

\$118,000,000
Federal National Mortgage Association



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1995-9**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the “Certificates”) will represent beneficial ownership interests in Fannie Mae REMIC Trust 1995-9 (the “Trust”). The LL Class (the “LL Class Retail Certificates”), having an aggregate original principal balance of \$32,000,000, are being offered by means of a separate Prospectus Supplement dated April 24, 1995 (the “LL Retail Class Supplement”). The other Classes of Certificates are offered hereby. The assets of the Trust will consist of (i) a single “principal only” Fannie Mae Stripped Mortgage-Backed Security and a single “interest only” Fannie Mae Stripped Mortgage-Backed Security (together, the “SMBS”) evidencing the beneficial ownership interest in certain principal distributions and interest distributions, respectively, made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”) held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the “Mega Certificate”) and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000267-CL, each of which MBS 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, (ii) a non-interest bearing cash deposit of \$999.99 relating to the EE Class (the “EE Class Cash Deposit”), and (iii) a non-interest bearing cash deposit of \$999.99 relating to the LL Class (the “LL Class Cash Deposit”). The EE Class Cash Deposit will be applied as described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

Prospective investors in the EE 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 EE Class 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.

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

THE CERTIFICATES, TOGETHER WITH ANY INTEREST THEREON, ARE NOT GUARANTEED BY THE UNITED STATES. THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE CERTIFICATES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND DO NOT CONSTITUTE AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN FANNIE MAE. THE CERTIFICATES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND ARE “EXEMPTED SECURITIES” WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934.

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	\$48,651,000	SEQ	7.5%	FIX	31359LSG1	May 2016	E	\$15,216,000	SEQ	7.5%	FIX	31359LSL0	February 2023
B	7,490,000	SEQ	7.5	FIX	31359LSH9	June 2017	EE	4,600,000	SEQ/RTL	7.5	FIX	31359LSM8	June 2023
C	20,400,000	SEQ	7.5	FIX	31359LSJ5	November 2019	LL	(2)	SEQ/RTL	7.5	FIX	31359LSN6	October 2024
D	21,643,000	SEQ	7.5	FIX	31359LSK2	November 2021	R	0	NPR	0	NPR	31359LSP1	October 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 LL Class, with an original principal balance of \$32,000,000, is being offered by means of the LL Retail Class Supplement and is not offered hereby.

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

The Certificates will be offered by the Dealer, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. It is expected that the Certificates, except for the EE, LL and R Classes, will be available through the book-entry system of the Federal Reserve Banks on or about May 25, 1995 (the “Settlement Date”). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, Three World Financial Center, New York, New York 10285, on or about the Settlement Date. It is expected that the EE and LL Classes will be available for delivery through the book-entry facilities of The Depository Trust Company on or about such date.

LEHMAN BROTHERS

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

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.

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

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

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

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

An election will be made to treat the Trust as a “real estate mortgage investment conduit” (“REMIC”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R Class will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R Class” and “Certain Additional Federal Income Tax Consequences” herein, and “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated April 7, 1994 (the “REMIC Prospectus”) which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Stripped Mortgage-Backed Securities dated December 31, 1993 (the “SMBS Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed MBS Pass-Through Certificates dated November 1, 1994 (the “Mega Prospectus”);
- 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, the SMBS Prospectus, the Mega 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 Lehman Brothers Inc. by writing or calling their Registration Department at 536 Broadhollow Road, Melville, New York 11747 (telephone 516-254-7106).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Interest Accrual Period</i>	S-14
Description of the Certificates	S- 6	Distributions of Principal	S-14
General.....	S- 6	<i>Categories of Classes</i>	S-14
<i>Structure</i>	S- 6	<i>Principal Distribution Amount</i>	S-14
<i>SMBS Distributions</i>	S- 6	Structuring Assumptions	S-14
<i>Fannie Mae Guaranty</i>	S- 6	<i>Pricing Assumptions</i>	S-14
<i>Characteristics of Certificates</i>	S- 6	<i>Prepayment Assumptions</i>	S-14
<i>Authorized Denominations</i>	S- 7	Yield Considerations.....	S-15
<i>Distribution Dates</i>	S- 7	<i>General</i>	S-15
<i>Record Date</i>	S- 7	Weighted Average Lives of the	
<i>REMIC Trust Factors</i>	S- 7	Certificates	S-15
<i>Optional Termination</i>	S- 7	Decrement Tables	S-16
The EE Class Retail Certificates	S- 8	Characteristics of the R Class	S-18
General.....	S- 8	Certain Additional Federal Income	
<i>Method of Distribution</i>	S- 8	Tax Consequences	S-18
<i>EE Class Retail Interest</i>		REMIC Election and Special Tax	
<i>Distributions</i>	S- 8	Attributes	S-18
<i>EE Class Retail Principal</i>		Taxation of Beneficial Owners of	
<i>Distributions</i>	S- 9	Regular Certificates.....	S-18
<i>Certain Principal Distribution</i>		Taxation of Beneficial Owners of	
<i>Considerations</i>	S-10	Residual Certificates	S-19
<i>Investment Determination</i>	S-12	Plan of Distribution	S-19
The SMBS	S-13	<i>General</i>	S-19
Distributions of Interest	S-13	<i>Increase in Certificates</i>	S-19
<i>Categories of Classes</i>	S-13	Legal Matters	S-19
General.....	S-13		

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 EE Class Retail Certificates

Description

The EE Class Retail Certificates represent an indirect interest in the Mortgage Loans. The EE Class Retail Certificates are guaranteed by Fannie Mae but 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 EE Class 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 EE Class Retail Certificates satisfy his or her specified investment objectives. See “Description of the Certificates—The EE Class Retail Certificates—*Investment Determination*” herein.

Liquidity

If an EE Class 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 EE Class 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 EE Class Retail Certificates—*Investment Determination*” herein.

Federal Income Taxes

Interest on the EE Class 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 EE Retail Class Units, 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 an EE Class Retail Certificate. See “Description of the Certificates—The EE Class Retail Certificates—*EE Class Retail Principal Distributions—Tax Information*” and “Certain Additional Federal Income Tax Consequences” herein.

Maturity

Unlike many other fixed income securities, the EE Class 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 EE Class 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 EE Class 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 the EE Class Retail Certificates is likely to have declined. See “Description of the Certificates—The EE Class Retail Certificates—*Certain Principal Distribution Considerations*” herein.

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

Approximate Principal Balance	Approximate Weighted Average Remaining Term to Maturity (in months)	Approximate Calculated Loan Age (in months)	Approximate Weighted Average Coupon
\$150,000,000	349	10	8.911%

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.

Distributions of Principal

Principal Distribution Amount

1. Commencing in June 1998, to the LL Class, in an amount up to \$32,000 on each Distribution Date.
2. Commencing in June 1995, on each Distribution Date as follows:
 - a. To the A, B, C, D, E and EE Classes, in that order, until the principal balances thereof are reduced to zero.
 - b. To the LL Class, until the principal balance thereof is reduced to zero.

Weighted Average Lives (years) *

Class	PSA Prepayment Assumption				
	0%	100%	175%	350%	500%
A	14.5	3.1	2.0	1.2	1.0
B	21.5	6.7	4.2	2.4	1.8
C	23.4	8.8	5.5	3.0	2.2
D	25.6	12.7	8.0	4.2	3.0
E	27.1	17.0	11.0	5.7	4.0
EE**	27.9	19.8	13.2	6.8	4.7
LL**	24.8	21.9	17.8	10.6	7.5

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

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

DESCRIPTION OF THE CERTIFICATES

The following summaries describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the remaining provisions of this Prospectus Supplement, the additional Disclosure Documents and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the meanings assigned to such terms in the applicable Disclosure Document or the Trust Agreement (as the context may require).

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto, dated as of May 1, 1995 (together, 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 Class) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the Trust.

The assets of the Trust will consist of (i) the SMBS, (ii) a non-interest bearing cash deposit of \$999.99 relating to the EE Class (the “EE Class Cash Deposit”) and (iii) a non-interest bearing cash deposit of \$999.99 relating to the LL Class (the “LL Class Cash Deposit”). The Certificates will in the aggregate evidence the entire beneficial ownership interest in the distributions of principal and interest on the SMBS, and in the EE Class Cash Deposit and the LL Class Cash Deposit (the “Retail Cash Deposits”). Each Retail Cash Deposit will be used, if necessary, to round any amount applied as principal of the EE Class or the LL Class, as applicable, to an amount equal to an integral multiple of \$1,000, as described herein and in the LL Retail Class Supplement, respectively. The Retail Cash Deposits will not be available for application to any distributions on any unrelated Classes of Certificates.

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

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. 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 guarantee obligations of Fannie Mae with respect to the SMBS and the Mega Certificate are described in the SMBS Prospectus and the Mega Prospectus, respectively. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the EE, LL and R Certificates, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. The EE and LL Certificates will each be represented by one Certificate to be registered at all times in the name of the nominee of the Depository (as defined herein), which

Depository will maintain such Certificates through its book-entry facilities. When used herein, 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 EE, LL and R Certificates) have been deposited and (ii) the nominee of the Depository, in the case of the EE and LL 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, Certificate Form” in the REMIC Prospectus.

The R Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificate will be transferable and, if applicable, exchangeable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any exchange, if applicable, or registration of transfer of the R Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

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

Authorized Denominations. The Certificates, other than the EE and R Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The EE Class will be issued in minimum denominations of \$1,000 and integral multiples thereof. The R Certificate will be issued as a single certificate and will not have a principal balance.

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day), commencing in the month following the Settlement Date. 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 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 amount of principal remaining to be distributed with respect to 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 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 EE Class Retail Certificates

General

The EE Class will consist of Retail Certificates. The EE Class Retail Certificates will be represented by one certificate 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 or depository selected or approved by Fannie Mae (the “Depository”). The Depository will maintain the EE Class Retail Certificates in integral numbers of EE Retail Class Units, through its book-entry facilities. For purposes of calculating principal distributions, an EE Retail Class Unit for the EE Class Retail Certificates will have the initial principal balance set forth below:

<u>Class</u>	<u>Initial Principal Balance Per Unit</u>	<u>Number of Retail Class Units</u>
EE	\$1,000	4,600

In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the EE Class Retail Certificates, whether held for its own account or as a nominee for another person. Initially, State Street Bank and Trust Company (“State Street”) will act as paying agent for, and perform certain administrative functions with respect to, the EE Class Retail Certificates.

No person acquiring a beneficial ownership interest in the EE Class 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 an EE Class Retail Certificate will be recorded, in an integral number of EE Retail Class Units 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 an integral number of EE Retail Class Units 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 EE Class Retail Certificates. Beneficial ownership of EE Class 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 EE Class 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 EE Class 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 same-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 EE Class Retail Certificates that it represents.

EE Class Retail Interest Distributions

Interest to be distributed on the EE Class on each Distribution Date will consist of one month’s interest at the per annum rate of 7.5% on the outstanding principal balance thereof immediately prior to such Distribution Date. For further discussion, see “Distributions of Interest” herein.

EE Class Retail Principal Distributions

General. Distributions of principal of the EE Class Retail Certificates on any Distribution Date (each, an “EE Class 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, will determine the portion of the EE Class Retail Principal Distribution, if any, to be made on the EE Retail Class Units held for the account of each Depository Participant. Each Depository Participant and each financial intermediary will in turn determine the portion of the EE Class Retail Principal Distribution to be made on the EE Retail Class Units held for the account of each investor that it represents.

Rounding of EE Class Retail Principal Distributions. On each Distribution Date on which amounts are available for the distribution of principal of the EE Class 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 an EE Class Retail Principal Distribution is made by withdrawing from the EE Class Retail Cash Deposit the amount of funds, if any, needed to round the amount otherwise allocable as principal of the EE Class Retail Certificates to the next higher integral multiple of \$1,000. On each succeeding Distribution Date on which an EE Class Retail Principal Distribution is to be made, the aggregate amount allocable as principal to such Class of Retail Certificates will be applied first to repay any funds withdrawn from the EE Class 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 an EE Class Retail Principal Distribution. This procedure will continue on succeeding Distribution Dates until the principal balance of the EE Class Retail Certificates has been reduced to zero. Thus, the EE Class 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 EE Class Retail Principal Distributions made through any Distribution Date will in no event be less than would have been the case in the absence of such rounding procedures.

Retail Principal Distribution by Random Lot. On each Distribution Date on which an EE Class Retail Principal Distribution is to be made, the EE Class 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 any EE Class 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.

Tax Information. Information allowing beneficial owners of the EE Class Retail Certificates to calculate properly the taxable income attributable to the EE Class 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 an EE Class Retail Certificate. The EE Class Retail Certificates may be issued with “original issue discount” for federal income tax purposes. *Prospective investors in the EE Class Retail Certificates should be aware that the beneficial owners of EE Class 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 EE Class Retail Certificates also should be aware that beneficial owners of EE Class 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

EE Class Retail Certificates will not receive payments of principal on a pro rata basis, however, a payment in full of an EE Class 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 EE Class Retail Certificates are discussed under “Certain Additional Federal Income Tax Consequences—Taxation of Beneficial Owners of 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 the rate of EE Class 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 EE Class 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 balance of the EE Class Retail Certificates will be distributed in full. In addition, it is possible that certain investors in the EE Class Retail Certificates may not receive EE Class Retail Principal Distributions until the Final Distribution Date for such Class. Any investor who purchases an EE Class 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” herein.

As described under “Distributions of Principal” herein, the amount of principal allocated on each Distribution Date to the EE Class Retail Certificates primarily will depend on the sufficiency of the Principal Distribution Amount (as defined herein) to reduce the principal balances of those Classes of Certificates that have higher principal payment priorities than such Class of Retail Certificates to zero. As a result, the amount of principal distributable on the EE Class Retail Certificates on any Distribution Date will be sensitive to the level of prepayments of the Mortgage Loans.

To illustrate the effect of prepayments on the distributions of principal of EE Class Retail Certificates, the following table indicates the approximate aggregate distributions of principal of the EE Class Retail Certificates during the periods shown. The following table shows the amounts that would be available for distributions of principal of the EE Class 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 EE Class 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 EE Class Retail Certificates taken as a whole, and are presented solely to show the relationship between prepayments and distributions on the EE Class 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 EE Class 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 particular 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 of the EE Class
(for illustrative purposes only)
(Amounts in thousands)

<u>Twelve Consecutive Months Through</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
May 1996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
May 1997	0	0	0	0	0
May 1998	0	0	0	0	0
May 1999	0	0	0	0	0
May 2000	0	0	0	0	4,600
May 2001	0	0	0	0	0
May 2002	0	0	0	4,484	0
May 2003	0	0	0	116	0
May 2004	0	0	0	0	0
May 2005	0	0	0	0	0
May 2006	0	0	0	0	0
May 2007	0	0	0	0	0
May 2008	0	0	1,779	0	0
May 2009	0	0	2,821	0	0
May 2010	0	0	0	0	0
May 2011	0	0	0	0	0
May 2012	0	0	0	0	0
May 2013	0	0	0	0	0
May 2014	0	0	0	0	0
May 2015	0	3,133	0	0	0
May 2016	0	1,467	0	0	0
May 2017	0	0	0	0	0
May 2018	0	0	0	0	0
May 2019	0	0	0	0	0
May 2020	0	0	0	0	0
May 2021	0	0	0	0	0
May 2022	0	0	0	0	0
May 2023	4,550	0	0	0	0
May 2024	50	0	0	0	0
May 2025	0	0	0	0	0
Total Principal Payments*	<u>\$4,600</u>	<u>\$4,600</u>	<u>\$4,600</u>	<u>\$4,600</u>	<u>\$4,600</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 EE Class Retail Certificates will correspond to any of the amounts shown herein. The rates of the EE Class Retail Principal Distributions 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 EE Class 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 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 EE Class 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 EE Class Retail Certificates.

The weighted average lives of the EE Class 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 life of the EE Class Retail Certificates beneficially owned by individual investors may vary significantly from the weighted average life of such Class as a whole. Although distributions of principal and interest on the EE Class 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 such Class of 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 EE Class 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 EE Class Retail Certificates should also consider that the effective yields to Holders of the EE Class 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 EE Class Retail Certificates may not be an appropriate investment for all prospective investors. The EE Class 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 EE Class Retail Certificates will receive a principal distribution (in integral multiples of \$1,000) on any particular Distribution Date. Any investor who purchases an EE Class Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following the issuance of the EE Class Retail 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 EE Class Retail Certificates, it is not obligated 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. The price of the EE Class 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. Finally, there can be no assurance that the price at which an investor may be able to sell an EE Class Retail Certificate will be the same as or higher than the purchase price at which such investor purchased such Certificate.

The SMBS

The SMBS underlying the Certificates will represent the aggregate of interest payments at a Pass-Through Rate of 8.50% on a notional principal amount of \$132,352,942 and principal payments on a principal amount of \$150,000,000 of MBS having the general characteristics described in the MBS Prospectus. Such MBS are held in the form of Mega Certificate CL-190267, the general characteristics of which are described in the Mega Prospectus. Each Mortgage Loan will be a conventional Level Payment Mortgage Loan 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 SMBS and Mortgage Loans as of May 1, 1995 (the “Issue Date”) are expected to be as follows:

SMBS

Aggregate Unpaid Principal Balance	\$150,000,000
SMBS Pass-Through Rate	8.50%
Approximate WAC (per annum percentage)	8.911%
Approximate Weighted Average WAM	349 months
Approximate Weighted Average CAGE	10 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the unpaid principal balance and notional principal balance of the SMBS 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 Classes except the R Class
No Payment Residual	R

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates 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 a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

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

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

See “Yield Considerations” herein.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Sequential	All Classes except the R Class
Retail	EE and LL
No Payment Residual	R

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

Principal Distribution Amount

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

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

- (i) commencing with the Distribution Date in June 1998, to the LL Class, in an amount up to \$32,000; } Retail Class
- (ii) sequentially, to the A, B, C, D and E Classes, in that order, until the respective principal balances thereof are reduced to zero; and } Sequential Classes
- (iii) sequentially, to the EE and LL Classes, in that order, until the respective principal balances thereof are reduced to zero. } Retail Classes

Structuring Assumptions

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

- the Mortgage Loans bear interest at a rate of 8.911% per annum and have an original term to maturity of 360 months, a CAGE of 10 months and a remaining term to maturity of 349 months;
- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus Supplement is the Public

Securities Association's standard prepayment model ("PSA"). To assume a specified rate of PSA (for example, 175% PSA) is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under "Description of the Certificates—Prepayment Considerations and Risks" in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any PSA rate or at any other constant rate.

Yield Considerations

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

There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein, or at any other particular rate. Because the rate of principal distributions on the Certificates will be related to the rate of amortization of the Mortgage Loans in each Pool, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed 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 all 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.

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 and the priority sequence of distributions of principal of the Classes. See "Distributions of Principal" herein.

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

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 11% per annum and has an original and remaining term to maturity of 360 months and 353 months, respectively. 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 weighted average remaining term to maturity and the weighted average CAGE of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1996	99	88	80	62	47	100	100	100	100	100	100	100	100	100	100
May 1997	97	69	50	8	0	100	100	100	100	0	100	100	100	100	76
May 1998	95	50	21	0	0	100	100	100	0	0	100	100	100	44	0
May 1999	94	33	0	0	0	100	100	69	0	0	100	100	100	0	0
May 2000	92	16	0	0	0	100	100	0	0	0	100	100	72	0	0
May 2001	90	1	0	0	0	100	100	0	0	0	100	100	24	0	0
May 2002	88	0	0	0	0	100	15	0	0	0	100	100	0	0	0
May 2003	86	0	0	0	0	100	0	0	0	0	100	73	0	0	0
May 2004	83	0	0	0	0	100	0	0	0	0	100	43	0	0	0
May 2005	80	0	0	0	0	100	0	0	0	0	100	15	0	0	0
May 2006	76	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2007	72	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2008	67	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2009	62	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2010	56	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2011	49	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2012	41	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2013	33	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2014	23	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2015	12	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2016	0	0	0	0	0	95	0	0	0	0	100	0	0	0	0
May 2017	0	0	0	0	0	4	0	0	0	0	100	0	0	0	0
May 2018	0	0	0	0	0	0	0	0	0	0	64	0	0	0	0
May 2019	0	0	0	0	0	0	0	0	0	0	22	0	0	0	0
May 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.5	3.1	2.0	1.2	1.0	21.5	6.7	4.2	2.4	1.8	23.4	8.8	5.5	3.0	2.2

Date	D Class					E Class					EE*** Class					LL*** Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1996	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1997	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1998	100	100	100	100	46	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999	100	100	100	60	0	100	100	100	100	43	100	100	100	100	100	99	99	99	99	99
May 2000	100	100	100	0	0	100	100	100	95	0	100	100	100	100	0	98	98	98	98	93
May 2001	100	100	100	0	0	100	100	100	25	0	100	100	100	100	0	96	96	96	96	64
May 2002	100	100	82	0	0	100	100	100	0	0	100	100	100	3	0	95	95	95	95	44
May 2003	100	100	47	0	0	100	100	100	0	0	100	100	100	0	0	94	94	94	74	30
May 2004	100	100	15	0	0	100	100	100	0	0	100	100	100	0	0	93	93	93	58	21
May 2005	100	100	0	0	0	100	100	82	0	0	100	100	100	0	0	92	92	92	45	14
May 2006	100	88	0	0	0	100	100	47	0	0	100	100	100	0	0	90	90	90	35	10
May 2007	100	64	0	0	0	100	100	16	0	0	100	100	100	0	0	89	89	89	27	7
May 2008	100	42	0	0	0	100	100	0	0	0	100	100	61	0	0	88	88	88	21	5
May 2009	100	21	0	0	0	100	100	0	0	0	100	100	0	0	0	87	87	84	16	3
May 2010	100	1	0	0	0	100	100	0	0	0	100	100	0	0	0	86	86	73	12	2
May 2011	100	0	0	0	0	100	74	0	0	0	100	100	0	0	0	84	84	63	9	1
May 2012	100	0	0	0	0	100	48	0	0	0	100	100	0	0	0	83	83	54	7	1
May 2013	100	0	0	0	0	100	24	0	0	0	100	100	0	0	0	82	82	46	5	1
May 2014	100	0	0	0	0	100	1	0	0	0	100	100	0	0	0	81	81	39	4	*
May 2015	100	0	0	0	0	100	0	0	0	0	100	32	0	0	0	80	80	32	3	*
May 2016	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	78	73	27	2	*
May 2017	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	77	63	22	2	*
May 2018	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	76	53	18	1	*
May 2019	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	75	43	14	1	*
May 2020	76	0	0	0	0	100	0	0	0	0	100	0	0	0	0	74	34	10	*	*
May 2021	27	0	0	0	0	100	0	0	0	0	100	0	0	0	0	72	25	7	*	*
May 2022	0	0	0	0	0	59	0	0	0	0	100	0	0	0	0	71	17	5	*	*
May 2023	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	70	9	2	*	*
May 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22	1	*	*	*
May 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)**	25.6	12.7	8.0	4.2	3.0	27.1	17.0	11.0	5.7	4.0	27.9	19.8	13.2	6.8	4.7	24.8	21.9	17.8	10.6	7.5

* 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 EE and LL Classes apply to each such Class taken as a whole. As a result of the distribution priorities and allocations applicable to the EE and LL Classes, the weighted average lives of the EE and LL Certificates beneficially owned by individual investors may vary significantly from the weighted average life of each such Class taken as a whole.

Characteristics of the R Class

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

The R Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R Class will constitute a noneconomic residual interest under the Regulations. Any transferee of an R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Transferors of an R Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holder (i) such information as is necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the R Class that may be required under the Code.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Election and Special Tax Attributes

An election will be made to treat the Trust as a REMIC for federal income tax purposes. The Certificates, other than the R Class, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

As a consequence of the qualification of the Trust as a REMIC, the Certificates generally will be treated as “qualifying real property loans” for mutual savings banks and domestic building and loan associations, “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

Certain 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 175% 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 the EE Class Retail Certificates are discussed under “Description of the Certificates—The EE Class Retail Certificates—*EE Class Retail Principal Distributions—Tax Information*” herein.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Class will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of an R Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 8.76% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the SMBS pursuant to a Fannie Mae commitment. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect such transactions to or through dealers.

Increase in Certificates. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Certificates in addition to those contemplated as of the date hereof. In such event, the SMBS will be increased in principal balance, but it is expected that all additional SMBS will have the same characteristics as described herein under “Description of the Certificates—The SMBS.” 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.

LEGAL MATTERS

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

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

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Description of the Certificates.....	S- 6
Certain Additional Federal Income Tax	
Consequences	S-18
Plan of Distribution	S-19
Legal Matters	S-19
REMIC Prospectus	
Prospectus Supplement	2
Summary of Prospectus	3
Description of the Certificates.....	8
The Trust Agreement.....	22
Certain Federal Income Tax	
Consequences	24
Legal Investment Considerations	36
Legal Opinion	36
ERISA Considerations.....	36
Glossary	38

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Federal National
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Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1995-9

PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

April 24, 1995