

PROSPECTUS SUPPLEMENT

(To Prospectus dated April 7, 1994)

**\$76,415,610 (Approximate)**  
**Federal National Mortgage Association**



**Guaranteed REMIC Pass-Through Certificates**  
**Fannie Mae REMIC Trust 1995-17**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1995-17 (the "Trust"). The assets of the Trust will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates ("MBS"), which will be aggregated into eight separate groups (each, an "MBS Group"). Each MBS will represent a beneficial interest in a pool (each, a "Pool") of first lien, single-family, fixed- or adjustable-rate residential mortgage loans (collectively, the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

Investors should not purchase the Certificates before reading this Prospectus Supplement and the additional Disclosure Documents listed at the bottom of page S-2.

(Cover continued on next page)

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

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

Class	Original Principal Balance (1)	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date
A	\$21,224,011	PT	(3)	W	31359LXF7	February 2025
B	35,360,606	PT	(3)	W	31359LXG5	February 2025
C	5,420,393	PT	(3)	W	31359LXH3	April 2023
D	1,177,643	PT	(3)	W	31359LXJ9	July 2021
E	3,425,623	PT	(3)	W	31359LXK6	April 2022
G	3,254,050	PT	(3)	W	31359LXL4	January 2014
H	1,983,259	PT	(3)	W	31359LXM2	January 2021
J	4,570,025	PT	(3)	W	31359LXN0	October 2024
R	0	NPR	0	NPR	31359LXP5	February 2025

(1) Subject to a permitted variance of plus or minus 5% in the aggregate.

(2) 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.

(3) Each of these Classes will bear interest at a rate per annum equal to the Weighted Average Pool Accrual Rate (as defined herein) for the related MBS Group. During their initial Interest Accrual Period, the A, B, C, D, E, G, H and J Classes will bear interest at per annum rates equal to approximately 7.921%, 7.087%, 6.433%, 6.131%, 7.210%, 5.637%, 5.961%, and 6.250%, respectively. See "Description of the Certificates—Distributions of Interest" herein.

The Certificates will be offered by Meridian Capital Markets, a division of Meridian Bank (the "Dealer"), from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about August 31, 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, Fort Lauderdale, Florida, on or about the Settlement Date.



a division of Meridian Bank

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The yields to investors in each Class will be sensitive to the rate of principal payments of the related group of Mortgage Loans (each, a “Mortgage Loan Group”) and, in the case of the B, C, D, E, G, H and J Classes, will be very sensitive to the level of the Index (as defined herein) applicable to such Mortgage Loans. Such yields will also be sensitive to the actual characteristics of such Mortgage Loans 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 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 or the MBS Prospectus. Any representation to the contrary is a criminal offense.

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

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated April 7, 1994 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated 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 Meridian Capital Markets, a division of Meridian Bank, by writing or calling its Prospectus Department at 6600 North Andrews Avenue, Fort Lauderdale, Florida 33309 (telephone 305-771-1645).

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## REFERENCE SHEET

**This reference sheet is not a summary of the REMIC transaction and it does not contain complete information about the Certificates. Investors should purchase the Certificates only after reading this Prospectus Supplement and each of the additional Disclosure Documents described herein in their entirety.**

### **MBS and Mortgage Loan Characteristics (As of August 1, 1995)**

The table contained under “The MBS—Selected MBS Group Characteristics” herein sets forth certain summary information regarding the characteristics of the MBS Groups as of the Issue Date (as defined herein), and the tables contained under “Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*” herein sets forth certain assumed characteristics of the Mortgage Loans. Certain additional information regarding the MBS and the Mortgage Loans may be obtained from Fannie Mae as described under “The MBS—General” and “The Mortgage Loans—General” herein.

### **Interest Rates**

The Certificates will bear interest at the applicable per annum interest rates described on the cover hereof.

### **Distributions of Principal**

The portion of the Principal Distribution Amount allocated to each Class of Certificates will be determined by distributions on the related MBS Group. For such purposes, the Principal Distribution Amount will be allocated among the Group 1, Group 2, Group 3, Group 4, Group 5, Group 6, Group 7 and Group 8 Principal Distribution Amounts, as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” herein.

*Group 1 Principal Distribution Amount*

To the A Class to zero.

*Group 2 Principal Distribution Amount*

To the B Class to zero.

*Group 3 Principal Distribution Amount*

To the C Class to zero.

*Group 4 Principal Distribution Amount*

To the D Class to zero.

*Group 5 Principal Distribution Amount*

To the E Class to zero.

*Group 6 Principal Distribution Amount*

To the G Class to zero.

*Group 7 Principal Distribution Amount*

To the H Class to zero.

*Group 8 Principal Distribution Amount*

To the J Class to zero.

**Weighted Average Lives (years) \***

<u>Class</u>	<u>% of CPR Prepayment Assumption</u>				
	<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>
A	10.7	6.0	4.7	3.8	3.1
B .....	14.3	6.9	5.2	4.0	3.2
C .....	12.8	6.6	5.0	3.9	3.2
D .....	12.2	6.4	4.9	3.9	3.1
E .....	12.6	6.5	5.0	3.9	3.2
G .....	9.9	5.7	4.5	3.7	3.0
H .....	12.6	6.5	4.9	3.9	3.2
J .....	19.5	7.8	5.6	4.2	3.4

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

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto, dated as of August 1, 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 REMIC constituted by the Trust. The assets of the Trust will consist of 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 R Certificate, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

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

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

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

*Distribution Dates.* Distributions on the Certificates will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day) (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, when multiplied by the original principal balance of a Certificate of such Class, will equal the remaining principal balance of such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date and any Deferred Interest (as defined herein) to be added as principal to the principal balances of the B, C, E, G and H Classes on such Distribution Date.

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

**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>
Weighted Average Coupon	All Classes other than the R Class
No Payment Residual	R

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

*General.* Each Class of interest-bearing Certificates will bear interest at a rate per annum equal to the Weighted Average Pool Accrual Rate for the MBS Group specified in the following table. Interest on the 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 (and, in the case of the B, C, E, G and H Classes, any Deferred Interest to be added to principal) on each 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. See “The Mortgage Loans—Adjustable-Rate Mortgage Loans—*Deferred Interest*” for a discussion of the Deferred Interest feature.

<u>Class</u>	<u>Related MBS Group</u>	<u>Related Mortgage Loan Indices*</u>
A .....	1	**
B .....	2	One-Year Treasury Index
C .....	3	Three-Year Treasury Index
D .....	4	Five-Year Treasury Index and Ten-Year Treasury Index
E .....	5	Six-Month Treasury Index
G .....	6	Contract Interest Rate
H .....	7	COFI
J .....	8	LIBOR

\* See “The Mortgage Loans—Adjustable-Rate Mortgage Loans—*Adjustable Rate Indices*” herein for a description of the Indices.

\*\* The Mortgage Loans underlying MBS Group 1 bear interest at a variety of fixed rates.

See “The MBS” and “The Mortgage Loans” herein for a further description of the MBS Groups and Mortgage Loans, respectively.

*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 interest-bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

*Determination of Weighted Average Pool Accrual Rates*

At any time, interest for any month will accrue on each Class at a rate that equals the then applicable Weighted Average Pool Accrual Rate for the related MBS Group. The “Weighted Average Pool Accrual Rate” for any Distribution Date and MBS Group is the weighted average of the Pool Accrual Rates in effect with respect to the MBS in such MBS Group during the calendar month preceding the month of such Distribution Date, weighted on the basis of the respective principal balances of such MBS immediately prior to such Distribution Date. The “Pool Accrual Rate” for any MBS and calendar month is the weighted average of the interest rates for the Mortgage Loans underlying such MBS (such interest rates, the “Mortgage Interest Rates”), weighted on the basis of the respective Stated Principal Balances of such Mortgage Loans immediately prior to such calendar month, less the servicing and guaranty fees applicable thereto (which fees may vary from Mortgage Loan to Mortgage Loan). The Mortgage Interest Rate for any Mortgage Loan as reduced by the fees applicable thereto is referred to herein as the “Net Mortgage Interest Rate.” The Stated Principal Balance of a Mortgage Loan refers to the principal balance utilized by Fannie Mae in calculating the then-outstanding principal balances of MBS. Such Stated Principal Balance may differ from the actual principal balance for a number of reasons, including supplemental payments by Fannie Mae on delinquent Mortgage Loans pursuant to its guaranty obligations and delays in the distribution of certain Mortgage Loan receipts.

In effect, the Weighted Average Pool Accrual Rate for MBS Group 1 will at any time be equal to the weighted average of the Mortgage Interest Rates for the fixed-rate Mortgage Loans, less the applicable servicing and guaranty fees. In the case of each MBS Group evidencing interests in a Pool of ARMs, if the Mortgage Interest Rates for all ARMs in the related Mortgage Loan Group are not affected by an interest rate cap, the Weighted Average Pool Accrual Rate will, in effect, at any time be equal, before giving effect to any rounding, to the sum of (x) the weighted average of the then applicable Index values and (y) the weighted average of the individual Mortgage Margins (as defined herein), less the applicable servicing and guaranty fees. However, as indicated herein, the Weighted

Average Pool Accrual Rate for an MBS Group evidencing interests in a Pool of ARMs cannot be determined solely on the basis of applicable Index values and Net Mortgage Margins (as defined herein) because the Mortgage Interest Rates for all of the ARMs are restricted by periodic and/or lifetime adjustment caps. In addition, differences in the amortization schedules, prepayment rates and maturity dates of ARMs with differing Net Mortgage Interest Rates will cause the Weighted Average Pool Accrual Rate for the related MBS Group to change over the life of such MBS Group.

## 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>
<b>Group 1 Class</b> Pass-Through	A
<b>Group 2 Class</b> Pass-Through	B
<b>Group 3 Class</b> Pass-Through	C
<b>Group 4 Class</b> Pass-Through	D
<b>Group 5 Class</b> Pass-Through	E
<b>Group 6 Class</b> Pass-Through	G
<b>Group 7 Class</b> Pass-Through	H
<b>Group 8 Class</b> Pass-Through	J
<b>No Payment Residual</b>	R

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

*Principal Distribution Amount*

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of the aggregate distributions of principal concurrently made on the MBS, and will be allocated to the Classes as described below.

*Group 1 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 1 MBS (the “Group 1 Principal Distribution Amount”) will be distributed as principal of the A Class, until the principal balance thereof is reduced to zero.

*Group 2 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 2 MBS (the “Group 2 Principal Distribution Amount”) will be distributed as principal of the B Class, until the principal balance thereof is reduced to zero.

*Group 3 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 3 MBS (the “Group 3 Principal Distribution Amount”) will be distributed as principal of the C Class, until the principal balance thereof is reduced to zero.

*Group 4 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 4 MBS (the “Group 4 Principal Distribution Amount”) will be distributed as principal of the D Class, until the principal balance thereof is reduced to zero.

*Group 5 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 5 MBS (the “Group 5 Principal Distribution Amount”) will be distributed as principal of the E Class, until the principal balance thereof is reduced to zero.

*Group 6 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 6 MBS (the “Group 6 Principal Distribution Amount”) will be distributed as principal of the G Class, until the principal balance thereof is reduced to zero.

*Group 7 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 7 MBS (the “Group 7 Principal Distribution Amount”) will be distributed as principal of the H Class, until the principal balance thereof is reduced to zero.

*Group 8 Principal Distribution Amount*

On each Distribution Date, the aggregate distributions of principal concurrently made on the Group 8 MBS (the “Group 8 Principal Distribution Amount”) will be distributed as principal of the J Class, until the principal balance thereof is reduced to zero.

Pass-Through  
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 in each Mortgage Loan Group specified below have the following aggregate principal balances, mortgage interest rates, net mortgage interest rates, net mortgage margins, original terms to maturity, remaining terms to maturity, months to rate change and CAGEs:

Mortgage Loan Groups	Aggregate Principal Balances	Mortgage Interest Rates	Net Mortgage Interest Rates	Net Mortgage Margins	Original Terms to Maturity (1)	Remaining Terms to Maturity (1)	Months to Rate Change	CAGEs (1)	Related Classes
1	21,224,011	9.000%	7.921%	—	327	205	—	122	A
2	35,360,606	8.315	7.087	1.540%	357	264	6	93	B
3	5,420,393	7.595	6.433	1.094	333	242	17	91	C
4	1,177,643	7.228	6.131	0.513	358	236	37	122	D
5	3,425,623	8.325	7.210	1.592	341	238	4	103	E
6	3,254,050	6.782	5.637	(0.940)	357	197	9	160	G
7	1,983,259	7.057	5.961	1.474	327	241	4	86	H
8	4,570,025	7.345	6.250	1.648	360	340	5	20	J

(1) In months.

- the level of each Index at all times on and after the next rate change date for each of the applicable ARMs is as follows:

One-Year Treasury Index	5.860%
Three-Year Treasury Index	6.070
Five-Year and Ten-Year Treasury Indices	6.240
Six-Month Treasury Index	5.670
Contract Interest Rate	7.620
COFI	5.179
LIBOR	6.000

- no periodic or lifetime interest rate caps or payment caps apply to the ARMs;
- payments on all Mortgage Loans are due and received on the first day of each month;
- each year consists of twelve 30-day months;
- the Mortgage Loans in the related Mortgage Loan Groups prepay at the percentages of CPR 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 “Constant Prepayment Rate” or “CPR” model. The CPR model represents an assumed *constant* rate of prepayment each month, expressed as a per annum percentage (for example, 15% CPR) of the then outstanding principal balance of the pool of mortgage loans. It is highly unlikely that prepayments will occur at any CPR rate or at any other constant rate.

## Yield Considerations

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 in the related Mortgage Loan Group and, in the case of the B, C, D, E, G, H and J Classes, the level of the Index applicable to such 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 and, if applicable, future levels of the applicable Index.

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 each Class will be related to the rate of amortization of the Mortgage Loans in the related Mortgage Loan Group, 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 distributions on such Class is likely to differ from the rate anticipated by an investor, even if all Mortgage Loans in the related Mortgage Loan Group prepay at the indicated percentages of CPR. In addition, it is not likely that all Mortgage Loans in any Mortgage Loan Group will prepay at a particular percentage of CPR until maturity or that all such 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 in the related Mortgage Loan Group increases (including prepayments resulting from the exercise by a mortgagor of its option to convert from an adjustable-rate to a fixed-rate loan). However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments. See "Distributions of Principal" herein.

The effect of the foregoing factors may differ as to 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 percentages of CPR and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions. 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 particular percentage of CPR. 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 percentages of CPR, 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					C Class					D Class				
	CPR Prepayment Assumption					CPR Prepayment Assumption					CPR Prepayment Assumption					CPR Prepayment Assumption				
	0%	10%	15%	20%	25%	0%	10%	15%	20%	25%	0%	10%	15%	20%	25%	0%	10%	15%	20%	25%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 1996	97	88	83	78	73	98	89	84	79	74	98	88	83	78	73	98	88	83	78	73
August 1997	95	77	68	61	53	97	78	70	62	54	96	77	69	61	54	95	77	69	61	53
August 1998	91	67	56	47	39	95	69	58	49	40	93	68	57	48	39	92	67	57	47	39
August 1999	88	58	46	36	28	93	61	48	38	29	91	59	47	37	29	89	59	47	37	28
August 2000	84	50	37	28	20	90	53	40	30	21	88	52	39	29	21	86	51	38	28	21
August 2001	80	43	30	21	14	88	47	33	23	16	85	45	32	22	15	83	44	31	22	15
August 2002	76	36	24	16	10	85	41	27	18	11	82	39	26	17	11	80	38	26	17	11
August 2003	71	31	19	12	7	82	35	22	14	8	78	34	21	13	8	76	33	21	13	8
August 2004	66	25	15	9	5	79	31	18	11	6	74	29	17	10	6	72	28	17	10	5
August 2005	60	21	12	6	3	76	26	15	8	4	70	24	14	8	4	67	23	13	7	4
August 2006	54	17	9	5	2	72	23	12	6	3	65	21	11	6	3	62	20	10	5	3
August 2007	47	13	7	3	1	68	19	10	5	2	60	17	9	4	2	57	16	8	4	2
August 2008	39	10	5	2	1	63	16	8	3	2	55	14	7	3	1	51	13	6	3	1
August 2009	31	7	3	1	1	59	13	6	3	1	49	11	5	2	1	45	10	5	2	1
August 2010	22	4	2	1	*	53	11	5	2	1	43	9	4	2	1	39	8	3	1	1
August 2011	12	2	1	*	*	47	9	4	1	*	36	7	3	1	*	32	6	2	1	*
August 2012	1	*	*	*	*	41	7	3	1	*	28	5	2	1	*	24	4	2	1	*
August 2013	0	0	0	0	0	34	5	2	1	*	20	3	1	*	*	15	2	1	*	*
August 2014	0	0	0	0	0	27	4	1	*	*	11	2	1	*	*	6	1	*	*	*
August 2015	0	0	0	0	0	19	2	1	*	*	2	*	*	*	*	0	0	0	0	0
August 2016	0	0	0	0	0	10	1	*	*	*	0	0	0	0	0	0	0	0	0	0
August 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.7	6.0	4.7	3.8	3.1	14.3	6.9	5.2	4.0	3.2	12.8	6.6	5.0	3.9	3.2	12.2	6.4	4.9	3.9	3.1

Date	E Class					G Class					H Class					J Class				
	CPR Prepayment Assumption					CPR Prepayment Assumption					CPR Prepayment Assumption					CPR Prepayment Assumption				
	0%	10%	15%	20%	25%	0%	10%	15%	20%	25%	0%	10%	15%	20%	25%	0%	10%	15%	20%	25%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 1996	98	88	83	78	73	97	87	82	77	72	98	88	83	78	73	99	89	84	79	74
August 1997	96	78	69	61	54	93	76	67	60	52	95	77	69	61	54	98	79	71	63	55
August 1998	93	68	57	48	39	90	65	55	46	38	93	68	57	48	39	97	71	60	50	41
August 1999	91	59	47	37	29	86	56	45	35	27	90	59	47	37	29	96	63	50	39	30
August 2000	88	52	39	29	21	81	48	36	27	19	87	52	39	29	21	95	56	42	31	23
August 2001	85	45	32	22	15	77	41	29	20	14	84	45	32	22	15	94	50	35	25	17
August 2002	81	39	26	17	11	72	34	23	15	10	81	39	26	17	11	92	44	30	19	12
August 2003	78	33	21	13	8	66	29	18	11	7	77	33	21	13	8	91	39	25	15	9
August 2004	74	29	17	10	6	61	24	14	8	5	73	28	17	10	5	89	34	21	12	7
August 2005	69	24	14	7	4	54	19	11	6	3	69	24	14	7	4	87	30	17	9	5
August 2006	64	20	11	6	3	48	15	8	4	2	64	20	11	5	3	85	27	14	7	4
August 2007	59	17	8	4	2	40	11	6	3	1	59	17	8	4	2	83	23	12	6	3
August 2008	54	14	6	3	1	32	8	4	2	1	53	14	6	3	1	80	20	10	4	2
August 2009	48	11	5	2	1	24	5	2	1	*	48	11	5	2	1	78	18	8	3	1
August 2010	41	8	4	1	1	14	3	1	1	*	41	8	4	1	1	75	15	7	3	1
August 2011	34	6	3	1	*	4	1	*	*	*	34	6	3	1	*	72	13	5	2	1
August 2012	26	4	2	1	*	0	0	0	0	0	27	4	2	1	*	68	11	4	2	1
August 2013	18	3	1	*	*	0	0	0	0	0	19	3	1	*	*	65	10	3	1	*
August 2014	8	1	*	*	*	0	0	0	0	0	10	1	*	*	*	61	8	3	1	*
August 2015	0	0	0	0	0	0	0	0	0	0	1	*	*	*	*	56	7	2	1	*
August 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52	6	2	*	*
August 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46	5	1	*	*
August 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41	4	1	*	*
August 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34	3	1	*	*
August 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28	2	*	*	*
August 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	1	*	*	*
August 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	1	*	*	*
August 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	*	*	*	*
August 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.6	6.5	5.0	3.9	3.2	9.9	5.7	4.5	3.7	3.0	12.6	6.5	4.9	3.9	3.2	19.5	7.8	5.6	4.2	3.4

\* 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.

## **Characteristics of the R Class**

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

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

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

## **THE MBS**

### **General**

The MBS included in each of the MBS Groups will have the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the 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). As described above under “Description of the Certificates—Distributions of Interest—*General*” and as explained more fully in the MBS Prospectus, interest will be distributed on each MBS on each Distribution Date at a rate equal to the Pool Accrual Rate.

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the Pool number, the Pool Accrual Rate, Maximum Pool Accrual Rate, Minimum Pool Accrual Rate, WAC, MBS Margin, WAM, and Weighted Average Months to Rate Change Date for each MBS, in each case based on the current Stated 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.

### **Selected MBS Group Characteristics (As of August 1, 1995)**

The characteristics of the MBS Groups as of August 1, 1995 (the “Issue Date”) are expected to be as illustrated in the following tables. All rates listed below are calculated on a per annum basis.

The ranges referred to below reflect ranges among the MBS included in each particular MBS Group. Similarly, the weighted averages referred to below reflect the averages among the MBS included in each MBS Group, weighted on the basis of the respective principal balances of such MBS.

**MBS Group 1**

Aggregate Unpaid Principal Balance .....	\$21,224,011
Range of Pool Accrual Rates .....	4.50% to 12.65%
Weighted Average Pool Accrual Rate .....	7.921%
Range of WACs .....	5.00% to 13.00%
Weighted Average WAC .....	9.000%
Range of WAMs .....	10 months to 279 months
Weighted Average WAM .....	205 months

**MBS Group 2**

Aggregate Unpaid Principal Balance .....	\$35,360,606
Range of Pool Accrual Rates .....	5.90% to 9.15%
Weighted Average Pool Accrual Rate .....	7.087%
Range of Maximum Pool Accrual Rates .....	10.00% to 16.70%
Weighted Average Maximum Pool Accrual Rate .....	13.673%
Range of Minimum Pool Accrual Rates .....	—
Weighted Average Minimum Pool Accrual Rate .....	0.000%
Range of WACs .....	7.00% to 10.30%
Weighted Average WAC .....	8.315%
Range of MBS Margins .....	0.57% to 1.95%
Weighted Average MBS Margin .....	1.540%
Range of WAMs .....	139 months to 344 months
Weighted Average WAM .....	264 months
Range of Weighted Average Months to Rate Change .....	2 months to 12 months
Weighted Average of Weighted Average Months to Rate Change .....	6 months

**MBS Group 3**

Aggregate Unpaid Principal Balance .....	\$5,420,393
Range of Pool Accrual Rates .....	4.35% to 10.20%
Weighted Average Pool Accrual Rate .....	6.433%
Range of Maximum Pool Accrual Rates .....	11.80% to 22.00%
Weighted Average Maximum Pool Accrual Rate .....	14.000%
Range of Minimum Pool Accrual Rates .....	0.0000% to 6.10%
Weighted Average Minimum Pool Accrual Rate .....	0.240%
Range of WACs .....	5.80% to 11.30%
Weighted Average WAC .....	7.595%
Range of MBS Margins .....	-1.10% to 1.70%
Weighted Average MBS Margin .....	1.094%
Range of WAMs .....	129 months to 276 months
Weighted Average WAM .....	242 months
Range of Weighted Average Months to Rate Change .....	1 month to 35 months
Weighted Average of Weighted Average Months to Rate Change .....	17 months

**MBS Group 4**

Aggregate Unpaid Principal Balance .....	\$1,177,643
Range of Pool Accrual Rates .....	4.65% to 7.90%
Weighted Average Pool Accrual Rate .....	6.131%
Range of Maximum Pool Accrual Rates .....	13.90% to 17.13%
Weighted Average Maximum Pool Accrual Rate .....	16.229%
Range of Minimum Pool Accrual Rates .....	—
Weighted Average Minimum Pool Accrual Rate .....	0.000%
Range of WACs .....	5.75% to 9.00%
Weighted Average WAC .....	7.228%
Range of MBS Margins .....	-0.46% to 1.34%
Weighted Average MBS Margin .....	0.513%
Range of WAMs .....	213 months to 308 months
Weighted Average WAM .....	236 months
Range of Weighted Average Months to Rate Change .....	33 months to 38 months
Weighted Average of Weighted Average Months to Rate Change .....	37 months

**MBS Group 5**

Aggregate Unpaid Principal Balance .....	\$3,425,623
Range of Pool Accrual Rates .....	5.60% to 8.70%
Weighted Average Pool Accrual Rate .....	7.210%
Range of Maximum Pool Accrual Rates .....	12.10% to 18.25%
Weighted Average Maximum Pool Accrual Rate .....	14.096%
Range of Minimum Pool Accrual Rates .....	—
Weighted Average Minimum Pool Accrual Rate .....	0.000%
Range of WACs .....	6.70% to 9.80%
Weighted Average WAC .....	8.325%
Range of MBS Margins .....	1.18% to 2.10%
Weighted Average MBS Margin .....	1.592%
Range of WAMs .....	77 months to 262 months
Weighted Average WAM .....	238 months
Range of Weighted Average Months to Rate Change .....	2 months to 6 months
Weighted Average of Weighted Average Months to Rate Change .....	4 months

**MBS Group 6**

Aggregate Unpaid Principal Balance .....	\$3,254,050
Range of Pool Accrual Rates .....	5.00% to 9.00%
Weighted Average Pool Accrual Rate .....	5.637%
Range of Maximum Pool Accrual Rates .....	14.80% to 22.20%
Weighted Average Maximum Pool Accrual Rate .....	16.259%
Range of Minimum Pool Accrual Rates .....	0.0000% to 8.45%
Weighted Average Minimum Pool Accrual Rate .....	2.26%
Range of WACs .....	6.12% to 10.10%
Weighted Average WAC .....	6.782%
Range of MBS Margins .....	-1.20% to 2.00%
Weighted Average MBS Margin .....	-0.940%
Range of WAMs .....	92 months to 215 months
Weighted Average WAM .....	197 months
Range of Weighted Average Months to Rate Change .....	1 month to 26 months
Weighted Average of Weighted Average Months to Rate Change .....	9 months

**MBS Group 7**

Aggregate Unpaid Principal Balance .....	\$1,983,259
Range of Pool Accrual Rates .....	4.60% to 6.70%
Weighted Average Pool Accrual Rate .....	5.961%
Range of Maximum Pool Accrual Rates .....	11.84% to 20.10%
Weighted Average Maximum Pool Accrual Rate .....	13.019%
Range of Minimum Pool Accrual Rates .....	—
Weighted Average Minimum Pool Accrual Rate .....	0.000%
Range of WACs .....	5.70% to 7.80%
Weighted Average WAC .....	7.057%
Range of MBS Margins .....	0.90% to 2.00%
Weighted Average MBS Margin .....	1.474%
Range of WAMs .....	29 months to 288 months
Weighted Average WAM .....	241 months
Range of Weighted Average Months to Rate Change .....	1 month to 5 months
Weighted Average of Weighted Average Months to Rate Change .....	4 months

**MBS Group 8**

Aggregate Unpaid Principal Balance .....	\$4,570,025
Range of Pool Accrual Rates .....	6.20% to 7.00%
Weighted Average Pool Accrual Rate .....	6.250%
Range of Maximum Pool Accrual Rates .....	9.90% to 12.70%
Weighted Average Maximum Pool Accrual Rate .....	10.182%
Range of Minimum Pool Accrual Rates .....	—
Weighted Average Minimum Pool Accrual Rate .....	0.000%
Range of WACs .....	7.28% to 8.10%
Weighted Average WAC .....	7.345%
Range of MBS Margins .....	1.1550% to 1.7800%
Weighted Average MBS Margin .....	1.648%
Range of WAMs .....	275 months to 343 months
Weighted Average WAM .....	340 months
Range of Weighted Average Months to Rate Change .....	4 months to 6 months
Weighted Average of Weighted Average Months to Rate Change .....	5 months

In the case of an MBS evidencing interests in a Pool of fixed-rate Mortgage Loans that reflect a variety of Net Mortgage Interest Rates, the Pool Accrual Rate will likely change over time due to differences in the amortization schedules, prepayment rates and maturity dates of the related Mortgage Loans in such Pool. In the case of an MBS evidencing interests in a Pool of ARMs, the Pool Accrual Rate will change over time due to changes in the level of the Index or Indices applicable to the related ARMs, but cannot be determined solely on the basis of the applicable Index values and MBS Margins because the Pool Accrual Rate for such MBS is restricted by periodic adjustment caps, in most cases, and lifetime adjustment caps, in all cases, affecting the ARMS. The weighted average of the Pool Accrual Rates for the MBS within an MBS Group will reflect such restrictions on rate adjustments. In addition, differences in the amortization schedules, prepayment rates and maturity dates of ARMs with differing maximum and minimum Mortgage Interest Rates will cause the range of Pool Accrual Rates and the Weighted Average Pool Accrual Rates for MBS within an MBS Group to change over time.

The “Maximum Pool Accrual Rate” and “Minimum Pool Accrual Rate” of an MBS evidencing interests in a Pool of ARMs are the maximum and minimum Pool Accrual Rates, respectively, applicable to such MBS, given lifetime interest rate adjustment caps affecting the related ARMs. The range of Maximum and Minimum Pool Accrual Rates, as well as the weighted average of the

Maximum and Minimum Pool Accrual Rates applicable to the MBS within an MBS Group, will be subject to differences in the amortization schedules, prepayment rates and maturity dates of ARMs with differing maximum and minimum Mortgage Interest Rates, and such differences will cause the range of Maximum and Minimum Pool Accrual Rates and the weighted average of the Maximum and Minimum Pool Accrual Rates of the MBS within an MBS Group to change over time.

The “MBS Margin” for an MBS evidencing interests in a Pool of ARMs at any time is equal to the weighted average of the Net Mortgage Margins for the related ARMs. The “Net Mortgage Margin” for an ARM at any time is equal to the related Mortgage Margin (as defined herein) for such ARM less the applicable servicing and guaranty fees (which may vary from Mortgage Loan to Mortgage Loan). The range of MBS Margins as well as the weighted average of the MBS Margins applicable to an MBS Group will be affected by applicable periodic and lifetime adjustment caps, and will also be subject to differences in the amortization schedules, prepayment rates and maturity dates of ARMs with differing Net Mortgage Margins, which differences will cause the range of MBS Margins, as well as the weighted average of the MBS Margins, to change over time.

The “Weighted Average Months to Rate Adjustment” for an MBS evidencing interests in a Pool of ARMs equals the weighted average of the number of months from the Issue Date that will elapse before the Mortgage Interest Rates on the related ARMs are subject to adjustment as described in “Adjustable-Rate Mortgage Loans—*Adjustable-Rate Indices*” below. The weighted average of the Weighted Average Months to Rate Adjustment for the MBS included in an MBS Group will vary over time due to differences in the amortization schedules, prepayment rates and maturity dates of the related ARMs with different numbers of months to rate adjustment.

## **THE MORTGAGE LOANS**

### **General**

The Mortgage Loans consist of first lien, single family fixed- and adjustable-rate, amortizing mortgage loans generally having original maturities of up to 30 years as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

Following the issuance of the Certificates, certain additional information regarding the Mortgage Loans (the “Supplemental Mortgage Loan Information”) will be made available by Fannie Mae. To request the Supplemental Mortgage Loan Information, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Supplemental Mortgage Loan Information 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.

### **Fixed-Rate Mortgage Loans**

The Mortgage Loans underlying MBS Group 1 (the “Group 1 Mortgage Loans”) bear interest at a variety of fixed rates. The Pool Accrual Rate for each of the MBS included in MBS Group 1 and the Weighted Average Pool Accrual Rate for MBS Group 1 will be calculated as described herein under “Description of the Certificates—Distributions of Interest—*Determination of Weighted Average Pool Accrual Rates.*”

### **Adjustable-Rate Mortgage Loans**

#### *General*

The Mortgage Loans underlying MBS Group 2, Group 3, Group 4, Group 5, Group 6, Group 7 and Group 8 (the “Group 2 Mortgage Loans,” “Group 3 Mortgage Loans,” “Group 4 Mortgage Loans,” “Group 5 Mortgage Loans,” “Group 6 Mortgage Loans,” “Group 7 Mortgage Loans” and “Group 8 Mortgage Loans,” respectively, and, together, the “ARMs”) bear interest at rates that will vary in response to the applicable index (each, an “Index” and, together, the “Indices”) and will adjust at periodic intervals as further described below. The actual Mortgage Interest Rate at any time borne by an ARM generally will, subject to any applicable adjustment caps, be equal to the sum of a specified

percentage, or “Mortgage Margin,” and the Index value then applicable thereto, which sum then may be rounded (as provided in the related mortgage note) to the nearest, next lowest or next highest one-eighth or one-fourth of 1%. The ARMs generally contain provisions limiting the amount by which rates may be adjusted upward or downward. The ARMs provide for periodic adjustments of scheduled payments in order to fully amortize the Mortgage Loan by its stated maturity. Except as specified herein, each of the ARMs will provide for payment adjustments following any interest rate change in the amount necessary to pay interest at the Mortgage Interest Rate in effect during the month immediately prior to the month in which the first payment in the new amount is due and to fully amortize the outstanding principal balance of the ARM on a level debt service basis over the remainder of its term.

#### *Limitations on Rate Adjustments*

Substantially all of the ARMs contain provisions limiting the amount by which rates may be adjusted. For most of the ARMs, the related Mortgage Interest Rate, when adjusted on each interest rate change date, may not be more than a specified percentage amount greater or less than the initial Mortgage Interest Rate, in the case of the first change date, and, in the case of any subsequent change date, the Mortgage Interest Rate that was in effect immediately preceding such change date. In addition, substantially all of the ARMs by their terms provide that the Mortgage Interest Rate is subject to lifetime maximum and, in some cases, minimum caps (typically not more than a specified percentage greater or, if applicable, less than the initial Mortgage Interest Rate).

#### *Interest Rate Change Dates*

Because the ARMs in a Mortgage Loan Group have varying interest rate change dates, the Weighted Average Pool Accrual Rate for such Mortgage Loan Group for any month will be calculated based on Mortgage Interest Rates that have been determined based on varying Index values. For instance, with respect to a Mortgage Loan Group that contains ARMs with both March 1 and August 1 annual interest rate change dates and a 45-day “look-back” period, interest will accrue on the related Class during the month of August with respect to the ARMs having a March 1 interest rate change date on the basis of the index value most recently available 45 days prior to March 1 and with respect to the ARMs having an August 1 interest rate change date on the basis of the Index value most recently available 45 days prior to August 1. This results in the likelihood of a Weighted Average Pool Accrual Rate that represents a weighted average of the different Net Mortgage Rates of the ARMs included in such Mortgage Loan Group. See “The MBS—Selected MBS Group Characteristics” herein for additional information regarding the interest rate change dates.

#### *Adjustable-Rate Indices*

General descriptions of the Indices applicable to the ARMs are provided in the following paragraphs. In the event an Index is no longer available or otherwise is not published, an alternative published index will be selected by Fannie Mae as required by the terms of the related Mortgage Loan. In addition, investors are referred to Exhibit A hereto for a list of historical values for certain of the Indices.

The Index applicable to the Group 2 Mortgage Loans is the One-Year Treasury Index, as further described in the MBS Prospectus. The Mortgage Interest Rates applicable to the Group 2 Mortgage Loans generally will be reset annually on the basis of the Index value in effect 45 days prior to the date of such reset.

The Index applicable to the Group 3 Mortgage Loans is the Three-Year Treasury Index, as further described in the MBS Prospectus. The Mortgage Interest Rates applicable to the Group 3 Mortgage Loans will be reset at three-year (or in some cases 30-month) intervals on the basis of the Index value in effect 45 days (or in some cases 30 days) prior to the date of such reset.

The Indices applicable to the Group 4 Mortgage Loans are the weekly (or in some cases monthly) average yield on United States Treasury Securities adjusted to a constant maturity of five years (representing approximately 77% of the Group 4 Mortgage Loans by aggregate principal balance) and

the weekly average yield on United States Treasury Securities adjusted to a constant maturity of ten years (representing approximately 23% of the Group 4 Mortgage Loans by aggregate principal balance), in each case as published by the Board of Governors of the Federal Reserve System in the Federal Statistical Release: Selected Interest Rates H.15 (519) (the “Five-Year Treasury Index” and “Ten-Year Treasury Index,” respectively). The Mortgage Interest Rates applicable to the Group 4 Mortgage Loans will be reset at five-year intervals on the basis of the Index value in effect 45 days (or in some cases 30 days) prior to the date of such reset.

The Index applicable to the Group 5 Mortgage Loans is either the weekly auction average (discount) yield or the weekly auction average (investment) yield on six-month U.S. Treasury bills, as made available by the United States Treasury (the “Six-Month Treasury Index”). The Mortgage Interest Rates applicable to the Group 5 Mortgage Loans will be reset at either six-month (or in some cases twelve-month) intervals on the basis of the Index value in effect 45 days (or in some cases one day) prior to the date of such reset.

The Index applicable to the Group 6 Mortgage Loans is the Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders, as made available monthly by the Federal Housing Finance Board (the “Contract Interest Rate”). In general, this Index is announced near the end of the month and reflects the Index value for the preceding month. The Mortgage Interest Rates applicable to the Group 6 Mortgage Loans will be reset at either twelve- or thirty-six-month intervals on the basis of the Index value in effect either 45, 60 or 90 days prior to the date of such reset.

The Index applicable to the Group 7 Mortgage Loans is COFI, as further described in the MBS Prospectus. The Mortgage Interest Rates applicable to the Group 7 Mortgage Loans will be reset at either six- or twelve-month intervals on the basis of the Index value in effect 45 days (or in some cases 15 days) prior to the date of such reset.

The Index applicable to the Group 8 Mortgage Loans is the average of the London Interbank Offered Rate, also known as “LIBOR,” for six-month United States dollar-denominated deposits, as published either by Fannie Mae or by *The Wall Street Journal*. In general, this Index is published by Fannie Mae each month as of 11:00 a.m. (London time) on the second business day preceding the end of the month and is published by *The Wall Street Journal* on each business day. The Mortgage Interest Rates applicable to the Group 8 Mortgage Loans will be reset at six-month intervals on the basis of the Index value in effect 45 days (or in some cases 25 days) prior to the date of such reset.

#### *Deferred Interest*

The amount of a mortgagor’s monthly payment (the “Monthly Payment Amount”) with respect to an ARM generally will be set at the amount necessary to pay interest at the Mortgage Interest Rate in effect during the month immediately prior to the month in which the first payment in the new amount is due and to fully amortize the outstanding principal balance of the ARM on a level debt service basis over the remainder of its term. However, in the case of certain ARMs, as specified below, the Monthly Payment Amount may never (except as described below) increase or decrease by more than a specified percentage of the prior Monthly Payment Amount and, in certain cases, the interest rate may change more frequently than changes in the Monthly Payment Amount. Due to these payment change restrictions it is possible that, in the case of the Group 6 Mortgage Loans to a significant extent, the Group 3 and Group 7 Mortgage Loans to a limited extent, and the Group 2 and Group 5 Mortgage Loans to a very limited extent, some of the interest that accrues and would otherwise be payable will be deferred (“Deferred Interest”) if the applicable Index increases. Any interest that is treated in this manner will be added to the outstanding principal balance of the related ARM and future interest accruals will be computed on this higher outstanding balance. Because the initial amortization schedule for an ARM is based on its initial Mortgage Interest Rate (which may bear no relation to then-prevailing interest rates), a relatively low initial Mortgage Interest Rate is likely to produce more Deferred Interest during the early years than is an initial Mortgage Interest Rate that is relatively higher. See the Supplemental Mortgage Loan Information (available as

described herein under “—General”) for information as to the initial Mortgage Interest Rates of the ARMs.

In general, notwithstanding any payment change restrictions, on the fifth (or in some cases, the tenth) anniversary of the first payment due date and every five years thereafter and on the final scheduled payment change date, the payment change restrictions are waived so that a new Monthly Payment Amount may be set that will fully amortize the ARM on a level debt service basis during the remaining term at the Mortgage Interest Rate accruing during the prior month. Should the Monthly Payment Amount in the final year of the ARM be insufficient to fully amortize the ARM, there will be a final payment equal to all accrued interest and the remaining unpaid principal balance that will be due on the stated maturity date.

In general, if, at any time, additions of Deferred Interest to principal would cause the outstanding principal of an ARM to exceed 125% of its original principal balance, then there will be an unscheduled payment change (not subject to the payment change restrictions) and the amount due thereafter will be the amount that (i) would pay all interest if it were to continue to accrue at the Mortgage Interest Rate in effect at the time of such change, and (ii) would fully amortize the outstanding principal balance of the ARM on a level debt service basis over the remainder of its term. However, later additions of Deferred Interest to principal are not prohibited and could occur again due to subsequent interest rate changes. The Monthly Payment Amount is to be changed subsequently only (i) in the manner described above, if additions of Deferred Interest would again cause the outstanding principal of the ARM to exceed 125% of the ARM’s original principal balance, and (ii) on the next annual payment change date.

#### *Convertible Mortgage Loans*

A very limited number of Group 2 and Group 3 Mortgage Loans by their terms may be converted to fixed-rate mortgage loans at the option of their borrowers during certain periods on or prior to the fifth interest rate change date. As described in the MBS Prospectus, the Corporation will repurchase any converted ARM from the related Pool and, accordingly, the weighted average life of the Class evidencing interests in such Pool may be shortened to some degree relative to Classes evidencing interests in similar pools where no such option to convert and obligation to repurchase exist.

#### *Due-on-Sale*

All of the Group 1 Mortgage Loans and substantially all of the Group 6 Mortgage Loans are subject to “due-on-sale” clauses providing that in the event of the transfer or prospective transfer of title to the underlying property, the full unpaid principal balance of the related Mortgage Loan is due and payable at the option of the holder. Such “due-on-sale” clauses also affect the Group 2 Mortgage Loans to a significant extent, the Group 4, Group 5 and Group 7 Mortgage Loans to a limited extent, and the Group 3 Mortgage Loans to a very limited extent. Fannie Mae is obligated to accelerate the maturity of the related Mortgage Loan under such conditions unless restricted by law. See “Description of Certificates—Collection and Other Servicing Procedures” in the MBS Prospectus.

### **CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES**

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

#### **REMIC Election and Special Tax Attributes**

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

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

### **Taxation of Beneficial Owners of Regular Certificates**

The A, B, C, E, G and H Classes will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 15% CPR. 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.

### **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 7.68% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear, any transferee receiving such consideration should consult its own tax advisors.

## **PLAN OF DISTRIBUTION**

The Dealer will receive the Certificates in exchange for the 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. The Dealer may effect such transactions to or through dealers.

## **LEGAL MATTERS**

Certain legal matters will be passed upon for the Dealer by Stevens & Lee, Reading, Pennsylvania.

**Historical Values for Certain Adjustable-Rate Indices**

	<u>One-Year Treasury Index (weekly average) (1)</u>	<u>Three-Year Treasury Index (weekly average) (1)</u>	<u>Five-Year Treasury Index (weekly average) (1)</u>	<u>Five-Year Treasury Index (monthly average)</u>	<u>Ten-Year Treasury Index (weekly average) (1)</u>	<u>Six-Month Treasury Index (weekly auction average) (1)</u>	<u>Six-Month Treasury Index (weekly auction avg invest) (1)</u>	<u>Contract Interest Rate</u>	<u>COFI</u>	<u>Libor(2)</u>
January 1993 . . . . .	3.62	5.13	6.03	6.08	6.70	3.38	3.49	7.49	4.360	3.438
February . . . . .	3.41	4.78	5.66	5.83	6.46	3.09	3.18	7.28	4.333	3.328
March . . . . .	3.31	4.38	5.21	5.43	6.02	3.06	3.15	7.17	4.245	3.375
April . . . . .	3.32	4.43	5.25	5.19	6.07	3.04	3.13	7.06	4.171	3.313
May . . . . .	3.25	4.30	5.14	5.13	6.01	2.95	3.04	7.08	4.103	3.438
June . . . . .	3.55	4.60	5.36	5.20	6.14	3.19	3.29	7.02	4.050	3.563
July . . . . .	3.42	4.37	5.04	5.22	5.79	3.14	3.23	6.95	3.998	3.563
August . . . . .	3.57	4.54	5.21	5.09	5.88	3.24	3.34	6.87	3.958	3.438
September . . . . .	3.34	4.16	4.76	5.03	5.41	3.11	3.20	6.75	3.881	3.375
October . . . . .	3.35	4.17	4.72	4.73	5.33	3.02	3.11	6.59	3.823	3.500
November . . . . .	3.46	4.28	4.82	4.71	5.44	3.19	3.29	6.60	3.822	3.516
December . . . . .	3.62	4.54	5.14	5.06	5.80	3.26	3.36	6.65	3.879	3.500
January 1994 . . . . .	3.61	4.53	5.14	5.15	5.77	3.21	3.31	6.73	3.710	3.391
February . . . . .	3.66	4.57	5.14	5.09	5.80	3.16	3.26	6.68	3.687	4.000
March . . . . .	4.16	5.19	5.74	5.40	6.29	3.61	3.73	6.84	3.629	4.250
April . . . . .	4.46	5.62	6.19	5.94	6.72	3.85	3.98	7.04	3.672	4.625
May . . . . .	4.99	6.08	6.56	6.52	6.95	4.25	4.40	7.33	3.726	5.000
June . . . . .	5.31	6.29	6.70	6.78	7.09	4.67	4.85	7.36	3.804	5.250
July . . . . .	5.47	6.46	6.89	6.70	7.27	4.60	4.78	7.49	3.860	5.328
August . . . . .	5.51	6.48	6.89	6.91	7.26	4.83	5.02	7.59	3.945	5.328
September . . . . .	5.56	6.45	6.83	6.88	7.21	4.93	5.13	7.57	4.039	5.688
October . . . . .	5.92	6.87	7.25	7.08	7.60	5.22	5.44	7.60	4.187	6.000
November . . . . .	6.28	7.24	7.61	7.40	7.94	5.51	5.75	7.56	4.367	6.438
December . . . . .	6.89	7.62	7.79	7.72	7.89	5.86	6.12	7.75	4.589	7.000
January 1995 . . . . .	7.21	7.79	7.81	7.78	7.81	6.24	6.53	7.77	4.747	6.688
February . . . . .	6.88	7.41	7.54	7.76	7.62	6.12	6.40	8.00	4.925	6.438
March . . . . .	6.47	6.95	7.10	7.37	7.27	5.90	6.18	8.09	5.007	6.438
April . . . . .	6.38	6.84	7.01	7.05	7.15	5.80	6.07	7.99	5.064	6.313
May . . . . .	6.24	6.64	6.81	6.86	7.03	5.75	6.02	7.87	5.141	6.063
June . . . . .	5.71	5.83	5.98	6.41	6.23	5.61	5.87	7.62	5.179	5.875
July . . . . .	5.65	5.83	5.95	5.93	6.17	5.34	5.71			5.875
August . . . . .	5.68	6.06	6.19	6.01	6.48	5.39	5.64			

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(1) Indicated values reflect the first available weekly average values in the months specified. There is no assurance that the Index values used to calculate the Mortgage Interest Rates for the applicable Mortgage Loans are determined in the same manner.  
 (2) As published by Fannie Mae.

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.

**\$76,415,610**  
**(Approximate)**

**Federal National  
Mortgage Association**



**Guaranteed REMIC  
Pass-Through Certificates**

**Fannie Mae REMIC Trust 1995-17**

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**PROSPECTUS SUPPLEMENT**



*August 18, 1995*