

\$315,052,036



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1996-22**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-22 (the "Trust"). The LL Class, having an aggregate original principal balance of \$19,961,000, is being offered by means of a separate Prospectus Supplement dated May 8, 1996 (the "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 "Trust SMBS") evidencing the beneficial ownership interest in Fannie Mae Stripped Mortgage-Backed Security Trust 000264-CL (the "SMBS Trust"), (ii) the REMIC Certificates specified herein (collectively, the "Underlying REMIC Certificates") evidencing beneficial ownership interests in the related Fannie Mae REMIC Trusts (collectively, the "Underlying REMIC Trusts") as further described in Exhibit A hereto and (iii) a non-interest bearing cash deposit of \$999.99 (the "Retail Cash Deposit") to be applied as described herein. The assets of the SMBS Trust and the Underlying REMIC Trusts evidence beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together, the "MBS"). Each MBS represents a beneficial ownership interest in a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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

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

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

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	\$60,000,000	SEQ	7.25%	FIX	31359KDZ7	November 2022	G	\$53,500,000	SC/TAC	7.00%	FIX	31359KEF0	February 2023
B	39,092,000	SEQ	7.25	FIX	31359KEA1	February 2024	H	8,225,875	SC/SUP	7.00	FIX	31359KEG8	February 2023
C	10,228,000	SEQ	7.25	FIX	31359KEB9	February 2024	J	2,857,142	SC/STP	(2)	PO	31359KFX0	June 2013
D	20,305,000	SEQ	7.25	FIX	31359KEC7	August 2025	K	100,469,019	SC/PT	6.50	FIX	31359KFY8	February 2023
LL	(3)	RTL/SEQ	7.40	FIX	31359KED5	June 2026	R	0	NPR	0	NPR	31359KPFZ5	June 2026
E	414,000	SEQ	(2)	PO	31359KEE3	June 2026							

- (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) These Classes are Principal Only Classes and will bear no interest.
- (3) The LL Class, with an original principal balance of \$19,961,000, is being offered by means of the Retail Class Supplement and is not offered hereby.

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

The Certificates will be offered by the Dealer, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about June 28, 1996 (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 LL Class will be available for delivery through the book-entry facilities of The Depository Trust Company on or about such date.

LEHMAN BROTHERS

May 8, 1996

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The yields to investors in the A, B, C, D, E and LL Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Trust SMBS, which in turn will be determined by the rate of principal payments of the related Mortgage Loans and the actual characteristics of such Mortgage Loans. The yields to investors in the G, H, J and K Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class. Accordingly, investors should consider the following risks:

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts (including any Principal Only Classes), 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 Underlying REMIC Certificates are subordinate in priority of principal distribution to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, there is no assurance that principal distributions will be made on such Underlying REMIC Certificates on any particular Distribution Date. In addition, certain of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus Supplements (as defined below), which may be obtained from Fannie Mae as described below.
- 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 Prospectus Supplements for the Underlying REMIC Trusts (the “Underlying Prospectus Supplements”), 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 Securities dated January 15, 1996 (the “Mega Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated January 15, 1996 (the “MBS Prospectus”);
- Fannie Mae’s Information Statement dated February 22, 1996 and any supplements thereto (collectively, the “Information Statement”); and
- The Underlying Prospectus Supplements.

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying Prospectus Supplements, 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, other than the Underlying Prospectus Supplements, 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).

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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.

Assumed Characteristics of the Mortgage Loans Underlying the Trust SMBS (as of June 1, 1996)

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term in Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$150,000,000	330	25	8.49%

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

Characteristics of the Underlying REMIC Certificates

The table contained in Exhibit A hereto sets forth information with respect to each class of Underlying REMIC Certificates, including certain information regarding the Mortgage Loans underlying each such class. Certain additional information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors for such Underlying REMIC Certificates in the context of applicable information contained in the related Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

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

Interest Rates

The interest-bearing Classes will bear interest at the applicable per annum interest rates set forth on the cover.

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

Distributions of Principal

The portion of the Principal Distribution Amount allocated to each Class of Certificates will be determined by distributions on the Trust SMBS or a particular class of Underlying REMIC Certificates, as applicable. For such purposes, the Principal Distribution Amount will be allocated among the Group 1, Group 2 and Group 3 Principal Distribution Amounts, as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*.”

Group 1 Principal Distribution Amount

- (a) Commencing in July 1999, to the LL and E Classes, in proportion to their original principal balances, in an aggregate amount up to \$20,375 on each Distribution Date.
- (b) Commencing in July 1996, on each Distribution Date as follows:
 - (i) to the A and B Classes, in the proportions of 63.0563408405% and 36.9436591595% respectively, until the principal balance of the A Class is reduced to zero;
 - (ii) to the B and C Classes, in the proportions of 27.8040516694% and 72.1959483306%, respectively, until the principal balances thereof are reduced to zero;

(iii) to the D Class, to zero; and

(iv) to the LL and E Classes, in proportion to their original principal balances, to zero.

Group 2 Principal Distribution Amount

To the G, H and J Classes as described herein under “Description of the Certificates—Distributions of Principal.”

Group 3 Principal Distribution Amount

To the K Class, to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>125%</u>	<u>225%</u>	<u>300%</u>	<u>500%</u>
A	18.9	4.8	2.8	2.1	1.2
B	19.7	5.5	3.2	2.4	1.4
C	27.1	12.5	7.5	5.6	3.2
D	28.4	16.8	10.5	7.9	4.5
LL and E**	25.4	21.1	16.4	13.3	8.1

* Determined as specified under “Weighted Average Lives of the Certificates” herein.
 ** The weighted average lives shown in the table for the LL Class apply to such Class taken as a whole. As a result of the distribution priorities and allocations applicable to the LL Class, the weighted average lives of the LL Certificates beneficially owned by individual investors may vary significantly from the weighted average life of such Class taken as a whole.

<u>Class</u>	<u>PSA Prepayment Assumption</u>					<u>500%</u>
	<u>0%</u>	<u>50%</u>	<u>105%</u>	<u>140%</u>	<u>300</u>	
G	18.7	12.2	6.8	3.9	1.8	1.1

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>50%</u>	<u>140%</u>	<u>300%</u>	<u>500%</u>
H	24.5	19.0	0.6	0.1	0.1
J	8.3	2.3	1.3	1.3	1.3

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>50%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
K	16.2	9.0	3.6	2.3	1.5

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 June 1, 1996 (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 Trust SMBS and the Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trusts).

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. The guaranty obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the Underlying Prospectus Supplements. 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, “Description of the Certificates—General—*Fannie Mae Guaranty*” in the related Underlying Prospectus Supplements 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), commencing in the month following the Settlement Date.

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

REMIC Trust Factors. As soon as practicable following the eleventh calendar day of each month, Fannie Mae will publish or otherwise make available for each Class of Certificates the factor (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate of such Class, will equal the remaining principal balance of such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date.

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.

Voting the Underlying REMIC Certificates. In the event any issue arises under the trust agreement governing any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates of the related Classes having principal balances aggregating not less than 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

The Trust SMBS

The Trust SMBS represent beneficial ownership interests in distributions of interest at a Pass-Through Rate of 8.00% on a notional principal amount of \$135,937,500 and distributions of principal of \$150,000,000 principal amount of MBS held in the form of Mega Certificate CL-190264 and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000264-CL. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“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 Trust SMBS provide that distributions thereon will be passed through monthly, commencing on the 25th day of the month following the initial issuance thereof (or, in each case, if such 25th day is not a business day, on the first business day next succeeding such 25th day). The general characteristics of the Trust SMBS, the Mega Certificate and the MBS are described in the SMBS

Prospectus, Mega Prospectus and MBS Prospectus, respectively. The characteristics of the Mortgage Loans underlying the Trust SMBS as of June 1, 1996 (the “Issue Date”) are expected to be as follows:

Range of WACs (per annum percentages)	8.25% to 10.50%
Range of WAMs.....	241 months to 360 months
Approximate Weighted Average WAM.....	330 months
Approximate Weighted Average CAGE	25 months

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts, the assets of which evidence the direct or indirect beneficial ownership interests in certain MBS. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“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 Underlying REMIC Certificates provide that distributions thereon will be passed through monthly, commencing on the 25th day of the month following the initial issuance thereof (or, in each case, if such 25th day is not a business day, on the first business day next succeeding such 25th day). The general characteristics of the Underlying REMIC Certificates are described in the related Underlying Prospectus Supplements.

The table contained in Exhibit A hereto sets forth certain information with respect to each class of Underlying REMIC Certificates, including the numerical designation of the Underlying REMIC Trust, the class designation, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance of the entire class, the current principal factor for such class and the principal balance of such class contained in the Trust as of June 1, 1996. The table also sets forth the approximate weighted average WAC, approximate weighted average WAM and approximate weighted average CAGE of the Mortgage Loans underlying the related MBS as of the Issue Date, the underlying security type and the related Class Group.

To request further information regarding the Underlying REMIC Certificates, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying Prospectus Supplements were prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such documents.

Final Data Statement

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the current principal balances of the Underlying REMIC Certificates as of the Issue Date and, with respect to the Trust SMBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each Trust SMBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the Trust 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.

Prepayment Considerations and Risks

The rate of distributions of principal of the A, B, C, D, E and LL Classes will be sensitive in varying degrees to the rate of principal distributions on the Trust SMBS, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that the Mortgage Loans underlying the Trust SMBS will have the characteristics assumed herein or will prepay at any of the rates assumed herein, or at any other particular rate. Furthermore, because some of the Mortgage Loans underlying the Trust SMBS 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 related Classes is likely to differ from the rate anticipated by an investor, even if all such Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans underlying the Trust SMBS will prepay at a *constant* PSA rate until maturity or that all such Mortgage Loans will prepay at the same rate.

The rate of distributions of principal of the G, H, J and K Classes will be determined by the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal of the related Mortgage Loans and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. As described in the Underlying Prospectus Supplements, the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. In addition, certain of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive distributions of principal during certain periods at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described above.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	A, B, C, D, LL, G, H and K
Principal Only	E and J
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 applicable per annum interest rates set forth on the cover. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date. Interest to be distributed on each interest-bearing Certificate on a Distribution Date will consist of one month's interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

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

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

See “Yield Considerations” herein.

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>
Group 1 Classes	
Sequential Pay	A, B, C, D, LL and E
Retail	LL
Group 2 Classes	
Structured Collateral**/Strip	J
Structured Collateral**/TAC	G
Structured Collateral**/Support	H
Group 3 Class	
Structured Collateral**/Pass-Through	K
No Payment Residual	R

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

** A Structured Collateral Class (“SC”) is designed to receive principal payments based on actual distributions on the related Underlying Securities (as defined 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 (i) the distribution of principal concurrently made on the Trust SMBS (the “Group 1 Principal Distribution Amount”), (ii) the aggregate distributions of principal concurrently made on the Class 1994-63-PC and Class 1994-63-D REMIC Certificates (the “Class 1994-63-PC Principal Distribution Amount” and “Class 1994-63-D Principal Distribution Amount,” respectively, and together the “Group 2 Principal Distribution Amount”) and (iii) the aggregate distributions of principal concurrently made on the Class 1995-24-K and Class 1995-24-L REMIC Certificates (the “Group 3 Principal Distribution Amount”). The portion of each class of Underlying REMIC Certificates held by the Trust will be as set forth in Exhibit A.

Group 1 Principal Distribution Amount

On each Distribution Date, the Group 1 Principal Distribution Amount will be distributed as principal of the Group 1 Classes in the following order of priority:

(a) commencing in July 1999, concurrently, to the LL and E Classes, in proportion to their original principal balances (or 97.9680981595% and 2.0319018405%, respectively), in an aggregate amount up to \$20,375 on each Distribution Date; and

(b) commencing in July 1996, to the A, B, C, D, LL and E Classes in the following order of priority:

(i) concurrently, to the A and B Classes, in the proportions of 63.0563408405% and 36.9436591595%, respectively, until the principal balance of the A Class is reduced to zero;

(ii) concurrently, to the B and C Classes, in the proportions of 27.8040516694% and 72.1959483306%, respectively, until the principal balances thereof are reduced to zero;

(iii) to the D Class, until the principal balance thereof is reduced to zero; and

(iv) concurrently, to the LL and E Classes, in proportion to their original principal balances, until the principal balances thereof are reduced to zero.

Sequential
Pay
Classes

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the G, H and J Classes, as specified below, until the principal balances thereof are reduced to zero.

(a) On each Distribution Date, an amount equal to 14.2857142857% of the Class 1994-63-PC Principal Distribution Amount will be distributed as principal of the J Class.

Structured
Collateral/
Strip
Class

(b) On each Distribution Date, the sum of (x) 85.7142857143% of the Class 1994-63-PC Principal Distribution Amount and (y) the Class 1994-63-D Principal Distribution Amount will be distributed as principal of the G and H Classes in the following order of priority:

(i) to the G Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date;

Structured
Collateral/
TAC
Class

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

Structured
Collateral/
Support
Class

(iii) to the G Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero.

Structured
Collateral/
TAC
Class

Group 3 Principal Distribution Amount

On each Distribution Date, the Group 3 Principal Distribution Amount will be distributed as principal of the K Class, until the principal balance thereof is reduced to zero.

Structured
Collateral/
Pass-Through
Class

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared on the basis of the actual characteristics of each Pool underlying the Underlying REMIC Certificates, the priority sequences affecting the principal distributions on the

Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust SMBS bear interest at a rate of 8.49% per annum and have an original term to maturity of 360 months, a CAGE of 25 months and a remaining term to maturity of 330 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 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.

Structuring Rate. The Principal Balance Schedule has been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans prepay at the *constant* PSA rate set forth below.

<u>Principal Balance Schedule Reference</u>	<u>Related Class</u>	<u>Structuring Rate</u>
Targeted Balance	G	105%

There is no assurance that the principal balance of the G Class will conform on any Distribution Date to the applicable balance specified for such Distribution Date in the Principal Balance Schedule herein, or that distributions of principal on the G Class will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal distribution on any Distribution Date over the amount necessary to reduce the G Class to its scheduled balance will be distributed, the ability to so reduce such Class will not be enhanced by the averaging of high and low principal prepayments from month to month. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, the G Class may not be reduced to its scheduled balance, even if prepayments occur at a *constant* rate.

Principal Balance Schedule

	<u>G Class Targeted Balance</u>		<u>G Class Targeted Balance</u>
Initial Balance	\$53,500,000.00	June 2000	\$34,490,552.04
July 1996	53,427,925.84	July 2000	34,470,483.09
August 1996	53,374,378.72	August 2000	34,451,081.41
September 1996	53,326,745.85	September 2000	34,432,341.41
October 1996	53,270,109.62	October 2000	34,414,257.51
November 1996	53,214,441.34	November 2000	34,396,824.20
December 1996	53,159,733.16	December 2000	34,380,036.02
January 1997	53,105,977.33	January 2001	34,363,887.50
February 1997	53,053,166.14	February 2001	34,348,373.27
March 1997	53,001,291.94	March 2001	34,333,487.97
April 1997	52,670,780.64	April 2001	34,319,226.28
May 1997	51,107,355.78	May 2001	34,305,582.93
June 1997	49,552,364.46	June 2001	34,292,552.69
July 1997	48,005,760.29	July 2001	34,280,130.36
August 1997	46,467,497.12	August 2001	34,268,310.78
September 1997	44,937,529.06	September 2001	34,257,088.85
October 1997	43,415,810.47	October 2001	34,246,459.47
November 1997	41,902,295.96	November 2001	34,236,417.62
December 1997	40,396,940.40	December 2001	34,226,958.29
January 1998	38,899,698.88	January 2002	34,218,076.52
February 1998	37,410,526.77	February 2002	34,209,767.38
March 1998	35,929,379.67	March 2002	34,202,025.99
April 1998	35,265,952.68	April 2002	34,194,847.49
May 1998	35,226,423.28	May 2002	34,188,227.08
June 1998	35,187,722.57	June 2002	34,177,109.60
July 1998	35,149,843.73	July 2002	34,145,611.01
August 1998	35,112,780.03	August 2002	34,094,211.28
September 1998	35,076,524.75	September 2002	34,023,381.08
October 1998	35,041,071.25	October 2002	33,933,581.91
November 1998	35,006,412.91	November 2002	33,825,266.31
December 1998	34,972,543.19	December 2002	33,698,877.97
January 1999	34,939,455.58	January 2003	33,554,851.96
February 1999	34,907,143.61	February 2003	33,393,614.83
March 1999	34,875,600.89	March 2003	33,215,584.81
April 1999	34,844,821.03	April 2003	33,021,171.94
May 1999	34,814,797.74	May 2003	32,810,778.23
June 1999	34,785,524.74	June 2003	32,584,797.81
July 1999	34,756,995.80	July 2003	32,343,617.07
August 1999	34,729,204.77	August 2003	32,087,614.80
September 1999	34,702,145.48	September 2003	31,817,162.35
October 1999	34,675,811.88	October 2003	31,532,623.76
November 1999	34,650,197.91	November 2003	31,234,355.86
December 1999	34,625,297.58	December 2003	30,922,708.48
January 2000	34,601,104.95	January 2004	30,598,024.49
February 2000	34,577,614.10	February 2004	30,260,640.00
March 2000	34,554,819.18	March 2004	29,910,884.45
April 2000	34,532,714.38	April 2004	29,549,080.76
May 2000	34,511,293.90	May 2004	29,175,545.40

	<u>G Class Targeted Balance</u>		<u>G Class Targeted Balance</u>
June 2004	\$28,790,588.59	September 2006	\$15,058,765.35
July 2004	28,394,514.32	October 2006	14,457,732.60
August 2004	27,987,620.56	November 2006	13,852,000.49
September 2004	27,570,199.29	December 2006	13,241,736.31
October 2004	27,142,536.68	January 2007	12,627,103.82
November 2004	26,704,913.16	February 2007	12,008,263.37
December 2004	26,257,603.54	March 2007	11,385,371.91
January 2005	25,800,877.09	April 2007	10,758,583.10
February 2005	25,334,997.68	May 2007	10,128,047.33
March 2005	24,860,223.85	June 2007	9,493,911.83
April 2005	24,376,808.95	July 2007	8,856,320.71
May 2005	23,885,001.19	August 2007	8,215,414.97
June 2005	23,385,043.75	September 2007	7,571,332.65
July 2005	22,877,174.90	October 2007	6,924,208.81
August 2005	22,361,628.05	November 2007	6,274,175.64
September 2005	21,838,631.90	December 2007	5,621,362.46
October 2005	21,308,410.45	January 2008	4,965,895.82
November 2005	20,771,183.15	February 2008	4,307,899.55
December 2005	20,227,164.95	March 2008	3,647,494.78
January 2006	19,676,566.44	April 2008	2,984,800.02
February 2006	19,119,593.83	May 2008	2,319,931.19
March 2006	18,556,449.14	June 2008	1,653,001.70
April 2006	17,987,330.22	July 2008	984,122.45
May 2006	17,412,430.83	August 2008	313,401.92
June 2006	16,831,940.73	September 2008 and thereafter	0.00
July 2006	16,246,045.76		
August 2006	15,654,927.90		

Yield Considerations

General. There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. Furthermore, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity or that all of such Mortgage Loans will prepay at the same rate.

The rate of distributions of principal of the A, B, C, D, LL and E Classes will be sensitive in varying degrees to the rate of principal distributions on the Trust SMBS, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that the Mortgage Loans underlying the Trust SMBS will have the characteristics assumed herein or will prepay at any of the rates assumed herein, or at any other particular rate. Furthermore, because some of the Mortgage Loans underlying the Trust SMBS 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 related Classes is likely to differ from the rate anticipated by an investor, even if all such Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans underlying the Trust SMBS will prepay at a *constant* PSA rate until maturity or that all such Mortgage Loans will prepay at the same rate.

The rate of distributions of principal of the G, H, J and K Classes will be determined by the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal of the related Mortgage Loans and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. As described in the Underlying Prospectus Supplements, the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. In addition, certain of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive distributions of principal during certain periods at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

The timing of changes in the rate of prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments.

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

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

The Principal Only Classes. The Principal Only Classes will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the Mortgage Loans underlying the SMBS Trust or the related Underlying REMIC Trust, as applicable, will have a negative effect on the yields to investors in the Principal Only Classes.

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Principal Only Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price</u>
E	32.0%
J	92.0%

**Sensitivity of the Principal Only Classes to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>125%</u>	<u>225%</u>	<u>300%</u>	<u>500%</u>
E	5.3%	5.8%	7.4%	9.3%	15.4%

<u>Class</u>	<u>PSA Prepayment Assumption</u>			
	<u>50%</u>	<u>140%</u>	<u>300%</u>	<u>500%</u>
J	3.7%	6.4%	6.4%	6.4%

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 related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Group 1 and Group 2 Classes and, in the case of the Group 2 and Group 3 Classes, the priority sequence of distributions of principal of the related Underlying REMIC Certificates. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying Prospectus Supplements.

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 balance 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 the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the per annum rates specified below:

Mortgage Loans relating to the Trust SMBS and Underlying REMIC Trusts specified below	Original Terms to Maturity	Remaining Terms to Maturity	Interest Rates	Related Classes
Trust SMBS	360 months	360 months	10.5%	A, B, C, D, LL and E
1994-63	360 months	334 months	9.5%	G, H and J
1995-24	360 months	320 months	10.5%	K

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 could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA levels, even if the distributions of the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	125%	225%	300%	500%	0%	125%	225%	300%	500%	0%	125%	225%	300%	500%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1997.....	99	87	78	71	53	99	88	80	74	58	100	100	100	100	100
June 1998.....	98	75	58	47	19	99	77	63	52	27	100	100	100	100	100
June 1999.....	97	63	42	27	0	98	67	48	34	7	100	100	100	100	69
June 2000.....	97	53	27	11	0	97	58	35	20	0	100	100	100	100	0
June 2001.....	96	44	15	0	0	96	49	24	9	0	100	100	100	89	0
June 2002.....	95	35	5	0	0	95	42	14	2	0	100	100	100	19	0
June 2003.....	93	27	0	0	0	94	34	7	0	0	100	100	71	0	0
June 2004.....	92	19	0	0	0	93	28	2	0	0	100	100	20	0	0
June 2005.....	90	13	0	0	0	91	21	0	0	0	100	100	0	0	0
June 2006.....	89	6	0	0	0	90	16	0	0	0	100	100	0	0	0
June 2007.....	87	*	0	0	0	88	10	0	0	0	100	100	0	0	0
June 2008.....	84	0	0	0	0	86	7	0	0	0	100	65	0	0	0
June 2009.....	82	0	0	0	0	84	3	0	0	0	100	32	0	0	0
June 2010.....	79	0	0	0	0	81	*	0	0	0	100	1	0	0	0
June 2011.....	76	0	0	0	0	78	0	0	0	0	100	0	0	0	0
June 2012.....	72	0	0	0	0	75	0	0	0	0	100	0	0	0	0
June 2013.....	68	0	0	0	0	72	0	0	0	0	100	0	0	0	0
June 2014.....	64	0	0	0	0	68	0	0	0	0	100	0	0	0	0
June 2015.....	59	0	0	0	0	63	0	0	0	0	100	0	0	0	0
June 2016.....	54	0	0	0	0	58	0	0	0	0	100	0	0	0	0
June 2017.....	47	0	0	0	0	53	0	0	0	0	100	0	0	0	0
June 2018.....	41	0	0	0	0	47	0	0	0	0	100	0	0	0	0
June 2019.....	33	0	0	0	0	40	0	0	0	0	100	0	0	0	0
June 2020.....	25	0	0	0	0	32	0	0	0	0	100	0	0	0	0
June 2021.....	15	0	0	0	0	24	0	0	0	0	100	0	0	0	0
June 2022.....	5	0	0	0	0	14	0	0	0	0	100	0	0	0	0
June 2023.....	0	0	0	0	0	5	0	0	0	0	52	0	0	0	0
June 2024.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2025.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2026.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.9	4.8	2.8	2.1	1.2	19.7	5.5	3.2	2.4	1.4	27.1	12.5	7.5	5.6	3.2

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

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

Date	D Class					LL*** and E Classes					G Class					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	125%	225%	300%	500%	0%	125%	225%	300%	500%	0%	50%	105%	140%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1997	100	100	100	100	100	100	100	100	100	100	100	100	93	93	76	65
June 1998	100	100	100	100	100	100	100	100	100	100	100	89	66	57	33	0
June 1999	100	100	100	100	100	100	100	100	100	100	100	70	65	47	19	0
June 2000	100	100	100	100	72	99	99	99	99	99	100	68	64	39	0	0
June 2001	100	100	100	100	21	98	98	98	98	98	100	68	64	33	0	0
June 2002	100	100	100	100	0	96	96	96	96	81	100	68	64	28	0	0
June 2003	100	100	100	74	0	95	95	95	95	56	93	68	61	22	0	0
June 2004	100	100	100	42	0	94	94	94	94	38	86	68	54	13	0	0
June 2005	100	100	83	16	0	93	93	93	93	26	78	68	44	2	0	0
June 2006	100	100	57	0	0	92	92	92	87	18	70	68	31	0	0	0
June 2007	100	100	35	0	0	90	90	90	70	12	68	68	18	0	0	0
June 2008	100	100	16	0	0	89	89	89	55	8	68	68	3	0	0	0
June 2009	100	100	0	0	0	88	88	88	44	6	68	68	0	0	0	0
June 2010	100	100	0	0	0	87	87	73	35	4	68	68	0	0	0	0
June 2011	100	80	0	0	0	86	86	61	27	3	68	68	0	0	0	0
June 2012	100	62	0	0	0	84	84	50	21	2	68	52	0	0	0	0
June 2013	100	45	0	0	0	83	83	41	17	1	68	32	0	0	0	0
June 2014	100	29	0	0	0	82	82	33	13	1	68	12	0	0	0	0
June 2015	100	15	0	0	0	81	81	27	10	*	68	0	0	0	0	0
June 2016	100	1	0	0	0	80	80	21	7	*	68	0	0	0	0	0
June 2017	100	0	0	0	0	78	67	16	5	*	68	0	0	0	0	0
June 2018	100	0	0	0	0	77	55	13	4	*	68	0	0	0	0	0
June 2019	100	0	0	0	0	76	43	9	3	*	60	0	0	0	0	0
June 2020	100	0	0	0	0	75	32	6	2	*	16	0	0	0	0	0
June 2021	100	0	0	0	0	74	22	4	1	*	0	0	0	0	0	0
June 2022	100	0	0	0	0	72	13	2	1	*	0	0	0	0	0	0
June 2023	100	0	0	0	0	71	4	1	*	*	0	0	0	0	0	0
June 2024	75	0	0	0	0	70	0	0	0	0	0	0	0	0	0	0
June 2025	8	0	0	0	0	69	0	0	0	0	0	0	0	0	0	0
June 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.4	16.8	10.5	7.9	4.5	25.4	21.1	16.4	13.3	8.1	18.7	12.2	6.8	3.9	1.8	1.1

Date	H Class					J Class					K Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	50%	140%	300%	500%	0%	50%	140%	300%	500%	0%	50%	190%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1997	100	100	13	0	0	100	100	81	81	81	99	94	82	73	56
June 1998	100	100	0	0	0	100	66	0	0	0	98	88	67	51	32
June 1999	100	100	0	0	0	100	5	0	0	0	97	83	53	33	14
June 2000	100	100	0	0	0	100	0	0	0	0	95	77	41	19	0
June 2001	100	100	0	0	0	100	0	0	0	0	94	71	30	7	0
June 2002	100	100	0	0	0	100	0	0	0	0	92	66	20	0	0
June 2003	100	100	0	0	0	79	0	0	0	0	90	60	12	0	0
June 2004	100	100	0	0	0	57	0	0	0	0	88	55	5	0	0
June 2005	100	100	0	0	0	33	0	0	0	0	85	49	0	0	0
June 2006	100	100	0	0	0	6	0	0	0	0	83	44	0	0	0
June 2007	100	100	0	0	0	0	0	0	0	0	80	39	0	0	0
June 2008	100	100	0	0	0	0	0	0	0	0	77	33	0	0	0
June 2009	100	100	0	0	0	0	0	0	0	0	73	28	0	0	0
June 2010	100	100	0	0	0	0	0	0	0	0	69	22	0	0	0
June 2011	100	100	0	0	0	0	0	0	0	0	65	17	0	0	0
June 2012	100	100	0	0	0	0	0	0	0	0	60	11	0	0	0
June 2013	100	100	0	0	0	0	0	0	0	0	54	6	0	0	0
June 2014	100	100	0	0	0	0	0	0	0	0	48	*	0	0	0
June 2015	100	40	0	0	0	0	0	0	0	0	41	0	0	0	0
June 2016	100	0	0	0	0	0	0	0	0	0	34	0	0	0	0
June 2017	100	0	0	0	0	0	0	0	0	0	25	0	0	0	0
June 2018	100	0	0	0	0	0	0	0	0	0	16	0	0	0	0
June 2019	100	0	0	0	0	0	0	0	0	0	6	0	0	0	0
June 2020	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	24.5	19.0	0.6	0.1	0.1	8.3	2.3	1.3	1.3	1.3	16.2	9.0	3.6	2.3	1.5

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

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 Principal Only 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 225% PSA, in the case of the A, B, C, D, LL and E Classes, 140% PSA in the case of the G, H and J Classes and 190% PSA in the case of the K Class. 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 any of those rates 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 120% of the “federal long-term rate.” The rate will be published on or about May 20, 1996. 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.

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

PLAN OF DISTRIBUTION

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

Increase in Certificates. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Group 1 Certificates in addition to those contemplated as of the date hereof. In such event, the Trust SMBS will be increased in principal balance, but it is expected that all additional Trust SMBS will have the same characteristics as described herein under “Description of the Certificates—The Trust SMBS.” The proportion that the original principal balance of each Group 1 Class bears to the aggregate original principal balance of all Group 1 Classes will remain the same.

LEGAL MATTERS

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

Exhibit A

The Underlying REMIC Certificates
(Directly Owned by the Trust)

Underlying Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Original Principal Type (1)	Original Principal Balance of Class	June 1996 Class Factor	Principal Balance in the Trust as of Issue Date	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
1994-63	PC	April 1994	31359HNN0	6.0%	FIX	June 2013	PAC	\$ 43,440,000	1.00000000	\$20,000,000.00	7.453%	326	28	MBS	2
1994-63	D	April 1994	31359HNN8	7.0	FIX	February 2023	PAC	100,500,000	0.85736573	44,583,017.96	7.453	326	28	MBS	2
1995-24	K(3)	December 1995	31359LF59	6.5	FIX	February 2023	SC/SEQ	32,503,056	0.62975677	20,469,019.56	8.493	304	47	MBS	3
1995-24	L(3)	December 1995	31359LF67	6.5	FIX	February 2023	SC/SEQ	80,000,000	1.00000000	80,000,000.00	8.493	304	47	MBS	3

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

(2) This Class is a Principal Only Class and bears no interest.

(3) The Class 1995-24-K and Class 1995-24-L REMIC Certificates represent beneficial ownership interests in the Class 1993-12-A REMIC Certificates, certain characteristics of which are set forth below. See the related Underlying Prospectus Supplement for a further description of the Class 1993-12-A REMIC Certificates.

The Class 1993 12-A REMIC Certificates
(Indirectly Owned by the Trust)

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type	Final Distribution Date	Original Principal Type	Original Principal Balance of Class	June 1996 Class Factor	Principal Balance in the Related Underlying REMIC Trust as of Issue Date	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type
1993-12	A	February 1993	31358THD4	6.5%	FIX	February 2023	TAC	\$639,750,000	0.62793138	\$100,469,019	8.493%	304	47	MBS

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

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\$315,052,036



FannieMae

Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC 1996-22

PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

May 8, 1996