

\$372,958,260

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1994-87

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-87 (the "Trust"). The assets of the Trust will consist of certain of the Class 33-F and Class 33-S REMIC Certificates (collectively, the "Underlying REMIC Certificates") evidencing beneficial ownership interests in Fannie Mae REMIC Trust 1994-33 (the "Underlying REMIC Trust") as further described in Exhibit A hereto. The assets of the Underlying REMIC Trust consist of direct or indirect beneficial ownership interests in certain MBS having the characteristics described herein. Each MBS underlying the Underlying REMIC Certificates will represent a beneficial ownership interest in a pool (each, a "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 distributions of principal and interest by Fannie Mae.

Investors should not purchase the Certificates before reading this Prospectus Supplement and the additional Disclosure Documents listed at the bottom of page S-2.

(Cover continued on next 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 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)	CUSIP Numbers	Final Distribution Date
PA.....	\$ 8,194,133	PAC	(2)	PO	31359HZ4 9	December 1999
PB.....	9,540,230	PAC	(2)	PO	31359HZ 56	August 2004
PC.....	6,228,064	PAC	(2)	PO	31359HZ 64	May 2007
PD.....	4,974,573	PAC	(2)	PO	31359HZ 72	March 2009
E	10,321,764	SUP	(2)	PO	31359HZ 80	March 2009
F	333,699,496	STP	(3)	FLT	31359HZ 98	March 2009
SA.....	(4)	NTL	(3)	INV/IO	31359H2A1	March 2009
R	0	NPR	0	NPR	31359H2B9	March 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) These Classes are Principal Only Classes and will bear no interest.

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

(4) The SA Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially, \$333,699,496). The notional balance of the SA Class will be calculated based on the principal balance of the F Class. See "Description of the Certificates—General—Notional Class" herein.

The Certificates will be offered by Kidder, Peabody & 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 June 30, 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.

Kidder, Peabody & Co.
Incorporated

May 27, 1994

(Cover continued from previous page)

The yield to investors in each Class will be related to, among other things, the rate of distributions on the Underlying REMIC Certificates, which in turn will be very sensitive to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. The yield to investors in each Class will also be sensitive to 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 F1 and F2 Components with respect to the Class 33-F REMIC Certificates have Principal Balance Schedules. However, prepayments on the Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Components have adhered to their Principal Balance Schedules, whether any support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained through an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplement (as defined below) which may be obtained from Fannie Mae as described below.
- The F3 Component with respect to the Class 33-F REMIC Certificates is a Support Component issued by the Underlying REMIC Trust that receives principal payments on any Distribution Date only if scheduled payments have been made on the PAC Classes and Components issued by the related Underlying REMIC Trust and, accordingly, there is no assurance that principal distributions will be made on such Component of Underlying REMIC Certificates (and thus on the Classes of Certificates) on any particular Distribution Date. As illustrated herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Classes of Certificates for an extended period.
- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Description of the Certificates—Reinvestment Risk” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.

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

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

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.

Investors should purchase the Certificates only if they have read and understood this Prospectus Supplement and the following documents (collectively, the “Disclosure Documents”):

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated April 7, 1994 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated January 1, 1994 (the “MBS Prospectus”);
- Fannie Mae’s Information Statement dated March 31, 1994 and any supplements thereto (collectively, the “Information Statement”); and
- The Underlying Prospectus Supplement.

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying Prospectus Supplement, 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 Kidder, Peabody & Co. Incorporated by writing or calling its Prospectus Department at 60 Broad Street, 6th Floor, New York, New York 10004 (telephone 212-656-1584). Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Categories of Classes</i>	S-10
Description of the Certificates	S- 6	<i>Principal Distribution Amount</i>	S-10
General	S- 6	Structuring Assumptions	S-11
<i>Structure</i>	S- 6	<i>Pricing Assumptions</i>	S-11
<i>Distributions on the Underlying</i>		<i>PSA Assumptions</i>	S-11
<i>REMIC Certificates</i>	S- 6	<i>Structuring Range</i>	S-11
<i>Fannie Mae Guaranty</i>	S- 6	<i>Initial Effective Ranges</i>	S-12
<i>Characteristics of Certificates</i>	S- 6	Principal Balance Schedules	S-13
<i>Notional Class</i>	S- 7	Characteristics of the R Class	S-17
<i>Authorized Denominations</i>	S- 7	Yield Considerations	S-17
<i>Distribution Dates</i>	S- 7	<i>General</i>	S-17
<i>Calculation of Distributions</i>	S- 7	<i>The Principal Only Classes</i>	S-18
<i>Record Date</i>	S- 7	<i>The Inverse Floating Rate</i>	
<i>REMIC Trust Factors</i>	S- 7	<i>Class</i>	S-19
<i>Optional Termination</i>	S- 7	Weighted Average Lives of the	
<i>Voting the Underlying REMIC</i>		<i>Certificates</i>	S-19
<i>Trust</i>	S- 8	Decrement Tables	S-21
The Underlying REMIC		Certain Additional Federal Income	
Certificates	S- 8	Tax Consequences	S-22
Prepayment Considerations		REMIC Election and Special Tax	
and Risks	S- 8	Attributes	S-22
Distributions of Interest	S- 9	Taxation of Beneficial Owners of	
<i>Categories of Classes</i>	S- 9	Regular Certificates	S-22
<i>General</i>	S- 9	Taxation of Beneficial Owners of	
<i>Interest Accrual Period</i>	S- 9	Residual Certificates	S-22
<i>Floating Rate and Inverse Floating</i>		Plan of Distribution	S-23
<i>Rate Classes</i>	S- 9	Legal Matters	S-23
Calculation of LIBOR	S-10	Exhibit A	A- 1
Distributions of Principal	S-10		

REFERENCE SHEET

This reference sheet is not a summary of the REMIC transaction and it does not contain complete information about the Certificates. Investors should purchase the Certificates only after reading this Prospectus Supplement and each of the additional Disclosure Documents described herein.

Characteristics of the Underlying REMIC Certificates

The table contained in Exhibit A hereto sets forth certain information with respect to each Class of Underlying REMIC Certificates, including certain information regarding the Mortgage Loans underlying each such Class. Certain additional information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplement, which may be obtained from Fannie Mae as described herein.

See “Description of the Certificates—The Underlying REMIC Certificates” herein.

Interest Rates

The Floating and Inverse Floating Rate Certificates will bear interest during their initial nine Interest Accrual Periods at the Initial Interest Rate set forth below, and will bear interest during each Interest Accrual Period after their initial nine Interest Accrual Periods, 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(1)	5.00%	9.50%	0.45%	LIBOR + 45 basis points
SA(1)	0.10%	0.95%	0.00%	9.05% – LIBOR

(1) The F and SA Classes will bear interest during their initial nine Interest Accrual Periods, ending March 24, 1995, at their respective Initial Interest Rates set forth in the table above.

See “Description of the Certificates—Distributions of Interest—*Interest Accrual Period*” and “—*Floating Rate and Inverse Floating Rate Classes*” herein.

Notional Class

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
SA	100% of F Class

Distributions of Principal

The Principal Distribution Amount shall be distributed first to the F Class in a percentage equal to the proportion its balance bears to the aggregate original principal balance of the Certificates (89.4736842670%). The excess of the Principal Distribution Amount over this amount shall be distributed in the following order of priority:

1. To the PAC Classes, in alphabetical order, until the principal balances thereof are reduced to their respective Planned Balances.
2. To the E Class, until the principal balance thereof is reduced to zero.
3. To the PAC Classes as in step 1 above until the principal balances thereof are reduced to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>65%</u>	<u>230%</u>	<u>275%</u>	<u>400%</u>	<u>600%</u>
PA	2.0	1.2	1.2	1.2	1.2	1.2
PB	5.6	3.5	3.5	3.5	3.4	2.8
PC	8.6	6.0	6.0	6.0	5.5	3.9
PD	10.8	9.4	9.4	9.4	8.7	6.3
E	12.5	10.1	3.3	2.6	2.0	1.5
F and SA	7.8	5.9	4.1	3.9	3.6	2.7

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

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 remaining provisions of this Prospectus Supplement, the additional Disclosure Documents and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the meanings assigned to such terms in the applicable Disclosure Document 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 June 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 Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trust).

Distributions on the Underlying REMIC Certificates. The Underlying REMIC Certificates provide that principal and interest payments thereon will be passed through monthly, commencing on the 25th day of the month following the initial issuance thereof (or, in each case, if such 25th day is not a business day, on the first business day next succeeding such 25th day).

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

Characteristics of Certificates. The Certificates, other than the R 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, Certificate Form” in the REMIC Prospectus.

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

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

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

Notional Class. The SA 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>
SA	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 Underlying REMIC Certificates, the MBS or the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balance of any Notional Class.

Authorized Denominations. The Certificates, other than the R 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 in the month after the Settlement Date. Interest to be distributed 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 on a Distribution Date will accrue on the interest-bearing Certificates during the one month period set forth herein under “Distributions of Interest—*Interest Accrual Period.*” 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 Class 33-F REMIC Certificates. See “Distributions of Principal” herein.

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

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

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early

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

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

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the Underlying REMIC Trust, the assets of which evidence the direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family residential property, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

The table contained in Exhibit A hereto sets forth certain information with respect to each class of Underlying REMIC Certificates including the numerical designation of the Underlying REMIC Trust, the class designation of the Underlying REMIC Certificates, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance of the entire class, the percentage of such class in the Trust, the current principal factor for such class and the current principal balance of such class contained in the Trust as of the Issue Date. The table also sets forth the approximate weighted average WAC, approximate weighted average WAM and approximate weighted average CAGE of the Mortgage Loans underlying the related MBS as of the Issue Date and the underlying security type.

To request further information regarding the Underlying REMIC Certificates, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the date the Underlying Prospectus Supplement was prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such document.

Prepayment Considerations and Risks

The rate of distributions of principal of the Certificates will be directly related to the rate of principal distributions on the Underlying REMIC Certificates, which in turn will be very sensitive to the rate of principal payments of the Mortgage Loans and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. As described in the Underlying Prospectus Supplement, the F3 Component with respect to the Class 33-F REMIC Certificates is a Support Component issued by the Underlying REMIC Trust that receives principal payments on any Distribution Date only if scheduled payments have been made on the PAC Classes and Components issued by the Underlying REMIC Trust. Accordingly, such Component may receive no principal payments for extended periods of time or may receive principal payments that vary widely from period to period. As a result of the foregoing characteristics and as illustrated in the Decrement Tables herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Certificates for extended periods of time or, conversely, that investors in such Classes would receive distributions of principal earlier than they anticipated. In addition, the F1 and

F2 Components with respect to the Class 33-F REMIC Certificates have Principal Balance Schedules. As a result of the foregoing characteristics, distributions of principal of the Certificates during certain periods may occur at a faster or slower rate than would otherwise be the case. However, prepayments on the Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Components have adhered to their Principal Balance Schedules, whether any support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplement, which may be obtained from Fannie Mae as described above.

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>
Floating Rate	F
Inverse Floating Rate	SA
Interest Only	SA
Principal Only	PA, PB, PC, PD and E
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 in the month after the Settlement Date. Interest to be distributed 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 Period. Interest to be distributed on a Distribution Date will accrue on the interest-bearing Certificates during the one-month period set forth below (an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
F and SA (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

See “Yield Considerations” 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 after their initial nine Interest Accrual Periods, 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(1)	5.00%	9.50%	0.45%	LIBOR + 45 basis points
SA(1)	0.10%	0.95%	0.00%	9.05% – LIBOR

(1) The F and SA Classes will bear interest during their initial nine Interest Accrual Periods, ending March 24, 1995, at their respective Initial Interest Rates set forth in the table above.

The yields with respect to such Classes will be affected by changes in the index, as set forth in the table above (the “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 the Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of the Index.

The 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 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 Index Determination Date, until the principal balances of the F and SA 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 Index 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 4.4375%.

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	PA, PB, PC and PD
Support	E
Notional	SA
Strip	F
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 sum of the aggregate distributions of principal concurrently made on the Class 33-F REMIC Certificates.

On each Distribution Date, the F Class will receive 89.4736842670% of the Principal Distribution Amount, which percentage is equal to the proportion that the principal balance of the F Class bears to the aggregate original principal balance of the Certificates. } Strip Class

On each Distribution Date, the excess of the Principal Distribution Amount over the amount applied pursuant to the preceding paragraph will be distributed as principal of the Classes specified below in the following order of priority:

(i) sequentially, to the PA, PB, PC and PD Classes, in that order, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date; } PAC Classes

(ii) to the E Class, until the principal balance thereof is reduced to zero; and } Support Class

(iii) sequentially, to the PA, PB, PC and PD Classes, in that order, without regard to their Planned Balances and until the principal balances thereof are reduced to zero. } PAC Classes

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared based on the actual characteristics of each Pool underlying the Underlying REMIC Certificates, the priority sequences affecting the principal distributions of the Underlying REMIC Certificates and the following assumptions (the “Pricing Assumptions”):

- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

PSA Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus Supplement is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA (for example, 230% 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. It is highly unlikely that prepayments will occur at any PSA rate or at any other constant rate.

Structuring Range. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans prepay at a *constant* PSA rate within the Structuring Range set forth below.

Related Classes

PAC

Structuring Range

Between 65% and 275%

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 herein, 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 distribution on any Distribution Date over the amount necessary to reduce the applicable Classes to their scheduled balances will be distributed, the ability to so reduce such Classes will not be enhanced by the averaging of high and low principal prepayments from month

to month. In addition, even if prepayments occur at rates falling within the Structuring Range specified above, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans, the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the Structuring Range specified above.

Initial Effective Ranges. The Effective Range for a Class is the range of prepayment rates (measured by *constant* PSA rates) that would reduce such Class to its Principal Balance Schedule on each Distribution Date. The Initial Effective Ranges set forth in the table below are based upon the assumed characteristics of the Mortgage Loans specified in the Pricing Assumptions.

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
PA	Between 65% and 626%
PB	Between 65% and 319%
PC	Between 65% and 275%
PD	Between 61% and 275%

The actual Effective Ranges at any time will be based upon the actual characteristics of the Mortgage Loans at such time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics likely will differ from the Initial Effective Ranges. As a result, the applicable Classes might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges (particularly if such rate were at the lower or higher end of such ranges). In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The principal payment stability of the PAC Classes will be supported in part by the Support Class. When the Support Class is retired, any outstanding PAC Classes will no longer have Effective Ranges and will be more sensitive to prepayments.

Principal Balance Schedules

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>
Initial Balance	\$8,194,133.00	\$9,540,230.00	\$6,228,064.00	\$4,974,573.00
July 1994	7,971,823.31	9,540,230.00	6,228,064.00	4,974,573.00
August 1994	7,742,370.27	9,540,230.00	6,228,064.00	4,974,573.00
September 1994	7,505,987.05	9,540,230.00	6,228,064.00	4,974,573.00
October 1994	7,262,838.49	9,540,230.00	6,228,064.00	4,974,573.00
November 1994	7,012,992.80	9,540,230.00	6,228,064.00	4,974,573.00
December 1994	6,756,520.73	9,540,230.00	6,228,064.00	4,974,573.00
January 1995	6,493,495.53	9,540,230.00	6,228,064.00	4,974,573.00
February 1995	6,223,992.88	9,540,230.00	6,228,064.00	4,974,573.00
March 1995	5,948,090.90	9,540,230.00	6,228,064.00	4,974,573.00
April 1995	5,665,870.10	9,540,230.00	6,228,064.00	4,974,573.00
May 1995	5,377,413.34	9,540,230.00	6,228,064.00	4,974,573.00
June 1995	5,082,805.77	9,540,230.00	6,228,064.00	4,974,573.00
July 1995	4,782,134.84	9,540,230.00	6,228,064.00	4,974,573.00
August 1995	4,475,490.20	9,540,230.00	6,228,064.00	4,974,573.00
September 1995	4,162,963.71	9,540,230.00	6,228,064.00	4,974,573.00
October 1995	3,844,649.36	9,540,230.00	6,228,064.00	4,974,573.00
November 1995	3,520,643.22	9,540,230.00	6,228,064.00	4,974,573.00
December 1995	3,191,043.43	9,540,230.00	6,228,064.00	4,974,573.00
January 1996	2,855,950.12	9,540,230.00	6,228,064.00	4,974,573.00
February 1996	2,515,465.36	9,540,230.00	6,228,064.00	4,974,573.00
March 1996	2,169,693.13	9,540,230.00	6,228,064.00	4,974,573.00
April 1996	1,818,868.01	9,540,230.00	6,228,064.00	4,974,573.00
May 1996	1,463,867.97	9,540,230.00	6,228,064.00	4,974,573.00
June 1996	1,105,139.54	9,540,230.00	6,228,064.00	4,974,573.00
July 1996	743,039.38	9,540,230.00	6,228,064.00	4,974,573.00
August 1996	377,809.45	9,540,230.00	6,228,064.00	4,974,573.00
September 1996	12,590.73	9,540,230.00	6,228,064.00	4,974,573.00
October 1996	0.00	9,188,303.28	6,228,064.00	4,974,573.00
November 1996	0.00	8,824,483.53	6,228,064.00	4,974,573.00
December 1996	0.00	8,461,357.91	6,228,064.00	4,974,573.00
January 1997	0.00	8,098,922.85	6,228,064.00	4,974,573.00
February 1997	0.00	7,737,174.83	6,228,064.00	4,974,573.00
March 1997	0.00	7,378,089.84	6,228,064.00	4,974,573.00
April 1997	0.00	7,038,683.75	6,228,064.00	4,974,573.00
May 1997	0.00	6,708,339.51	6,228,064.00	4,974,573.00
June 1997	0.00	6,378,613.26	6,228,064.00	4,974,573.00
July 1997	0.00	6,049,501.76	6,228,064.00	4,974,573.00
August 1997	0.00	5,721,001.82	6,228,064.00	4,974,573.00
September 1997	0.00	5,393,110.22	6,228,064.00	4,974,573.00
October 1997	0.00	5,065,823.76	6,228,064.00	4,974,573.00
November 1997	0.00	4,739,139.27	6,228,064.00	4,974,573.00
December 1997	0.00	4,413,053.56	6,228,064.00	4,974,573.00
January 1998	0.00	4,087,563.44	6,228,064.00	4,974,573.00
February 1998	0.00	3,762,665.77	6,228,064.00	4,974,573.00
March 1998	0.00	3,438,357.37	6,228,064.00	4,974,573.00
April 1998	0.00	3,164,094.93	6,228,064.00	4,974,573.00
May 1998	0.00	2,904,518.48	6,228,064.00	4,974,573.00
June 1998	0.00	2,650,592.00	6,228,064.00	4,974,573.00
July 1998	0.00	2,400,161.00	6,228,064.00	4,974,573.00
August 1998	0.00	2,150,176.13	6,228,064.00	4,974,573.00
September 1998	0.00	1,900,634.97	6,228,064.00	4,974,573.00

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>
October 1998	\$ 0.00	\$1,651,535.10	\$6,228,064.00	\$4,974,573.00
November 1998	0.00	1,402,874.11	6,228,064.00	4,974,573.00
December 1998	0.00	1,154,649.59	6,228,064.00	4,974,573.00
January 1999	0.00	906,859.15	6,228,064.00	4,974,573.00
February 1999	0.00	659,500.39	6,228,064.00	4,974,573.00
March 1999	0.00	412,570.93	6,228,064.00	4,974,573.00
April 1999	0.00	166,068.37	6,228,064.00	4,974,573.00
May 1999	0.00	0.00	6,148,054.34	4,974,573.00
June 1999	0.00	0.00	5,902,398.47	4,974,573.00
July 1999	0.00	0.00	5,657,162.39	4,974,573.00
August 1999	0.00	0.00	5,412,343.74	4,974,573.00
September 1999	0.00	0.00	5,167,940.17	4,974,573.00
October 1999	0.00	0.00	4,923,949.32	4,974,573.00
November 1999	0.00	0.00	4,680,368.85	4,974,573.00
December 1999	0.00	0.00	4,437,196.42	4,974,573.00
January 2000	0.00	0.00	4,194,429.70	4,974,573.00
February 2000	0.00	0.00	3,952,066.36	4,974,573.00
March 2000	0.00	0.00	3,710,104.07	4,974,573.00
April 2000	0.00	0.00	3,468,540.52	4,974,573.00
May 2000	0.00	0.00	3,227,373.38	4,974,573.00
June 2000	0.00	0.00	2,986,600.36	4,974,573.00
July 2000	0.00	0.00	2,746,219.16	4,974,573.00
August 2000	0.00	0.00	2,506,227.46	4,974,573.00
September 2000	0.00	0.00	2,266,622.98	4,974,573.00
October 2000	0.00	0.00	2,027,403.44	4,974,573.00
November 2000	0.00	0.00	1,788,566.54	4,974,573.00
December 2000	0.00	0.00	1,550,110.02	4,974,573.00
January 2001	0.00	0.00	1,314,680.18	4,974,573.00
February 2001	0.00	0.00	1,083,037.97	4,974,573.00
March 2001	0.00	0.00	855,134.82	4,974,573.00
April 2001	0.00	0.00	630,922.55	4,974,573.00
May 2001	0.00	0.00	410,353.32	4,974,573.00
June 2001	0.00	0.00	193,379.72	4,974,573.00
July 2001	0.00	0.00	14,275.85	4,974,573.00
August 2001	0.00	0.00	0.00	4,828,935.84
September 2001	0.00	0.00	0.00	4,674,902.86
October 2001	0.00	0.00	0.00	4,524,872.20
November 2001	0.00	0.00	0.00	4,378,416.42
December 2001	0.00	0.00	0.00	4,235,450.63
January 2002	0.00	0.00	0.00	4,095,892.01
February 2002	0.00	0.00	0.00	3,959,659.75
March 2002	0.00	0.00	0.00	3,826,675.03
April 2002	0.00	0.00	0.00	3,696,860.94
May 2002	0.00	0.00	0.00	3,570,142.44
June 2002	0.00	0.00	0.00	3,446,446.32
July 2002	0.00	0.00	0.00	3,325,701.16
August 2002	0.00	0.00	0.00	3,207,837.27
September 2002	0.00	0.00	0.00	3,092,786.64
October 2002	0.00	0.00	0.00	2,980,482.94
November 2002	0.00	0.00	0.00	2,870,861.41
December 2002	0.00	0.00	0.00	2,763,858.89
January 2003	0.00	0.00	0.00	2,677,316.71

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>
February 2003	\$ 0.00	\$ 0.00	\$ 0.00	\$2,604,257.10
March 2003	0.00	0.00	0.00	2,532,718.20
April 2003	0.00	0.00	0.00	2,462,669.91
May 2003	0.00	0.00	0.00	2,394,082.74
June 2003	0.00	0.00	0.00	2,326,927.81
July 2003	0.00	0.00	0.00	2,261,176.80
August 2003	0.00	0.00	0.00	2,196,801.99
September 2003	0.00	0.00	0.00	2,133,776.19
October 2003	0.00	0.00	0.00	2,072,072.78
November 2003	0.00	0.00	0.00	2,011,665.67
December 2003	0.00	0.00	0.00	1,952,529.30
January 2004	0.00	0.00	0.00	1,894,638.60
February 2004	0.00	0.00	0.00	1,837,969.03
March 2004	0.00	0.00	0.00	1,782,496.54
April 2004	0.00	0.00	0.00	1,728,197.54
May 2004	0.00	0.00	0.00	1,675,048.93
June 2004	0.00	0.00	0.00	1,623,028.07
July 2004	0.00	0.00	0.00	1,572,112.76
August 2004	0.00	0.00	0.00	1,522,281.26
September 2004	0.00	0.00	0.00	1,473,512.25
October 2004	0.00	0.00	0.00	1,425,784.84
November 2004	0.00	0.00	0.00	1,379,078.55
December 2004	0.00	0.00	0.00	1,333,373.32
January 2005	0.00	0.00	0.00	1,288,649.46
February 2005	0.00	0.00	0.00	1,244,887.70
March 2005	0.00	0.00	0.00	1,202,069.13
April 2005	0.00	0.00	0.00	1,160,175.23
May 2005	0.00	0.00	0.00	1,119,187.84
June 2005	0.00	0.00	0.00	1,079,089.15
July 2005	0.00	0.00	0.00	1,039,861.71
August 2005	0.00	0.00	0.00	1,001,488.41
September 2005	0.00	0.00	0.00	963,952.49
October 2005	0.00	0.00	0.00	927,237.49
November 2005	0.00	0.00	0.00	891,327.29
December 2005	0.00	0.00	0.00	856,206.11
January 2006	0.00	0.00	0.00	821,858.43
February 2006	0.00	0.00	0.00	788,269.07
March 2006	0.00	0.00	0.00	755,423.13
April 2006	0.00	0.00	0.00	723,306.02
May 2006	0.00	0.00	0.00	691,903.42
June 2006	0.00	0.00	0.00	661,201.29
July 2006	0.00	0.00	0.00	631,185.86
August 2006	0.00	0.00	0.00	601,843.64
September 2006	0.00	0.00	0.00	573,161.39
October 2006	0.00	0.00	0.00	545,126.14
November 2006	0.00	0.00	0.00	517,725.17
December 2006	0.00	0.00	0.00	490,946.00
January 2007	0.00	0.00	0.00	464,776.38
February 2007	0.00	0.00	0.00	439,204.33
March 2007	0.00	0.00	0.00	414,218.08
April 2007	0.00	0.00	0.00	389,806.09
May 2007	0.00	0.00	0.00	365,957.04

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>
June 2007	\$ 0.00	\$ 0.00	\$ 0.00	\$ 342,659.85
July 2007	0.00	0.00	0.00	319,903.61
August 2007	0.00	0.00	0.00	297,677.68
September 2007	0.00	0.00	0.00	275,971.57
October 2007	0.00	0.00	0.00	254,775.02
November 2007	0.00	0.00	0.00	234,077.97
December 2007	0.00	0.00	0.00	213,870.53
January 2008	0.00	0.00	0.00	194,143.04
February 2008	0.00	0.00	0.00	174,885.99
March 2008	0.00	0.00	0.00	156,090.06
April 2008	0.00	0.00	0.00	137,746.12
May 2008	0.00	0.00	0.00	119,845.20
June 2008	0.00	0.00	0.00	102,381.23
July 2008	0.00	0.00	0.00	85,348.05
August 2008	0.00	0.00	0.00	68,768.45
September 2008	0.00	0.00	0.00	52,988.32
October 2008	0.00	0.00	0.00	39,193.05
November 2008	0.00	0.00	0.00	26,584.51
December 2008	0.00	0.00	0.00	15,070.39
January 2009	0.00	0.00	0.00	4,344.64
February 2009	0.00	0.00	0.00	1,277.72
March 2009	0.00	0.00	0.00	0.00

Characteristics of the R Class

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

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

The Holder of the R Class 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 R Class 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 Index will correspond to the levels shown herein. Furthermore, because some of the Mortgage Loans will likely 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 Index will remain constant.

The rate of distributions of principal of the Certificates will be directly related to the rate of principal distributions on the Underlying REMIC Certificates, which in turn will be very sensitive to the amortization (including prepayments) of the Mortgage Loans and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. In addition, the F3 Component with respect to the Class 33-F REMIC Certificates is a Support Component issued by the Underlying REMIC Trust that receives principal payments on any Distribution Date only if scheduled payments have been made on the PAC Classes and Components issued by the Underlying REMIC Trust. Accordingly, such Component may receive no principal payments for extended periods of time or may receive principal payments that vary widely from period to period. As a result of the foregoing characteristics and as illustrated in the Decrement Tables herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Certificates for extended periods of time or, conversely, that investors in such Classes would receive distributions of principal earlier than they anticipated. In addition, the F1 and F2 Components with respect to the Class 33-F REMIC Certificates have Principal Balance Schedules. As a result of the foregoing

characteristics, distributions of principal of the Certificates during certain periods may occur at a faster or slower rate than would otherwise be the case. However, prepayments on the Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Components have adhered to their Principal Balance Schedules, whether any support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplement, which may be obtained from Fannie Mae as described herein.

The timing of changes in the rate of prepayments or the level of the 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 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 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 Principal Only Classes. **The Principal Only Classes will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the Mortgage Loans will have a negative effect on the yields to investors in the Principal Only Classes.**

The information set forth in the following tables was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Principal Only Classes (expressed as percentages of the original principal balances) are as follows:

<u>Class</u>	<u>Price</u>
PA	92.233273%
PB	76.830810%
PC	61.917610%
PD	45.807840%
E	60.000000%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>65%</u>	<u>230%</u>	<u>275%</u>	<u>400%</u>	<u>600%</u>
PA	6.3%	6.6%	6.6%	6.6%	6.6%	6.6%
PB	7.2%	7.7%	7.7%	7.7%	7.9%	9.7%
PC	7.7%	8.2%	8.2%	8.2%	9.0%	12.6%
PD	8.5%	8.6%	8.6%	8.6%	9.3%	13.1%
E	4.9%	5.2%	18.9%	22.6%	29.4%	39.5%

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

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

The information 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 its initial nine Interest Accrual Periods 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>
SA	1.625%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>65%</u>	<u>230%</u>	<u>275%</u>	<u>400%</u>	<u>600%</u>
8.1000%	35.2%	34.1%	24.7%	23.3%	20.1%	9.2%
8.4375%	19.5%	18.4%	8.6%	7.2%	3.9%	(8.0)%
9.0500%	*	*	*	*	*	*

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

Weighted Average Lives of the Certificates

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

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Classes, the distribution of principal of certain Classes in accordance with the Principal Balance Schedules herein and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. For example, 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 life of the E Class than on the weighted average lives of the PAC Classes. See “Distributions of Principal” herein and “Distributions of Principal” in the Underlying Prospectus Supplement and for a description of the factors which may influence the weighted average life of the Underlying REMIC Certificates, see “Description of the Certificates—Weighted Average Lives of the Certificates” in the Underlying Prospectus Supplement.

The interaction of the foregoing factors may have different effects on various Classes and the effects on any Class may vary at different times during the life of such Class. Accordingly, no assurance can be given as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their respective original principal balances, variability in the weighted average lives of such Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various *constant* prepayment rates, see the Decrement Tables below.

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 under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 9.0% per annum and has an original term to maturity of 180 months and a remaining term to maturity of 177 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) such Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the 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	PA Class						PB Class						PC Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	65%	230%	275%	400%	600%	0%	65%	230%	275%	400%	600%	0%	65%	230%	275%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1995	77	62	62	62	62	62	100	100	100	100	100	100	100	100	100	100	100	100
June 1996	51	13	13	13	13	13	100	100	100	100	100	100	100	100	100	100	100	100
June 1997	23	0	0	0	0	0	100	67	67	67	67	23	100	100	100	100	100	100
June 1998	0	0	0	0	0	0	94	28	28	28	24	0	100	100	100	100	100	41
June 1999	0	0	0	0	0	0	66	0	0	0	0	0	100	95	95	95	71	0
June 2000	0	0	0	0	0	0	37	0	0	0	0	0	100	48	48	48	23	0
June 2001	0	0	0	0	0	0	10	0	0	0	0	0	100	3	3	3	0	0
June 2002	0	0	0	0	0	0	0	0	0	0	0	0	75	0	0	0	0	0
June 2003	0	0	0	0	0	0	0	0	0	0	0	0	30	0	0	0	0	0
June 2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	2.0	1.2	1.2	1.2	1.2	1.2	5.6	3.5	3.5	3.5	3.4	2.8	8.6	6.0	6.0	6.0	5.5	3.9

Date	PD Class						E Class						F and SA† Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	65%	230%	275%	400%	600%	0%	65%	230%	275%	400%	600%	0%	65%	230%	275%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1995	100	100	100	100	100	100	100	100	88	86	82	74	95	92	89	88	87	85
June 1996	100	100	100	100	100	100	100	100	65	61	48	29	90	82	73	72	68	63
June 1997	100	100	100	100	100	100	100	100	42	35	17	0	84	71	56	54	49	34
June 1998	100	100	100	100	100	100	100	98	25	17	0	0	78	61	42	40	34	19
June 1999	100	100	100	100	100	84	100	98	15	6	0	0	71	54	32	29	24	11
June 2000	100	100	100	100	100	43	100	98	10	1	0	0	64	46	23	21	16	5
June 2001	100	100	100	100	85	21	100	97	8	1	0	0	57	39	15	13	11	3
June 2002	100	69	69	69	53	12	100	83	7	0	0	0	51	31	11	9	7	1
June 2003	100	47	47	47	33	7	100	65	6	0	0	0	44	23	7	6	4	1
June 2004	76	33	33	33	22	4	100	43	5	0	0	0	36	15	5	4	3	*
June 2005	22	22	22	22	14	2	96	30	4	0	0	0	28	11	4	3	2	*
June 2006	13	13	13	13	8	1	58	22	3	0	0	0	17	8	2	2	1	*
June 2007	7	7	7	7	4	*	31	14	1	0	0	0	9	5	1	1	*	*
June 2008	2	2	2	2	1	*	14	5	*	0	0	0	4	2	*	*	*	*
June 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.8	9.4	9.4	9.4	8.7	6.3	12.5	10.1	3.3	2.6	2.0	1.5	7.8	5.9	4.1	3.9	3.6	2.7

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC 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 Notional Class and the Principal Only Classes will be, and the F Class may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 230% PSA with respect to the Mortgage Loans. 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 such Mortgage Loans will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, the F Class may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Class 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 an 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 8.76% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

The Dealer will receive the Certificates in exchange for the Underlying REMIC Certificates 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.

LEGAL MATTERS

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

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1) (2) (3)	Original Principal Balance of Class	Class % in the Trust	June 1994 Class Factor	Current Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type
1994-33	F	March 1994	31359HAN4	(4)	FLT	March 2009	CPT	\$468,634,669	81.0866167833%	0.98146911	\$372,958,260	6.958%	174	5	MBS
1994-33	S	March 1994	31359HAP9	(4)	INV/IO	March 2009	NTL	(5)	10.8508512509	0.98146911	(5)	6.958	174	5	MBS

- (1) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
- (2) The F1 and F2 Components with respect to the Class 33-F REMIC Certificates have Principal Balance Schedules. However, prepayments on the Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Components have adhered to their Principal Balance Schedules, whether any support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained through an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplement which may be obtained from Fannie Mae as described herein.
- (3) The F3 Component with respect to the Class 33-F REMIC Certificates is a Support Component issued by the Underlying REMIC Trust that receives principal payments on any Distribution Date only if scheduled payments have been made on the PAC Classes and Components issued by the related Underlying REMIC Trust and, accordingly, there is no assurance that principal distributions will be made on such Component of Underlying REMIC Certificates (and thus on the Classes of Certificates) on any particular Distribution Date. As illustrated herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Classes of Certificates for an extended period.
- (4) These Classes bear interest during their respective interest accrual periods, subject to the applicable Maximum and Minimum Interest Rates, at the respective rates determined as described below:

I-V

Class	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
1994-33-F*	8.50%	0.40%	LIBOR + 40 basis points
1994-33-S*	8.10	0.00	8.1% – LIBOR

* The Class 33-F and Class 33-S REMIC Certificates will bear interest through the Interest Accrual Period ending March 24, 1995, at 4.10% and 4.40%, respectively.

- See “Description of the Certificates—Distribution of Interest” in the related Underlying Prospectus Supplement and “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes” in the REMIC Prospectus for a description of LIBOR.
- (5) The Class 33-S REMIC Certificates have no principal balance and bear interest on their notional principal balances in an aggregate amount that initially was equal to \$368,634,669. The notional principal balance of the Class 33-S REMIC Certificates in the Trust as of the Issue Date is \$39,258,764.

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 and the additional Disclosure Documents 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.

\$372,958,260

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1994-87**

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Description of the Certificates	S- 6
Certain Additional Federal Income Tax Consequences	S-22
Plan of Distribution	S-23
Legal Matters	S-23
Exhibit A	A- 1
REMIC Prospectus	
Prospectus Supplement	2
Summary of Prospectus	3
Description of the Certificates	8
The Trust Agreement	22
Certain Federal Income Tax Consequences	24
Legal Investment Considerations	36
Legal Opinion	36
ERISA Considerations	36
Glossary	38

PROSPECTUS SUPPLEMENT

**Kidder, Peabody & Co.
Incorporated**

May 27, 1994