

\$300,000,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-G10

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-G10 (the "Trust"). The assets of the Trust will consist of "fully modified pass-through" mortgage-backed securities ("GNMA Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"). Each GNMA Certificate is based on and backed by a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans with original maturities of up to 15 years (the "Mortgage Loans") which are either insured by the Federal Housing Administration ("FHA") or partially guaranteed by the Department of Veterans Affairs ("VA"). 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.

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

THE 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
PA	\$48,276,000	PAC	6.50%	FIX	31359LCL7	June 2004
PB	28,544,000	PAC	6.50	FIX	31359LCM5	September 2006
PC	25,588,000	PAC	6.50	FIX	31359LCN3	June 2008
PD	20,601,000	PAC	6.50	FIX	31359LCP8	September 2009
A	76,556,000	SUP	6.50	FIX	31359LCQ6	January 2005
B	65,121,000	SUP	6.50	FIX	31359LCR4	July 2008
C	35,231,000	SUP	6.50	FIX	31359LCS2	September 2009
R	83,000	CPT	6.50	FIX	31359LCT0	September 2009

(1) Distributions of principal of and interest on the Certificates will be made on the 17th day of each month (or, if such 17th day is not a business day, on the first business day next succeeding such 17th day). See "Description of the Certificates—Class Definitions and Abbreviations" in the GNMA Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.

The Certificates will be offered by Lehman Brothers Inc., including Lehman Government Securities Inc. (the "Dealer"), from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. It is expected that the Certificates, except for the R Class, will be available through the book-entry facilities of The Depository Trust Company on or about September 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, Three World Financial Center, New York, New York 10285, on or about the Settlement Date.

LEHMAN BROTHERS

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The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Pool and the purchase price paid for the related 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 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.

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

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

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the GNMA 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 GNMA 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 GNMA 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 or the GNMA 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 GNMA 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 “GNMA Prospectus”) which is attached to this Prospectus Supplement; and
- Fannie Mae’s Information Statement dated March 31, 1994 and any supplements thereto (collectively, the “Information Statement”).

The Information Statement is incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Lehman Brothers Inc. by writing or calling its Registration Department at 140 58th Street, Brooklyn, New York 11220 (telephone 718-921-8466).

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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.

Assumed Mortgage Loan Characteristics (as of September 1, 1994)

Approximate Principal Balance	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Loan Age (in months)	Approximate Weighted Average Coupon
\$300,000,000	170	10	7.00%

The actual remaining terms to maturity, loan ages and interest rates of most of the Mortgage Loans will differ from the weighted averages shown above, perhaps significantly. See "Description of the Certificates—Structuring Assumptions" herein.

Interest Rates

The Certificates will bear interest at the respective per annum interest rates set forth on the cover.

See "Description of the Certificates—Distributions of Interest" herein.

Component Class

	Original Principal Balance	Principal Type
R1 Component	\$ 8,000	PAC
R2 Component	75,000	SUP

See "Description of the Certificates—Distributions of Principal—*Components*" herein.

Distributions of Principal

Principal Distribution Amount

1. To the PAC Classes and the R1 Component, in the order and proportions set forth herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*," until the principal balances thereof are reduced to their respective Planned Balances.
2. To the Support Classes and the R2 Component, in the order and proportions set forth herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*," until the respective principal balances thereof are reduced to zero.
3. To the PAC Classes and the R1 Component as in step 1 above until the respective principal balances thereof are reduced to zero.

Weighted Average Lives (years)*

Class	PSA Prepayment Assumption				
	0%	100%	150%	215%	500%
PA	6.3	6.0	6.0	6.0	3.3
PB	8.4	8.0	8.0	8.0	4.4
PC	10.0	10.0	10.0	10.0	5.8
PD	12.5	12.5	12.5	12.5	8.7
A	3.6	1.6	1.3	1.1	0.7
B	12.2	5.0	3.5	2.8	1.7
C	14.4	12.1	9.3	4.4	2.4
R	12.3	5.7	4.4	3.8	2.3

* Determined as specified under "Description of the Certificates—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, 1994 (the "Trust Agreement"), executed by the Federal National Mortgage Association ("Fannie Mae") in its corporate capacity and in its capacity as Trustee, and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R 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 GNMA Certificates, and the Certificates will evidence the entire beneficial ownership interest in the distributions of principal and interest on the GNMA Certificates.

Authorized Denominations. The Certificates, other than the R Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R Certificates will be issued in minimum denominations of \$1,000 and integral multiples of \$100 in excess thereof.

Characteristics of Certificates. The Certificates, other than the R Certificates, will be represented by one or more certificates to be registered at all times in the name of the nominee of the Depository (as defined herein), which Depository will maintain such Certificates through its book-entry facilities. When used herein with respect to a book-entry Certificate, the terms "Holders" and "Certificateholders" refer to the nominee of the Depository. 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.

The R Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to any R Certificate, "Holder" or "Certificateholder" refers to the registered owner thereof. The R Certificates will be transferable and, if applicable, exchangeable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts ("State Street"). A service charge may be imposed for any registration of transfer or, if applicable, exchange of any 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.

Distributions on the R Class will be made by check mailed by the Paying Agent to the address of each person entitled thereto as it appears on the Certificate Register maintained by the Certificate Registrar (initially, State Street) not later than each Distribution Date; provided, however, that the distribution to the Holders of the R Certificates 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.

Fannie Mae Guaranty. Pursuant to its guaranty of the Certificates, 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 guaranty of Fannie Mae is not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the GNMA Prospectus.

Distribution Dates. Distributions on the Certificates will be made on the 17th day of each month (or, if such 17th day is not a business day, on the first business day next succeeding such 17th 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 and any interest to be added as principal to the principal balances of any Accrual Classes on such Distribution Date.

The GNMA Certificates

The GNMA Certificates underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the GNMA Prospectus. The entire principal balance of the GNMA Certificates will be GNMA I Certificates. See “GNMA and the GNMA Programs” in the GNMA Prospectus. The characteristics of the GNMA Certificates and Mortgage Loans as of September 1, 1994 (the “Issue Date”) are expected to be as follows:

Aggregate Unpaid Principal Balance	\$300,000,000
GNMA Pass-Through Rate	6.50%
Range of WARMS	100 months to 180 months
Approximate Weighted Average WARM	170 months
Approximate Weighted Average WALA	10 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth for each GNMA Certificate, among other things, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturing Mortgage Loan underlying such GNMA Certificate as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Book-Entry Procedures

General

The Certificates, other than the R Certificates, will be represented by one or more certificates to be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the “Depository”). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the book-entry Certificates, whether held for its own account or as a nominee for another person. State Street will act as paying agent for, and perform certain administrative functions with respect to, the book-entry Certificates.

No person acquiring a beneficial ownership interest in the book-entry Certificates (a “beneficial owner” or an “investor”) will be entitled to receive a physical certificate representing such ownership interest. An investor’s interest in the book-entry Certificates will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains such investor’s account for such purpose. In turn, the financial intermediary’s record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as agent for the financial intermediary if such intermediary is not a Depository Participant). Accordingly, an investor will not be recognized by the Trustee or the Depository as a Certificateholder and must rely on the foregoing arrangements to evidence its interest in the book-entry Certificates. Beneficial ownership of an investor’s interest in the book-entry Certificates may be transferred only by compliance with the procedures of an investor’s financial intermediary and of Depository Participants. In general, beneficial ownership of an investor’s interest in the book-entry Certificates will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

Method of Distribution

Each distribution on the book-entry Certificates will be distributed by the Paying Agent to the Depository in immediately available funds. The Depository will be responsible for crediting the amount of such distributions to the accounts of the Depository Participants entitled thereto, in accordance with the Depository’s normal procedures, which currently provide for distributions in next-day funds settled through the New York Clearing House. Each Depository Participant and each financial intermediary will be responsible for disbursing such distributions to the beneficial owners of the book-entry Certificates that it represents. Accordingly, the beneficial owners may experience some delay in their receipt of distributions.

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	All Classes

* See “Description of the Certificates—Class Definitions and Abbreviations” in the GNMA Prospectus.

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (except with respect to any Accrual Classes) in

the month after the Settlement Date. Interest to be distributed or, in the case of any Accrual Classes, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month's interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

Interest Accrual Period. Interest to be distributed or added to principal 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 Classes (collectively, the "Delay Classes")	Calendar month preceding the month in which the Distribution Date occurs

See "Yield Considerations" herein.

Distributions of Principal

Categories of Classes and Components

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

<u>Principal Type*</u>	<u>Classes and Components</u>
PAC	PA, PB, PC, PD and R1
Support	A, B, C and R2
Component	R

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

Components. For purposes of calculating payments of principal, the R Class is comprised of two payment components having the designations and original principal balances set forth below, and therefore the payment characteristics of the R Class will reflect a combination of the payment characteristics of the Components:

<u>Designation</u>	<u>Original Principal Balance</u>
R1 Component	\$ 8,000
R2 Component	75,000

Components are not separately transferable from the related Class of Certificates.

Principal Distribution Amount

On or about the fifth business day of each month, Fannie Mae will aggregate the amount of principal reported to be receivable on the GNMA Certificates during such month on the basis of published GNMA factors for such month. For any GNMA Certificate for which a factor is not available at such time, Fannie Mae will calculate the amount of scheduled payments of principal distributable in respect of such GNMA Certificates during such month on the basis of the assumed amortization schedules of the underlying Mortgage Loans. The amortization schedules will be prepared on the assumptions that: (i) each of the Mortgage Loans underlying a single GNMA Certificate amortizes on a level installment basis, had an original term to maturity of 180 months and has a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying such GNMA Certificate at the origination of such GNMA Certificate, adjusted to the Issue Date; and (ii) each Mortgage Loan underlying a GNMA Certificate bears an interest rate of 7.00% per annum. All such amounts, whether reported in GNMA factors

or calculated by Fannie Mae, will be reflected in the REMIC Trust Factors for the Distribution Date in such month and will be distributed to Holders of Certificates on such Distribution Date, whether or not received. There will also be reflected in such REMIC Trust Factors and distributable as principal on such Distribution Date the excess of (a) the distributions of principal of the GNMA Certificates received during the month prior to the month of such Distribution Date over (b) the amounts of principal calculated as distributable previously in accordance with the GNMA factors and the assumed amortization schedules specified above.

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the aggregate distributions of principal of the GNMA Certificates, calculated as described above, for the month of such Distribution Date and the distributions of principal of the GNMA Certificates received during the month prior to the month of such Distribution Date to the extent not previously distributed.

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

(i) sequentially, to the PA, PB, PC and PD Classes and the R1 Component, in the order and proportions set forth in the following table, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date:

	Allocated to		PAC Classes and Component
	Class listed in the preceding column	R1 Component	
PA	100%	0%	}
PB	100%	0%	
PC	100%	0%	
PD	99.9611820079%	0.0388179921%	

(ii) to the A Class, until the principal balance thereof is reduced to zero;

(iii) concurrently, to the B Class and the R2 Component, in proportion to their original principal balances (or 99.8849622676% and 0.1150377324%, respectively), until the principal balances thereof are reduced to zero;

(iv) to the C Class, until the principal balance thereof is reduced to zero; and

(v) to the PAC Classes and the R1 Component, in the order and proportions set forth in clause (i) above, without regard to their Planned Balances and until the respective principal balances thereof are reduced to zero.

} Support Classes and Component

} PAC Classes and Component

Structuring Assumptions

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

- all payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates are distributed on the Certificates in the month in which such payments are received;
- the Mortgage Loans bear interest at a rate of 7.00% per annum and have an original term to maturity of 180 months, a WARM of 170 months and a WALA of 10 months;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;

- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

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, 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 GNMA Prospectus. It is highly unlikely that prepayments will occur at any PSA rate or at any other constant rate.

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

<u>Principal Balance Schedule Reference</u>	<u>Related Classes and Component</u>	<u>Structuring Range</u>
Planned Balances	PAC	Between 100% and 215%

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

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

<u>Related Classes and Component</u>	<u>Initial Effective Ranges</u>
PA	Between 100% and 215%
PB	Between 65% and 215%
PC	Between 0% and 215%
PD	Between 0% and 215%
R1	Between 0% and 215%

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

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>	<u>R1 Component Planned Balance</u>
August 1998	\$48,276,000.00	\$28,544,000.00	\$25,588,000.00	\$20,601,000.00	\$8,000.00
September 1998	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
October 1998	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
November 1998	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
December 1998	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
January 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
February 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
March 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
April 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
May 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
June 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
July 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
August 1999	48,276,000.00	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
September 1999	46,276,117.43	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
October 1999	44,285,788.23	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
November 1999	42,304,962.81	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
December 1999	40,333,591.78	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
January 2000	38,371,626.05	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
February 2000	36,419,016.76	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
March 2000	34,475,715.31	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
April 2000	32,541,673.33	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
May 2000	30,616,842.72	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
June 2000	28,701,175.63	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
July 2000	26,794,624.44	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
August 2000	24,897,141.77	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
September 2000	23,018,956.39	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
October 2000	21,166,453.32	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
November 2000	19,339,314.87	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
December 2000	17,537,227.14	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
January 2001	15,759,879.95	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
February 2001	14,006,966.81	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
March 2001	12,278,184.86	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
April 2001	10,573,234.83	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
May 2001	8,891,821.03	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
June 2001	7,233,651.26	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
July 2001	5,598,436.81	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
August 2001	3,985,892.40	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
September 2001	2,395,736.13	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
October 2001	827,689.47	28,544,000.00	25,588,000.00	20,601,000.00	8,000.00
November 2001	0.00	27,825,477.20	25,588,000.00	20,601,000.00	8,000.00
December 2001	0.00	26,300,827.36	25,588,000.00	20,601,000.00	8,000.00
January 2002	0.00	24,797,471.26	25,588,000.00	20,601,000.00	8,000.00
February 2002	0.00	23,315,143.38	25,588,000.00	20,601,000.00	8,000.00
March 2002	0.00	21,853,581.37	25,588,000.00	20,601,000.00	8,000.00
April 2002	0.00	20,412,526.01	25,588,000.00	20,601,000.00	8,000.00
May 2002	0.00	18,991,721.16	25,588,000.00	20,601,000.00	8,000.00
June 2002	0.00	17,590,913.76	25,588,000.00	20,601,000.00	8,000.00

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>	<u>R1 Component Planned Balance</u>
July 2002	\$ 0.00	\$16,209,853.73	\$25,588,000.00	\$20,601,000.00	\$8,000.00
August 2002	0.00	14,848,293.99	25,588,000.00	20,601,000.00	8,000.00
September 2002	0.00	13,505,990.41	25,588,000.00	20,601,000.00	8,000.00
October 2002	0.00	12,182,701.77	25,588,000.00	20,601,000.00	8,000.00
November 2002	0.00	10,878,189.73	25,588,000.00	20,601,000.00	8,000.00
December 2002	0.00	9,592,218.78	25,588,000.00	20,601,000.00	8,000.00
January 2003	0.00	8,324,556.26	25,588,000.00	20,601,000.00	8,000.00
February 2003	0.00	7,074,972.24	25,588,000.00	20,601,000.00	8,000.00
March 2003	0.00	5,843,239.57	25,588,000.00	20,601,000.00	8,000.00
April 2003	0.00	4,629,133.81	25,588,000.00	20,601,000.00	8,000.00
May 2003	0.00	3,432,433.19	25,588,000.00	20,601,000.00	8,000.00
June 2003	0.00	2,252,918.61	25,588,000.00	20,601,000.00	8,000.00
July 2003	0.00	1,090,373.57	25,588,000.00	20,601,000.00	8,000.00
August 2003	0.00	0.00	25,532,584.18	20,601,000.00	8,000.00
September 2003	0.00	0.00	24,403,339.10	20,601,000.00	8,000.00
October 2003	0.00	0.00	23,290,429.52	20,601,000.00	8,000.00
November 2003	0.00	0.00	22,193,649.12	20,601,000.00	8,000.00
December 2003	0.00	0.00	21,112,794.06	20,601,000.00	8,000.00
January 2004	0.00	0.00	20,047,662.96	20,601,000.00	8,000.00
February 2004	0.00	0.00	18,998,056.83	20,601,000.00	8,000.00
March 2004	0.00	0.00	17,963,779.06	20,601,000.00	8,000.00
April 2004	0.00	0.00	16,944,635.42	20,601,000.00	8,000.00
May 2004	0.00	0.00	15,940,433.99	20,601,000.00	8,000.00
June 2004	0.00	0.00	14,950,985.18	20,601,000.00	8,000.00
July 2004	0.00	0.00	13,976,101.63	20,601,000.00	8,000.00
August 2004	0.00	0.00	13,015,598.27	20,601,000.00	8,000.00
September 2004	0.00	0.00	12,069,292.24	20,601,000.00	8,000.00
October 2004	0.00	0.00	11,137,002.87	20,601,000.00	8,000.00
November 2004	0.00	0.00	10,218,551.67	20,601,000.00	8,000.00
December 2004	0.00	0.00	9,313,762.28	20,601,000.00	8,000.00
January 2005	0.00	0.00	8,422,460.47	20,601,000.00	8,000.00
February 2005	0.00	0.00	7,544,474.12	20,601,000.00	8,000.00
March 2005	0.00	0.00	6,679,633.16	20,601,000.00	8,000.00
April 2005	0.00	0.00	5,827,769.57	20,601,000.00	8,000.00
May 2005	0.00	0.00	4,988,717.35	20,601,000.00	8,000.00
June 2005	0.00	0.00	4,162,312.52	20,601,000.00	8,000.00
July 2005	0.00	0.00	3,348,393.05	20,601,000.00	8,000.00
August 2005	0.00	0.00	2,546,798.88	20,601,000.00	8,000.00
September 2005	0.00	0.00	1,757,371.86	20,601,000.00	8,000.00
October 2005	0.00	0.00	979,955.77	20,601,000.00	8,000.00
November 2005	0.00	0.00	214,396.25	20,601,000.00	8,000.00
December 2005	0.00	0.00	0.00	20,061,750.23	7,790.59
January 2006	0.00	0.00	0.00	19,319,736.40	7,502.45
February 2006	0.00	0.00	0.00	18,589,122.76	7,218.73
March 2006	0.00	0.00	0.00	17,869,762.34	6,939.38
April 2006	0.00	0.00	0.00	17,161,509.95	6,664.34
May 2006	0.00	0.00	0.00	16,464,222.14	6,393.56

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>	<u>R1 Component Planned Balance</u>
June 2006	\$ 0.00	\$ 0.00	\$ 0.00	\$15,777,757.21	\$6,126.99
July 2006	0.00	0.00	0.00	15,101,975.16	5,864.56
August 2006	0.00	0.00	0.00	14,436,737.70	5,606.23
September 2006	0.00	0.00	0.00	13,781,908.20	5,351.94
October 2006	0.00	0.00	0.00	13,137,351.68	5,101.64
November 2006	0.00	0.00	0.00	12,502,934.81	4,855.27
December 2006	0.00	0.00	0.00	11,878,525.87	4,612.80
January 2007	0.00	0.00	0.00	11,263,994.73	4,374.15
February 2007	0.00	0.00	0.00	10,659,212.85	4,139.30
March 2007	0.00	0.00	0.00	10,064,053.23	3,908.18
April 2007	0.00	0.00	0.00	9,478,390.42	3,680.75
May 2007	0.00	0.00	0.00	8,902,100.52	3,456.96
June 2007	0.00	0.00	0.00	8,335,061.08	3,236.76
July 2007	0.00	0.00	0.00	7,777,151.18	3,020.11
August 2007	0.00	0.00	0.00	7,228,251.35	2,806.95
September 2007	0.00	0.00	0.00	6,688,243.59	2,597.25
October 2007	0.00	0.00	0.00	6,157,011.31	2,390.96
November 2007	0.00	0.00	0.00	5,634,439.36	2,188.03
December 2007	0.00	0.00	0.00	5,120,413.97	1,988.41
January 2008	0.00	0.00	0.00	4,614,822.79	1,792.08
February 2008	0.00	0.00	0.00	4,117,554.79	1,598.97
March 2008	0.00	0.00	0.00	3,628,500.34	1,409.06
April 2008	0.00	0.00	0.00	3,147,551.12	1,222.29
May 2008	0.00	0.00	0.00	2,674,600.13	1,038.63
June 2008	0.00	0.00	0.00	2,209,541.68	858.03
July 2008	0.00	0.00	0.00	1,752,271.38	680.46
August 2008	0.00	0.00	0.00	1,302,686.11	505.87
September 2008	0.00	0.00	0.00	860,683.99	334.23
October 2008	0.00	0.00	0.00	426,164.41	165.49
November 2008 and thereafter	0.00	0.00	0.00	0.00	0.00

Yield Considerations

General. The yield to maturity for each Certificate will depend upon the purchase price thereof, the rate of principal payments, including prepayments, on the Mortgage Loans, and the actual characteristics of the Mortgage Loans. An investor should purchase Certificates only after performing an analysis of such Certificates based upon the investor's own assumptions as to future rates of prepayment.

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. Because the rate of principal distributions on the Certificates will be related to the rate of amortization of the Mortgage Loans in each Pool, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed, the rate of principal distributions on the Certificates is likely to differ from the rate anticipated by an investor, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. The rate of distribution of principal of the Certificates will also be affected by the distribution of a portion of the principal payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates in the month following the month in which they are received. In addition, it is not likely that all Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments may significantly affect the yield to an investor, even if the average rate of principal prepayments is consistent with such investor's expectations. In general, the earlier the payment of principal, 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 Settlement Date will not be offset by any subsequent equivalent reduction (or increase) in the rate of principal prepayments.

The effective yield on the Delay Classes will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 17th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

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 GNMA Prospectus.

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

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

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

As described under “Distributions of Principal—*Components*” herein, for purposes of calculating payments of principal, the R Class is comprised of two Components. Since such Components are not divisible, the payment characteristics of such Class will reflect a combination of the payment characteristics of the related Components.

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 Mortgage Loan underlying the GNMA Certificates has an original and remaining term to maturity of 180 months. It is not likely that (i) all of the underlying Mortgage Loans will have the remaining term to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, a portion of the payments (including prepayments) on the Mortgage Loans will be distributed in the month following the month in which such payments are received. Moreover, the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the weighted average WARM and WALA of the Mortgage Loans are identical to the weighted average WARM and WALA specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	PA Class					PB Class					PC Class					PD Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1995	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1996	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1997	100	100	100	100	71	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1998	100	100	100	100	0	100	100	100	100	89	100	100	100	100	100	100	100	100	100	100
September 1999	97	96	96	96	0	100	100	100	100	2	100	100	100	100	100	100	100	100	100	100
September 2000	63	48	48	48	0	100	100	100	100	0	100	100	100	100	37	100	100	100	100	100
September 2001	26	5	5	5	0	100	100	100	100	0	100	100	100	100	0	100	100	100	100	92
September 2002	0	0	0	0	0	77	47	47	47	0	100	100	100	100	0	100	100	100	100	58
September 2003	0	0	0	0	0	5	0	0	0	0	100	95	95	95	0	100	100	100	100	35
September 2004	0	0	0	0	0	0	0	0	0	0	47	47	47	47	0	100	100	100	100	20
September 2005	0	0	0	0	0	0	0	0	0	0	7	7	7	7	0	100	100	100	100	11
September 2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	67	67	67	67	6
September 2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32	32	32	32	2
September 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4	*
September 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 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)**	6.3	6.0	6.0	6.0	3.3	8.4	8.0	8.0	8.0	4.4	10.0	10.0	10.0	10.0	5.8	12.5	12.5	12.5	12.5	8.7

Date	A Class					B Class					C Class					R Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1995	85	71	65	57	21	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1996	68	34	19	*	0	100	100	100	100	10	100	100	100	100	100	100	100	100	100	19
September 1997	51	0	0	0	0	100	98	72	40	0	100	100	100	100	0	100	98	75	46	10
September 1998	32	0	0	0	0	100	58	26	0	0	100	100	100	79	0	100	62	33	10	10
September 1999	13	0	0	0	0	100	23	0	0	0	100	100	77	3	0	100	30	10	10	10
September 2000	13	0	0	0	0	100	23	0	0	0	100	100	75	*	0	100	30	10	10	10
September 2001	13	0	0	0	0	100	21	0	0	0	100	100	71	*	0	100	29	10	10	9
September 2002	13	0	0	0	0	100	16	0	0	0	100	100	65	*	0	100	24	10	10	6
September 2003	13	0	0	0	0	100	8	0	0	0	100	100	57	*	0	100	17	10	10	3
September 2004	4	0	0	0	0	100	0	0	0	0	100	98	47	*	0	100	10	10	10	2
September 2005	0	0	0	0	0	84	0	0	0	0	100	77	37	*	0	86	10	10	10	1
September 2006	0	0	0	0	0	59	0	0	0	0	100	54	25	*	0	60	6	6	6	1
September 2007	0	0	0	0	0	28	0	0	0	0	100	30	14	*	0	28	3	3	3	*
September 2008	0	0	0	0	0	0	0	0	0	0	86	4	2	*	0	*	*	*	*	*
September 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 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)**	3.6	1.6	1.3	1.1	0.7	12.2	5.0	3.5	2.8	1.7	14.4	12.1	9.3	4.4	2.4	12.3	5.7	4.4	3.8	2.3

* 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

In addition to distributions of principal and interest, the Holders 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 may 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 GNMA Prospectus. Transferees of an R Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holders of the R Class will be considered to be the holders of the “residual interest” in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” in the GNMA Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the 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 GNMA 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 GNMA Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The PC, PD and C Classes will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 150% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the GNMA Prospectus. No representation is made as to whether the Mortgage Loans underlying the GNMA Certificates 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 GNMA Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the GNMA 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 GNMA 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 8.89% (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 GNMA 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

General. The Dealer will receive the Certificates in exchange for the GNMA 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.

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

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Skadden, Arps, Slate, Meagher & Flom.

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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\$300,000,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1994-G10**

PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

September 1, 1994
