	138	138	138	138	48	138	138	138	138	138	138	138	138	138	138	0	0	0	0	0
February 2000	148	148	148	135	0	148	148	148	148	114	148	148	148	148	148	0	0	0	0	0
February 2001	157	157	157	23	0	157	157	157	157	46	157	157	157	157	157	0	0	0	0	0
February 2002	168	168	168	0	0	168	168	168	131	0	168	168	168	168	168	0	0	0	0	0
February 2003	176	176	161	0	0	179	179	179	76	0	179	179	179	179	164	0	0	0	0	0
February 2004	176	176	82	0	0	191	191	191	34	0	191	191	191	191	112	0	0	0	0	0
February 2005	176	176	13	0	0	204	204	204	*	0	204	204	204	204	76	0	0	0	0	0
February 2006	176	176	0	0	0	207	207	169	0	0	218	218	218	200	52	0	0	0	0	0
February 2007	176	176	0	0	0	207	207	126	0	0	232	232	232	153	35	0	0	0	0	0
February 2008	176	176	0	0	0	207	207	88	0	0	248	248	248	117	24	0	0	0	0	0
February 2009	176	142	0	0	0	207	207	56	0	0	264	264	264	89	16	0	0	0	0	0
February 2010	176	87	0	0	0	207	207	27	0	0	282	282	282	68	11	0	0	0	0	0
February 2011	176	35	0	0	0	207	207	2	0	0	301	301	301	51	7	0	0	0	0	0
February 2012	176	0	0	0	0	207	196	0	0	0	303	303	258	38	5	0	0	0	0	0
February 2013	176	0	0	0	0	207	159	0	0	0	303	303	215	28	3	0	0	0	0	0
February 2014	176	0	0	0	0	207	123	0	0	0	303	303	177	21	2	0	0	0	0	0
February 2015	176	0	0	0	0	207	90	0	0	0	303	303	144	15	1	0	0	0	0	0
February 2016	176	0	0	0	0	207	58	0	0	0	303	303	116	11	1	0	0	0	0	0
February 2017	176	0	0	0	0	207	28	0	0	0	303	303	92	8	1	0	0	0	0	0
February 2018	176	0	0	0	0	207	*	0	0	0	303	303	71	5	*	0	0	0	0	0
February 2019	176	0	0	0	0	207	0	0	0	0	303	241	53	4	*	0	0	0	0	0
February 2020	176	0	0	0	0	207	0	0	0	0	303	182	38	2	*	0	0	0	0	0
February 2021	47	0	0	0	0	207	0	0	0	0	303	127	25	1	*	0	0	0	0	0
February 2022	0	0	0	0	0	131	0	0	0	0	303	74	14	1	*	0	0	0	0	0
February 2023	0	0	0	0	0	6	0	0	0	0	303	24	4	*	*	0	0	0	0	0
February 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)**	26.7	16.0	10.0	6.6	4.9	28.2	20.7	13.8	9.0	6.7	29.6	26.6	21.5	15.3	11.4	2.4	2.4	2.4	2.4	2.4

* 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.

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

Date	VB Class					VC Class					VD Class					VE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1995	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1996	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1997	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1998	100	100	100	100	80	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1999	86	86	86	86	0	100	100	100	100	0	100	100	100	100	86	100	100	100	100	100
February 2000	48	48	48	0	0	100	100	100	0	0	100	100	100	97	0	100	100	100	100	97
February 2001	7	7	7	0	0	100	100	100	0	0	100	100	100	65	0	100	100	100	100	86
February 2002	0	0	0	0	0	49	49	49	0	0	100	100	100	0	0	100	100	100	95	73
February 2003	0	0	0	0	0	0	0	0	0	0	91	91	91	0	0	100	100	100	84	0
February 2004	0	0	0	0	0	0	0	0	0	0	51	51	51	0	0	100	100	100	71	0
February 2005	0	0	0	0	0	0	0	0	0	0	9	9	9	0	0	100	100	100	58	0
February 2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88	88	88	0	0
February 2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73	73	73	0	0
February 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57	57	57	0	0
February 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	40	40	0	0
February 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21	21	21	0	0
February 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2	0	0
February 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 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)**	6.0	6.0	6.0	5.4	4.1	8.0	8.0	8.0	5.8	4.4	10.0	10.0	10.0	7.1	5.4	14.3	14.3	14.3	10.5	8.0

Date	VG† Class					R Class					RL Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 1995	89	89	89	89	89	89	42	4	4	4	88	39	0	0	0
February 1996	77	77	77	77	77	76	4	4	3	3	75	0	0	0	0
February 1997	64	64	64	64	64	62	4	3	2	2	61	0	0	0	0
February 1998	51	51	51	51	38	48	3	3	2	1	45	0	0	0	0
February 1999	40	40	40	40	7	31	3	2	1	1	28	0	0	0	0
February 2000	32	32	32	8	0	13	3	2	1	1	10	0	0	0	0
February 2001	24	24	24	5	0	4	3	2	1	*	0	0	0	0	0
February 2002	15	15	15	0	0	4	2	2	1	*	0	0	0	0	0
February 2003	7	7	7	0	0	4	2	1	1	*	0	0	0	0	0
February 2004	4	4	4	0	0	4	2	1	*	*	0	0	0	0	0
February 2005	1	1	1	0	0	4	2	1	*	*	0	0	0	0	0
February 2006	0	0	0	0	0	4	2	1	*	*	0	0	0	0	0
February 2007	0	0	0	0	0	4	2	1	*	*	0	0	0	0	0
February 2008	0	0	0	0	0	3	1	1	*	*	0	0	0	0	0
February 2009	0	0	0	0	0	3	1	1	*	*	0	0	0	0	0
February 2010	0	0	0	0	0	3	1	*	*	*	0	0	0	0	0
February 2011	0	0	0	0	0	3	1	*	*	*	0	0	0	0	0
February 2012	0	0	0	0	0	3	1	*	*	*	0	0	0	0	0
February 2013	0	0	0	0	0	3	1	*	*	*	0	0	0	0	0
February 2014	0	0	0	0	0	3	1	*	*	*	0	0	0	0	0
February 2015	0	0	0	0	0	2	1	*	*	*	0	0	0	0	0
February 2016	0	0	0	0	0	2	1	*	*	*	0	0	0	0	0
February 2017	0	0	0	0	0	2	*	*	*	*	0	0	0	0	0
February 2018	0	0	0	0	0	2	*	*	*	*	0	0	0	0	0
February 2019	0	0	0	0	0	2	*	*	*	*	0	0	0	0	0
February 2020	0	0	0	0	0	1	*	*	*	*	0	0	0	0	0
February 2021	0	0	0	0	0	1	*	*	*	*	0	0	0	0	0
February 2022	0	0	0	0	0	1	*	*	*	*	0	0	0	0	0
February 2023	0	0	0	0	0	*	*	*	*	*	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.6	4.6	4.6	3.9	3.3	4.3	1.3	0.9	0.6	0.5	3.6	0.8	0.6	0.4	0.3

* 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.

† 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 Classes and the Accrual Classes will be, and certain other Classes of Certificates 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 195% 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, certain Classes of Certificates 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.

The Treasury Department has issued final regulations relating to the tax treatment of debt instruments with original issue discount (the “OID Regulations”). These regulations replace proposed OID regulations issued on December 22, 1992 (the “1992 Proposed OID Regulations”). The OID Regulations apply to debt instruments issued on or after April 4, 1994, and to sales or exchanges that occur on or after that date. Further, investors may rely on the OID Regulations for debt instruments issued after December 21, 1992, and for sales or exchanges that occur after that date. The OID Regulations do not provide guidance under section 1272(a)(6) of the Code, which contains special original issue discount rules applicable to the Regular Certificates.

The OID Regulations provide that for purposes of measuring the accrual of original issue discount on a debt instrument, Holders may use an interest accrual period of any length as long as each distribution date falls on either the final day or the first day of an accrual period. Fannie Mae intends to report original issue discount based on accrual periods of one month, beginning on a payment date and ending on the day before a payment date.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R nor the 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 7.41% (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 OID Regulations, the Lower Tier Regular Interests will be treated as a single debt instrument for original issue discount purposes because they were issued to the Trust in a single transaction. Consequently, 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.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the 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 MBS will be increased in principal balance, but it is expected that all additional MBS will have the same characteristics as described herein under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class (and any Components) 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 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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Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates

Fannie Mae REMIC Trust
1994-31

PROSPECTUS SUPPLEMENT

CS First Boston

January 26, 1994