

PROSPECTUS SUPPLEMENT
(To Prospectus dated December 29, 1992)

\$400,000,000

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-67

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-67 (the "Trust"). The assets of the Trust 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 with original maturities of up to 15 years (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.

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

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

<u>Class</u>	<u>Original Principal Balance</u>	<u>Principal Type (1)</u>	<u>Interest Rate</u>	<u>Interest Type (1)</u>	<u>Final Distribution Date</u>
A	\$100,000,000	SEQ	8.00%	FLX	June 2007
B	22,040,000	SEQ	9.00	FLX	June 2007
C	25,000,000	SEQ	6.25	FLX	June 2007
D	29,822,000	PAC	6.25	FLX	July 2006
F	14,012,500	SUP	(2)	FLT	June 2007
S	6,165,500	SUP	(2)	INV	June 2007
G	85,559,000	SEQ	6.25	FLX	March 2005
H	24,959,000	SEQ	6.25	FLX	January 2007
J	6,591,000	SEQ	6.25	FLX	June 2007
K	28,032,000	AD/SEQ	7.00	FLX	September 2000
L	7,734,000	AD/SEQ	7.00	FLX	January 2002
Z	50,085,000	SEQ	7.00	Z	April 2009
R	0	NPR	0	NPR	April 2009

(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 "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.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about April 29, 1994 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

MORGAN STANLEY & CO.
Incorporated

March 15, 1994

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

The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Pools, 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 Morgan Stanley & Co. Incorporated by writing or calling its Prospectus Department at 1251 Avenue of the Americas, New York, New York 10020 (telephone 212-703-7630).

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

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

MBS Distributions. The MBS will provide that principal and interest payments on the underlying Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of 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, other than the R Certificate, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Book-Entry Form” in the REMIC Prospectus.

The R Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificate will be transferable and 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 Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

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

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

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

Calculation of Distributions. 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 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 through the exercise of its right to repurchase the Mortgage Loans underlying any MBS unless only one Mortgage Loan remains in the related Pool or the principal balance of such Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The 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 having an original maturity of up to 15 years, as described under "The Mortgage Pools" and "Yield Considerations" in the MBS Prospectus. The characteristics of the MBS and Mortgage Loans as of April 1, 1994 (the "Issue Date") are expected to be as follows:

Aggregate Unpaid Principal Balance	\$400,000,000
MBS Pass-Through Rate	7.00%
Range of WACs (per annum percentages)	7.25 to 9.50%
Range of WAMs	100 months to 180 months
Approximate Weighted Average WAM	175 months
Approximate Weighted Average CAGE	5 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	A, B, C, D, G, H, J, K and L
Floating Rate	F
Inverse Floating Rate	S
Accrual	Z
No Payment Residual	R

* 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 on such Class. Interest so accrued and unpaid on any Accrual Class will be added as principal to the principal balance thereof on each Distribution Date. Distributions of principal of any 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	4.71%	9.00000%	1.00%	COFI + 100 basis points
S	9.75%	18.18181%	0.00%	18.18181% – (2.27272727 × 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 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.

COFI

Except as otherwise specified below, the amount of interest which will accrue in respect of the F and S 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%
January 1994	3.710%

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>
PAC	D
Support	F and S
Sequential	A, B, C, G, H, J, K, L and Z
Accretion Directed	K and L
No Payment Residual	R

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

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the "Principal Distribution Amount") equal to the 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 balance of the Accrual Class (the "Accrual Amount").

Accrual Amount

On each Distribution Date, the interest, if any, accrued and added to the principal balance of the Z Class will be distributed, sequentially, as principal of the K, L and Z Classes, in that order, until the principal balances thereof are reduced to zero. } 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:

(a) 46.8058150751% of such amount, concurrently, to the A, B and C Classes in the proportions of 68.0087051142%, 14.9891186072% and 17.0021762786%, respectively, until the principal balances thereof are reduced to zero;

Sequential
Classes

(b) 15.9160143753% of such amount to the D, F and S Classes in the following order of priority:

(i) to the D Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date;

(ii) concurrently, to the F and S Classes, in proportion to their original principal balances (or 69.4444444444% and 30.5555555556%, respectively), until the principal balances thereof are reduced to zero; and

(iii) to the D Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero;

PAC
and
Support
Classes

(c) 37.2781705496% of such amount, sequentially, to the G, H and J Classes, in that order, until the respective principal balances thereof are reduced to zero; and

(d) the excess of the Cash Flow Distribution Amount over the amount applied pursuant to clauses (a) through (c) above, sequentially, to the K, L and Z 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 7.60% per annum and has an original term to maturity of 180 months and the following principal amounts of the Mortgage Loans have the remaining terms to maturity and CAGEs, respectively, as specified:

\$ 80,000,000	178 months	2 months
\$120,000,000	177 months	3 months
\$ 80,000,000	174 months	6 months
\$120,000,000	173 months	7 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 Schedule has been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans prepay at the approximate *constant* levels set forth in the following table.

<u>Principal Balance Schedule Reference</u>	<u>Related Class</u>	<u>PSA Levels</u>
Planned Balance	D	Between 100% and 325%

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

Principal Balance Schedule

<u>Distribution Date</u>	<u>D Class Planned Balance</u>	<u>Distribution Date</u>	<u>D Class Planned Balance</u>
Initial Balance	\$29,822,000.00	August 1997	\$15,144,725.83
May 1994	29,822,000.00	September 1997	14,684,373.72
June 1994	29,822,000.00	October 1997	14,226,135.73
July 1994	29,822,000.00	November 1997	13,770,000.69
August 1994	29,822,000.00	December 1997	13,315,957.49
September 1994	29,822,000.00	January 1998	12,863,995.08
October 1994	29,822,000.00	February 1998	12,414,102.47
November 1994	29,822,000.00	March 1998	11,966,268.71
December 1994	29,485,628.38	April 1998	11,520,482.92
January 1995	29,138,689.89	May 1998	11,076,734.27
February 1995	28,781,338.00	June 1998	10,635,011.99
March 1995	28,413,731.91	July 1998	10,195,305.36
April 1995	28,036,036.45	August 1998	9,757,603.72
May 1995	27,648,421.96	September 1998	9,321,896.46
June 1995	27,251,064.17	October 1998	8,888,173.03
July 1995	26,844,144.05	November 1998	8,456,422.92
August 1995	26,427,847.71	December 1998	8,026,635.69
September 1995	26,002,366.24	January 1999	7,598,800.95
October 1995	25,567,895.55	February 1999	7,172,908.35
November 1995	25,124,636.25	March 1999	6,748,947.61
December 1995	24,672,793.48	April 1999	6,326,908.49
January 1996	24,212,576.77	May 1999	5,906,780.81
February 1996	23,744,199.86	June 1999	5,488,554.44
March 1996	23,267,880.53	July 1999	5,072,219.30
April 1996	22,786,712.28	August 1999	4,657,765.37
May 1996	22,302,752.21	September 1999	4,245,182.67
June 1996	21,816,104.34	October 1999	3,834,461.27
July 1996	21,326,874.57	November 1999	3,425,591.30
August 1996	20,837,996.25	December 1999	3,018,562.93
September 1996	20,351,382.54	January 2000	2,613,366.39
October 1996	19,867,021.51	February 2000	2,215,990.89
November 1996	19,384,901.28	March 2000	1,826,969.90
December 1996	18,905,010.04	April 2000	1,446,139.30
January 1997	18,427,336.04	May 2000	1,073,338.09
February 1997	17,951,867.58	June 2000	708,408.31
March 1997	17,478,593.03	July 2000	351,195.01
April 1997	17,007,500.81	August 2000	1,546.16
May 1997	16,538,579.41	September 2000 and thereafter	0.00
June 1997	16,071,817.37		
July 1997	15,607,203.29		

Characteristics of the R Class

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

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

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

Yield Considerations

General. There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. 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 the 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 the 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 the 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 the 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 table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the S Class to various constant percentages of PSA and to changes in the applicable Index. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on such Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

The 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 negative effect on the yield to investors in the Inverse Floating Rate Class.**

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 the Index.

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Class for each Interest Accrual Period subsequent to the 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.....	98%

* 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 COFI
(Pre-Tax Yields to Maturity)**

<u>COFI</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>235%</u>	<u>325%</u>	<u>500%</u>
1.71%	15.1%	15.1%	15.4%	15.8%	16.3%
3.71%	10.3%	10.4%	10.7%	11.1%	11.7%
5.71%	5.6%	5.7%	6.0%	6.5%	7.2%
8.00%	0.3%	0.4%	0.8%	1.3%	2.1%

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 the PAC Class in accordance with the Principal Balance Schedule herein. In particular, if the amount distributable as principal of the PAC Class on any Distribution Date exceeds the amount required to reduce the principal balance thereof to its scheduled amount as set forth in the Principal Balance Schedule, such excess principal will be distributed on the Support Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce the PAC Class to its scheduled amount, no principal will be distributed on the Support 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 and Sequential Classes than on the weighted average life of the PAC Class. 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 9.50% per annum and has an original and remaining term to maturity of 180 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 distributions of the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A, B and C Classes					D Class					F and S Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	235%	325%	500%	0%	100%	235%	325%	500%	0%	100%	235%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	96	92	89	86	81	97	94	94	94	94	94	90	81	75	63
April 1996	92	82	72	65	53	90	76	76	76	76	94	90	64	48	17
April 1997	87	70	54	43	26	82	57	57	57	44	94	90	48	23	0
April 1998	81	59	38	26	8	73	39	39	39	13	94	90	38	8	0
April 1999	75	49	25	13	0	63	21	21	21	0	94	90	32	1	0
April 2000	69	39	15	3	0	52	5	5	5	0	94	90	29	*	0
April 2001	62	30	6	0	0	40	0	0	0	0	94	74	14	0	0
April 2002	54	21	0	0	0	27	0	0	0	0	94	52	0	0	0
April 2003	45	13	0	0	0	12	0	0	0	0	94	31	0	0	0
April 2004	36	5	0	0	0	0	0	0	0	0	89	11	0	0	0
April 2005	26	0	0	0	0	0	0	0	0	0	63	0	0	0	0
April 2006	14	0	0	0	0	0	0	0	0	0	35	0	0	0	0
April 2007	2	0	0	0	0	0	0	0	0	0	4	0	0	0	0
April 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.9	5.1	3.5	2.9	2.2	5.9	3.5	3.5	3.5	2.8	10.9	7.6	3.6	2.1	1.3

Date	G Class					H Class					J Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	235%	325%	500%	0%	100%	235%	325%	500%	0%	100%	235%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	94	90	84	81	75	100	100	100	100	100	100	100	100	100	100
April 1996	88	75	61	52	35	100	100	100	100	100	100	100	100	100	100
April 1997	82	59	36	23	0	100	100	100	100	96	100	100	100	100	100
April 1998	74	44	15	0	0	100	100	100	98	11	100	100	100	100	100
April 1999	66	30	0	0	0	100	100	93	36	0	100	100	100	100	0
April 2000	58	17	0	0	0	100	100	42	0	0	100	100	100	52	0
April 2001	48	4	0	0	0	100	100	*	0	0	100	100	100	0	0
April 2002	37	0	0	0	0	100	72	0	0	0	100	100	0	0	0
April 2003	25	0	0	0	0	100	32	0	0	0	100	100	0	0	0
April 2004	12	0	0	0	0	100	0	0	0	0	100	82	0	0	0
April 2005	0	0	0	0	0	94	0	0	0	0	100	0	0	0	0
April 2006	0	0	0	0	0	40	0	0	0	0	100	0	0	0	0
April 2007	0	0	0	0	0	0	0	0	0	0	29	0	0	0	0
April 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.4	3.7	2.5	2.1	1.6	11.8	8.6	5.9	4.8	3.5	12.9	10.3	7.4	6.0	4.4

Date	K Class					L Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	235%	325%	500%	0%	100%	235%	325%	500%	0%	100%	235%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	87	87	87	87	87	100	100	100	100	100	107	107	107	107	107
April 1996	73	73	73	73	73	100	100	100	100	100	115	115	115	115	115
April 1997	58	58	58	58	58	100	100	100	100	100	123	123	123	123	123
April 1998	42	42	42	42	42	100	100	100	100	100	132	132	132	132	132
April 1999	25	25	25	25	0	100	100	100	100	21	142	142	142	142	142
April 2000	7	7	7	7	0	100	100	100	100	0	152	152	152	152	94
April 2001	0	0	0	0	0	54	54	54	0	0	163	163	163	140	60
April 2002	0	0	0	0	0	0	0	0	0	0	171	171	160	101	38
April 2003	0	0	0	0	0	0	0	0	0	0	171	171	121	72	23
April 2004	0	0	0	0	0	0	0	0	0	0	171	171	88	49	14
April 2005	0	0	0	0	0	0	0	0	0	0	171	153	62	32	8
April 2006	0	0	0	0	0	0	0	0	0	0	171	108	40	19	4
April 2007	0	0	0	0	0	0	0	0	0	0	171	65	22	10	2
April 2008	0	0	0	0	0	0	0	0	0	0	95	24	7	3	1
April 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	3.4	3.4	3.4	3.4	3.2	7.1	7.1	7.1	6.5	5.0	14.1	12.6	10.5	9.2	7.2

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Election and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

The Accrual 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 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, the R Certificate will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of the R Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to

such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about March 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 Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the 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 bears to the aggregate original principal balance of all the Certificates will remain the same. The dollar amounts reflected in the Principal Balance Schedules will be increased in pro rata amounts that correspond to the increase of the principal balance of the Certificates.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Brown & Wood, New York, New York. Brown & Wood also performs legal services for Fannie Mae.

No dealer, salesman or other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus 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.

\$400,000,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 1994-67

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PROSPECTUS SUPPLEMENT

MORGAN STANLEY & CO.
Incorporated

March 15, 1994