

\$110,559,580
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-94

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-94 (the "Trust"). The assets of the Trust will consist of certain of the Class 165-FE, Class 167-FK, Class 179-FJ, and Class 40-FC REMIC Certificates (collectively, the "Underlying REMIC Certificates") evidencing respective beneficial ownership interests in Fannie Mae REMIC Trusts 1993-165, 1993-167, 1993-179 and 1994-40 ("Trust 1993-165," "Trust 1993-167," "Trust 1993-179" and "Trust 1994-40," respectively, and collectively, the "Underlying REMIC Trusts"). The assets of the Underlying REMIC Trusts evidence beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS") and certain Fannie Mae Stripped Mortgage-Based Securities (the "SMBS") evidencing the beneficial ownership in certain interest and principal distributions made in respect of certain MBS held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the "Mega Certificate"). Each MBS represents a beneficial ownership interest in a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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 Number	Final Distribution Date
FA	\$ 8,260,869	SUP	(3)	FLT	31359LAQ8	September 2023
FB	33,007,327	PAC (2)	(3)	FLT	31359LAR6	September 2023
FC	31,391,304	SUP	(3)	FLT	31359LAS4	October 2023
FD	15,906,055	SUP	(3)	FLT	31359LAT2	March 2024
FE	1,739,131	SUP	(3)	FLT	31359LAU9	September 2023
FG	6,948,911	PAC (2)	(3)	FLT	31359LAV7	September 2023
FH	6,608,696	SUP	(3)	FLT	31359LAW5	October 2023
FJ	6,697,287	SUP	(3)	FLT	31359LAX3	March 2024
R	0	NPR	0	NPR	31359LAY1	March 2024

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) Although no Principal Balance Schedules have been prepared with respect to the FB and FG Classes, principal distributions on such Classes will be determined by principal distributions on the Class 167-FK REMIC Certificate, which constitutes a PAC class. See "Description of the Certificates—Structuring Assumptions" herein.
- (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.

The Certificates will be offered by Bear, Stearns & Co. Inc. (the "Dealer" or "Bear Stearns") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about August 26, 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, 245 Park Avenue, New York, New York 10167, on or about the Settlement Date.

Bear, Stearns & Co. Inc.

July 26, 1994

(Cover continued from previous page)

The yield to investors in each Class will be sensitive in varying degrees to, among other things, the rate of distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. The yields to investors will also be sensitive to fluctuations in the Index (as defined herein) and to the purchase prices paid for the related Classes. 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.
- The yield on any Floating Rate Class will be sensitive to the level of the applicable Index. In particular, investors in the FE, FG, FH and FJ Classes should note that increases in the Index above certain levels will have a negative effect on the related yields. See “Description of the Certificates—Distributions of Interest—*Floating Rate Classes*” herein.

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

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

- The Underlying REMIC Certificates are subordinate in priority of distribution to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and receive principal payments on any Distribution Date only if scheduled payments have been made on specified PAC and/or TAC classes issued by such Underlying REMIC Trusts. In addition, Class 165-FE, Class 179-FJ and Class 40-FC REMIC Certificates are Support classes and the Class 165-FE and Class 179-FJ REMIC Certificates are subordinate in priority to certain other Support classes issued by the related Underlying REMIC Trusts. Accordingly, there is no assurance that principal distributions will be made on any class of the Underlying REMIC Certificates (and thus on the corresponding 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 the Certificates for an extended period.
- The Class 167-FK REMIC Certificates are PAC Certificates. However, prepayments on the related 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 class has adhered to the applicable Principal Balance Schedule, whether any related support securities remain outstanding or whether such class of Underlying REMIC Certificates otherwise has performed as originally anticipated. Such information may be obtained through an analysis of the current Fannie Mae principal factor of such class of Underlying REMIC Certificates in the context of applicable information contained in the related Underlying Prospectus Supplement (as defined below) which may be obtained from Fannie Mae as described below.
- 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 Supplements for the Underlying REMIC Trusts (the “Underlying Prospectus Supplements”) the SMBS Prospectus (as defined below), the Mega Prospectus (as defined below) 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”);
- Fannie Mae’s Prospectus for Stripped Mortgage-Backed Securities dated December 31, 1993 (the “SMBS Prospectus”) and its Prospectus for Guaranteed MBS Pass-Through Certificates dated December 31, 1993 (the “Mega Prospectus”); and
- The Underlying Prospectus Supplements.

The MBS Prospectus, the Information Statement, the SMBS Prospectus and the Mega Prospectus are incorporated herein by reference and, together with the Underlying Prospectus Supplements, 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, other than the Underlying Prospectus Supplements, may also be obtained from Bear, Stearns & Co. Inc. by writing or calling its Prospectus Department at One MetroTech Center North, Brooklyn, New York 11201 (telephone 212-272-1581).

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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 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 related Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

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

Interest Rates

Each of the Floating Rate Classes will bear interest during the specified number of Interest Accrual Periods 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>
FA (1)	4.45%	11.50%	1.15%	LIBOR + 115 basis points
FB (1)	4.45%	11.50%	1.15%	LIBOR + 115 basis points
FC (2)	4.45%	11.50%	1.15%	LIBOR + 115 basis points
FD (3)	4.25%	13.50%	0.50%	LIBOR + 50 basis points
FE (1)	4.45%	(4)	0.00%	LIBOR + 115 basis points(5)
FG (1)	4.45%	(4)	0.00%	LIBOR + 115 basis points(5)
FH (2)	4.45%	(4)	0.00%	LIBOR + 115 basis points(5)
FJ (3)	4.25%	(6)	0.00%	LIBOR + 50 basis points(7)

- (1) The FA, FB, FE and FG Classes will bear interest during their initial thirteen Interest Accrual Periods, ending September 24, 1995, at their respective Initial Interest Rates set forth in the table above.
- (2) The FC and FH Classes will bear interest during their initial fourteen Interest Accrual Periods, ending October 24, 1995, at their respective Initial Interest Rates set forth in the table above.
- (3) The FD and FJ Classes will bear interest during their initial seven Interest Accrual Periods, ending March 24, 1995, at their respective Initial Interest Rates set forth in the table above.
- (4) The rates calculated for the FE, FG and FH Classes pursuant to the formulas in the table above will be subject to a Maximum Interest Rate equal to $49.1625\% - (4.75 \times \text{LIBOR})$; as a result the interest rates for the FE, FG and FH Classes will never exceed 9.50%.
- (5) As a result of the Maximum Interest Rate, prospective investors in the FE, FG and FH Classes should note that as LIBOR + 115 basis points produces an interest rate that is increasingly greater than 9.50% (that is, at levels of LIBOR above 8.35%), the interest rate paid will decline. Accordingly, when LIBOR + 115 basis points is equal to or greater than 11.50% (that is, at levels of LIBOR of 10.35% or above), the interest rate will be equal to 0.00%.
- (6) The rate calculated for the FJ Class pursuant to the formula in the table above will be subject to a Maximum Interest Rate equal to $30.875\% - (2.375 \times \text{LIBOR})$; as a result the interest rate for the FJ Class will never exceed 9.50%.
- (7) As a result of the Maximum Interest Rate, prospective investors in the FJ Class should note that as LIBOR + 50 basis points produces an interest rate that is increasingly greater than 9.50% (that is, at levels of LIBOR above 9.00%), the interest rate paid will decline. Accordingly, when LIBOR + 50 basis points is equal to or greater than 13.50% (that is, at levels of LIBOR of 13.00% or above), the interest rate will be equal to 0.00%.

Distributions of Principal

The portion of the Principal Distribution Amount allocated to each Class of Certificates will be determined by distributions on a particular class of the Underlying REMIC Certificates. For such purposes, the Principal Distribution Amount will be allocated among the Group 1, Group 2, Group 3 and Group 4 Principal Distribution Amounts, as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” herein.

Group 1 Principal Distribution Amount

To the FA and FE Classes, in proportion to their original principal balances, until the principal balances thereof are reduced to zero.

Group 2 Principal Distribution Amount

To the FB and FG Classes, in proportion to their original principal balances, until the principal balances thereof are reduced to zero.

Group 3 Principal Distribution Amount

To the FC and FH Classes, in proportion to their original principal balances, until the principal balances thereof are reduced to zero.

Group 4 Principal Distribution Amount

To the FD and FJ Classes, in proportion to their original principal balances, 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>75%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
FA and FE	28.3	25.3	22.4	13.1	2.2
FB and FG	25.5	20.0	20.0	11.0	3.6
FC and FH	28.2	24.7	21.6	12.4	6.1
FD and FJ	28.7	25.5	22.5	7.4	1.0

* 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 August 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 Trusts).

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 SMBS and the Mega Certificate are described in the SMBS Prospectus and Mega Prospectus, respectively. The guaranty obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the Underlying Prospectus Supplements. 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, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus, “Description of the REMIC Certificates—General—*Fannie Mae Guaranty*” in each of the Underlying Prospectus Supplements 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 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 Class of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of the related 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.

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 Certificates. In the event any issue arises under the trust agreement governing any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates of the related 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 Certificateholders.

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the respective Underlying REMIC Trusts, 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 and certain Fannie Mae Stripped Mortgage-Backed Securities (the “SMBS”) representing beneficial ownership interests in distributions on certain MBS held in the form of a Mega Certificate, the general characteristics of which are described in the Mega 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 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).

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 Certificate, 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 August 1, 1994 (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, the underlying security type and the related Classes.

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 dates the Underlying Prospectus Supplements were 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 documents.

Prepayment Considerations and Risks

The rate of distributions of principal of the Certificates will be determined by the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be very sensitive to the rate of payments of principal of the underlying Mortgage Loans. As described in the Underlying Prospectus Supplements, the Underlying REMIC Certificates are subordinate in priority of distributions to certain classes of certificates evidencing beneficial ownership interests in the Underlying REMIC Trusts and receive principal payments on any Distribution Date only if scheduled payments have been made on specified PAC and/or TAC classes issued by the related Underlying REMIC Trusts. In addition, the Class 165-FE, Class 179-FJ and Class 40-FC REMIC Certificates are Support classes and the Class 165-FE and Class 179-FJ REMIC Certificates are subordinate in priority to certain other Support classes issued by the related Underlying REMIC Trusts. Accordingly, the Underlying REMIC Certificates 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 the Certificates for extended periods of time or, conversely, that Certificateholders would receive distributions of principal earlier than they anticipated. In addition, since the Class 167-FK REMIC Certificates are PAC Certificates, distributions of principal in respect of the FB and FG Classes during certain periods may occur at a slower rate than would otherwise be the case. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether the Class 167-FK REMIC Certificates have adhered to the applicable Principal Balance Schedule, whether any related support securities remain outstanding or whether such Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information may be obtained by performing an analysis of the current Fannie Mae principal factor of such Underlying REMIC Certificates in the context of applicable information contained in the related 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	All Classes (except the R Class)
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 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>
All interest-bearing Classes (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 Classes. Each of the following Classes will bear interest during the specified number of Interest Accrual Periods 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>
FA (1)	4.45%	11.50%	1.15%	LIBOR + 115 basis points
FB (1)	4.45%	11.50%	1.15%	LIBOR + 115 basis points
FC (2)	4.45%	11.50%	1.15%	LIBOR + 115 basis points
FD (3)	4.25%	13.50%	0.50%	LIBOR + 50 basis points
FE (1)	4.45%	(4)	0.00%	LIBOR + 115 basis points (5)
FG (1)	4.45%	(4)	0.00%	LIBOR + 115 basis points (5)
FH (2)	4.45%	(4)	0.00%	LIBOR + 115 basis points (5)
FJ (3)	4.25%	(6)	0.00%	LIBOR + 50 basis points (7)

- (1) The FA, FB, FE and FG Classes will bear interest during their initial thirteen Interest Accrual Periods, ending September 24, 1995, at their respective Initial Interest Rates set forth in the table above.
- (2) The FC and FH Classes will bear interest during their initial fourteen Interest Accrual Periods, ending October 24, 1995, at their respective Initial Interest Rates set forth in the table above.
- (3) The FD and FJ Classes will bear interest during their initial seven Interest Accrual Periods, ending March 24, 1995, at their respective Initial Interest Rates set forth in the table above.
- (4) The rates calculated for the FE, FG and FH Classes pursuant to the formulas in the table above will be subject to a Maximum Interest Rate equal to $49.1625\% - (4.75 \times \text{LIBOR})$; as a result the interest rates for the FE, FG and FH Classes will never exceed 9.50%.
- (5) As a result of the Maximum Interest Rate, prospective investors in the FE, FG and FH Classes should note that as LIBOR + 115 basis points produces an interest rate that is increasingly greater than 9.50% (that is, at levels of LIBOR above 8.35%), the interest rate paid will decline. Accordingly, when LIBOR + 115 basis points is equal to or greater than 11.50% (that is, at levels of LIBOR of 10.35% or above), the interest rate will be equal to 0.00%.
- (6) The rate calculated for the FJ Class pursuant to the formula in the table above will be subject to a Maximum Interest Rate equal to $30.875\% - (2.375 \times \text{LIBOR})$; as a result the interest rate for the FJ Class will never exceed 9.50%.
- (7) As a result of the Maximum Interest Rate, prospective investors in the FJ Class should note that as LIBOR + 50 basis points produces an interest rate that is increasingly greater than 9.50% (that is, at levels of LIBOR above 9.00%), the interest rate paid will decline. Accordingly, when LIBOR + 50 basis points is equal to or greater than 13.50% (that is, at levels of LIBOR of 13.00% or above), the interest rate will be equal to 0.00%.

The yields with respect to such Classes will be affected by changes in the applicable 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 FA, FB, FC, FD, FE, FG, FH and FJ 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 equal to LIBOR as determined for such Interest Accrual Period for the Underlying REMIC Certificates.

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>
Group 1 Classes	
Support	FA and FE
Group 2 Classes	
PAC	FB and FG
Group 3 Classes	
Support	FC and FH
Group 4 Classes	
Support	FD and FJ
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 (i) the aggregate distributions of principal concurrently made on the Class 165-FE REMIC Certificates (the "Group 1 Principal Distribution Amount"), (ii) the aggregate distributions of principal concurrently made on the Class 167-FK REMIC Certificates (the "Group 2 Principal Distribution Amount"), (iii) the aggregate distributions of principal concurrently made on the Class 179-FJ REMIC Certificates (the "Group 3 Principal Distribution Amount") and (iv) the aggregate distributions of principal concurrently made on the Class 40-FC REMIC Certificates (the "Group 4 Principal Distribution Amount"). The portion of each class of Underlying REMIC Certificates held by the Trust will be as set forth in Exhibit A.

Group 1 Principal Distribution Amount

On each Distribution Date, the Group 1 Principal Distribution Amount will be distributed, concurrently, as principal of the FA and FE Classes, in proportion to their original principal balances (or 82.60869% and 17.39131%, respectively), until the principal balances thereof are reduced to zero. } Support Classes

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed, concurrently, as principal of the FB and FG Classes, in proportion to their original principal balances (or 82.608695434% and 17.3913044566%, respectively), until the principal balances thereof are reduced to zero. } PAC Classes

Group 3 Principal Distribution Amount

On each Distribution Date, the Group 3 Principal Distribution Amount will be distributed, concurrently, as principal of the FC and FH Classes, in proportion to their original principal balances (or 82.6086947368% and 17.3913052632%, respectively), until the principal balances thereof are reduced to zero. } Support Classes

Group 4 Principal Distribution Amount

On each Distribution Date, the Group 4 Principal Distribution Amount will be distributed, concurrently, to the FD and FJ Classes, in proportion to their original principal balances (or 70.3703682402% and 29.6296317598%, respectively), until the principal balances thereof are reduced to zero. } Support 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 actual characteristics of each Pool underlying the Underlying REMIC Certificates, the priority sequences affecting the principal distributions on the Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

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

Prepayment 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, 125% 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.

Principal Balance Schedules. Although no Principal Balance Schedules have been prepared with respect to the FB and FG Classes, principal distributions on such Classes will be determined by principal distributions on the Class 167-FK REMIC Certificate, which constitutes a PAC class. The principal balances of the Class 167-FK REMIC Certificate and certain other specified PAC classes representing interests in Trust 1993-167 are subject to reduction in the aggregate in accordance with an aggregate Principal Balance Schedule. For a further description of the Class 167-FK REMIC

Certificate, including the related aggregate Principal Balance Schedule, see the Underlying Prospectus Supplement for Trust 1993-167, which may be obtained from Fannie Mae as provided herein.

Initial Effective Range. The Effective Range for the Class 167-FK REMIC Certificate is the range of prepayment rates (measured by *constant* PSA rates) that would reduce such class, together with certain other specified PAC classes evidencing interests in Trust 1993-167, to their aggregate scheduled balance on each Distribution Date. Based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions, the Initial Effective Range for the Class 167-FK REMIC Certificate, together with such other specified PAC classes evidencing interests in Trust 1993-167, is between 108% and 234%.

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

Yield Considerations

General. There can be no assurance that the Mortgage Loans 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 LIBOR will correspond to the levels shown herein. The rate of distributions of principal of the Certificates will be determined by the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be related to the amortization (including prepayments) of the Mortgage Loans and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. The Underlying REMIC Certificates are subordinate in priority of distribution to certain other classes of certificates evidencing beneficial ownership interests in the Underlying REMIC Trusts and receive principal payments on any Distribution Date only if scheduled payments have been made on specified PAC and/or TAC classes issued by the related Underlying REMIC Trusts. In addition, the Class 165-FE, Class 179-FJ and Class 40-FC REMIC Certificates are Support classes and the Class 165-FE and Class 179-FJ REMIC Certificates are subordinate in priority to certain other Support classes issued by the related Underlying REMIC Trusts. Accordingly, the Underlying REMIC Certificates 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 the Certificates for extended periods of time or, conversely, that Certificateholders would receive distributions of principal earlier than they anticipated. In addition, since the Class 167-FK REMIC Certificates are PAC Certificates, distributions of principal in respect of the FB and FG Classes during certain periods may occur at a slower rate than would otherwise have been the case. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. Consequently, the Class 167-FK REMIC Certificates may not adhere to their Principal Balance Schedule, and any related support securities may not remain outstanding. This Prospectus Supplement contains no information as to whether the Class 167-FK

REMIC Certificates have adhered to the applicable Principal Balance Schedule, whether any such support securities remain outstanding or whether such Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information may be obtained by performing an analysis of the current Fannie Mae principal factor of such Underlying REMIC Certificates in the context of applicable information contained in the related Underlying Prospectus Supplement, which may be obtained from Fannie Mae as described 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 LIBOR will remain constant.

The timing of changes in the rate of prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate 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. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of certain Classes to various constant percentages of PSA and, where specified, to changes in the 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 FE, FG, FH and FJ Classes. **The yields to investors in the FE, FG, FH and FJ Classes will be sensitive to the level of the Index and to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the related Underlying REMIC Trusts. The Mortgage Loans generally can be prepaid at any time. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool. As indicated in the tables below, Index levels above 8.35%, 8.35%, 8.35% and 9.00% will have a negative effect on the yields to investors in the FE, FG, FH and FJ Classes, respectively.**

Changes in the 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 rate applicable to the Classes specified below for each Interest Accrual Period subsequent to (x) the initial thirteen Interest Accrual Periods, in the case of the FE and FG Classes, (y) the initial fourteen Interest Accrual Periods, in the case of the FH Class, and (z) the initial seven Interest Accrual Periods, in the case of the FJ Class, will be based

on the indicated level of the Index and (ii) the aggregate purchase prices of such Classes (expressed as percentages of original principal balances) are as follows:

<u>Class</u>	<u>Price*</u>
FE	64.00%
FG	65.50%
FH	64.00%
FJ	67.75%

* The prices do not include accrued interest. Accrued interest has been added to such prices in calculating the yields set forth in the tables below.

**Sensitivity of the FE Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
2.50%	6.7%	6.8%	7.0%	8.6%	28.1%
4.50%	9.3%	9.4%	9.6%	11.0%	29.3%
6.50%	11.9%	12.0%	12.1%	13.4%	30.5%
8.35%	14.3%	14.4%	14.5%	15.5%	31.6%
9.00%	10.3%	10.4%	10.6%	11.9%	29.8%
9.50%	7.2%	7.3%	7.5%	9.0%	28.3%
10.35% and above	2.0%	2.1%	2.4%	4.1%	25.8%

**Sensitivity of the FG Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
2.50%	7.0%	7.1%	7.1%	9.8%	17.5%
4.50%	9.5%	9.5%	9.5%	12.2%	19.2%
6.50%	12.0%	12.0%	12.0%	14.5%	20.9%
8.35%	14.3%	14.3%	14.3%	16.6%	22.5%
9.00%	10.4%	10.5%	10.5%	13.1%	19.9%
9.50%	7.5%	7.5%	7.5%	10.2%	17.8%
10.35% and above	2.5%	2.5%	2.5%	5.2%	14.3%

**Sensitivity of the FH Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
2.50%	6.7%	6.8%	7.1%	8.8%	13.9%
4.50%	9.3%	9.4%	9.6%	11.2%	16.0%
6.50%	11.9%	12.0%	12.2%	13.5%	18.1%
8.35%	14.3%	14.3%	14.5%	15.6%	19.9%
9.00%	10.3%	10.4%	10.6%	12.1%	16.8%
9.50%	7.2%	7.3%	7.6%	9.3%	14.3%
10.35% and above	2.1%	2.2%	2.5%	4.4%	9.9%

**Sensitivity of the FJ Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
2.50%	5.4%	5.4%	5.7%	12.2%	52.3%
4.50%	8.0%	8.0%	8.2%	15.1%	53.5%
6.50%	10.6%	10.7%	10.9%	17.9%	54.8%
8.35%	13.1%	13.2%	13.3%	20.4%	55.9%
9.00%	14.0%	14.0%	14.1%	21.3%	56.3%
9.50%	12.4%	12.4%	12.6%	19.7%	55.6%
10.35%	9.7%	9.8%	9.9%	16.9%	54.3%
13.00% and above	1.6%	1.7%	1.9%	7.7%	50.4%

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 related 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 priority sequence of distributions of principal of the Underlying REMIC Certificates evidencing beneficial ownership interests in the Underlying REMIC Trusts. See “Distributions of Principal” herein and “Description of the REMIC Certificates—Distributions of Principal” in the Underlying Prospectus Supplements.

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 has an original term to maturity of 360 months and that the Mortgage Loans have the remaining terms to maturity and bear interest at the per annum rates specified below:

<u>Mortgage Loans relating to Underlying REMIC Trusts specified below</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Classes</u>
1993-165	349	9.5%	FA and FE
1993-167	349	9.5%	FB and FG
1993-179	350	9.5%	FC and FH
1994-40	355	9.5%	FD and FJ

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 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	FA and FE Classes					FB and FG Classes					FC and FH Classes					FD and FJ Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	125%	300%	500%	0%	75%	125%	300%	500%	0%	75%	125%	300%	500%	0%	75%	125%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 1995	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	85	48
August 1996	100	100	100	100	51	100	100	100	100	100	100	100	100	100	95	100	100	100	68	0
August 1997	100	100	100	100	10	100	100	100	100	100	100	100	100	100	64	100	100	100	51	0
August 1998	100	100	100	100	0	100	100	100	100	2	100	100	100	100	52	100	100	100	41	0
August 1999	100	100	100	100	0	100	100	100	100	0	100	100	100	100	51	100	100	100	36	0
August 2000	100	100	100	100	0	100	100	100	41	0	100	100	100	100	51	100	100	100	34	0
August 2001	100	100	100	100	0	100	100	100	35	0	100	100	100	100	45	100	100	100	34	0
August 2002	100	100	100	100	0	100	100	100	35	0	100	100	100	100	31	100	100	100	34	0
August 2003	100	100	100	96	0	100	100	100	35	0	100	100	100	82	21	100	100	100	34	0
August 2004	100	100	100	77	0	100	100	100	35	0	100	100	100	65	15	100	100	100	34	0
August 2005	100	100	100	62	0	100	100	100	35	0	100	100	100	52	10	100	100	100	34	0
August 2006	100	100	100	49	0	100	100	100	35	0	100	100	100	42	7	100	100	100	34	0
August 2007	100	100	100	39	0	100	100	100	35	0	100	100	100	33	5	100	100	100	34	0
August 2008	100	100	100	31	0	100	100	100	35	0	100	100	100	26	3	100	100	100	31	0
August 2009	100	100	100	24	0	100	100	100	35	0	100	100	100	21	2	100	100	100	25	0
August 2010	100	100	100	19	0	100	100	100	35	0	100	100	100	16	1	100	100	100	19	0
August 2011	100	100	100	15	0	100	82	82	35	0	100	100	93	13	1	100	100	100	15	0
August 2012	100	100	96	12	0	100	66	66	32	0	100	100	81	10	1	100	100	95	12	0
August 2013	100	100	83	9	0	100	52	52	25	0	100	100	70	8	*	100	100	82	9	0
August 2014	100	100	71	7	0	100	41	41	19	0	100	100	60	6	*	100	100	71	7	0
August 2015	100	100	60	5	0	100	32	32	14	0	100	98	51	4	*	100	100	60	5	0
August 2016	100	100	50	4	0	100	24	24	10	0	100	85	43	3	*	100	99	50	4	0
August 2017	100	84	41	3	0	100	18	18	7	0	100	71	35	2	*	100	84	41	3	0
August 2018	100	69	32	2	0	100	13	13	5	0	100	58	27	2	*	100	69	33	2	0
August 2019	100	53	24	1	0	100	8	8	3	0	100	45	21	1	*	100	55	25	1	0
August 2020	100	38	17	1	0	5	5	5	2	0	100	33	15	1	*	100	40	18	1	0
August 2021	100	24	10	*	0	2	2	2	1	0	100	21	9	*	*	100	27	12	*	0
August 2022	63	10	4	*	0	*	*	*	*	0	57	9	4	*	*	87	14	6	*	0
August 2023	5	*	*	*	0	0	0	0	*	0	8	*	*	*	*	33	4	2	*	0
August 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.3	25.3	22.4	13.1	2.2	25.5	20.0	20.0	11.0	3.6	28.2	24.7	21.6	12.4	6.1	28.7	25.5	22.5	7.4	1.0

* 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.

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.

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 FA, FB, FC, FD, FE, FG, FH and FJ Classes of Certificates will 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 125% 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.

Each of the FA, FB, FE and FG Classes will bear interest during its initial thirteen Interest Accrual Periods at a fixed rate, each of the FC and FH Classes will bear interest during its initial fourteen Interest Accrual Periods at a fixed rate, and each of the FD and FJ Classes will bear interest during its initial seven Interest Accrual Periods at a fixed rate. During all subsequent Interest Accrual Periods, the FA, FB, FC, FD, FE, FG, FH and FJ Classes will each bear interest at a variable rate determined by reference to LIBOR as described in “Description of the Certificates—Calculation of LIBOR” herein. Fannie Mae intends to treat all interest payments on the FA, FB, FC, FD, FE, FG, FH and FJ Classes as included in their respective stated redemption prices at maturity. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Floating Rate and Inverse Floating Rate Classes*” in the REMIC Prospectus.

An alternative method of taxing the FA, FB, FC, FD, FE, FG, FH and FJ Classes would be to treat such Classes under the OID Regulations as variable rate debt instruments. Under this method, each fixed rate must be replaced with a variable rate such that the fair market value of the debt instrument with the new variable rate substituted for the fixed rate is approximately the same as the fair market value of the original debt instrument (which consists of the fixed rate followed by a variable rate) as of the Settlement Date. The values of the variable rate and the substituted variable rate are determined as of the Settlement Date and a hypothetical bond with payments determined at those fixed rates is used to determine the amount of each interest payment that is “qualified stated interest” and the amount of OID. Appropriate adjustments are then made in each accrual period for actual payments at the variable rate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Floating Rate and Inverse Floating Rate Classes*” in the REMIC Prospectus. Investors are urged to consult their own tax advisors with respect to the tax treatment of the FA, FB, FC, FD, FE, FG, FH and FJ Classes.

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 8.94% (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 Stroock & Stroock & Lavan, Seven Hanover Square, New York, New York 10004-2696.

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	Class % in the Trust	August 1994 Class Factor	Current Principal Balance in the Trust as of Issue Date	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Related Classes
1993-165	FE	September 1993	31359D5L3	(2)	FLT	September 2023	SUP	\$25,248,756	39.6059116734%	1.00000000	\$10,000,000	7.487%	344	13	MBS	FA and FE
1993-167	FK	September 1993	31359EAU5	(2)	FLT	September 2023	PAC	39,956,238	100.00000000	1.00000000	39,956,238	7.5594	336	15	MBS	FB and FG
1993-179	FJ	October 1993	31359EGE5	(2)	FLT	October 2023	SUP	50,000,000	76.00000000	1.00000000	38,000,000	7.5009	345	12	MBS	FC and FH
1994-040	FC	March 1994	31359G5Q5	(2)	FLT	March 2024	SUP	27,603,342	81.8862513097	1.00000000	22,603,342	7.4835	347	11	MBS	FD and FJ

- (1) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
(2) 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	Current Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
1993-165-FE(3)	4.45%	9.5%	1.15%	LIBOR + 115 basis points
1993-167-FK(3)	4.45	9.5	1.15	LIBOR + 115 basis points
1993-179-FJ(4)	4.45	9.5	1.15	LIBOR + 115 basis points
1994-40-FC(5)	4.25	9.5	0.50	LIBOR + 50 basis points

- See “Description of the Certificates—Distributions 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.
(3) The Class 165-FE REMIC Certificates and Class 167-FK REMIC Certificates will bear interest at their respective Current Interest Rates through the Interest Accrual Period ending September 24, 1995 and thereafter will bear interest determined as described above.
(4) The Class 179-FJ REMIC Certificates will bear interest at their Current Interest Rate through the Interest Accrual Period ending October 24, 1995 and thereafter will bear interest determined as described above.
(5) The Class 40-FC REMIC Certificates will bear interest at their Current Interest Rate through the Interest Accrual Period ending March 24, 1995 and thereafter will bear interest determined as described above.

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.

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\$110,559,580

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1994-94**

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

July 26, 1994