

\$300,000,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-45

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 1994-45 (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 "principal only" Fannie Mae Stripped Mortgage-Backed Securities and "interest only" Fannie Mae Stripped Mortgage-Backed Securities (together, the "SMBS") which evidence the beneficial ownership interest in certain distributions of principal and interest made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"), held in the form of Fannie Mae Guaranteed MBS Pass-Through Certificates (the "Mega Certificates") and included in Fannie Mae Stripped Mortgage-Backed Security Trusts 000240-CL, 000250-CL and 000257-CL (the "SMBS Trusts"). Each MBS will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), its Prospectus for Stripped Mortgage-Backed Securities (the "SMBS Prospectus") and its Prospectus for Guaranteed MBS Pass-Through Certificates (the "Mega Prospectus"), each available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus"), accompanying this Prospectus Supplement.

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 ...	\$ 115,725,385	TAC	5.75%	FIX	April 2018	VB ...	\$ 6,703,000	AD	6.50%	FIX	October 2004
F ...	34,717,615	TAC	(2)	FLT	April 2018	VC ...	1,088,000	AD	6.50	FIX	June 2005
S ...	(3)	NTL	(2)	INV/IO	April 2018	FA ...	20,339,647	SUP	(2)	FLT	February 2024
B ...	44,402,000	TAC	6.50	FIX	October 2020	SA ...	4,358,495	SUP	(2)	INV	February 2024
C ...	27,459,000	TAC	6.50	FIX	February 2022	P ...	1,899,858	SUP	(4)	PO	February 2024
D ...	27,711,000	TAC	6.50	FIX	April 2023	R ...	0	NPR	0	NPR	February 2024
Z ...	11,279,000	TAC	6.50	Z	February 2024	RL ...	0	NPR	0	NPR	February 2024
VA ...	4,317,000	AD/LIQ	6.50	FIX	March 1999						

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) The F and S Classes will bear interest based on "LIBOR" and the FA and SA Classes will bear interest based on "COFI" 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 Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially, \$34,717,615). The notional principal balance of the S Class will be calculated based on the principal balance of a TAC Class. See "Description of the Certificates—General—Notional Class" herein.
- (4) The P Class will be a Principal Only Class and will bear no interest.

The Certificates will be offered by UBS Securities Inc. (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, and subject to approval of certain legal matters by counsel. 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 March 30, 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, at 299 Park Avenue, New York, New York, on or about the Settlement Date.

UBS Securities Inc.

February 10, 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, the SMBS Prospectus, the Mega Prospectus or the MBS Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus Supplement does not contain complete information about the Certificates. Investors should purchase Certificates only after reading this Prospectus Supplement, the REMIC Prospectus, the MBS Prospectus dated January 1, 1994, the SMBS Prospectus dated December 31, 1993, the Mega Prospectus dated December 31, 1993 and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the “Information Statement”). The MBS Prospectus, the SMBS Prospectus, the Mega Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from UBS Securities Inc. by writing or calling its Prospectus Department at 299 Park Avenue, New York, New York 10171 (telephone 212-821-4504).

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DESCRIPTION OF THE CERTIFICATES

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

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of March 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 SMBS, 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 SMBS.

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

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and 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 guaranty obligations of Fannie Mae with respect to the SMBS and the Mega Certificates are described in the SMBS Prospectus and the Mega Prospectus, respectively. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the R 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 the 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 the 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.

The distribution to the Holder of the R or RL Certificate of the proceeds of any remaining assets of the Trust or the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of such Certificates at the office of the Paying Agent. The Paying Agent initially will be State Street.

Notional Class. The S 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 Class immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
S.....	100% of F 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 SMBS, 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. Each of the R and RL Classes will be issued as a single certificate and will not have a principal balance.

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

Calculation of Distributions. 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 SMBS 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 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.

Liquid Assets. 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 the Federal Deposit Insurance Corporation.

The SMBS

The SMBS underlying the Certificates will represent the aggregate of interest payments at a Pass-Through Rate of 7.00% on a notional principal amount of \$278,571,428 and principal payments on a principal amount of \$300,000,000 of MBS having the general characteristics described in the MBS Prospectus. The MBS underlying SMBS Trust 000240-CL, SMBS Trust 000250-CL and SMBS Trust 000257-CL are held in the form of Mega Certificates CL-190240, CL-190250 and CL-190257, respectively, the general characteristics of which are described in the Mega Prospectus.

The Mortgage Loans will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“single-family”) residential property and having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the MBS and Mortgage Loans in each SMBS Trust and the characteristics of the SMBS as of March 1, 1994 (the “Issue Date”) are expected to be as follows:

SMBS Trust 000240-CL	
SMBS	
Principal Balance	\$150,324,610
Notional Principal Balance	139,587,137
MBS and Mortgage Loans	
Approximate Weighted Average WAC	7.488%
Approximate Weighted Average WAM	350 months
Approximate Weighted Average CAGE	8 months

SMBS Trust 000250-CL**SMBS**

Principal Balance	\$134,729,859
Notional Principal Balance	125,106,297

MBS and Mortgage Loans

Approximate Weighted Average WAC	7.486%
Approximate Weighted Average WAM	352 months
Approximate Weighted Average CAGE	7 months

SMBS Trust 000257-CL**SMBS**

Principal Balance	\$14,945,531
Notional Principal Balance	13,877,994

MBS and Mortgage Loans

Approximate Weighted Average WAC	7.467%
Approximate Weighted Average WAM	356 months
Approximate Weighted Average CAGE	4 months

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

Distributions of 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	A, B, C, D, Z, VA, VB and VC
Floating Rate	F and FA
Inverse Floating Rate	S and SA
Interest Only	S
Principal Only	P
Accrual	Z
No Payment Residual	R and RL

* 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 interest-bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

Accrual Class. The Z Class is an Accrual Class. Interest will accrue on the Accrual Class at the per annum rate set forth on the cover hereof; however, such interest will not be distributed thereon for so long as such Class is outstanding. Interest so accrued and unpaid on the Accrual Class will be added as principal to the principal balance thereof on each Distribution Date. Distributions of principal of the Accrual Class 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	3.87500%	9.00000%	0.50%	LIBOR + 50 basis points
S	5.12500%	8.50000%	0.00%	8.5% – LIBOR
FA	5.37900%	8.50000%	1.50%	COFI + 150 basis points
SA	14.56466%	32.66667%	0.00%	32.66667% – (4.66667 × COFI)

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 (except COFI) will be established as described herein by Fannie Mae two business days prior to the commencement of the related Interest Accrual Period. See “COFI” below for a description of how COFI is established. The establishment of the 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 3.375%.

COFI

Except as otherwise specified below, the amount of interest which will accrue in respect of the FA and SA Classes (the “COFI Classes”) during each Interest Accrual Period following their Initial Interest Accrual Period will be determined on the basis of the Eleventh District Cost of Funds Index for the second month next preceding the month in which such Interest Accrual Period commences if such Eleventh District Cost of Funds Index for such second preceding month is published on or before the tenth day of the month in which such Interest Accrual Period commences. For example, if the Eleventh District Cost of Funds Index for May is announced on or before July 10, interest accrued on the COFI Classes for the Interest Accrual Period commencing in July and distributable in August will be based on the Eleventh District Cost of Funds Index relating to May. If the Eleventh District Cost of Funds Index for the applicable month is not published on or before the tenth day of the second following month, interest will accrue on the COFI Classes at a rate determined as provided in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*COFI*.” Under certain circumstances, an alternative index may be applicable to the COFI Classes. A change of index from the Eleventh District Cost of Funds Index to an alternative index will result in a change in the index level, and, particularly if LIBOR is the alternative index, could increase its volatility.

For information regarding historical values of the Eleventh District Cost of Funds Index as reported by the Federal Home Loan Bank of San Francisco (“FHLBSF”), see “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*COFI*” in the REMIC Prospectus.

The values of the Eleventh District Cost of Funds Index as reported by the FHLBSF for the following months were as follows:

<u>Month</u>	<u>COFI</u>
December 1992	4.432%
January 1993	4.360%
February 1993	4.333%
March 1993	4.245%
April 1993	4.171%
May 1993	4.103%
June 1993	4.050%
July 1993	3.998%
August 1993	3.958%
September 1993	3.881%
October 1993	3.823%
November 1993	3.822%
December 1993	3.879%

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
TAC	A, F, B, C, D and Z
Notional	S
Support	FA, SA and P
Accretion Directed	VA, VB and VC
Liquid Asset	VA
No Payment Residual	R and RL

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

Accrual Amount

On each Distribution Date, the Accrual Amount, if any, 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 Z Class without regard to its Targeted Balance. } Accretion Directed and Accrual Classes

Cash Flow Distribution Amount

On each Distribution Date, the Cash Flow Distribution Amount will be distributed as principal of the Classes in the following order of priority:

(i) concurrently, to the A and F Classes, in proportion to their original principal balances (or 76.9230771787% and 23.0769228213%, respectively), until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date; } TAC Classes

(ii) sequentially, to the B, C, D and Z Classes, in that order, until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date;

(iii) concurrently, to the FA, SA and P Classes, in proportion to their original principal balances (or 76.4705880142%, 16.3865516204% and 7.1428603654%, respectively), until the principal balances thereof are reduced to zero; } Support Classes

(iv) concurrently, to the A and F Classes, in the proportions set forth in clause (i) above, without regard to the Targeted Balances and until the principal balances thereof are reduced to zero; and } TAC and Accretion Directed Classes

(v) sequentially, to the B, C, D, VA, VB, VC and Z Classes, in that order, without regard to the Targeted Balances and until the respective principal balances thereof are reduced to zero.

Structuring Assumptions

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

- the Mortgage Loans underlying the SMBS Trusts bear interest at a rate of 7.49% per annum and have an original term to maturity of 360 months, a CAGE of 7 months and a remaining term to maturity of 352 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, 235% PSA) is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Considerations and Risks” in the REMIC Prospectus. There is no assurance that prepayments will occur at any PSA rate or at any other constant rate.

The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans prepay at the approximate *constant* level set forth in the following table.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>PSA Level</u>
Targeted Balances	TAC	235%

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>D Class Targeted Balance</u>	<u>Z Class Targeted Balance</u>
Initial Balance	\$115,725,385.00	\$34,717,615.00	\$44,402,000.00	\$27,459,000.00	\$27,711,000.00	\$11,279,000.00
April 1994	114,808,648.54	34,442,594.06	44,402,000.00	27,459,000.00	27,711,000.00	11,340,094.58
May 1994	113,800,906.73	34,140,271.53	44,402,000.00	27,459,000.00	27,711,000.00	11,401,520.10
June 1994	112,702,922.99	33,810,876.41	44,402,000.00	27,459,000.00	27,711,000.00	11,463,278.33
July 1994	111,515,571.33	33,454,670.92	44,402,000.00	27,459,000.00	27,711,000.00	11,525,371.09
August 1994	110,239,835.47	33,071,950.16	44,402,000.00	27,459,000.00	27,711,000.00	11,587,800.18
September 1994	108,876,807.80	32,663,041.87	44,402,000.00	27,459,000.00	27,711,000.00	11,650,567.43
October 1994	107,427,688.06	32,228,305.96	44,402,000.00	27,459,000.00	27,711,000.00	11,713,674.67
November 1994	105,893,781.86	31,768,134.10	44,402,000.00	27,459,000.00	27,711,000.00	11,777,123.74
December 1994	104,276,498.85	31,282,949.20	44,402,000.00	27,459,000.00	27,711,000.00	11,840,916.50
January 1995	102,577,350.84	30,773,204.81	44,402,000.00	27,459,000.00	27,711,000.00	11,905,054.79
February 1995	100,797,949.60	30,239,384.44	44,402,000.00	27,459,000.00	27,711,000.00	11,969,540.51
March 1995	98,940,004.43	29,682,000.90	44,402,000.00	27,459,000.00	27,711,000.00	12,034,375.52
April 1995	97,005,319.62	29,101,595.47	44,402,000.00	27,459,000.00	27,711,000.00	12,099,561.72
May 1995	94,995,791.59	28,498,737.07	44,402,000.00	27,459,000.00	27,711,000.00	12,165,101.01
June 1995	92,913,405.93	27,874,021.38	44,402,000.00	27,459,000.00	27,711,000.00	12,230,995.31
July 1995	90,760,234.19	27,228,069.86	44,402,000.00	27,459,000.00	27,711,000.00	12,297,246.53
August 1995	88,538,430.49	26,561,528.77	44,402,000.00	27,459,000.00	27,711,000.00	12,363,856.62
September 1995	86,250,228.00	25,875,068.03	44,402,000.00	27,459,000.00	27,711,000.00	12,430,827.51
October 1995	83,897,935.17	25,169,380.19	44,402,000.00	27,459,000.00	27,711,000.00	12,498,161.16
November 1995	81,483,931.88	24,445,179.21	44,402,000.00	27,459,000.00	27,711,000.00	12,565,859.53
December 1995	79,010,665.36	23,703,199.27	44,402,000.00	27,459,000.00	27,711,000.00	12,633,924.60
January 1996	76,480,646.07	22,944,193.49	44,402,000.00	27,459,000.00	27,711,000.00	12,702,358.36
February 1996	73,896,443.30	22,168,932.67	44,402,000.00	27,459,000.00	27,711,000.00	12,771,162.80
March 1996	71,345,880.28	21,403,763.78	44,402,000.00	27,459,000.00	27,711,000.00	12,840,339.93
April 1996	68,828,526.47	20,648,557.64	44,402,000.00	27,459,000.00	27,711,000.00	12,909,891.78
May 1996	66,343,956.79	19,903,186.75	44,402,000.00	27,459,000.00	27,711,000.00	12,979,820.36
June 1996	63,891,751.56	19,167,525.19	44,402,000.00	27,459,000.00	27,711,000.00	13,050,127.72
July 1996	61,471,496.41	18,441,448.66	44,402,000.00	27,459,000.00	27,711,000.00	13,120,815.91
August 1996	59,082,782.25	17,724,834.42	44,402,000.00	27,459,000.00	27,711,000.00	13,191,886.99
September 1996	56,725,205.17	17,017,561.31	44,402,000.00	27,459,000.00	27,711,000.00	13,263,343.05
October 1996	54,398,366.41	16,319,509.69	44,402,000.00	27,459,000.00	27,711,000.00	13,335,186.16
November 1996	52,101,872.24	15,630,561.45	44,402,000.00	27,459,000.00	27,711,000.00	13,407,418.42
December 1996	49,835,333.96	14,950,599.97	44,402,000.00	27,459,000.00	27,711,000.00	13,480,041.93
January 1997	47,598,367.79	14,279,510.13	44,402,000.00	27,459,000.00	27,711,000.00	13,553,058.83
February 1997	45,390,594.82	13,617,178.25	44,402,000.00	27,459,000.00	27,711,000.00	13,626,471.23
March 1997	43,211,640.96	12,963,492.10	44,402,000.00	27,459,000.00	27,711,000.00	13,700,281.28
April 1997	41,061,136.87	12,318,340.88	44,402,000.00	27,459,000.00	27,711,000.00	13,774,491.14
May 1997	38,938,717.90	11,681,615.20	44,402,000.00	27,459,000.00	27,711,000.00	13,849,102.96
June 1997	36,844,024.03	11,053,207.05	44,402,000.00	27,459,000.00	27,711,000.00	13,924,118.94
July 1997	34,776,699.82	10,433,009.79	44,402,000.00	27,459,000.00	27,711,000.00	13,999,541.25
August 1997	32,736,394.33	9,820,918.16	44,402,000.00	27,459,000.00	27,711,000.00	14,075,372.10
September 1997	30,722,761.10	9,216,828.20	44,402,000.00	27,459,000.00	27,711,000.00	14,151,613.70
October 1997	28,735,458.06	8,620,637.29	44,402,000.00	27,459,000.00	27,711,000.00	14,228,268.27
November 1997	26,774,147.48	8,032,244.13	44,402,000.00	27,459,000.00	27,711,000.00	14,305,338.06
December 1997	24,838,495.92	7,451,548.67	44,402,000.00	27,459,000.00	27,711,000.00	14,382,825.31
January 1998	22,928,174.20	6,878,452.16	44,402,000.00	27,459,000.00	27,711,000.00	14,460,732.28
February 1998	21,042,857.31	6,312,857.10	44,402,000.00	27,459,000.00	27,711,000.00	14,539,061.24
March 1998	19,182,224.35	5,754,667.22	44,402,000.00	27,459,000.00	27,711,000.00	14,617,814.49
April 1998	17,345,958.53	5,203,787.48	44,402,000.00	27,459,000.00	27,711,000.00	14,696,994.32
May 1998	15,533,747.07	4,660,124.05	44,402,000.00	27,459,000.00	27,711,000.00	14,776,603.04
June 1998	13,745,281.17	4,123,584.29	44,402,000.00	27,459,000.00	27,711,000.00	14,856,642.97

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>D Class Targeted Balance</u>	<u>Z Class Targeted Balance</u>
July 1998	\$ 11,980,255.95	\$ 3,594,076.73	\$44,402,000.00	\$27,459,000.00	\$27,711,000.00	\$14,937,116.45
August 1998	10,238,370.41	3,071,511.08	44,402,000.00	27,459,000.00	27,711,000.00	15,018,025.84
September 1998	8,519,327.38	2,555,798.18	44,402,000.00	27,459,000.00	27,711,000.00	15,099,373.48
October 1998	6,822,833.47	2,046,850.01	44,402,000.00	27,459,000.00	27,711,000.00	15,181,161.75
November 1998	5,148,599.01	1,544,579.68	44,402,000.00	27,459,000.00	27,711,000.00	15,263,393.04
December 1998	3,496,338.01	1,048,901.39	44,402,000.00	27,459,000.00	27,711,000.00	15,346,069.75
January 1999	1,865,768.14	559,730.43	44,402,000.00	27,459,000.00	27,711,000.00	15,429,194.30
February 1999	256,610.64	76,983.19	44,402,000.00	27,459,000.00	27,711,000.00	15,512,769.10
March 1999	0.00	0.00	42,671,167.39	27,459,000.00	27,711,000.00	15,596,796.60
April 1999	0.00	0.00	40,633,866.05	27,459,000.00	27,711,000.00	15,681,279.25
May 1999	0.00	0.00	38,623,341.06	27,459,000.00	27,711,000.00	15,766,219.51
June 1999	0.00	0.00	36,639,248.15	27,459,000.00	27,711,000.00	15,851,619.87
July 1999	0.00	0.00	34,681,247.39	27,459,000.00	27,711,000.00	15,937,482.81
August 1999	0.00	0.00	32,749,003.21	27,459,000.00	27,711,000.00	16,023,810.84
September 1999	0.00	0.00	30,842,184.28	27,459,000.00	27,711,000.00	16,110,606.48
October 1999	0.00	0.00	28,960,463.51	27,459,000.00	27,711,000.00	16,197,872.27
November 1999	0.00	0.00	27,103,517.94	27,459,000.00	27,711,000.00	16,285,610.74
December 1999	0.00	0.00	25,271,028.77	27,459,000.00	27,711,000.00	16,373,824.47
January 2000	0.00	0.00	23,462,681.20	27,459,000.00	27,711,000.00	16,462,516.02
February 2000	0.00	0.00	21,678,164.49	27,459,000.00	27,711,000.00	16,551,687.98
March 2000	0.00	0.00	19,917,171.82	27,459,000.00	27,711,000.00	16,641,342.95
April 2000	0.00	0.00	18,179,400.28	27,459,000.00	27,711,000.00	16,731,483.56
May 2000	0.00	0.00	16,464,550.82	27,459,000.00	27,711,000.00	16,822,112.43
June 2000	0.00	0.00	14,772,328.22	27,459,000.00	27,711,000.00	16,913,232.21
July 2000	0.00	0.00	13,102,440.98	27,459,000.00	27,711,000.00	17,004,845.55
August 2000	0.00	0.00	11,454,601.34	27,459,000.00	27,711,000.00	17,096,955.13
September 2000	0.00	0.00	9,828,525.20	27,459,000.00	27,711,000.00	17,189,563.63
October 2000	0.00	0.00	8,223,932.05	27,459,000.00	27,711,000.00	17,282,673.77
November 2000	0.00	0.00	6,640,545.00	27,459,000.00	27,711,000.00	17,376,288.25
December 2000	0.00	0.00	5,078,090.65	27,459,000.00	27,711,000.00	17,470,409.81
January 2001	0.00	0.00	3,536,299.11	27,459,000.00	27,711,000.00	17,565,041.20
February 2001	0.00	0.00	2,014,903.89	27,459,000.00	27,711,000.00	17,660,185.17
March 2001	0.00	0.00	513,641.93	27,459,000.00	27,711,000.00	17,755,844.51
April 2001	0.00	0.00	0.00	26,491,253.52	27,711,000.00	17,852,022.00
May 2001	0.00	0.00	0.00	25,029,482.23	27,711,000.00	17,948,720.45
June 2001	0.00	0.00	0.00	23,587,074.93	27,711,000.00	18,045,942.69
July 2001	0.00	0.00	0.00	22,163,781.71	27,711,000.00	18,143,691.55
August 2001	0.00	0.00	0.00	20,759,355.82	27,711,000.00	18,241,969.88
September 2001	0.00	0.00	0.00	19,373,553.69	27,711,000.00	18,340,780.55
October 2001	0.00	0.00	0.00	18,006,134.82	27,711,000.00	18,440,126.44
November 2001	0.00	0.00	0.00	16,656,861.81	27,711,000.00	18,540,010.46
December 2001	0.00	0.00	0.00	15,325,500.27	27,711,000.00	18,640,435.52
January 2002	0.00	0.00	0.00	14,011,818.80	27,711,000.00	18,741,404.54
February 2002	0.00	0.00	0.00	12,715,588.94	27,711,000.00	18,842,920.48
March 2002	0.00	0.00	0.00	11,436,585.15	27,711,000.00	18,944,986.30
April 2002	0.00	0.00	0.00	10,174,584.79	27,711,000.00	19,047,604.98
May 2002	0.00	0.00	0.00	8,929,368.03	27,711,000.00	19,150,779.50
June 2002	0.00	0.00	0.00	7,700,717.85	27,711,000.00	19,254,512.89
July 2002	0.00	0.00	0.00	6,488,420.01	27,711,000.00	19,358,808.17
August 2002	0.00	0.00	0.00	5,292,262.99	27,711,000.00	19,463,668.38
September 2002	0.00	0.00	0.00	4,112,037.97	27,711,000.00	19,569,096.59
October 2002	0.00	0.00	0.00	2,947,538.81	27,711,000.00	19,675,095.86

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>D Class Targeted Balance</u>	<u>Z Class Targeted Balance</u>
November 2002	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,798,561.98	\$27,711,000.00	\$19,781,669.30
December 2002	0.00	0.00	0.00	664,906.57	27,711,000.00	19,888,820.00
January 2003	0.00	0.00	0.00	0.00	27,257,374.20	19,996,551.11
February 2003	0.00	0.00	0.00	0.00	26,153,769.07	20,104,865.76
March 2003	0.00	0.00	0.00	0.00	25,064,897.83	20,213,767.12
April 2003	0.00	0.00	0.00	0.00	23,990,569.63	20,323,258.36
May 2003	0.00	0.00	0.00	0.00	22,930,596.06	20,433,342.67
June 2003	0.00	0.00	0.00	0.00	21,884,791.09	20,544,023.28
July 2003	0.00	0.00	0.00	0.00	20,852,971.08	20,655,303.41
August 2003	0.00	0.00	0.00	0.00	19,834,954.74	20,767,186.30
September 2003	0.00	0.00	0.00	0.00	18,830,563.09	20,879,675.23
October 2003	0.00	0.00	0.00	0.00	17,839,619.45	20,992,773.47
November 2003	0.00	0.00	0.00	0.00	16,861,949.36	21,106,484.32
December 2003	0.00	0.00	0.00	0.00	15,897,380.63	21,220,811.11
January 2004	0.00	0.00	0.00	0.00	14,945,743.25	21,335,757.17
February 2004	0.00	0.00	0.00	0.00	14,006,869.39	21,451,325.86
March 2004	0.00	0.00	0.00	0.00	13,080,593.35	21,567,520.54
April 2004	0.00	0.00	0.00	0.00	12,166,751.57	21,684,344.61
May 2004	0.00	0.00	0.00	0.00	11,265,182.56	21,801,801.48
June 2004	0.00	0.00	0.00	0.00	10,375,726.92	21,919,894.57
July 2004	0.00	0.00	0.00	0.00	9,498,227.26	22,038,627.33
August 2004	0.00	0.00	0.00	0.00	8,632,528.21	22,158,003.23
September 2004	0.00	0.00	0.00	0.00	7,778,476.41	22,278,025.75
October 2004	0.00	0.00	0.00	0.00	6,935,920.42	22,398,698.38
November 2004	0.00	0.00	0.00	0.00	6,104,710.78	22,520,024.67
December 2004	0.00	0.00	0.00	0.00	5,284,699.91	22,642,008.13
January 2005	0.00	0.00	0.00	0.00	4,475,742.14	22,764,652.35
February 2005	0.00	0.00	0.00	0.00	3,677,693.64	22,887,960.88
March 2005	0.00	0.00	0.00	0.00	2,890,412.44	23,011,937.33
April 2005	0.00	0.00	0.00	0.00	2,113,758.38	23,136,585.33
May 2005	0.00	0.00	0.00	0.00	1,347,593.10	23,261,908.50
June 2005	0.00	0.00	0.00	0.00	591,780.00	23,387,000.00
July 2005	0.00	0.00	0.00	0.00	0.00	23,233,184.24
August 2005	0.00	0.00	0.00	0.00	0.00	22,497,672.69
September 2005	0.00	0.00	0.00	0.00	0.00	21,772,113.95
October 2005	0.00	0.00	0.00	0.00	0.00	21,056,378.27
November 2005	0.00	0.00	0.00	0.00	0.00	20,350,337.60
December 2005	0.00	0.00	0.00	0.00	0.00	19,653,865.49
January 2006	0.00	0.00	0.00	0.00	0.00	18,966,837.14
February 2006	0.00	0.00	0.00	0.00	0.00	18,289,129.34
March 2006	0.00	0.00	0.00	0.00	0.00	17,620,620.45
April 2006	0.00	0.00	0.00	0.00	0.00	16,961,190.40
May 2006	0.00	0.00	0.00	0.00	0.00	16,310,720.65
June 2006	0.00	0.00	0.00	0.00	0.00	15,669,094.19
July 2006	0.00	0.00	0.00	0.00	0.00	15,036,195.51
August 2006	0.00	0.00	0.00	0.00	0.00	14,411,910.55
September 2006	0.00	0.00	0.00	0.00	0.00	13,796,126.77
October 2006	0.00	0.00	0.00	0.00	0.00	13,188,733.01
November 2006	0.00	0.00	0.00	0.00	0.00	12,589,619.58
December 2006	0.00	0.00	0.00	0.00	0.00	11,998,678.18
January 2007	0.00	0.00	0.00	0.00	0.00	11,415,801.91
February 2007	0.00	0.00	0.00	0.00	0.00	10,840,885.22

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>D Class Targeted Balance</u>	<u>Z Class Targeted Balance</u>
March 2007	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$10,273,823.94
April 2007	0.00	0.00	0.00	0.00	0.00	9,714,515.21
May 2007	0.00	0.00	0.00	0.00	0.00	9,162,857.52
June 2007	0.00	0.00	0.00	0.00	0.00	8,618,750.64
July 2007	0.00	0.00	0.00	0.00	0.00	8,082,095.63
August 2007	0.00	0.00	0.00	0.00	0.00	7,552,794.84
September 2007	0.00	0.00	0.00	0.00	0.00	7,030,751.84
October 2007	0.00	0.00	0.00	0.00	0.00	6,515,871.46
November 2007	0.00	0.00	0.00	0.00	0.00	6,008,059.76
December 2007	0.00	0.00	0.00	0.00	0.00	5,507,223.99
January 2008	0.00	0.00	0.00	0.00	0.00	5,013,272.59
February 2008	0.00	0.00	0.00	0.00	0.00	4,526,115.20
March 2008	0.00	0.00	0.00	0.00	0.00	4,045,662.59
April 2008	0.00	0.00	0.00	0.00	0.00	3,571,826.70
May 2008	0.00	0.00	0.00	0.00	0.00	3,104,520.60
June 2008	0.00	0.00	0.00	0.00	0.00	2,643,658.46
July 2008	0.00	0.00	0.00	0.00	0.00	2,189,155.56
August 2008	0.00	0.00	0.00	0.00	0.00	1,740,928.29
September 2008	0.00	0.00	0.00	0.00	0.00	1,298,894.10
October 2008	0.00	0.00	0.00	0.00	0.00	862,971.49
November 2008	0.00	0.00	0.00	0.00	0.00	433,080.02
December 2008	0.00	0.00	0.00	0.00	0.00	9,140.30
January 2009 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00

Characteristics of the R and RL Classes

The R and RL Certificates will not have principal balances and will not bear interest. The Holder of the R Certificate will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero, and the Holder of the RL Certificate 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. The R and RL Certificates will constitute noneconomic residual interests under the Regulations. 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 Holder of the R Certificate will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust, and the Holder of the RL Certificate will be considered to be the holder 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 the applicable 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 Inverse Floating Rate Classes.* The yields to investors in the Inverse Floating Rate Classes will be sensitive in varying degrees 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 tables below, a high level of the applicable Index will have a negative effect on the yields to investors in the Inverse Floating Rate Classes. It is possible that, under certain Index or prepayment scenarios, investors in the S Class would not fully recoup their initial investments.**

Changes in the applicable 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 set forth in the following tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Classes for each Interest Accrual Period subsequent to their initial Interest Accrual Period will be based on the indicated level of the applicable Index and (ii) the aggregate purchase prices of the Inverse Floating Rate Classes (expressed as percentages of original principal balances) are as follows:

<u>Class</u>	<u>Price*</u>
S	7.725361%
SA	83.615737%

* The prices do not include accrued interest. Accrued interest has been added to such prices in calculating the yields set forth in the tables 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>235%</u>	<u>500%</u>	<u>750%</u>
1.375%	100.9%	94.8%	75.9%	60.5%	33.9%
3.375%	67.4%	60.9%	40.0%	21.2%	(6.9)%
5.375%	35.4%	27.6%	2.8%	(20.5)%	(49.9)%
7.375%	2.0%	(9.6)%	(42.9)%	(72.7)%	*
8.500%	*	*	*	*	*

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

**Sensitivity of the SA Class to Prepayments and COFI
(Pre-Tax Yields to Maturity)**

<u>COFI</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>235%</u>	<u>500%</u>	<u>750%</u>
1.879%	29.7%	29.7%	29.8%	56.1%	76.3%
3.879%	17.9%	17.9%	18.0%	44.9%	65.3%
5.879%	6.6%	6.6%	6.8%	34.1%	54.6%
7.000%	0.6%	0.7%	0.9%	28.2%	48.7%

The Principal Only Class. **The P Class will be a Principal Only Class and will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) will have a negative effect on the yield to investors in the P Class.**

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

<u>Class</u>	<u>Price</u>
P	62.330627%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>235%</u>	<u>500%</u>	<u>750%</u>
P	1.7%	1.8%	2.5%	87.0%	163.7%

Weighted Average Lives of the Certificates

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

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Classes and the distribution of principal of certain Classes in accordance with the Principal Balance Schedules herein. In particular,

if the amount distributable as principal of the Certificates on any Distribution Date exceeds the amount required to reduce the principal balances of certain Classes with higher principal payment priorities to their respective scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed on the remaining Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce certain Classes to their respective scheduled amounts, no principal will be distributed on the remaining Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans is expected to have a greater effect on the weighted average lives of the Support Classes than on the weighted average lives of the TAC 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.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 9.5% per annum and has an original term to maturity of 360 months and a remaining term to maturity of 359 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 may 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					B Class					C Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	235%	500%	750%	0%	100%	235%	500%	750%	0%	100%	235%	500%	750%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1995	99	93	85	85	75	100	100	100	100	100	100	100	100	100	100
March 1996	97	81	62	44	14	100	100	100	100	100	100	100	100	100	100
March 1997	96	68	37	5	0	100	100	100	100	0	100	100	100	100	100
March 1998	94	56	17	0	0	100	100	100	27	0	100	100	100	100	0
March 1999	92	45	0	0	0	100	100	96	0	0	100	100	100	41	0
March 2000	90	34	0	0	0	100	100	45	0	0	100	100	100	0	0
March 2001	88	24	0	0	0	100	100	1	0	0	100	100	100	0	0
March 2002	86	15	0	0	0	100	100	0	0	0	100	100	42	0	0
March 2003	83	6	0	0	0	100	100	0	0	0	100	100	0	0	0
March 2004	80	0	0	0	0	100	90	0	0	0	100	100	0	0	0
March 2005	77	0	0	0	0	100	63	0	0	0	100	100	0	0	0
March 2006	74	0	0	0	0	100	38	0	0	0	100	100	0	0	0
March 2007	70	0	0	0	0	100	14	0	0	0	100	100	0	0	0
March 2008	66	0	0	0	0	100	0	0	0	0	100	86	0	0	0
March 2009	61	0	0	0	0	100	0	0	0	0	100	51	0	0	0
March 2010	56	0	0	0	0	100	0	0	0	0	100	18	0	0	0
March 2011	50	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2012	44	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2013	37	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2014	30	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2015	21	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2016	12	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2017	2	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2018	0	0	0	0	0	71	0	0	0	0	100	0	0	0	0
March 2019	0	0	0	0	0	30	0	0	0	0	100	0	0	0	0
March 2020	0	0	0	0	0	0	0	0	0	0	77	0	0	0	0
March 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.6	4.7	2.5	1.9	1.4	24.5	11.6	5.9	3.8	2.6	26.4	15.1	7.9	4.9	3.4

** 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	D Class					Z Class					VA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	235%	500%	750%	0%	100%	235%	500%	750%	0%	100%	235%	500%	750%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1995	100	100	100	100	100	107	107	107	107	107	83	83	83	83	83
March 1996	100	100	100	100	100	114	114	114	114	114	64	64	64	64	64
March 1997	100	100	100	100	100	121	121	121	121	121	44	44	44	44	44
March 1998	100	100	100	100	69	130	130	130	130	130	23	23	23	23	23
March 1999	100	100	100	100	0	138	138	138	138	138	0	0	0	0	0
March 2000	100	100	100	71	0	148	148	148	148	111	0	0	0	0	0
March 2001	100	100	100	23	0	157	157	157	157	60	0	0	0	0	0
March 2002	100	100	100	0	0	168	168	168	168	32	0	0	0	0	0
March 2003	100	100	90	0	0	179	179	179	124	17	0	0	0	0	0
March 2004	100	100	47	0	0	191	191	191	85	9	0	0	0	0	0
March 2005	100	100	10	0	0	204	204	204	58	5	0	0	0	0	0
March 2006	100	100	0	0	0	207	207	156	40	3	0	0	0	0	0
March 2007	100	100	0	0	0	207	207	91	27	1	0	0	0	0	0
March 2008	100	100	0	0	0	207	207	36	18	1	0	0	0	0	0
March 2009	100	100	0	0	0	207	207	0	12	*	0	0	0	0	0
March 2010	100	100	0	0	0	207	207	0	8	*	0	0	0	0	0
March 2011	100	87	0	0	0	207	207	0	6	*	0	0	0	0	0
March 2012	100	58	0	0	0	207	207	0	4	*	0	0	0	0	0
March 2013	100	31	0	0	0	207	207	0	2	*	0	0	0	0	0
March 2014	100	5	0	0	0	207	207	0	2	*	0	0	0	0	0
March 2015	100	0	0	0	0	207	160	0	1	*	0	0	0	0	0
March 2016	100	0	0	0	0	207	102	0	1	*	0	0	0	0	0
March 2017	100	0	0	0	0	207	48	0	*	*	0	0	0	0	0
March 2018	100	0	0	0	0	207	0	0	*	*	0	0	0	0	0
March 2019	100	0	0	0	0	207	0	0	*	*	0	0	0	0	0
March 2020	100	0	0	0	0	207	0	0	*	*	0	0	0	0	0
March 2021	97	0	0	0	0	207	0	0	*	*	0	0	0	0	0
March 2022	10	0	0	0	0	207	0	0	*	*	0	0	0	0	0
March 2023	0	0	0	0	0	0	0	0	*	*	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.6	18.4	10.0	6.5	4.3	28.6	22.0	12.9	10.8	7.2	2.7	2.7	2.7	2.7	2.7

Date	VB Class					VC Class					FA, SA and P Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	235%	500%	750%	0%	100%	235%	500%	750%	0%	100%	235%	500%	750%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1995	100	100	100	100	100	100	100	100	100	100	100	100	100	19	0
March 1996	100	100	100	100	100	100	100	100	100	100	100	100	100	0	0
March 1997	100	100	100	100	100	100	100	100	100	100	100	100	100	0	0
March 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	0	0
March 1999	100	100	100	100	96	100	100	100	100	100	100	100	100	0	0
March 2000	84	84	84	84	0	100	100	100	100	0	100	100	100	0	0
March 2001	68	68	68	68	0	100	100	100	100	0	100	100	100	0	0
March 2002	50	50	50	5	0	100	100	100	100	0	100	100	100	0	0
March 2003	31	31	31	0	0	100	100	100	0	0	100	100	100	0	0
March 2004	11	11	11	0	0	100	100	100	0	0	100	100	100	0	0
March 2005	0	0	0	0	0	34	34	34	0	0	100	100	100	0	0
March 2006	0	0	0	0	0	0	0	0	0	0	100	100	100	0	0
March 2007	0	0	0	0	0	0	0	0	0	0	100	100	100	0	0
March 2008	0	0	0	0	0	0	0	0	0	0	100	100	100	0	0
March 2009	0	0	0	0	0	0	0	0	0	0	100	100	95	0	0
March 2010	0	0	0	0	0	0	0	0	0	0	100	100	79	0	0
March 2011	0	0	0	0	0	0	0	0	0	0	100	100	64	0	0
March 2012	0	0	0	0	0	0	0	0	0	0	100	100	53	0	0
March 2013	0	0	0	0	0	0	0	0	0	0	100	100	42	0	0
March 2014	0	0	0	0	0	0	0	0	0	0	100	100	34	0	0
March 2015	0	0	0	0	0	0	0	0	0	0	100	100	27	0	0
March 2016	0	0	0	0	0	0	0	0	0	0	100	100	21	0	0
March 2017	0	0	0	0	0	0	0	0	0	0	100	100	16	0	0
March 2018	0	0	0	0	0	0	0	0	0	0	100	99	12	0	0
March 2019	0	0	0	0	0	0	0	0	0	0	100	78	9	0	0
March 2020	0	0	0	0	0	0	0	0	0	0	100	59	6	0	0
March 2021	0	0	0	0	0	0	0	0	0	0	100	40	4	0	0
March 2022	0	0	0	0	0	0	0	0	0	0	100	22	2	0	0
March 2023	0	0	0	0	0	0	0	0	0	0	100	5	*	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.9	7.9	7.9	7.2	5.2	10.9	10.9	10.9	8.1	5.6	29.5	26.5	19.2	0.7	0.4

* 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.

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, the Accrual Class, the Principal Only Class and the SA Class 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 235% 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 Certificate will have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of the R 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 120% of the “federal long-term rate.” The rate will be published on or about February 20, 1994. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of the R 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 SMBS pursuant to a Fannie Mae commitment. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect such transactions to or through dealers.

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

LEGAL MATTERS

The Dealer will be advised as to certain legal matters by Weil, Gotshal & Manges.

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

\$300,000,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1994-45**

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PROSPECTUS SUPPLEMENT



February 10, 1994