

\$210,000,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1995-7

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1995-7 (the "Trust"). The assets of the Trust will consist of (i) the "regular interests" in a separate trust fund (the "Lower Tier REMIC") and (ii) a non-interest bearing cash deposit of \$999.99 (the "Retail Cash Deposit") to be applied as described herein. The assets of the Lower Tier REMIC will consist of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"), each of which will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus"), accompanying this Prospectus Supplement.

Prospective investors in the UU Class should consider carefully, as should prospective investors in any Class of Certificates, whether such an investment is appropriate for their investment objectives. See "Description of the Certificates—The Retail Certificates" herein.

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	Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	\$112,413,000	PAC	8.00%	FIX	31359LRK3	May 2025	EB	\$ 4,000,000	SUP	8.00%	FIX	31359LRS6	June 2024
B	27,040,000	PAC	7.50	FIX	31359LRL1	July 2023	EC	1,380,000	SUP	8.00	FIX	31359LRT4	July 2024
BA	1,485,000	PAC	7.50	FIX	31359LRM9	August 2023	G	19,585,000	SUP	8.00	FIX	31359LRU1	May 2025
C	12,467,000	PAC	7.55	FIX	31359LRN7	December 2023	H	(2)	NTL	8.00	FIX/IO	31359LRV9	June 2024
D	9,892,000	PAC	7.90	FIX	31359LRP2	June 2024	R	0	NPR	0	NPR	31359LRV7	May 2025
UU	17,338,000	PAC/RTL	8.00	FIX	31359LRQ0	May 2025	RL	0	NPR	0	NPR	31359LRX5	May 2025
EA	4,400,000	SUP	8.00	FIX	31359LRR8	April 2024							

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) The H Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially, \$2,607,731). The notional principal balance of the H Class will be calculated based on the principal balances of certain PAC Classes. See "Description of The Certificates—Distribution of Interest—Notional Class" herein.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the UU, R and RL Classes, will be available through the book-entry system of the Federal Reserve Banks on or about April 28, 1995 (the "Settlement Date"). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, 100 Gold Street, New York, New York, on or about the Settlement Date. It is expected that delivery of the UU Class will be made through the book-entry facilities of The Depository Trust Company on or about such date.

Prudential Securities Incorporated

(Cover continued from previous page)

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.
- In the case of the Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.

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

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

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Description of the Certificates—Reinvestment Risk” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.
- The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

The UU Class (the “Retail Certificates”) may not be an appropriate investment for all prospective investors. Any investor who purchases a Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following issuance of the Certificates could result in an actual yield that is lower than such investor’s anticipated yield. In addition, although the Dealer intends to make a secondary market in the Retail Certificates, it has no obligation to do so, and any such market making may be discontinued at any time. Finally, there can be no assurance that the price at which an investor may be able to sell a Retail Certificate will be the same as the price at which such investor purchased such Certificate. See “Description of the Certificates—The Retail Certificates” herein.

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

Elections will be made to treat the Lower Tier REMIC and the Trust as “real estate mortgage investment conduits” (“REMICs”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R and RL Classes will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R and RL Classes” 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 November 1, 1994 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated March 31, 1995 and any supplements thereto (collectively, the “Information Statement”).

The MBS Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Prudential Securities Incorporated by writing or calling its Prospectus Department at 315 Hudson Street, 7th Floor, New York, New York 10013 (telephone 212-776-8906).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Principal Distribution Amount</i>	S-18
Description of the Certificates	S- 7	Structuring Assumptions	S-18
General	S- 7	<i>Pricing Assumptions</i>	S-18
<i>Structure</i>	S- 7	<i>Prepayment Assumptions</i>	S-19
<i>Fannie Mae Guaranty</i>	S- 7	<i>Structuring Ranges</i>	S-19
<i>Characteristics of Certificates</i>	S- 7	<i>Initial Effective Ranges</i>	S-19
<i>Authorized Denominations</i>	S- 8	Principal Balance Schedules	S-20
<i>Distribution Dates</i>	S- 8	Yield Considerations	S-27
<i>Record Date</i>	S- 8	<i>General</i>	S-27
<i>REMIC Trust Factors</i>	S- 8	<i>The Interest Only Class</i>	S-27
<i>Optional Termination</i>	S- 8	Weighted Average Lives of the	
The Retail Certificates	S- 9	Certificates	S-28
<i>General</i>	S- 9	Decrement Tables	S-29
<i>Method of Distribution</i>	S- 9	Characteristics of the R and	
<i>Retail Interest Distributions</i>	S- 9	RL Classes	S-32
<i>Retail Principal Distributions</i>	S- 9	Certain Additional Federal Income	
<i>Certain Principal Distribution</i>		Tax Consequences	S-32
<i>Considerations</i>	S-12	REMIC Elections and Special Tax	
<i>Investment Determination</i>	S-15	Attributes	S-32
The MBS	S-16	Taxation of Beneficial Owners of	
Distributions of Interest	S-16	Regular Certificates	S-33
<i>Categories of Classes</i>	S-16	Taxation of Beneficial Owners of	
<i>General</i>	S-16	Residual Certificates	S-33
<i>Interest Accrual Period</i>	S-17	Plan of Distribution	S-33
<i>Notional Class</i>	S-17	<i>General</i>	S-33
Distributions of Principal	S-17	<i>Increase in Certificates</i>	S-33
<i>Categories of Classes</i>	S-17	Legal Matters	S-33

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 in their entirety.

The Retail Certificates

Description

The Retail Certificates represent an indirect interest in certain Mortgage Loans. The Retail Certificates are guaranteed by Fannie Mae but are not guaranteed by, and are not a debt or obligation of, the United States. See “Description of the Certificates—General—*Fannie Mae Guaranty*” herein.

Investment Objective

The Retail Certificates have been structured principally to provide monthly distributions to individual investors for the long-term portions of their investment portfolios. Each individual investor should determine, in consultation with his or her investment advisor, whether or not the Retail Certificates satisfy his or her specified investment objectives. See “Description of the Certificates—The Retail Certificates—*Investment Determination*” herein.

Liquidity

If a Retail Certificate is sold prior to its maturity, an investor may receive sales proceeds (less applicable transaction costs) that are less than the amount originally invested. The Dealer intends to make a market for the purchase and sale of the Retail Certificates after their initial issuance, but is not obligated to do so. There is no assurance that such a secondary market will develop or, if it develops, that it will continue. See “Description of the Certificates—The Retail Certificates—*Investment Determination*” herein.

Federal Income Taxes

Interest on the Retail Certificates will be taxed in the year it is earned, which may not be the year it is paid. Relevant federal income tax information for the preceding calendar year will be mailed to investors who own Retail Certificates, as required by the Internal Revenue Service. Investors should be aware, however, that such information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a Retail Certificate. See “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions—Tax Information*” and “Certain Additional Federal Income Tax Consequences” herein.

Maturity

Unlike many other fixed income securities, the Retail Certificates do not have fixed principal redemption schedules or fixed principal distribution dates. The timing of principal distributions may vary considerably based upon a number of factors, including changes in prevailing interest rates. If prevailing interest rates decrease, principal distributions on the Retail Certificates may accelerate, and any reinvestment of such distributions might be at such lower prevailing interest rates. Conversely, if prevailing interest rates increase, principal distributions on the Retail Certificates may slow down, and investors might not be able to reinvest their principal at such higher prevailing interest rates. In such case, the market value of such Retail Certificates is likely to have declined. See “Description of the Certificates—The Retail Certificates—*Certain Principal Distribution Considerations*” herein.

Assumed Mortgage Loan Characteristics (as of April 1, 1995)

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$42,000,000	357	3	8.60%
\$42,000,000	354	6	8.60%
\$42,000,000	352	8	8.60%
\$84,000,000	350	10	8.60%

The actual remaining terms to maturity, calculated 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—*Pricing Assumptions*” herein.

Interest Rates

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

Notional Class

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
H.....	6.250% of B Class
	6.250% of BA Class
	5.625% of C Class
	1.250% of D Class

See “Description of the Certificates—Distributions of Interest—*Notional Class*” herein.

Distributions of Principal

Principal Distribution Amount

- (1) To the A Class, to its Planned Balance.
- (2) Concurrently, to the B and C Classes in the proportions of 80% and 20%, to the Planned Balance of the B Class.
- (3) Concurrently, to the BA and C Classes in the proportions of 80% and 20%, to the Planned Balance of the BA Class.
- (4) Sequentially, to the C, D and UU Classes, to their Planned Balances.
- (5) Sequentially, to the EA, EB, EC and G Classes, to zero.
- (6) Concurrently, to the BA and C Classes in the proportions of 80% and 20%, until the BA Class is reduced to zero.
- (7) Concurrently, to the B and C Classes in the proportions of 80% and 20%, until the B Class is reduced to zero.
- (8) Sequentially, to the C, D and UU Classes, to zero.
- (9) To the A Class, to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>75%</u>	<u>170%</u>	<u>325%</u>	<u>500%</u>
A	16.9	6.9	6.9	6.9	4.9
EA	28.8	23.6	1.2	0.3	0.2
EB	29.0	24.5	2.7	0.7	0.4
EC	29.1	25.1	3.8	0.9	0.6
G	29.6	27.4	16.2	1.6	1.0

<u>Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>75%</u>	<u>140%</u>	<u>170%</u>	<u>210%</u>	<u>325%</u>	<u>500%</u>
B	25.6	13.9	3.4	3.4	3.4	2.3	1.6
BA	26.8	17.6	4.2	4.2	4.2	1.9	1.3
C	26.2	15.9	5.9	5.9	5.9	2.8	1.8
D	27.5	19.7	12.5	12.5	12.5	4.1	2.4
UU**	28.2	22.8	19.9	19.9	19.9	5.7	2.9
H	25.9	14.9	4.6	4.6	4.6	2.5	1.7

- * Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” herein.
- ** The weighted average lives shown in the table for the Retail Certificates apply to such Class as a whole and are not likely to reflect the experience of any particular investor in the Retail Certificates. Because investors will receive principal distributions subject to the distribution priorities and allocations described under “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions*” herein, the weighted average lives of Retail Certificates will vary among different investors. See “Description of the Certificates—The Retail Certificates—*Certain Principal Distribution Considerations*” 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 and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of April 1, 1995 (the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as trustee (the “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 and RL Classes) 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 interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

The assets of the Trust will consist of (i) the Lower Tier Regular Interests and (ii) a non-interest bearing cash deposit of \$999.99 (the “Retail Cash Deposit”), and the Certificates, other than the RL Class, will evidence the entire beneficial ownership interest in the distributions of principal and interest on the Lower Tier Regular Interests. The Retail Cash Deposit will be used, if necessary, to round the amount of any principal distribution on the UU Class to an amount equal to an integral multiple of \$1,000, as described herein. The Retail Cash Deposit will not be available for application toward any distributions on the other Classes of Certificates offered hereby.

The assets of the Lower Tier REMIC will consist of the MBS, and the Lower Tier Regular Interests and the RL Class (collectively, the “Lower Tier Interests”) will in the aggregate evidence the entire beneficial ownership interest in the distributions of principal and interest on the MBS.

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

Characteristics of Certificates. The Certificates, other than the UU, R and RL Certificates, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. The UU 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 the UU Certificates through its book-entry facilities. When used herein, the terms “Holders” and “Certificateholders” refer to (i) such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates (other

than the UU, R and RL Certificates) have been deposited and (ii) the nominee of the Depository, in the case of the UU Certificates. A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Book-Entry Form” in the REMIC Prospectus.

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

The distribution to the Holder of the R or RL Certificate of the proceeds of any remaining assets of the Trust or the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of the related Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The Certificates, other than the UU, R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The UU Certificates will be issued in minimum denominations of \$1,000 and integral multiples thereof. Each of the R and RL Certificates 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), (each, a “Distribution Date”), commencing in the month following the Settlement Date. See “Distributions of Interest—General” and “—Interest Accrual Period” and “Distributions of Principal—Principal Distribution Amount” herein.

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

REMIC Trust Factors. As soon as practicable following the eleventh calendar day of each month, Fannie Mae will publish or otherwise make available for each Class of Certificates the factor (carried to eight decimal places) which (i) in the case of each such Class of Certificates other than the Retail Certificates, when multiplied by the original principal balance of a Certificate of such Class, will equal the remaining principal balance of such Certificate and (ii) in the case of the Retail Certificates, when multiplied by the aggregate original principal balance of such Class, will equal the aggregate remaining principal balance of such Class, in each case after giving effect to the distribution of principal to be made on the following Distribution Date. As a result, the factor for the Retail Certificates will reflect the reduction in aggregate principal balance of such Class taken as a whole, and will not reflect the reduction in principal balance of the Retail Certificates owned by any particular investor. For purposes of determining the factor for the Retail Certificates, any rounding of the distribution of principal thereof will be disregarded.

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust or the Lower Tier REMIC through the exercise of its right to repurchase the Mortgage Loans underlying any MBS unless only one Mortgage Loan remains in the related Pool or the principal balance of such Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The Retail Certificates

General

The UU Class will consist of Retail Certificates. The Retail 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”). The Depository will maintain the Retail Certificates in integral multiples of \$1,000 through its book-entry facilities. In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the Retail 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 Retail Certificates.

No person acquiring a beneficial ownership interest in the Retail Certificates (a “beneficial owner” or an “investor”) will be entitled to receive a physical certificate representing such ownership interest. An investor’s interest in a Retail Certificate will be recorded, in integral multiples of \$1,000, 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 Certificate will be recorded, in integral multiples of \$1,000, 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). Therefore, the investor must rely on the foregoing arrangements to evidence its interest in the Retail Certificates. Beneficial ownership of the Retail Certificates may be transferred only by compliance with the procedures of an investor’s financial intermediary and of the Depository Participants. In general, beneficial ownership of the Retail 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 of principal and interest on the Retail Certificates will be distributed by State Street 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 Retail Certificates that it represents.

Retail Interest Distributions

Interest to be distributed on the Retail Certificates on each Distribution Date will consist of one month’s interest at the per annum rate of 8.0% on the outstanding principal balance thereof immediately prior to such Distribution Date. For further discussion, see “Distributions of Interest” herein.

Retail Principal Distributions

General. Distributions of principal of the Retail Certificates on any Distribution Date (each, a “Retail Principal Distribution”) will be made, in each case in integral multiples of \$1,000, in accordance with the priorities and limitations set forth herein. On each Distribution Date, State Street, or the Depository in the case of excess retail principal distribution by random lot as described below, will determine the portion of the Retail Principal Distribution, if any, to be made on Retail Certificates held for the account of each Depository Participant. Each Depository Participant and each financial intermediary will in turn determine the portion of the Retail Principal Distribution to be made on the Retail Certificates held for the account of each investor that it represents.

Rounding of Retail Principal Distributions. On each Distribution Date on which amounts are available for the distribution of principal of the Retail Certificates (as described under “Distributions of Principal” herein), the amount of such distribution will be rounded, as necessary, to an amount equal to an integral multiple of \$1,000. Such rounding will be accomplished on the first Distribution Date on which a Retail Principal Distribution is made by withdrawing from the Retail Cash Deposit the amount of funds, if any, needed to round the amount otherwise allocable as principal of the Retail Certificates to the next higher integral multiple of \$1,000. On each succeeding Distribution Date on which a Retail Principal Distribution is to be made, the aggregate amount allocable as principal to the Retail Certificates will be applied first to repay any funds withdrawn from the Retail Cash Deposit on the preceding Distribution Date, and then the remainder of such allocable amount, if any, will be similarly rounded upward and applied as a Retail Principal Distribution. This procedure will continue on succeeding Distribution Dates until the principal balance of the Class of Retail Certificates has been reduced to zero. Thus, the Retail Principal Distribution on any Distribution Date may be slightly more or less than would be the case in the absence of such rounding procedures, but such difference will in no event exceed \$999.99 on any Distribution Date. The aggregate of all Retail Principal Distributions made through any Distribution Date will in no event be less than what would have been the case in the absence of such rounding procedures.

Retail Principal Distribution Requests. An investor in the Retail Certificates may request that distributions of principal of the Retail Certificates be allocated to such investor (up to the amount of such investor’s ownership interest in the Retail Certificates) in integral multiples of \$1,000, on the earliest possible Distribution Date, subject to the priorities and limitations described below (each, a “Retail Principal Distribution Request”). Any Retail Principal Distribution Request must be submitted to the financial intermediary that maintains the account evidencing the related investor’s interest in the Retail Certificates. If such financial intermediary is not a Depository Participant, it must notify the related Depository Participant of such request. The related Depository Participant must in turn make the request in writing to the Depository on a form required by the Depository. Upon the receipt of a request, the Depository will date and time stamp such request and forward it to State Street. State Street shall not be deemed liable for any delay in delivery to State Street of Retail Principal Distribution Requests or the withdrawal of such requests. The exact procedures to be followed by the Depository for purposes of determining the order of receipt will be those established from time to time by the Depository. State Street will maintain a list of those Depository Participants representing investors that have submitted Retail Principal Distribution Requests, together with the order of receipt and the amounts of such requests. State Street will notify the Depository and the appropriate Depository Participants as to which requests should be honored on each Distribution Date. Retail Principal Distribution Requests will be honored by the Depository in accordance with the procedures, and subject to the priorities and limitations, described below. The exact procedures to be followed by State Street and the Depository for purposes of determining such priorities and limitations will be those established from time to time by State Street or the Depository, as the case may be. The decisions of State Street and the Depository concerning such matters will be final and binding on all affected persons.

An investor may withdraw a Retail Principal Distribution Request by notifying the financial intermediary that maintains the account evidencing such investor’s Retail Certificates. If such financial intermediary is not a Depository Participant, it must notify the related Depository Participant, which must in turn forward the withdrawal of such request, on a form required by the Depository, to State Street.

In order for a Retail Principal Distribution Request, or a withdrawal of such request, to be honored with respect to a Distribution Date, it must be received by the Depository and forwarded to State Street, in the case of a Retail Principal Distribution Request, or received by the Depository Participant and forwarded to State Street, in the case of a withdrawal of such request, by the last day of the month preceding the month in which such Distribution Date occurs (the “Record Date”), in accordance with the procedures described above. Priority of distribution of principal of the Retail

Certificates will be given to investors on whose behalf Retail Principal Distribution Requests have been duly received and not withdrawn. Such requests will be honored by the Depository in the following order of priority:

(i) requests on behalf of Deceased Owners (as defined below) will be honored in the order of their receipt by the Depository until such requests have been honored, with respect to each Deceased Owner on whose behalf such a request has been made, in an initial amount up to \$100,000 of original principal balance per Deceased Owner; and

(ii) requests on behalf of Living Owners (as defined below) will be honored in the order of their receipt by the Depository until such requests have been honored, with respect to each Living Owner on whose behalf such a request has been made, in an initial amount up to \$10,000 of original principal balance per Living Owner.

Thereafter, requests on behalf of Deceased Owners will be honored as provided in clause (i) above up to an additional amount equal to \$100,000 of original principal balance, and requests on behalf of Living Owners will be honored as provided in clause (ii) above up to an additional amount equal to \$10,000 of original principal balance. This sequence of priorities will be repeated until all Retail Principal Distribution Requests have been honored.

To the extent that the Retail Principal Distribution Requests exceed the aggregate amount of principal available for distribution on the Retail Certificates on a Distribution Date, such requests will automatically be honored on succeeding Distribution Dates, without the need for any further Retail Principal Distribution Requests, all in accordance with the applicable procedures of State Street. A Retail Principal Distribution Request submitted on behalf of a Living Owner who thereafter becomes a Deceased Owner will become entitled to the priority of a newly submitted request on behalf of a Deceased Owner, provided that, as to any Distribution Date, the Depository has received and forwarded to State Street appropriate evidence of death and any required tax waivers on or before the related Record Date. Upon the transfer of beneficial ownership of any Retail Certificate, any Retail Principal Distribution Request relating thereto will be deemed to have been withdrawn only upon the receipt by State Street of notification of such withdrawal using a form required by the Depository.

Excess Retail Principal Distribution by Random Lot. To the extent the Retail Principal Distribution for the Retail Certificates on any Distribution Date exceeds the amount evidenced by the applicable Retail Principal Distribution Requests received by State Street, the Retail Certificates in respect of which distributions of principal are to be made (in integral multiples of \$1,000) will be determined in accordance with the then applicable random lot procedures of the Depository and the established procedures of the Depository Participants and financial intermediaries. Accordingly, a Depository Participant or financial intermediary may elect to allot the remaining portion of such Retail Principal Distribution to the accounts of some investors (which could include such Depository Participant or financial intermediary) without allotting such distributions to the accounts of other investors.

Beneficial Owners. A “Deceased Owner” is a beneficial owner of Retail Certificates who was living at the time such interest was acquired and whose executor or other authorized representative causes to be furnished to the Depository evidence of death satisfactory to State Street and any tax waivers requested by State Street. A “Living Owner” is any other beneficial owner of Retail Certificates. Retail Certificates beneficially owned by tenants by the entirety, joint tenants or tenants in common will be considered to be beneficially owned by a single owner. The death of a tenant by the entirety, joint tenant or tenant in common will be deemed to be the death of the beneficial owner, and the Retail Certificates so beneficially owned will be eligible for priority in principal distribution, subject to the limitations stated above. Retail Certificates beneficially owned by a trust will be considered to be beneficially owned by each beneficiary of the trust to the extent of such beneficiary’s beneficial interest in such Retail Certificates, but in no event will a trust’s beneficiaries collectively be deemed to be beneficial owners of a principal amount of Retail Certificates greater than the principal amount of Retail Certificates of which such trust is the owner. The death of a beneficiary of a trust will be deemed to be the death of a beneficial owner of the Retail Certificates beneficially owned by the

trust to the extent of such beneficiary's beneficial interest in the Retail Certificates owned by such trust. The death of an individual who was a tenant by the entirety, joint tenant or tenant in common in a tenancy which is the beneficiary of a trust will be deemed to be the death of the beneficiary of the trust. The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial ownership interests in Retail Certificates will be deemed to be the death of the beneficial owner of such Retail Certificates regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of State Street. Such beneficial interest will be deemed to exist in typical cases of street name or nominee ownership, ownership by a trustee, ownership under the Uniform Gifts to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will include the power to sell, transfer or otherwise dispose of Retail Certificates and the right to receive the proceeds therefrom, as well as interest and principal distributable with respect thereto.

Tax Information. Information allowing beneficial owners of the Retail Certificates to calculate properly the taxable income attributable to the Retail Certificates will be made available by Fannie Mae to Depository Participants and financial intermediaries as required by federal income tax law. Financial intermediaries, in turn, will be obligated to supply such information to individuals and other beneficial owners who are not "exempt recipients." Beneficial owners should be aware, however, that such information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a Retail Certificate. The Class of Retail Certificates may be issued with "original issue discount" for federal income tax purposes. *Prospective investors in the Class of Retail Certificates should be aware that the beneficial owners of Retail Certificates must include in gross income original issue discount as it accrues under a method that generally results in recognition of some taxable income in advance of receipt of the cash attributable to such income.* Prospective investors in the Class of Retail Certificates also should be aware that beneficial owners of the Retail Certificates should treat any premium, any original issue discount and any market discount with respect to such Certificates in the same manner as beneficial owners of other "regular interests" in a REMIC. See "Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates" in the REMIC Prospectus. Because the Retail Certificates will not receive payments of principal on a pro rata basis, however, a payment in full of a Retail Certificate may be treated as a prepayment for purposes of the premium, original issue discount and market discount rules. Additional tax consequences affecting beneficial owners of the Retail Certificates are discussed under "Certain Additional Federal Income Tax Consequences—Taxation of Beneficial Owners of the Regular Certificates" herein and "Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates" in the REMIC Prospectus.

Certain Principal Distribution Considerations

Because there may be little or no distribution of principal of the Retail Certificates on any particular Distribution Date, *there is no assurance that a Retail Principal Distribution Request will be honored, either in whole or in part, within any particular time after it is submitted.* The likelihood that any particular Retail Principal Distribution Request will be honored within any particular time after submission will also be affected by the aggregate principal balance of the Retail Certificates beneficially owned by persons having priority to right of distribution, either due to their status as Deceased Owners or because of earlier submission of their Retail Principal Distribution Requests. Conversely, the amount of principal available to be distributed on the Retail Certificates on any Distribution Date may exceed the amount necessary to satisfy such Retail Principal Distribution Requests, in which case non-requesting investors may receive distributions of principal in accordance with the random lot procedures referred to herein.

During periods in which interest rates generally are higher than the per annum rate at which interest accrues on the Retail Certificates, a greater number of investors may be expected to submit Retail Principal Distribution Requests. During such periods, however, there may be a concurrent reduction in the rate of prepayments on the Mortgage Loans, thus reducing the funds available for

Retail Principal Distributions. Conversely, Retail Principal Distributions may be greater when prevailing interest rates decline relative to the rates of interest on the Mortgage Loans. Under such conditions, investors may be less likely to submit Retail Principal Distribution Requests while mortgagors may be more likely to prepay the Mortgage Loans. Investors whose Retail Certificates are selected for distribution under such conditions may be unable to reinvest the proceeds of such distributions at effective interest rates equal to the specified per annum rate at which interest accrues on the Retail Certificates.

Because the rate of Retail Principal Distributions is dependent upon the rate of principal distributions (including prepayments) on the Mortgage Loans and the priority sequence of distributions described herein under “Description of the Certificates—Distributions of Principal,” no assurance can be given as to the Distribution Date on which the Retail Certificates will begin to receive principal distributions, as to the rate at which such distributions will continue thereafter or as to the date on which the principal amount of the Retail Certificates will be distributed in full. In addition, it is possible that certain investors in the Retail Certificates may not receive Retail Principal Distributions until the Final Distribution Date for such Class. Any investor who purchases a Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following issuance of the Certificates could result in an actual yield that is lower than such investor’s anticipated yield. See “Distributions of Principal,” “Yield Considerations” and “Weighted Average Lives of the Certificates” herein.

To illustrate the effect of prepayments on the distributions of principal of the Retail Certificates, the following table indicates the approximate aggregate distributions of principal of the Retail Certificates during the periods shown. The following table shows the amounts that would be available for distributions of principal of the Class of Retail Certificates during the periods indicated at various constant percentages of PSA (as defined under “Structuring Assumptions—*Prepayment Assumptions*” herein), based on the allocations of principal described under “Distributions of Principal” herein. The amounts shown have been calculated on the basis of the Pricing Assumptions (as defined herein) and on the assumption that principal distributions on the Retail Certificates are not rounded to integral multiples of \$1,000 and are made on the 25th day of each month in which such distributions are required to be made. **The amounts in the table are hypothetical numbers only, apply to the Class of Retail Certificates taken as a whole, and are presented solely to show the relationship between prepayments and distributions on the Retail Certificates in order to assist investors in analyzing that relationship. Because of the distribution priorities and allocations described above and because investors in the Retail Certificates will receive principal distributions in integral multiples of \$1,000, there is no assurance that any investor will receive a distribution of principal on any Distribution Date. Investors are urged to consult their own financial advisors as to the significance of prepayments in terms of the investors’ financial and investment objectives.**

Aggregate Retail Principal Distributions
(for illustrative purposes only)
(Amounts in Thousands)

Twelve Consecutive Months Through	PSA Prepayment Assumption						
	50%	75%	140%	170%	210%	325%	500%
April 1996.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
April 1997.....	0	0	0	0	0	0	0
April 1998.....	0	0	0	0	0	0	11,900
April 1999.....	0	0	0	0	0	0	5,438
April 2000.....	0	0	0	0	0	4,680	0
April 2001.....	0	0	0	0	0	6,889	0
April 2002.....	0	0	0	0	0	3,961	0
April 2003.....	0	0	0	0	0	1,664	0
April 2004.....	0	0	0	0	0	139	0
April 2005.....	0	0	0	0	0	0	0
April 2006.....	0	0	0	0	0	0	0
April 2007.....	0	0	0	0	0	0	0
April 2008.....	0	0	0	0	0	0	0
April 2009.....	0	0	0	0	0	0	0
April 2010.....	0	0	1,050	1,050	1,050	0	0
April 2011.....	0	0	2,093	2,093	2,093	0	0
April 2012.....	0	0	1,933	1,933	1,933	0	0
April 2013.....	0	0	1,767	1,767	1,767	0	0
April 2014.....	0	0	1,603	1,603	1,603	0	0
April 2015.....	0	0	1,443	1,443	1,443	0	0
April 2016.....	0	2,181	1,290	1,290	1,290	0	0
April 2017.....	0	5,425	1,147	1,147	1,147	0	0
April 2018.....	0	5,401	1,014	1,014	1,014	0	0
April 2019.....	5,744	1,223	891	891	891	0	0
April 2020.....	7,218	779	779	779	779	0	0
April 2021.....	2,724	678	678	678	678	0	0
April 2022.....	586	586	586	586	586	0	0
April 2023.....	504	504	504	504	504	0	0
April 2024.....	431	431	431	431	431	0	0
April 2025.....	131	131	131	131	131	5	0
Total Principal Payments*	<u>\$17,338</u>	<u>\$17,338</u>	<u>\$17,338</u>	<u>\$17,338</u>	<u>\$17,338</u>	<u>\$17,338</u>	<u>\$17,338</u>

* Total principal payments may not equal the sums of the respective columns due to rounding.

The foregoing table has been prepared on the basis of assumptions, some or all of which are likely to differ from actual experience. There can be no assurance that the Mortgage Loans will have the assumed characteristics or will prepay at any of the *constant* rates shown in the table or at any other particular rate, or that the amounts available for distribution of principal of the Retail Certificates will correspond to any of the amounts shown herein. The rates of Retail Principal Distributions for the Retail Certificates will be directly related to the actual amortization and prepayments of the Mortgage Loans, which 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. As a result, the amounts available for distribution of principal of the Retail Certificates are likely to differ from those shown in the table above, even if all the Mortgage Loans prepay at the indicated constant percentages of PSA. In particular, the diverse remaining terms to maturity of the Mortgage Loans could produce lower yields than those produced by Mortgage Loans having the assumed characteristics. In addition, the Mortgage Loans will not prepay at a constant level of PSA until maturity and it is extremely unlikely that all of such Mortgage Loans will prepay at the same rate. The timing of the changes in the rate of prepayments may significantly affect the actual amounts available for distribution of principal to an investor (and may affect the resulting yield to maturity), even if the average rate of principal prepayments is consistent with an investor's expectation. 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 slower (or faster) than the rate anticipated by the investor during the period immediately following the issuance of the Retail Certificates will not be equally offset by a subsequent like increase (or decrease) in the rate of principal prepayments. Investors are urged to consult their own financial advisors as to the appropriate prepayment assumption to be used in deciding whether to purchase any Retail Certificates.

The weighted average lives of the Retail Certificates shown in the table referenced under "Decrement Tables" herein apply to such Class taken as a whole; as a result of the distribution priorities and allocations described above, the weighted average lives of the Retail Certificates beneficially owned by individual investors may vary significantly from the weighted average life of the Class as a whole. Although distributions of principal and interest on the Retail Certificates are guaranteed by Fannie Mae as described herein, Fannie Mae can give no assurance as to any particular principal distribution scenario, as to any particular weighted average life for the Retail Certificates or as to the date or dates on which any particular investor will receive distributions of principal. In addition, there is no assurance that procedures of the financial intermediaries or the Depository will not change. Investors in the Retail Certificates should understand that they are assuming all risks and benefits associated with the rate of principal distributions on such Retail Certificates, whether such rate is rapid or slow, and with variations in such rate from time to time. Investors in the Retail Certificates should also consider that the effective yields to Holders of the Retail Certificates will be lower than the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay.

Investment Determination

The Retail Certificates may not be an appropriate investment for all prospective investors. The Retail Certificates would not be an appropriate investment for any investor requiring a particular distribution of principal on a specified date or an otherwise predictable stream of principal distributions. There is no assurance that any investor in the Retail Certificates will receive a principal distribution (in integral multiples of \$1,000) on any particular Distribution Date. Any investor who purchases a Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following issuance of the Certificates could result in an actual yield that is lower than such investor's anticipated yield. In addition, although the Dealer intends to make a secondary market in the Retail Certificates, it has no obligation to do so, and any such market making may be discontinued at any time. There is no assurance that such a secondary market will develop, that any such market will continue or that information on any such secondary market will be as readily available as information regarding certain other types of investments. Thus, investors may not be able to sell their Retail Certificates readily or at a price that will enable them to realize their anticipated yield. The price of the Retail Certificates in any such secondary market will be affected by various factors, and the volatility of such price may differ from that evidenced by certain other types of investments. Accordingly, there can be no assurance that the price at which an investor may be able to sell a Retail Certificate will be the same as or higher than the purchase price at which such investor purchased such Certificate; in fact, such price may be lower and, under certain circumstances, substantially lower than the original price for such Retail Certificate.

The MBS

The MBS underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the underlying Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of the MBS (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day). The Mortgage Loans will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“single-family”) residential property and having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the MBS and Mortgage Loans as of April 1, 1995 (the “Issue Date”) are expected to be as follows:

Aggregate Unpaid Principal Balance	\$210,000,000
MBS Pass-Through Rate	8.00%
Range of WACs (per annum percentages)	8.25% to 10.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	353 months
Approximate Weighted Average CAGE	7 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

For the purpose of payments of interest, the Classes will be categorized as follows:

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	All interest bearing Classes
Interest Only	H
No Payment Residual	R and RL

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates set forth on the cover. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date. Interest to be distributed on each interest-bearing Certificate on a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

Interest Accrual Period. Interest to be distributed on a Distribution Date will accrue on the interest-bearing Certificates during the one-month period set forth below (an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
All interest-bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

Notional Class. The H Class will be a Notional Class. A Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover during each Interest Accrual Period on the related notional principal balance. The notional principal balance of the Notional Class will be equal to the indicated percentage of the outstanding principal balance of the following Classes immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
H	6.250% of B Class 6.250% of BA Class 5.625% of C Class 1.250% of D Class

The notional principal balance of a Notional Class is used for purposes of the determination of interest distributions thereon and does not represent an interest in the principal distributions of the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balance of any Notional Class.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
PAC I	A
PAC II	B, BA, C, D and UU
Notional	H
Support	EA, EB, EC and G
Retail	UU
No Payment Residual	R and RL

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

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the aggregate distributions of principal concurrently made on the MBS.

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

- (i) to the A Class until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; } PAC I Class
- (ii) concurrently, to the B and C Classes in the proportions of 80% and 20%, respectively, until the principal balance of the B Class is reduced to its Planned Balance for such Distribution Date; }
- (iii) concurrently, to the BA and C Classes, in the proportions of 80% and 20%, respectively, until the principal balance of the BA Class is reduced to its Planned Balance for such Distribution Date; } PAC II Classes and Retail Class
- (iv) sequentially, to the C, D and UU Classes, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date; }
- (v) sequentially, to the EA, EB, EC and G Classes, until the respective principal balances thereof are reduced to zero. } Support Classes
- (vi) concurrently, to the BA and C Classes, in the proportions of 80% and 20%, respectively, without regard to their Planned Balances and until the principal balance of the BA Class is reduced to zero; }
- (vii) concurrently, to the B and C Classes, in the proportions of 80% and 20%, respectively, without regard to their Planned Balances and until the principal balance of the B Class is reduced to zero; } PAC II Classes and Retail Class
- (viii) sequentially, to the C, D and UU Classes, without regard to their Planned Balances and until the respective principal balances thereof are reduced to zero; and }
- (ix) to the A Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero. } PAC I Class

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”):

- the Mortgage Loans bear interest at a rate of 8.6% per annum and have original terms to maturity of 360 months, and the following principal amounts of the Mortgage Loans have the remaining terms to maturity and CAGEs, respectively, as specified:

\$42,000,000	357 months	3 months
\$42,000,000	354 months	6 months
\$42,000,000	352 months	8 months
\$84,000,000	350 months	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 herein is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA (for example, 170% PSA) is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Considerations and Risks” in the REMIC Prospectus. There is no assurance that prepayments will occur at any PSA rate or at any other constant rate.

Structuring Ranges. 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* rate within the Structuring Ranges set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Ranges</u>
Planned Balance	A	Between 75% and 325%
Planned Balances	B, BA, C, D and UU	Between 140% and 210%

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

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

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
A	Between 75% and 325%
B, BA, C and D	Between 140% and 210%
UU	Between 130% and 210%

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
Initial Balance	\$112,413,000.00	\$27,040,000.00	\$1,485,000.00	\$12,467,000.00	\$9,892,000.00	\$17,338,000.00
May 1995	112,059,216.07	26,891,597.27	1,477,778.64	12,428,093.98	9,892,000.00	17,338,000.00
June 1995	111,678,512.50	26,725,970.64	1,469,722.75	12,384,673.35	9,892,000.00	17,338,000.00
July 1995	111,270,989.37	26,543,256.66	1,460,840.51	12,336,774.29	9,892,000.00	17,338,000.00
August 1995	110,836,757.24	26,343,610.85	1,451,141.24	12,284,438.02	9,892,000.00	17,338,000.00
September 1995	110,375,937.11	26,127,207.57	1,440,635.47	12,227,710.76	9,892,000.00	17,338,000.00
October 1995	109,888,660.33	25,894,239.86	1,429,334.91	12,166,643.69	9,892,000.00	17,338,000.00
November 1995	109,375,068.61	25,644,919.27	1,417,252.44	12,101,292.93	9,892,000.00	17,338,000.00
December 1995	108,835,313.91	25,379,475.66	1,404,402.10	12,031,719.44	9,892,000.00	17,338,000.00
January 1996	108,269,558.38	25,098,156.99	1,390,799.03	11,957,989.01	9,892,000.00	17,338,000.00
February 1996	107,677,974.32	24,801,229.04	1,376,459.50	11,880,172.14	9,892,000.00	17,338,000.00
March 1996	107,060,744.04	24,488,975.16	1,361,400.88	11,798,344.01	9,892,000.00	17,338,000.00
April 1996	106,418,059.80	24,161,695.94	1,345,641.58	11,712,584.38	9,892,000.00	17,338,000.00
May 1996	105,750,123.76	23,819,708.89	1,329,201.08	11,622,977.49	9,892,000.00	17,338,000.00
June 1996	105,057,147.80	23,463,348.08	1,312,099.87	11,529,611.99	9,892,000.00	17,338,000.00
July 1996	104,339,353.45	23,092,963.78	1,294,359.41	11,432,580.80	9,892,000.00	17,338,000.00
August 1996	103,596,971.81	22,708,922.02	1,276,002.13	11,331,981.04	9,892,000.00	17,338,000.00
September 1996	102,830,243.36	22,311,604.20	1,257,051.38	11,227,913.90	9,892,000.00	17,338,000.00
October 1996	102,039,417.89	21,901,406.62	1,237,531.39	11,120,484.50	9,892,000.00	17,338,000.00
November 1996	101,224,754.33	21,478,740.00	1,217,467.25	11,009,801.81	9,892,000.00	17,338,000.00
December 1996	100,386,520.65	21,044,029.02	1,196,884.83	10,895,978.46	9,892,000.00	17,338,000.00
January 1997	99,535,246.97	20,604,382.29	1,176,131.15	10,780,878.36	9,892,000.00	17,338,000.00
February 1997	98,671,089.94	20,160,035.82	1,155,220.15	10,664,563.99	9,892,000.00	17,338,000.00
March 1997	97,799,319.41	19,714,541.98	1,134,324.79	10,547,966.69	9,892,000.00	17,338,000.00
April 1997	96,920,038.34	19,268,045.91	1,113,453.27	10,431,124.79	9,892,000.00	17,338,000.00
May 1997	96,038,445.13	18,823,984.38	1,092,771.30	10,314,938.92	9,892,000.00	17,338,000.00
June 1997	95,154,585.62	18,382,406.81	1,072,281.10	10,199,421.98	9,892,000.00	17,338,000.00
July 1997	94,268,507.47	17,943,365.44	1,051,985.01	10,084,587.61	9,892,000.00	17,338,000.00
August 1997	93,385,333.04	17,510,177.80	1,032,041.37	9,971,304.79	9,892,000.00	17,338,000.00
September 1997	92,505,049.60	17,082,795.84	1,012,446.27	9,859,560.53	9,892,000.00	17,338,000.00
October 1997	91,627,644.43	16,661,171.90	993,195.86	9,749,341.94	9,892,000.00	17,338,000.00
November 1997	90,753,104.90	16,245,258.68	974,286.32	9,640,636.25	9,892,000.00	17,338,000.00
December 1997	89,881,418.38	15,835,009.28	955,713.85	9,533,430.78	9,892,000.00	17,338,000.00
January 1998	89,012,572.31	15,430,377.15	937,474.72	9,427,712.97	9,892,000.00	17,338,000.00
February 1998	88,146,554.17	15,031,316.11	919,565.21	9,323,470.33	9,892,000.00	17,338,000.00
March 1998	87,283,351.48	14,637,780.36	901,981.63	9,220,690.50	9,892,000.00	17,338,000.00
April 1998	86,422,951.78	14,249,724.46	884,720.35	9,119,361.20	9,892,000.00	17,338,000.00
May 1998	85,565,342.69	13,867,103.33	867,777.75	9,019,470.27	9,892,000.00	17,338,000.00
June 1998	84,710,511.84	13,489,872.23	851,150.29	8,921,005.63	9,892,000.00	17,338,000.00
July 1998	83,858,446.93	13,117,986.80	834,834.41	8,823,955.30	9,892,000.00	17,338,000.00
August 1998	83,009,135.68	12,751,403.02	818,826.61	8,728,307.41	9,892,000.00	17,338,000.00
September 1998	82,162,565.85	12,390,077.23	803,123.44	8,634,050.17	9,892,000.00	17,338,000.00
October 1998	81,318,725.26	12,033,966.11	787,721.45	8,541,171.89	9,892,000.00	17,338,000.00
November 1998	80,477,601.76	11,683,026.68	772,617.26	8,449,660.99	9,892,000.00	17,338,000.00
December 1998	79,639,183.25	11,337,216.32	757,807.48	8,359,505.95	9,892,000.00	17,338,000.00
January 1999	78,803,457.64	10,996,492.73	743,288.80	8,270,695.38	9,892,000.00	17,338,000.00
February 1999	77,970,412.91	10,660,813.96	729,057.91	8,183,217.97	9,892,000.00	17,338,000.00
March 1999	77,140,037.09	10,330,138.40	715,111.54	8,097,062.48	9,892,000.00	17,338,000.00
April 1999	76,312,318.22	10,004,424.75	701,446.45	8,012,217.80	9,892,000.00	17,338,000.00
May 1999	75,487,244.39	9,683,632.06	688,059.46	7,928,672.88	9,892,000.00	17,338,000.00
June 1999	74,664,803.75	9,367,719.71	674,947.37	7,846,416.77	9,892,000.00	17,338,000.00
July 1999	73,844,984.45	9,056,647.39	662,107.05	7,765,438.61	9,892,000.00	17,338,000.00

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
August 1999	\$ 73,027,774.72	\$ 8,750,375.12	\$ 649,535.40	\$ 7,685,727.63	\$9,892,000.00	\$17,338,000.00
September 1999	72,213,162.81	8,448,863.24	637,229.33	7,607,273.14	9,892,000.00	17,338,000.00
October 1999	71,401,137.01	8,152,072.41	625,185.79	7,530,064.55	9,892,000.00	17,338,000.00
November 1999	70,591,685.65	7,859,963.61	613,401.77	7,454,091.34	9,892,000.00	17,338,000.00
December 1999	69,784,797.09	7,572,498.12	601,874.28	7,379,343.10	9,892,000.00	17,338,000.00
January 2000	68,980,459.75	7,289,637.54	590,600.36	7,305,809.47	9,892,000.00	17,338,000.00
February 2000	68,178,662.08	7,011,343.78	579,577.07	7,233,480.21	9,892,000.00	17,338,000.00
March 2000	67,379,392.54	6,737,579.06	568,801.52	7,162,345.15	9,892,000.00	17,338,000.00
April 2000	66,582,639.68	6,468,305.89	558,270.84	7,092,394.18	9,892,000.00	17,338,000.00
May 2000	65,788,392.05	6,203,487.09	547,982.17	7,023,617.32	9,892,000.00	17,338,000.00
June 2000	64,996,638.25	5,943,085.78	537,932.72	6,956,004.63	9,892,000.00	17,338,000.00
July 2000	64,207,366.92	5,687,065.38	528,119.69	6,889,546.27	9,892,000.00	17,338,000.00
August 2000	63,420,566.72	5,435,389.60	518,540.31	6,824,232.48	9,892,000.00	17,338,000.00
September 2000	62,636,226.37	5,188,022.45	509,191.87	6,760,053.58	9,892,000.00	17,338,000.00
October 2000	61,854,334.63	4,944,928.23	500,071.64	6,696,999.97	9,892,000.00	17,338,000.00
November 2000	61,074,880.26	4,706,071.52	491,176.96	6,635,062.12	9,892,000.00	17,338,000.00
December 2000	60,297,852.10	4,471,417.20	482,505.17	6,574,230.59	9,892,000.00	17,338,000.00
January 2001	59,523,239.01	4,240,930.41	474,053.66	6,514,496.02	9,892,000.00	17,338,000.00
February 2001	58,751,029.88	4,014,576.60	465,819.81	6,455,849.10	9,892,000.00	17,338,000.00
March 2001	57,981,213.64	3,792,321.49	457,801.06	6,398,280.64	9,892,000.00	17,338,000.00
April 2001	57,213,779.26	3,574,131.08	449,994.86	6,341,781.49	9,892,000.00	17,338,000.00
May 2001	56,448,715.75	3,359,971.64	442,398.70	6,286,342.58	9,892,000.00	17,338,000.00
June 2001	55,686,012.14	3,149,809.72	435,010.06	6,231,954.95	9,892,000.00	17,338,000.00
July 2001	54,925,657.52	2,943,612.14	427,826.49	6,178,609.66	9,892,000.00	17,338,000.00
August 2001	54,167,640.99	2,741,345.99	420,845.54	6,126,297.88	9,892,000.00	17,338,000.00
September 2001	53,411,951.70	2,542,978.63	414,064.77	6,075,010.85	9,892,000.00	17,338,000.00
October 2001	52,658,578.83	2,348,477.68	407,481.81	6,024,739.87	9,892,000.00	17,338,000.00
November 2001	51,907,511.59	2,157,811.04	401,094.27	5,975,476.33	9,892,000.00	17,338,000.00
December 2001	51,158,739.25	1,970,946.85	394,899.80	5,927,211.66	9,892,000.00	17,338,000.00
January 2002	50,412,251.09	1,787,853.52	388,896.09	5,879,937.40	9,892,000.00	17,338,000.00
February 2002	49,668,036.43	1,608,499.72	383,080.82	5,833,645.14	9,892,000.00	17,338,000.00
March 2002	48,926,084.63	1,432,854.38	377,451.73	5,788,326.53	9,892,000.00	17,338,000.00
April 2002	48,186,385.07	1,260,886.68	372,006.54	5,743,973.31	9,892,000.00	17,338,000.00
May 2002	47,448,927.19	1,092,566.05	366,743.04	5,700,577.27	9,892,000.00	17,338,000.00
June 2002	46,713,700.44	927,862.17	361,659.01	5,658,130.30	9,892,000.00	17,338,000.00
July 2002	45,980,694.31	766,744.98	356,752.27	5,616,624.31	9,892,000.00	17,338,000.00
August 2002	45,249,898.34	609,184.66	352,020.63	5,576,051.32	9,892,000.00	17,338,000.00
September 2002	44,521,302.07	455,151.63	347,461.97	5,536,403.40	9,892,000.00	17,338,000.00
October 2002	43,794,895.11	304,616.56	343,074.16	5,497,672.68	9,892,000.00	17,338,000.00
November 2002	43,070,667.08	157,550.36	338,855.10	5,459,851.37	9,892,000.00	17,338,000.00
December 2002	42,348,607.64	13,924.18	334,802.72	5,422,931.72	9,892,000.00	17,338,000.00
January 2003	41,628,706.48	0.00	204,624.35	5,386,906.09	9,892,000.00	17,338,000.00
February 2003	40,910,953.34	0.00	64,067.41	5,351,766.85	9,892,000.00	17,338,000.00
March 2003	40,195,337.95	0.00	0.00	5,244,532.41	9,892,000.00	17,338,000.00
April 2003	39,481,850.14	0.00	0.00	5,077,587.47	9,892,000.00	17,338,000.00
May 2003	38,770,479.70	0.00	0.00	4,914,962.40	9,892,000.00	17,338,000.00
June 2003	38,061,216.50	0.00	0.00	4,756,620.44	9,892,000.00	17,338,000.00
July 2003	37,354,050.43	0.00	0.00	4,602,525.14	9,892,000.00	17,338,000.00
August 2003	36,648,971.40	0.00	0.00	4,452,640.38	9,892,000.00	17,338,000.00
September 2003	35,945,969.37	0.00	0.00	4,306,930.31	9,892,000.00	17,338,000.00
October 2003	35,251,669.21	0.00	0.00	4,158,724.51	9,892,000.00	17,338,000.00
November 2003	34,570,353.31	0.00	0.00	4,003,695.38	9,892,000.00	17,338,000.00

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
December 2003	\$ 33,901,783.14	\$ 0.00	\$ 0.00	\$ 3,843,300.18	\$9,892,000.00	\$17,338,000.00
January 2004	33,245,724.49	0.00	0.00	3,680,029.09	9,892,000.00	17,338,000.00
February 2004	32,601,947.42	0.00	0.00	3,514,002.94	9,892,000.00	17,338,000.00
March 2004	31,970,226.16	0.00	0.00	3,345,339.63	9,892,000.00	17,338,000.00
April 2004	31,350,339.06	0.00	0.00	3,174,154.15	9,892,000.00	17,338,000.00
May 2004	30,742,068.50	0.00	0.00	3,000,558.64	9,892,000.00	17,338,000.00
June 2004	30,145,200.80	0.00	0.00	2,824,662.50	9,892,000.00	17,338,000.00
July 2004	29,559,526.20	0.00	0.00	2,646,572.37	9,892,000.00	17,338,000.00
August 2004	28,984,838.74	0.00	0.00	2,466,392.25	9,892,000.00	17,338,000.00
September 2004	28,420,936.19	0.00	0.00	2,284,223.56	9,892,000.00	17,338,000.00
October 2004	27,867,620.05	0.00	0.00	2,100,165.11	9,892,000.00	17,338,000.00
November 2004	27,324,695.40	0.00	0.00	1,914,313.26	9,892,000.00	17,338,000.00
December 2004	26,791,970.86	0.00	0.00	1,726,761.93	9,892,000.00	17,338,000.00
January 2005	26,269,258.56	0.00	0.00	1,537,602.63	9,892,000.00	17,338,000.00
February 2005	25,756,374.04	0.00	0.00	1,346,924.53	9,892,000.00	17,338,000.00
March 2005	25,253,136.20	0.00	0.00	1,154,814.52	9,892,000.00	17,338,000.00
April 2005	24,759,367.25	0.00	0.00	961,357.23	9,892,000.00	17,338,000.00
May 2005	24,274,892.61	0.00	0.00	766,635.13	9,892,000.00	17,338,000.00
June 2005	23,799,540.92	0.00	0.00	570,728.51	9,892,000.00	17,338,000.00
July 2005	23,333,143.91	0.00	0.00	373,715.58	9,892,000.00	17,338,000.00
August 2005	22,875,536.40	0.00	0.00	175,672.48	9,892,000.00	17,338,000.00
September 2005	22,426,556.20	0.00	0.00	0.00	9,868,673.35	17,338,000.00
October 2005	21,986,044.10	0.00	0.00	0.00	9,668,790.35	17,338,000.00
November 2005	21,553,843.77	0.00	0.00	0.00	9,468,093.73	17,338,000.00
December 2005	21,129,801.75	0.00	0.00	0.00	9,266,651.84	17,338,000.00
January 2006	20,713,767.36	0.00	0.00	0.00	9,064,531.20	17,338,000.00
February 2006	20,305,592.69	0.00	0.00	0.00	8,861,796.51	17,338,000.00
March 2006	19,905,132.51	0.00	0.00	0.00	8,658,510.73	17,338,000.00
April 2006	19,512,244.26	0.00	0.00	0.00	8,454,735.06	17,338,000.00
May 2006	19,126,787.95	0.00	0.00	0.00	8,250,529.06	17,338,000.00
June 2006	18,748,626.17	0.00	0.00	0.00	8,045,950.60	17,338,000.00
July 2006	18,377,624.01	0.00	0.00	0.00	7,841,055.94	17,338,000.00
August 2006	18,013,649.03	0.00	0.00	0.00	7,635,899.77	17,338,000.00
September 2006	17,656,571.20	0.00	0.00	0.00	7,430,535.24	17,338,000.00
October 2006	17,306,262.86	0.00	0.00	0.00	7,225,013.98	17,338,000.00
November 2006	16,962,598.69	0.00	0.00	0.00	7,019,386.15	17,338,000.00
December 2006	16,625,455.66	0.00	0.00	0.00	6,813,700.45	17,338,000.00
January 2007	16,294,712.98	0.00	0.00	0.00	6,608,004.18	17,338,000.00
February 2007	15,970,252.08	0.00	0.00	0.00	6,402,343.26	17,338,000.00
March 2007	15,651,956.54	0.00	0.00	0.00	6,196,762.25	17,338,000.00
April 2007	15,339,712.09	0.00	0.00	0.00	5,991,304.39	17,338,000.00
May 2007	15,033,406.51	0.00	0.00	0.00	5,786,011.66	17,338,000.00
June 2007	14,732,929.68	0.00	0.00	0.00	5,580,924.72	17,338,000.00
July 2007	14,438,173.46	0.00	0.00	0.00	5,376,083.05	17,338,000.00
August 2007	14,149,031.69	0.00	0.00	0.00	5,171,524.91	17,338,000.00
September 2007	13,865,400.16	0.00	0.00	0.00	4,967,287.37	17,338,000.00
October 2007	13,587,176.58	0.00	0.00	0.00	4,763,406.34	17,338,000.00
November 2007	13,314,260.51	0.00	0.00	0.00	4,559,916.62	17,338,000.00
December 2007	13,046,553.35	0.00	0.00	0.00	4,356,851.92	17,338,000.00
January 2008	12,783,958.31	0.00	0.00	0.00	4,154,244.86	17,338,000.00
February 2008	12,526,380.37	0.00	0.00	0.00	3,952,127.02	17,338,000.00
March 2008	12,273,726.26	0.00	0.00	0.00	3,750,528.93	17,338,000.00

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
April 2008.....	\$ 12,025,904.39	\$ 0.00	\$ 0.00	\$ 0.00	\$3,549,480.15	\$17,338,000.00
May 2008	11,782,824.89	0.00	0.00	0.00	3,349,009.23	17,338,000.00
June 2008	11,544,399.50	0.00	0.00	0.00	3,149,143.78	17,338,000.00
July 2008	11,310,541.58	0.00	0.00	0.00	2,949,910.49	17,338,000.00
August 2008	11,081,166.10	0.00	0.00	0.00	2,751,335.10	17,338,000.00
September 2008.....	10,856,189.57	0.00	0.00	0.00	2,553,442.48	17,338,000.00
October 2008	10,635,530.03	0.00	0.00	0.00	2,356,256.64	17,338,000.00
November 2008	10,419,107.03	0.00	0.00	0.00	2,159,800.71	17,338,000.00
December 2008	10,206,841.60	0.00	0.00	0.00	1,964,097.01	17,338,000.00
January 2009	9,998,656.21	0.00	0.00	0.00	1,769,167.04	17,338,000.00
February 2009	9,794,474.74	0.00	0.00	0.00	1,575,031.53	17,338,000.00
March 2009	9,594,222.48	0.00	0.00	0.00	1,381,710.42	17,338,000.00
April 2009.....	9,397,826.11	0.00	0.00	0.00	1,189,222.87	17,338,000.00
May 2009	9,205,213.61	0.00	0.00	0.00	997,587.36	17,338,000.00
June 2009	9,016,314.33	0.00	0.00	0.00	806,821.60	17,338,000.00
July 2009	8,831,058.87	0.00	0.00	0.00	616,942.64	17,338,000.00
August 2009	8,649,379.15	0.00	0.00	0.00	427,966.80	17,338,000.00
September 2009.....	8,471,208.31	0.00	0.00	0.00	239,909.76	17,338,000.00
October 2009	8,296,480.73	0.00	0.00	0.00	52,786.55	17,338,000.00
November 2009	8,125,131.99	0.00	0.00	0.00	0.00	17,204,611.55
December 2009	7,957,098.86	0.00	0.00	0.00	0.00	17,019,398.53
January 2010	7,792,319.26	0.00	0.00	0.00	0.00	16,835,160.66
February 2010	7,630,732.26	0.00	0.00	0.00	0.00	16,651,910.51
March 2010	7,472,278.07	0.00	0.00	0.00	0.00	16,469,660.05
April 2010.....	7,316,897.95	0.00	0.00	0.00	0.00	16,288,420.75
May 2010	7,164,534.29	0.00	0.00	0.00	0.00	16,108,203.47
June 2010	7,015,130.52	0.00	0.00	0.00	0.00	15,929,018.57
July 2010	6,868,631.11	0.00	0.00	0.00	0.00	15,750,875.87
August 2010	6,724,981.54	0.00	0.00	0.00	0.00	15,573,784.72
September 2010.....	6,584,128.31	0.00	0.00	0.00	0.00	15,397,753.94
October 2010	6,446,018.92	0.00	0.00	0.00	0.00	15,222,791.86
November 2010	6,310,601.79	0.00	0.00	0.00	0.00	15,048,906.39
December 2010	6,177,826.35	0.00	0.00	0.00	0.00	14,876,104.91
January 2011	6,047,642.90	0.00	0.00	0.00	0.00	14,704,394.44
February 2011	5,920,002.70	0.00	0.00	0.00	0.00	14,533,781.49
March 2011	5,794,857.90	0.00	0.00	0.00	0.00	14,364,272.18
April 2011.....	5,672,161.52	0.00	0.00	0.00	0.00	14,195,872.23
May 2011	5,551,867.45	0.00	0.00	0.00	0.00	14,028,586.94
June 2011	5,433,930.43	0.00	0.00	0.00	0.00	13,862,421.22
July 2011	5,318,306.05	0.00	0.00	0.00	0.00	13,697,379.60
August 2011	5,204,950.70	0.00	0.00	0.00	0.00	13,533,466.25
September 2011.....	5,093,821.58	0.00	0.00	0.00	0.00	13,370,684.98
October 2011	4,984,876.69	0.00	0.00	0.00	0.00	13,209,039.23
November 2011	4,878,074.79	0.00	0.00	0.00	0.00	13,048,532.12
December 2011	4,773,375.42	0.00	0.00	0.00	0.00	12,889,166.42
January 2012	4,670,738.85	0.00	0.00	0.00	0.00	12,730,944.60
February 2012	4,570,126.09	0.00	0.00	0.00	0.00	12,573,868.80
March 2012	4,471,498.88	0.00	0.00	0.00	0.00	12,417,940.85
April 2012.....	4,374,819.65	0.00	0.00	0.00	0.00	12,263,162.31
May 2012	4,280,051.53	0.00	0.00	0.00	0.00	12,109,534.43
June 2012	4,187,158.35	0.00	0.00	0.00	0.00	11,957,058.17
July 2012	4,096,104.59	0.00	0.00	0.00	0.00	11,805,734.24

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
August 2012	\$ 4,006,855.39	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$11,655,563.08
September 2012	3,919,376.54	0.00	0.00	0.00	0.00	11,506,544.86
October 2012	3,833,634.45	0.00	0.00	0.00	0.00	11,358,679.53
November 2012	3,749,596.17	0.00	0.00	0.00	0.00	11,211,966.77
December 2012	3,667,229.36	0.00	0.00	0.00	0.00	11,066,406.03
January 2013	3,586,502.26	0.00	0.00	0.00	0.00	10,921,996.54
February 2013	3,507,383.72	0.00	0.00	0.00	0.00	10,778,737.30
March 2013	3,429,843.15	0.00	0.00	0.00	0.00	10,636,627.11
April 2013	3,353,850.54	0.00	0.00	0.00	0.00	10,495,664.54
May 2013	3,279,376.44	0.00	0.00	0.00	0.00	10,355,847.97
June 2013	3,206,391.92	0.00	0.00	0.00	0.00	10,217,175.60
July 2013	3,134,868.63	0.00	0.00	0.00	0.00	10,079,645.39
August 2013	3,064,778.70	0.00	0.00	0.00	0.00	9,943,255.19
September 2013	2,996,094.80	0.00	0.00	0.00	0.00	9,808,002.62
October 2013	2,928,790.12	0.00	0.00	0.00	0.00	9,673,885.13
November 2013	2,862,838.32	0.00	0.00	0.00	0.00	9,540,900.03
December 2013	2,798,213.58	0.00	0.00	0.00	0.00	9,409,044.44
January 2014	2,734,890.53	0.00	0.00	0.00	0.00	9,278,315.35
February 2014	2,672,844.29	0.00	0.00	0.00	0.00	9,148,709.58
March 2014	2,612,050.43	0.00	0.00	0.00	0.00	9,020,223.82
April 2014	2,552,485.01	0.00	0.00	0.00	0.00	8,892,854.58
May 2014	2,494,124.47	0.00	0.00	0.00	0.00	8,766,598.30
June 2014	2,436,945.76	0.00	0.00	0.00	0.00	8,641,451.23
July 2014	2,380,926.21	0.00	0.00	0.00	0.00	8,517,409.52
August 2014	2,326,043.59	0.00	0.00	0.00	0.00	8,394,469.20
September 2014	2,272,276.08	0.00	0.00	0.00	0.00	8,272,626.17
October 2014	2,219,602.27	0.00	0.00	0.00	0.00	8,151,876.23
November 2014	2,168,001.16	0.00	0.00	0.00	0.00	8,032,215.05
December 2014	2,117,452.11	0.00	0.00	0.00	0.00	7,913,638.22
January 2015	2,067,934.90	0.00	0.00	0.00	0.00	7,796,141.20
February 2015	2,019,429.67	0.00	0.00	0.00	0.00	7,679,719.38
March 2015	1,971,916.93	0.00	0.00	0.00	0.00	7,564,368.04
April 2015	1,925,377.56	0.00	0.00	0.00	0.00	7,450,082.37
May 2015	1,879,792.79	0.00	0.00	0.00	0.00	7,336,857.49
June 2015	1,835,144.21	0.00	0.00	0.00	0.00	7,224,688.41
July 2015	1,791,413.74	0.00	0.00	0.00	0.00	7,113,570.09
August 2015	1,748,583.65	0.00	0.00	0.00	0.00	7,003,497.40
September 2015	1,706,636.54	0.00	0.00	0.00	0.00	6,894,465.13
October 2015	1,665,555.33	0.00	0.00	0.00	0.00	6,786,468.01
November 2015	1,625,323.27	0.00	0.00	0.00	0.00	6,679,500.69
December 2015	1,585,923.92	0.00	0.00	0.00	0.00	6,573,557.77
January 2016	1,547,341.13	0.00	0.00	0.00	0.00	6,468,633.80
February 2016	1,509,559.08	0.00	0.00	0.00	0.00	6,364,723.24
March 2016	1,472,562.23	0.00	0.00	0.00	0.00	6,261,820.52
April 2016	1,436,335.34	0.00	0.00	0.00	0.00	6,159,920.01
May 2016	1,400,863.45	0.00	0.00	0.00	0.00	6,059,016.04
June 2016	1,366,131.88	0.00	0.00	0.00	0.00	5,959,102.88
July 2016	1,332,126.22	0.00	0.00	0.00	0.00	5,860,174.76
August 2016	1,298,832.35	0.00	0.00	0.00	0.00	5,762,225.87
September 2016	1,266,236.40	0.00	0.00	0.00	0.00	5,665,250.36
October 2016	1,234,324.76	0.00	0.00	0.00	0.00	5,569,242.34
November 2016	1,203,084.08	0.00	0.00	0.00	0.00	5,474,195.89

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
December 2016	\$ 1,172,501.26	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,380,105.06
January 2017	1,142,563.46	0.00	0.00	0.00	0.00	5,286,963.85
February 2017	1,113,258.05	0.00	0.00	0.00	0.00	5,194,766.27
March 2017	1,084,572.66	0.00	0.00	0.00	0.00	5,103,506.27
April 2017	1,056,495.17	0.00	0.00	0.00	0.00	5,013,177.77
May 2017	1,029,013.64	0.00	0.00	0.00	0.00	4,923,774.71
June 2017	1,002,116.40	0.00	0.00	0.00	0.00	4,835,290.96
July 2017	975,791.97	0.00	0.00	0.00	0.00	4,747,720.42
August 2017	950,029.12	0.00	0.00	0.00	0.00	4,661,056.92
September 2017	924,816.78	0.00	0.00	0.00	0.00	4,575,294.34
October 2017	900,144.15	0.00	0.00	0.00	0.00	4,490,426.48
November 2017	876,000.59	0.00	0.00	0.00	0.00	4,406,447.17
December 2017	852,375.67	0.00	0.00	0.00	0.00	4,323,350.22
January 2018	829,259.18	0.00	0.00	0.00	0.00	4,241,129.42
February 2018	806,641.07	0.00	0.00	0.00	0.00	4,159,778.58
March 2018	784,511.50	0.00	0.00	0.00	0.00	4,079,291.48
April 2018	762,860.82	0.00	0.00	0.00	0.00	3,999,661.90
May 2018	741,679.54	0.00	0.00	0.00	0.00	3,920,883.64
June 2018	720,958.37	0.00	0.00	0.00	0.00	3,842,950.47
July 2018	700,688.20	0.00	0.00	0.00	0.00	3,765,856.16
August 2018	680,860.07	0.00	0.00	0.00	0.00	3,689,594.50
September 2018	661,465.20	0.00	0.00	0.00	0.00	3,614,159.29
October 2018	642,495.00	0.00	0.00	0.00	0.00	3,539,544.29
November 2018	623,941.00	0.00	0.00	0.00	0.00	3,465,743.32
December 2018	605,794.93	0.00	0.00	0.00	0.00	3,392,750.17
January 2019	588,048.66	0.00	0.00	0.00	0.00	3,320,558.64
February 2019	570,694.20	0.00	0.00	0.00	0.00	3,249,162.56
March 2019	553,723.74	0.00	0.00	0.00	0.00	3,178,555.75
April 2019	537,129.61	0.00	0.00	0.00	0.00	3,108,732.04
May 2019	520,904.27	0.00	0.00	0.00	0.00	3,039,685.28
June 2019	505,040.33	0.00	0.00	0.00	0.00	2,971,409.34
July 2019	489,530.57	0.00	0.00	0.00	0.00	2,903,898.07
August 2019	474,367.87	0.00	0.00	0.00	0.00	2,837,145.37
September 2019	459,545.27	0.00	0.00	0.00	0.00	2,771,145.13
October 2019	445,055.91	0.00	0.00	0.00	0.00	2,705,891.30
November 2019	430,893.11	0.00	0.00	0.00	0.00	2,641,377.78
December 2019	417,050.27	0.00	0.00	0.00	0.00	2,577,598.54
January 2020	403,520.95	0.00	0.00	0.00	0.00	2,514,547.54
February 2020	390,298.83	0.00	0.00	0.00	0.00	2,452,218.76
March 2020	377,377.68	0.00	0.00	0.00	0.00	2,390,606.22
April 2020	364,751.42	0.00	0.00	0.00	0.00	2,329,703.95
May 2020	352,414.08	0.00	0.00	0.00	0.00	2,269,505.99
June 2020	340,359.81	0.00	0.00	0.00	0.00	2,210,006.41
July 2020	328,582.85	0.00	0.00	0.00	0.00	2,151,199.31
August 2020	317,077.57	0.00	0.00	0.00	0.00	2,093,078.80
September 2020	305,838.45	0.00	0.00	0.00	0.00	2,035,639.01
October 2020	294,860.06	0.00	0.00	0.00	0.00	1,978,874.11
November 2020	284,137.08	0.00	0.00	0.00	0.00	1,922,778.29
December 2020	273,664.30	0.00	0.00	0.00	0.00	1,867,345.76
January 2021	263,436.61	0.00	0.00	0.00	0.00	1,812,570.75
February 2021	253,449.00	0.00	0.00	0.00	0.00	1,758,447.52
March 2021	243,696.54	0.00	0.00	0.00	0.00	1,704,970.36

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>BA Class Planned Balance</u>	<u>C Class Planned Balance</u>	<u>D Class Planned Balance</u>	<u>UU Class Planned Balance</u>
April 2021.....	\$ 234,174.40	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,652,133.60
May 2021	224,877.87	0.00	0.00	0.00	0.00	1,599,931.55
June 2021	215,802.29	0.00	0.00	0.00	0.00	1,548,358.61
July 2021	206,943.13	0.00	0.00	0.00	0.00	1,497,409.15
August 2021	198,295.91	0.00	0.00	0.00	0.00	1,447,077.61
September 2021.....	189,856.26	0.00	0.00	0.00	0.00	1,397,358.44
October 2021	181,619.89	0.00	0.00	0.00	0.00	1,348,246.12
November 2021	173,582.58	0.00	0.00	0.00	0.00	1,299,735.17
December 2021	165,740.23	0.00	0.00	0.00	0.00	1,251,820.11
January 2022	158,088.77	0.00	0.00	0.00	0.00	1,204,495.53
February 2022	150,624.24	0.00	0.00	0.00	0.00	1,157,756.02
March 2022	143,342.75	0.00	0.00	0.00	0.00	1,111,596.21
April 2022.....	136,240.49	0.00	0.00	0.00	0.00	1,066,010.76
May 2022	129,313.71	0.00	0.00	0.00	0.00	1,020,994.36
June 2022	122,558.74	0.00	0.00	0.00	0.00	976,541.74
July 2022	115,972.00	0.00	0.00	0.00	0.00	932,647.63
August 2022	109,549.94	0.00	0.00	0.00	0.00	889,306.84
September 2022.....	103,289.11	0.00	0.00	0.00	0.00	846,514.18
October 2022	97,186.12	0.00	0.00	0.00	0.00	804,264.50
November 2022	91,237.66	0.00	0.00	0.00	0.00	762,552.65
December 2022	85,440.45	0.00	0.00	0.00	0.00	721,373.57
January 2023	79,791.31	0.00	0.00	0.00	0.00	680,722.19
February 2023	74,287.09	0.00	0.00	0.00	0.00	640,593.50
March 2023	68,924.74	0.00	0.00	0.00	0.00	600,982.48
April 2023.....	63,701.23	0.00	0.00	0.00	0.00	561,884.19
May 2023	58,613.60	0.00	0.00	0.00	0.00	523,293.70
June 2023	53,658.98	0.00	0.00	0.00	0.00	485,206.10
July 2023	48,834.53	0.00	0.00	0.00	0.00	447,616.53
August 2023	44,137.45	0.00	0.00	0.00	0.00	410,520.17
September 2023.....	39,565.02	0.00	0.00	0.00	0.00	373,912.22
October 2023	35,114.58	0.00	0.00	0.00	0.00	337,787.89
November 2023	30,783.49	0.00	0.00	0.00	0.00	302,142.48
December 2023	26,569.19	0.00	0.00	0.00	0.00	266,971.27
January 2024	22,469.15	0.00	0.00	0.00	0.00	232,269.61
February 2024	18,480.92	0.00	0.00	0.00	0.00	198,032.85
March 2024	14,602.07	0.00	0.00	0.00	0.00	164,256.39
April 2024.....	10,830.23	0.00	0.00	0.00	0.00	130,935.67
May 2024	7,163.07	0.00	0.00	0.00	0.00	98,066.15
June 2024	3,598.32	0.00	0.00	0.00	0.00	65,643.32
July 2024	1,434.41	0.00	0.00	0.00	0.00	46,105.16
August 2024	0.00	0.00	0.00	0.00	0.00	26,163.91
September 2024.....	0.00	0.00	0.00	0.00	0.00	11,927.11
October 2024 and thereafter	0.00	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, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distribution 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. In addition, it is not likely that the Mortgage Loans will prepay at a *constant* PSA rate until maturity or 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 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Class to various constant percentages of PSA. The yields set forth in the table were calculated by determining the monthly discount rate that, when applied to the assumed streams of cash flows to be paid on the applicable 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 yields to investors in the H 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 H Class would be 0% if prepayments were to occur at a constant rate of approximately 331% PSA. If the actual prepayment rate of the Mortgage Loans were to exceed this level for as little as one month while equaling such level for the remaining months, the investors in the H Class would not fully recoup their initial investment.**

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 H Class (expressed as a percentage of the original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
H	19.125%

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

	PSA Prepayment Assumption						
<u>Class</u>	<u>50%</u>	<u>75%</u>	<u>140%</u>	<u>170%</u>	<u>210%</u>	<u>325%</u>	<u>500%</u>
H.....	44.3%	44.1%	24.2%	24.2%	24.2%	1.4%	(34.2)%

Weighted Average Lives of the Certificates

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

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Classes and the distribution of principal of 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 and, under certain prepayment scenarios, the PAC II Classes, than on the weighted average life of the PAC I Class. See “Distributions of Principal” herein.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 10.5% per annum and has an original and remaining term to maturity of 360 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the distributions of the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B Class								BA Class							
	PSA Prepayment Assumption					PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	75%	170%	325%	500%	0%	75%	140%	170%	210%	325%	500%	0%	75%	140%	170%	210%	325%	500%		
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
April 1996	99	95	95	95	95	100	100	89	89	89	89	89	100	100	91	91	91	91	91	91	
April 1997	98	86	86	86	86	100	100	71	71	71	71	9	100	100	75	75	75	75	0	0	
April 1998	97	77	77	77	77	100	100	53	53	53	18	0	100	100	60	60	60	0	0	0	
April 1999	96	68	68	68	57	100	100	37	37	37	0	0	100	100	47	47	47	0	0	0	
April 2000	94	59	59	59	39	100	100	24	24	24	0	0	100	100	38	38	38	0	0	0	
April 2001	93	51	51	51	27	100	100	13	13	13	0	0	100	100	30	30	30	0	0	0	
April 2002	91	43	43	43	19	100	100	5	5	5	0	0	100	100	25	25	25	0	0	0	
April 2003	89	35	35	35	13	100	100	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2004	87	28	28	28	9	100	99	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2005	84	22	22	22	6	100	95	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2006	82	17	17	17	4	100	87	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2007	79	14	14	14	3	100	77	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2008	75	11	11	11	2	100	65	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2009	72	8	8	8	1	100	52	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2010	68	7	7	7	1	100	37	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2011	63	5	5	5	1	100	22	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2012	58	4	4	4	*	100	7	0	0	0	0	0	100	100	0	0	0	0	0	0	
April 2013	53	3	3	3	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2014	47	2	2	2	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2015	40	2	2	2	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2016	32	1	1	1	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2017	24	1	1	1	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2018	15	1	1	1	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2019	4	*	*	*	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2020	*	*	*	*	*	75	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2021	*	*	*	*	*	33	0	0	0	0	0	0	100	0	0	0	0	0	0	0	
April 2022	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
April 2023	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
April 2024	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (years)**	16.9	6.9	6.9	6.9	4.9	25.6	13.9	3.4	3.4	3.4	2.3	1.6	26.8	17.6	4.2	4.2	4.2	1.9	1.3		

Date	C Class							D Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	75%	140%	170%	210%	325%	500%	0%	75%	140%	170%	210%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1996	100	100	94	94	94	94	94	100	100	100	100	100	100	100
April 1997	100	100	84	84	84	84	47	100	100	100	100	100	100	100
April 1998	100	100	73	73	73	52	0	100	100	100	100	100	100	0
April 1999	100	100	64	64	64	0	0	100	100	100	100	100	60	0
April 2000	100	100	57	57	57	0	0	100	100	100	100	100	0	0
April 2001	100	100	51	51	51	0	0	100	100	100	100	100	0	0
April 2002	100	100	46	46	46	0	0	100	100	100	100	100	0	0
April 2003	100	100	41	41	41	0	0	100	100	100	100	100	0	0
April 2004	100	100	25	25	25	0	0	100	100	100	100	100	0	0
April 2005	100	97	8	8	8	0	0	100	100	100	100	100	0	0
April 2006	100	93	0	0	0	0	0	100	100	85	85	85	0	0
April 2007	100	87	0	0	0	0	0	100	100	61	61	61	0	0
April 2008	100	81	0	0	0	0	0	100	100	36	36	36	0	0
April 2009	100	74	0	0	0	0	0	100	100	12	12	12	0	0
April 2010	100	66	0	0	0	0	0	100	100	0	0	0	0	0
April 2011	100	58	0	0	0	0	0	100	100	0	0	0	0	0
April 2012	100	50	0	0	0	0	0	100	100	0	0	0	0	0
April 2013	100	34	0	0	0	0	0	100	100	0	0	0	0	0
April 2014	100	0	0	0	0	0	0	100	88	0	0	0	0	0
April 2015	100	0	0	0	0	0	0	100	33	0	0	0	0	0
April 2016	100	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2017	100	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2018	100	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2019	100	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2020	86	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2021	63	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2022	19	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.2	15.9	5.9	5.9	5.9	2.8	1.8	27.5	19.7	12.5	12.5	12.5	4.1	2.4

* 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.

Date	UU*** Class							EA Class					EB Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	140%	170%	210%	325%	500%	0%	75%	170%	325%	500%	0%	75%	170%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1996	100	100	100	100	100	100	100	100	100	60	0	0	100	100	100	0	0
April 1997	100	100	100	100	100	100	100	100	100	0	0	0	100	100	95	0	0
April 1998	100	100	100	100	100	100	31	100	100	0	0	0	100	100	25	0	0
April 1999	100	100	100	100	100	100	0	100	100	0	0	0	100	100	0	0	0
April 2000	100	100	100	100	100	73	0	100	100	0	0	0	100	100	0	0	0
April 2001	100	100	100	100	100	33	0	100	100	0	0	0	100	100	0	0	0
April 2002	100	100	100	100	100	10	0	100	100	0	0	0	100	100	0	0	0
April 2003	100	100	100	100	100	1	0	100	100	0	0	0	100	100	0	0	0
April 2004	100	100	100	100	100	*	0	100	100	0	0	0	100	100	0	0	0
April 2005	100	100	100	100	100	*	0	100	100	0	0	0	100	100	0	0	0
April 2006	100	100	100	100	100	*	0	100	100	0	0	0	100	100	0	0	0
April 2007	100	100	100	100	100	*	0	100	100	0	0	0	100	100	0	0	0
April 2008	100	100	100	100	100	*	0	100	100	0	0	0	100	100	0	0	0
April 2009	100	100	100	100	100	*	0	100	100	0	0	0	100	100	0	0	0
April 2010	100	100	94	94	94	*	0	100	100	0	0	0	100	100	0	0	0
April 2011	100	100	82	82	82	*	0	100	100	0	0	0	100	100	0	0	0
April 2012	100	100	71	71	71	*	0	100	100	0	0	0	100	100	0	0	0
April 2013	100	100	61	61	61	*	0	100	100	0	0	0	100	100	0	0	0
April 2014	100	100	51	51	51	*	0	100	100	0	0	0	100	100	0	0	0
April 2015	100	100	43	43	43	*	0	100	100	0	0	0	100	100	0	0	0
April 2016	100	87	36	36	36	*	0	100	100	0	0	0	100	100	0	0	0
April 2017	100	56	29	29	29	*	0	100	100	0	0	0	100	100	0	0	0
April 2018	100	25	23	23	23	*	0	100	100	0	0	0	100	100	0	0	0
April 2019	100	18	18	18	18	*	0	100	6	0	0	0	100	100	0	0	0
April 2020	100	13	13	13	13	*	0	100	0	0	0	0	100	0	0	0	0
April 2021	100	10	10	10	10	*	0	100	0	0	0	0	100	0	0	0	0
April 2022	100	6	6	6	6	*	0	100	0	0	0	0	100	0	0	0	0
April 2023	69	3	3	3	3	*	0	100	0	0	0	0	100	0	0	0	0
April 2024	1	1	1	1	1	*	0	0	0	0	0	0	17	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.2	22.8	19.9	19.9	19.9	5.7	2.9	28.8	23.6	1.2	0.3	0.2	29.0	24.5	2.7	0.7	0.4

Date	EC Class					G Class					H† Class						
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption						
	0%	75%	170%	325%	500%	0%	75%	170%	325%	500%	0%	75%	140%	170%	210%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1996	100	100	100	0	0	100	100	100	95	43	100	100	91	91	91	91	91
April 1997	100	100	100	0	0	100	100	100	9	0	100	100	76	76	76	76	23
April 1998	100	100	100	0	0	100	100	100	0	0	100	100	61	61	61	30	0
April 1999	100	100	17	0	0	100	100	100	0	0	100	100	48	48	48	3	0
April 2000	100	100	0	0	0	100	100	93	0	0	100	100	37	37	37	0	0
April 2001	100	100	0	0	0	100	100	87	0	0	100	100	28	28	28	0	0
April 2002	100	100	0	0	0	100	100	83	0	0	100	100	21	21	21	0	0
April 2003	100	100	0	0	0	100	100	80	0	0	100	100	16	16	16	0	0
April 2004	100	100	0	0	0	100	100	79	0	0	100	99	12	12	12	0	0
April 2005	100	100	0	0	0	100	100	77	0	0	100	96	7	7	7	0	0
April 2006	100	100	0	0	0	100	100	74	0	0	100	90	4	4	4	0	0
April 2007	100	100	0	0	0	100	100	71	0	0	100	82	3	3	3	0	0
April 2008	100	100	0	0	0	100	100	66	0	0	100	72	2	2	2	0	0
April 2009	100	100	0	0	0	100	100	62	0	0	100	62	1	1	1	0	0
April 2010	100	100	0	0	0	100	100	57	0	0	100	50	0	0	0	0	0
April 2011	100	100	0	0	0	100	100	52	0	0	100	38	0	0	0	0	0
April 2012	100	100	0	0	0	100	100	47	0	0	100	26	0	0	0	0	0
April 2013	100	100	0	0	0	100	100	42	0	0	100	14	0	0	0	0	0
April 2014	100	100	0	0	0	100	100	38	0	0	100	4	0	0	0	0	0
April 2015	100	100	0	0	0	100	100	33	0	0	100	2	0	0	0	0	0
April 2016	100	100	0	0	0	100	100	29	0	0	100	0	0	0	0	0	0
April 2017	100	100	0	0	0	100	100	24	0	0	100	0	0	0	0	0	0
April 2018	100	100	0	0	0	100	100	20	0	0	100	0	0	0	0	0	0
April 2019	100	100	0	0	0	100	100	17	0	0	100	0	0	0	0	0	0
April 2020	100	78	0	0	0	100	100	13	0	0	80	0	0	0	0	0	0
April 2021	100	0	0	0	0	100	82	10	0	0	46	0	0	0	0	0	0
April 2022	100	0	0	0	0	100	58	7	0	0	10	0	0	0	0	0	0
April 2023	100	0	0	0	0	100	34	4	0	0	0	0	0	0	0	0	0
April 2024	100	0	0	0	0	100	9	1	0	0	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.1	25.1	3.8	0.9	0.6	29.6	27.4	16.2	1.6	1.0	25.9	14.9	4.6	4.6	4.6	2.5	1.7

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

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

*** The weighted average lives shown in the table for the UU Class apply to such Class taken as a whole. As a result of the distribution priorities and allocations described herein, the weighted average lives of the UU Certificates beneficially owned by individual investors may vary significantly from the weighted average life of the Class taken as a whole.

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

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances 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, including the Retail Cash Deposit, after the principal balances of all Classes have been reduced to zero, and the Holder of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

The R Class and the RL Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R or RL 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 and the RL Class will constitute noneconomic residual interests under the Regulations. Any transferee of an R or RL 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 or RL 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, and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the REMIC 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 or the RL 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 Elections and Special Tax Attributes

Elections will be made to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, 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 Lower Tier Regular Interests will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

As a consequence of the qualification of the Trust and the Lower Tier REMIC as REMICs, 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 and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Class 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 170% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Additional tax consequences affecting beneficial owners of Retail Certificates are discussed under “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions—Tax Information*” herein.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R nor the RL Class will 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 or RL 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 (or the Lower Tier REMIC) 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 or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the MBS pursuant to a Fannie Mae commitment. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale and, in the case of the UU Class, as part of its Mortgage Collateralized Bond II (MCB II) Program. The Dealer may effect such transactions to or through dealers.

Increase in Certificates. Prior to the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Certificates in addition to those contemplated as of the date hereof. In such event, the MBS will be increased in principal balance, but it is expected that all additional MBS will have the same characteristics as described herein under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class bears to the aggregate original principal balance of all the Certificates will remain the same. In addition, 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 Cleary, Gottlieb, Steen & Hamilton.

No dealer, salesman or other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus Supplement, the REMIC Prospectus, the MBS Prospectus and the Information Statement and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the aforementioned documents do not constitute an offer to sell or a solicitation of an offer to buy any of the Certificates offered hereby in any state to any person to whom it is unlawful to make such offer or solicitation in such state. The delivery of this Prospectus Supplement and the aforementioned documents at any time does not imply that the information contained herein or therein is correct as of any time subsequent to the date hereof or thereof.

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences	S-32
Plan of Distribution	S-33
Legal Matters	S-33

REMIC Prospectus

Prospectus Supplement	2
Summary of Prospectus	3
Description of the Certificates	7
The Trust Agreement	20
Certain Federal Income Tax Consequences	22
Legal Investment Considerations	32
Legal Opinion	33
ERISA Considerations	33
Glossary	34

\$210,000,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 1995-7

PROSPECTUS SUPPLEMENT

Prudential Securities Incorporated

April 5, 1995
