

Federal National Mortgage Association



Stripped Mortgage-Backed Securities Trust Number 000266-CL

The SMBS Certificates described herein and in the accompanying Prospectus dated December 31, 1993 relating to Fannie Mae Stripped Mortgage-Backed Securities (the "Prospectus") represent beneficial ownership interests in SMBS Trust Number 000266-CL (the "Trust"). The assets of the Trust consist of a Fannie Mae Guaranteed REMIC Pass-Through Certificate (the "REMIC Certificate") representing a beneficial ownership interest in a Fannie Mae REMIC Trust containing certain Fannie Mae Guaranteed REMIC Certificates (the "Underlying REMIC Certificates"), which represent a direct or indirect beneficial ownership interest in certain other Fannie Mae Guaranteed Mortgage Pass-through Certificates (the "MBS"). The REMIC Certificate provides for monthly distributions of interest on the then outstanding notional principal balance at the interest rate applicable thereto.

All of the information contained in this document is as of August 1, 1994. The REMIC Certificate and the REMIC Trust are more particularly described in the REMIC Prospectus and the REMIC Prospectus Supplement attached hereto and in the Final Data Statement related thereto. Fannie Mae will publish the SMBS Class 2 Factor as soon as practicable following the eleventh calendar day of each month.

The SMBS Certificates will be issued in one Class as follows:

SMBS Class 2: Entitled to receive 100% of the distributions of interest on the REMIC Certificate (*i.e.*, interest on the SMBS notional principal balance at a Pass-Through Rate of 7.5%). The SMBS notional principal balance as of August 1, 1994 is \$120,145,418.

MBS Pass-Through Rate: 7.5%

SMBS Issue Date: August 1, 1994

SMBS Settlement Date: August 30, 1994.

Interest to be distributed on a Distribution Date will accrue on the SMBS Certificates during the calendar month preceding the month in which the Distribution Date occurs.

SMBS Class 2 Certificates are NOT exchangeable for any other Fannie Mae securities.

The following table sets forth certain information respecting the REMIC Certificate and the related REMIC Trust as of August 1, 1994.

REMIC Trust	REMIC Certificate Class	REMIC Issue Date	Current REMIC Trust Notional Principal Balance As of August 1, 1994	Current Certificate Interest Rate	Current Notional Principal Balance	Weighted Average WAM
1994-99	A	August 1, 1994	\$120,145,418	7.5%	\$120,145,418(1)	335

(1) Notional Principal Balance of the entire Class.

Bear, Stearns & Co. Inc.

The yield on the SMBS Certificates will be extremely sensitive to prepayment experience on the Mortgage Loans underlying the MBS. Prospective investors should fully consider the associated risks, including the risk that such investors may not fully recover their initial investment.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the SMBS Certificates to various constant prepayment rates. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed stream of cash flows to be paid on the SMBS Certificates, would cause the discounted present values of such assumed stream of cash flows to equal the assumed aggregate purchase price of such SMBS Certificates 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 SMBS Certificates and consequently do not purport to reflect the return on any investment in the SMBS Certificates when such reinvestment rates are considered.

The information was prepared on the basis of the principal balances of the MBS as of August 1, 1994 and the assumptions that (i) each underlying Mortgage Loan bears interest and has a remaining term to maturity equal to the MBS backing the Underlying REMIC Certificates, (ii) the underlying Mortgage Loans prepay at the specified constant percentage of PSA set forth in the table below, (iii) the settlement date for the SMBS Certificates is August 30, 1994 and (iv) the aggregate purchase price of the SMBS Class 2 Certificates is 36.0% of the original notional principal amount, plus accrued interest to the settlement date.

	Pre-Tax Yields to Maturity				
PSA Percentages	<u>75%</u>	<u>125%</u>	<u>150%</u>	<u>250%</u>	<u>350%</u>
SMBS Class 2 Certificates	14.9%	11.7%	10.1%	3.6%	(3.1)%

The Mortgage Loans will not have the characteristics assumed nor can there be any assurance that the Mortgage Loans will prepay at any of the rates assumed or at any other particular rate or that the pre-tax yields on the SMBS Certificates will correspond to any of the pre-tax yields shown herein or that the purchase price of the SMBS Certificates will be as assumed. Because the Mortgage Loans underlying the MBS will likely include Mortgage Loans that have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the distributions on the SMBS Certificates are likely to differ from those assumed, even if all of the 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 rate until maturity. The timing of changes in the rate of prepayment 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 anticipated by the investor during the period immediately following the issuance of the SMBS Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. Also, it is not likely that the Mortgage Loans underlying the MBS will prepay at the same level of PSA. Investors must make their own assumptions, including prepayment assumptions, to be used in deciding whether to purchase the SMBS Certificates.

Additional copies of the REMIC Prospectus and the REMIC Prospectus Supplement describing the REMIC Certificate and copies of the related Final Data Statement may be obtained from Fannie Mae by writing or calling its REMIC Prospectus Department at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 202-752-7585). Information may be obtained in electronic form by calling Fannie Mae at 202-752-6000. Such documents may also be obtained from Bear Stearns by writing or calling their Registration Department at One MetroTech Center North, Brooklyn, New York 11201 (telephone 212-272-0152).

\$120,145,418
(Notional Principal Balance)
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-99

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-99 (the "Trust"). The assets of the Trust will consist of certain of the Class 19-FG and Class 19-SG REMIC Certificates (collectively, the "Underlying REMIC Certificates") evidencing beneficial ownership interests in Fannie Mae REMIC Trust 1994-19 (the "Underlying REMIC Trust") as further described in Exhibit A hereto. The assets of the Underlying REMIC Trust evidence beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS") and certain Fannie Mae Stripped Mortgage-Backed 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 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 Number	Final Distribution Date
A	(2)	NTL/STP	7.50%	FIX/IO	31359H7D0	January 2024
R	0	NPR	0	NPR	31359H7E8	January 2024

(1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" herein.

(2) The A Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially, \$120,145,418). The notional principal balance of the A Class will be calculated based on a percentage of the outstanding principal balance of all classes of REMIC Certificates comprising the Underlying REMIC Trust. See "Description of the Certificates—General—Notional Class" herein.

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

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

(Cover continued from previous page)

The yield to investors in the A Class will be very sensitive to, among other things, the rate of distributions on the Underlying REMIC Certificates, which in turn will be sensitive to the rate of principal payments of the Mortgage Loans and the characteristics of the Mortgage Loans. The yield to investors in the A Class will also be sensitive to the purchase price paid for such Class. 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 life and yield of the A Class.
- In the case of the A Class, which is an Interest Only Class, a faster than anticipated rate of principal payments of the Mortgage Loans is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.

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

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

- The A Class is an Interest Only Class, has no principal balance and, because the Underlying REMIC Certificates are also Interest Only Classes, the A Class does not represent an interest in any principal distributions on the MBS or the Mortgage Loans.
- The actual final payment of the A 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.
- 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”), 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 Supplement.

The MBS Prospectus, the Information Statement, the SMBS Prospectus and the Mega Prospectus 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 Bear, Stearns & Co. Inc. by writing or calling its Prospectus Department at One MetroTech Center North, Brooklyn, New York 11201 (telephone 212-272-1581). 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	Structuring Assumptions	S- 8
Description of the Certificates	S- 5	<i>Pricing Assumptions</i>	S- 8
General	S- 5	<i>PSA Assumptions</i>	S- 8
<i>Structure</i>	S- 5	Yield Considerations	S- 9
<i>Fannie Mae Guaranty</i>	S- 5	<i>General</i>	S- 9
<i>Characteristics of Certificates</i>	S- 5	<i>The Interest Only Class</i>	S- 9
<i>Notional Class</i>	S- 6	Weighted Average Lives of the	
<i>Authorized Denominations</i>	S- 6	Certificates	S-10
<i>Distribution Dates</i>	S- 6	Decrement Table	S-11
<i>Record Date</i>	S- 6	Characteristics of the R Class	S-12
<i>REMIC Trust Factors</i>	S- 6	Certain Additional Federal Income	
<i>Voting the Underlying REMIC</i>		Tax Consequences	S-12
<i>Trust</i>	S- 6	REMIC Election and Special Tax	
The Underlying REMIC		Attributes	S-12
Certificates	S- 7	Taxation of Beneficial Owners of	
Prepayment Considerations		Regular Certificates	S-12
and Risks	S- 7	Taxation of Beneficial Owners of	
Distributions of Interest	S- 7	Residual Certificates	S-13
<i>Categories of Classes</i>	S- 7	Plan of Distribution	S-13
<i>General</i>	S- 8	Legal Matters	S-13
<i>Interest Accrual Period</i>	S- 8	Exhibit A	A- 1

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. As set forth in Exhibit A and the Underlying Prospectus, the Class 19-FG and Class 19-SG REMIC Certificates are Interest Only Certificates which, at any particular time, have a notional principal balance which is equal to a pro rata portion of the outstanding principal balance of all classes of REMIC Certificates comprising the Underlying REMIC Trust. Only 51.67% of each of the Class 19-FG Certificates and the Class 19-SG Certificates are included in the Trust. Although the Class 19-FG and Class 19-SG REMIC Certificates are floating rate and inverse floating rate certificates, respectively, the combined interest thereon distributable to the Trust on any Distribution Date will be equal to interest at a fixed rate of 7.5% per annum on the outstanding notional principal balance of the A Class, irrespective of the applicable level of LIBOR at such time.

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

Interest Rate

The A Class will bear interest at the rate of 7.5% per annum on the notional principal balance described herein.

Notional Class

<u>Class</u>	<u>Notional Principal Balance</u>
A	15.1970588235% of the outstanding principal balance of all classes of REMIC Certificates comprising the Underlying REMIC Trust

Weighted Average Life (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>50%</u>	<u>150%</u>	<u>250%</u>	<u>500%</u>
A	21.1	14.0	8.5	5.8	3.0

* 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 Trust).

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 Supplement. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of interest, 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 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 A Class will be a Notional Class. The Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover during each Interest Accrual Period on the related notional principal balance. The notional principal balance of the Notional Class will be equal to the percentage of the outstanding principal balance of all classes of REMIC Certificates comprising the Underlying REMIC Trust indicated below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Notional Principal Balance</u>
A	15.1970588235% of the outstanding principal balance of all classes of REMIC Certificates comprising the Underlying REMIC Trust

The notional principal balance of a Notional Class, such as the A Class, is used for purposes of the determination of interest distributions thereon and does not represent an interest in the principal distributions of the SMBS, the MBS or the underlying Mortgage Loans. Although a Notional Class, such as the A Class, will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to 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 to the notional principal balance of the A 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.

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 notional principal balance of a Certificate of such Class, will equal the remaining notional principal balance of such Certificate after giving effect to any reduction of the notional principal balance to be made on the following Distribution Date.

Voting the Underlying REMIC Trust. In the event any issue arises under the 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 having notional principal balances aggregating not less than 51% of the aggregate notional principal balance of all such Certificates 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 are Interest Only Certificates which 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 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 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 Certificates, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original notional principal balance of the entire class, the percentage of such class in the Trust, the current principal factor for such class and the current notional 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 reduction of the notional principal balance of the A Class will be sensitive to the rate of distributions on the Underlying REMIC Certificates, which in turn will be sensitive to the rate of principal payments of the Mortgage Loans. 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 the Underlying REMIC Certificates have performed as originally anticipated. Such information 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>
Fixed Rate	A
Interest Only	A
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 per annum interest rate set forth on the cover. 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 notional 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>Class</u>	<u>Interest Accrual Period</u>
A (the "Delay Class")	Calendar month preceding the month in which the Distribution Date occurs

See "Yield Considerations" herein.

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 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, 150% 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.

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 price of the Certificates will be as assumed. 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 reductions in the notional principal balance of the A Class 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 or that all of such Mortgage Loans will prepay at the same rate.

The rate of reduction of the notional principal balance of the A Class will be sensitive to the rate of distributions on the Underlying REMIC Certificates, which in turn will be sensitive to the amortization (including prepayments) of the Mortgage Loans. 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 the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information 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 on the Mortgage Loans may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments on the Mortgage Loans 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 on the Mortgage Loans occurring at a rate or level higher (or lower) than the rate 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 such principal prepayments.

The effective yield on the A Class will be reduced below the yield otherwise produced because interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on the A Class after its notional principal balance has been reduced to zero. As a result of the foregoing, the market value of the A Class will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the A Class to various constant percentages of PSA. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the A Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

***The Interest Only Class.* As indicated in the table below, the yield to investors in the A Class will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the A Class would be 0% if prepayments were to occur at a constant rate of approximately 304% PSA. If the actual prepayment rate of the Mortgage Loans were to exceed the foregoing level for as little as**

one month while equaling such level for the remaining months, the investors in the A Class would not fully recoup their initial investments.

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

<u>Class</u>	<u>Price*</u>
A	36.0%

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

<u>Class</u>	<u>PSA Prepayment Assumptions</u>			
	<u>50%</u>	<u>150%</u>	<u>250%</u>	<u>500%</u>
A	16.4%	10.1%	3.6%	(13.6)%

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 notional 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 notional 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 life of the A Class will be shortened if the level of prepayments of principal of the Mortgage Loans increases. See “Distributions of Principal” in the Underlying Prospectus Supplement and for a description of the factors which may influence the weighted average lives of the Underlying REMIC Certificates, see “Description of the Certificates—Weighted Average Lives of the Certificates” in the Underlying Prospectus Supplement.

No assurance can be given as to the weighted average life of the A Class. Further, to the extent the prices of the Certificates represent discounts to their original notional principal balances, variability in the weighted average life of the A Class could result in variability in the related yield to maturity. For an example of how the weighted average life of the A Class may be affected at various *constant* prepayment rates, see the Decrement Table below.

Decrement Table

The following table indicates the percentage of original notional principal balance of the A Class that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average life of such Class. The table has 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 10.00% per annum and has an original term to maturity of 360 months and a remaining term to maturity of 353 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 reductions of the notional principal balance of the A Class than indicated in the table 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 Notional Principal Balance Outstanding

<u>Date</u>	<u>A Class</u>				
	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>50%</u>	<u>150%</u>	<u>250%</u>	<u>500%</u>
Initial Percent	100	100	100	100	100
August 1995	99	97	92	88	77
August 1996	99	93	83	74	54
August 1997	98	89	75	62	37
August 1998	97	85	67	52	26
August 1999	96	81	60	44	18
August 2000	95	78	54	37	12
August 2001	94	74	48	31	8
August 2002	93	70	43	25	6
August 2003	92	67	38	21	4
August 2004	90	63	34	18	3
August 2005	89	60	30	15	2
August 2006	87	56	27	12	1
August 2007	85	53	23	10	1
August 2008	83	49	21	8	1
August 2009	81	46	18	7	*
August 2010	78	42	16	5	*
August 2011	75	39	13	4	*
August 2012	72	35	11	3	*
August 2013	68	32	10	3	*
August 2014	64	29	8	2	*
August 2015	60	25	7	2	*
August 2016	55	22	5	1	*
August 2017	50	18	4	1	*
August 2018	44	15	3	1	*
August 2019	38	11	2	*	*
August 2020	30	8	1	*	*
August 2021	23	4	1	*	*
August 2022	14	2	*	*	*
August 2023	4	*	*	*	*
August 2024	0	0	0	0	0
Weighted Average					
Life (years)**	21.1	14.0	8.5	5.8	3.0

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original notional 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 notional principal balance of the A Class has 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 A Class will be issued with original issue discount (“OID”) 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 OID on the A Class will be 150% 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 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.

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.

The Prepayment Assumption that will be used to determine the accruals of OID on the Underlying REMIC Certificates is different from the Prepayment Assumption, as provided above, that will be used to determine the accruals of OID on the Regular Certificates. Because of the different Prepayment Assumptions and the tax characteristics of the Underlying REMIC Certificates, the beneficial owner of an R Certificate may be required to accrue OID on the Underlying REMIC Certificates without being entitled to a corresponding deduction for OID accrued on the Regular Certificates. Investors should refer to “Certain Additional Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates” in the Underlying Prospectus Supplement for the Prepayment Assumption that will be used to determine the accruals of OID on the Underlying REMIC Certificates. See also “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Taxable Income or Net Loss of a REMIC Trust*” in the REMIC Prospectus.

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, 7 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 Notional Principal Balance of Class	Class % in the Trust	August 1994 Class Factor	Current Notional Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type
1994-019	FG	January 1994	31359GMT0	(2)	FLT/IO	January 2024	NTL	\$250,000,000	51.6700000000%	0.93009807	\$120,145,418	7.973%	335	22	MBS
1994-019	SG	January 1994	31359GMU7	(2)	INV/IO	January 2024	NTL	250,000,000	51.6700000000%	0.93009807	120,145,418	7.973	335	22	MBS

- (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:

Class	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
1994-19-FG	7.50%	0.00%	$(120 \times \text{LIBOR}) - 720\%$
1994-19-SG	7.50	0.00	$727.5\% - (120 \times \text{LIBOR})$

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.

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.

\$120,145,418
(Notional Principal Balance)

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1994-99**

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Description of the Certificates	S- 5
Certain Additional Federal Income Tax Consequences	S-12
Plan of Distribution	S-13
Legal Matters	S-13
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

Bear, Stearns & Co. Inc.

August 25, 1994