

\$260,421,739



FannieMae

Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1996-66

The Guaranteed REMIC Pass-Through Certificates offered hereby (the “REMIC Certificates”) will represent beneficial ownership interests in one of two trust funds. The REMIC Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-66 (the “Trust”). The assets of the Trust will consist of the “regular interests” in a separate trust fund (the “Lower Tier REMIC”). The assets of the Lower Tier REMIC will consist of (i) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates described herein (the “Trust MBS”) and (ii) the previously issued REMIC certificate specified herein (the “Underlying REMIC Certificate”) evidencing a beneficial ownership interest in the related Fannie Mae REMIC Trust (the “Underlying REMIC Trust”) as further described in Exhibit A hereto. The assets of the Underlying REMIC Trust evidence indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”). Each MBS will represent 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.

Certain of the Classes of REMIC Certificates may, upon notice and payment of an exchange fee, be exchanged for one or more Classes (each, an “RCR Class”) of Combinable and Recombinable REMIC Certificates (“RCR Certificates”) as provided herein. Each RCR Certificate issued in such an exchange will represent a beneficial ownership interest in, and will entitle the Holder thereof to receive a proportionate share of the distributions on, the related Class of REMIC Certificates. The characteristics of the RCR Classes are set forth in Schedule 1 hereto. As used herein, unless the context requires otherwise, the term “Certificates” includes REMIC Certificates and RCR Certificates and the term “Classes” includes the Classes of REMIC Certificates and the Classes of RCR Certificates. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 hereto.

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

See “Additional Risk Factors” on page S-7 hereof and “Risk Factors” beginning on page 8 of the REMIC Prospectus attached hereto for a discussion of certain risks that should be considered in connection with an investment in the Certificates.

(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(1)	Original Principal Balance	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
HA	\$145,295,000	PAC	7.00%	FIX	31359K5Y9	January 2027
A	3,026,000	SCH	7.00	FIX	31359K5Z6	October 2023
B	47,311,000	SCH	7.00	FIX	31359K6A0	August 2026
C	10,000,000	SCH	7.00	FIX	31359K6B8	January 2027
FP	34,508,000	SUP	(3)	FLT	31359K6C6	January 2027
SJ	9,860,000	SUP	(3)	INV	31359K6D4	January 2027
SC	(4)	NTL	(3)	INV/IO	31359K6E2	January 2027
AB	10,421,739	SC/PT	(5)	PO	31359K6F9	January 2024
SM	(4)	SC/NTL	(3)	INV/IO	31359K6G7	January 2024
R	0	NPR	0	NPR	31359K6H5	January 2027
RL	0	NPR	0	NPR	31359K6J1	January 2027

- (1) The RCR Classes are set forth on Schedule 1 hereto.
- (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) These Classes will bear interest based on “LIBOR” as described under “Description of the Certificates—Distributions of Interest” herein and “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes” in the REMIC Prospectus.
- (4) The SC and SM Classes will be Notional Classes, will not have principal balances and will bear interest on their notional principal balances (initially, \$14,789,000 and \$10,421,739, respectively). The notional principal balances of the Notional Classes will be calculated based upon the principal balances of the Classes specified herein. See “Description of the Certificates—Distributions of Interest—Notional Classes” herein.
- (5) The AB Class will be a Principal Only Class and will bear no interest.

The Certificates will be offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, 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 Classes of REMIC Certificates (except for the AB, SM, R and RL Classes) and the RCR Certificates will be available through the book-entry facilities of The Depository Trust Company on or about December 17, 1996, and that the AB and SM Classes will be available through the book-entry system of the Federal Reserve Banks on or about December 26, 1996 (each, a “Settlement Date”). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about December 26, 1996.

Merrill Lynch & Co.

November 26, 1996

(Cover continued from previous page)

The yields to investors in the Group 1 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Trust MBS, which in turn will be sensitive in varying degrees to the rate of principal payments of the related Mortgage Loans and the characteristics of such Mortgage Loans. The yields to investors in the Group 2 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Underlying REMIC Certificate, which in turn will be determined by the rate of principal payments of the related Mortgage Loans, the characteristics of such Mortgage Loans and the priority sequence affecting principal distributions on the Underlying REMIC Certificate. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class and, in the case of any Floating Rate or Inverse Floating Rate Class, fluctuations in the level of the Index (as defined herein). 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 the Principal Only Class), a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- The yield on any Floating Rate or Inverse Floating Rate Class will be sensitive to the level of the Index. See “Description of the Certificates—Distributions of Interest—Floating Rate and Inverse Floating Rate Classes” herein.

See “Risk Factors—Yield Considerations” in the REMIC Prospectus and “Additional Risk Factors—Additional Yield and Prepayment Considerations” and “Yield Tables” herein.

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

- The Underlying REMIC Certificate is subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trust and, accordingly, there is no assurance that principal distributions will be made on the Underlying REMIC Certificate on any particular Distribution Date. In addition, the Underlying REMIC Certificate has a Principal Balance Schedule and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case. 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 Certificate has adhered to its Principal Balance Schedule, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificate otherwise has performed as originally anticipated. Such information may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying REMIC Disclosure Document (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 “Risk Factors—Suitability and Reinvestment Considerations” 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 or Prospectus Supplement for the Underlying REMIC Trust (the “Underlying REMIC Disclosure Document”) or the MBS Prospectus (as defined below). Any representation to the contrary is a criminal offense.

Elections will be made to treat the Lower Tier REMIC and the Trust as “real estate mortgage investment conduits” (“REMICs”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R and RL Classes will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R and RL Classes” and “Certain Additional Federal Income Tax Consequences” herein, and “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1996 (the “MBS Prospectus”);
- Fannie Mae’s Information Statement dated February 22, 1996 and any supplements thereto (collectively, the “Information Statement”); and
- The Underlying REMIC Disclosure Document.

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying REMIC Disclosure Document, 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 REMIC Disclosure Document, may also be obtained from Merrill Lynch, Pierce, Fenner & Smith Incorporated, by writing or calling its Prospectus Department at 4 Corporate Place, Corporate Park 287, Piscataway, New Jersey 08855 (telephone 908-878-6526).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Group 1 Principal Distribution Amount</i>	S-15
Additional Risk Factors	S- 7	<i>Group 2 Principal Distribution Amount</i>	S-16
Additional Yield and Prepayment Considerations	S- 7	Structuring Assumptions	S-16
Description of the Certificates	S- 7	<i>Pricing Assumptions</i>	S-16
General.....	S- 8	<i>Prepayment Assumptions</i>	S-16
<i>Structure</i>	S- 8	<i>Structuring Ranges</i>	S-16
<i>Fannie Mae Guaranty</i>	S- 8	<i>Initial Effective Ranges</i>	S-17
<i>Characteristics of Certificates</i>	S- 8	Principal Balance Schedules	S-18
<i>Authorized Denominations</i>	S- 9	Yield Tables	S-25
<i>Distribution Dates</i>	S- 9	<i>General</i>	S-25
<i>Record Date</i>	S- 9	<i>The Inverse Floating Rate Classes</i> ..	S-25
<i>REMIC Trust Factors</i>	S- 9	<i>The Principal Only Classes</i>	S-26
<i>Optional Termination</i>	S- 9	Weighted Average Lives of the Certificates	S-27
<i>Voting the Underlying REMIC Certificate</i>	S- 9	Decrement Tables	S-28
Combination and Recombination	S- 9	Characteristics of the R and RL Classes	S-30
<i>General</i>	S- 9	Certain Additional Federal Income Tax Consequences	S-30
<i>Procedures</i>	S-10	REMIC Elections and Special Tax Attributes	S-30
<i>Additional Considerations</i>	S-10	Taxation of Beneficial Owners of Regular Certificates.....	S-31
Book-Entry Procedures	S-10	Taxation of Beneficial Owners of Residual Certificates	S-31
<i>General</i>	S-10	Taxation of Beneficial Owners of RCR Certificates	S-32
<i>Method of Distribution</i>	S-11	<i>General</i>	S-32
The Trust MBS	S-11	<i>Strip RCR Classes</i>	S-32
The Underlying REMIC Certificate ...	S-12	<i>Exchanges</i>	S-33
Final Data Statement	S-12	Plan of Distribution	S-33
Distributions of Interest	S-13	<i>General</i>	S-33
<i>Categories of Classes</i>	S-13	<i>Increase in Certificates</i>	S-33
<i>General</i>	S-13	Legal Matters	S-33
<i>Interest Accrual Periods</i>	S-13	Exhibit A	A- 1
<i>Notional Classes</i>	S-14	Schedule 1	A- 2
<i>Floating Rate and Inverse Floating Rate Classes</i>	S-14		
Calculation of LIBOR	S-14		
Distributions of Principal	S-15		
<i>Categories of Classes</i>	S-15		
<i>Principal Distribution Amount</i>	S-15		

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 MBS (as of December 1, 1996)

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$250,000,000	346	14	7.6%

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 Certificate

The table contained in Exhibit A hereto sets forth information with respect to the Underlying REMIC Certificate, including certain information regarding the underlying Mortgage Loans. Certain additional information as to the Underlying REMIC Certificate may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying REMIC Disclosure Document, which may be obtained from Fannie Mae as described herein.

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

Combination and Recombination

Holders of certain Classes of REMIC Certificates will be entitled, upon notice and payment of an exchange fee, to exchange all or a portion of such Classes for a proportionate interest in the related RCR Classes in the proportions and combinations set forth on Schedule 1 hereto. The Holders of RCR Classes will be entitled to receive distributions of principal and interest from the related Class of REMIC Certificates. See “Description of the Certificates—Combination and Recombination” herein. Schedule 1 sets forth all of the available combinations of the Classes of REMIC Certificates and the related RCR Classes.

Interest Rates

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

The Floating Rate and Inverse Floating Rate Classes will bear interest during the initial Interest Accrual Period at initial interest rates determined as described below, and will bear interest during

each Interest Accrual Period thereafter, subject to the applicable maximum and minimum interest rates, at rates determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
FP	6.175%	9.00000%	0.8%	LIBOR + 80 basis points
SJ and S*	5.650%	16.39947%	0.0%	$16.39947\% - (1.999899 \times \text{LIBOR})$
SC	2.825%	8.20000%	0.0%	$8.2\% - \text{LIBOR}$
SM	7.500%(1)	7.50000%	0.0%	$45\% - (5.35714286 \times \text{LIBOR})$

* This Class is an RCR Class. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

- (1) The initial interest rate for the SM Class is an assumed rate. The actual initial interest rate for the SM Class will be calculated on the basis of the applicable formula for the calculation of such interest rate on the Index Determination Date occurring on December 19, 1996.

See “Description of the Certificates—Distributions of Interest—*Floating Rate and Inverse Floating Rate Classes*” herein.

On any Distribution Date when distributions of interest are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Class or, if applicable, RCR Classes.

Notional Classes

The notional principal balance of each Notional Class will be equal to the indicated percentage of the outstanding principal balance of the Class specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Class</u>
S*	100% of P* Class
SC	42.8567288745% of FP Class
SM	100% of AB Class

* These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Tables—*The Inverse Floating Rate Classes*” herein.

Distributions of Principal

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

Group 1 Principal Distribution Amount

- (i) To the HA Class, to its Planned Balance;
- (ii) To the A, B and C Classes, in that order, to their Scheduled Balances;
- (iii) To the FP and SJ Classes, in proportion to their original principal balances, to zero;
- (iv) To the A, B and C Classes, in that order, to zero; and
- (v) To the HA Class, to zero.

Group 2 Principal Distribution Amount

To the AB Class, to zero.

On any Distribution Date when distributions of principal are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Class or, if applicable, RCR Classes.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>265%</u>	<u>500%</u>
HA	16.8	7.9	7.9	7.9	4.5
FP, SJ, SC, P** and S**	29.1	23.2	14.6	1.5	0.7

<u>Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>130%</u>	<u>150%</u>	<u>200%</u>	<u>265%</u>	<u>500%</u>
A	24.8	0.3	0.2	0.2	0.2	0.2	0.2
B	26.3	7.9	4.1	4.1	4.1	2.6	1.4
C, CA** and CB**	27.9	17.7	17.0	17.0	17.0	6.0	2.1

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
AB and SM	22.5	11.2	4.7	2.0	0.8

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

** These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Group 1 Classes will be sensitive in varying degrees to the rate of principal distributions on the Trust MBS, 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 MBS will have the characteristics assumed herein. Because the rate of principal distributions on the Group 1 Classes will be related to the rate of amortization of the Mortgage Loans underlying the Trust MBS, 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 the Group 1 Classes is likely to differ from the rate anticipated by an investor, even if such Mortgage Loans prepay at the indicated constant percentages of PSA.

The rate of distributions of principal of the AB Class will be directly related to the rate of principal distributions on the Underlying REMIC Certificate, which in turn will be sensitive in varying degrees to the rate of payments of principal (including prepayments) of the related Mortgage Loans and the priority sequence affecting principal distributions on the Underlying REMIC Certificate. As described in the Underlying REMIC Disclosure Document, the Underlying REMIC Certificate is subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust 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 the Underlying REMIC Certificate. In addition, the Underlying REMIC Certificate has a Principal Balance Schedule 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. 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 the Underlying REMIC Certificate has adhered to its Principal Balance Schedule, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificate otherwise has performed as originally anticipated. Such information as to the Underlying REMIC Certificate may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying REMIC Disclosure Document, which may be obtained from Fannie Mae as described herein.

It is highly unlikely that the Mortgage Loans underlying the Trust MBS or the Underlying REMIC Certificate will prepay at any of the rates assumed herein, will prepay at a *constant* PSA rate until maturity or that such Mortgage Loans will prepay at the same rate. 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 effective yield on the Delay Classes (as defined herein) will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 18th or 25th day, as applicable, 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.

DESCRIPTION OF THE CERTIFICATES

The following summaries describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the remaining provisions of this Prospectus Supplement, the additional Disclosure Documents and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this

Prospectus Supplement have the meanings assigned to such terms in the applicable Disclosure Document or the Trust Agreement (as the context may require).

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of December 1, 1996 (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 REMIC Certificates (other than the R and RL Classes) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC. The assets of the Lower Tier REMIC will consist of the Trust MBS and the Underlying REMIC Certificate (evidencing a beneficial ownership interest in the Underlying REMIC Trust).

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 Certificate are described in the Underlying REMIC Disclosure Document. 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 Trust 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 Certificates—The Corporation’s Guaranty” in the MBS Prospectus, and “Description of the Certificates—General—Fannie Mae Guaranty” in the Underlying REMIC Disclosure Document.

Characteristics of Certificates. Each of the Group 1 Classes and the RCR Certificates will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of the Depository (as defined herein), which Depository will maintain such Certificates through its book-entry facilities. When used herein with respect to any DTC Certificate, the terms “Holders” and “Certificateholders” refer to the nominee of the Depository.

The AB and SM Classes 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 and “Description of the Certificates—Book-Entry Procedures” herein.

The R and RL Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R or RL Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R or RL Certificates will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer

Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer of the R or RL Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R and RL Classes” herein.

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

Authorized Denominations. The Certificates, other than the R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R and RL Classes will be issued as single Certificates and will not have principal balances.

Distribution Dates. Distributions on the Group 1 Classes will be made on the 18th day of each month (or, if such 18th day is not a business day, on the first business day next succeeding such 18th day), and distributions on the Group 2 Classes 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, and each such date is referred to herein as a “Distribution Date” when used with respect to such Classes.

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 Lower Tier REMIC or 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 Certificate. In the event any issue arises under the trust agreement governing the Underlying REMIC Trust that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the Underlying REMIC Certificate in accordance with instructions received from Holders of Certificates of the Group 2 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.

Combination and Recombination

General. Subject to the rules, regulations and procedures of the Depository, all or a portion of the C and SJ Classes may be exchanged for a proportionate interest in the related RCR Classes in the combinations and proportions set forth on Schedule 1 hereto. Similarly, all or a portion of such RCR Classes may be exchanged, in the combinations and proportions set forth on Schedule 1, for the related Class of REMIC Certificates. This process may occur repeatedly.

Each RCR Class issued in an exchange will represent a beneficial ownership interest in, and will be entitled to receive a proportionate share of the distributions on, the related Class of REMIC Certificates, and the Holders of an RCR Class will be treated as the beneficial owners of a proportionate interest in the related Class of REMIC Certificates.

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balance) of such Classes, will depend upon distributions of principal of such Classes as well as any exchanges that occur. The aggregate outstanding principal balance of all the Classes of REMIC Certificates and RCR Classes (exclusive of any notional principal balance) will at all times equal the aggregate outstanding principal balance of the Trust MBS and the Underlying REMIC Certificate.

Procedures. A Holder proposing to effect an exchange must notify Fannie Mae's Capital Markets Department through a dealer who is a member of Fannie Mae's "REMIC Dealer Group." Such notice must be given in writing or by telefax not later than two business days before the proposed exchange date (which date, subject to Fannie Mae's approval, can be any business day other than the first or last business day of the month). The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. Promptly after the receipt of a Holder's notice, Fannie Mae will telephone the dealer to provide instructions for delivering the Certificates and the exchange fee to Fannie Mae by wire transfer. A Holder's notice becomes irrevocable on the second business day before the proposed exchange date.

A fee will be payable to Fannie Mae in connection with each exchange equal to $\frac{1}{32}$ of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be submitted for exchange (but not less than \$2,000).

The first distribution on a REMIC Certificate or an RCR Certificate received in an exchange transaction will be made on the Distribution Date in the month following the month of the exchange. Such distribution will be made to the Holder of record as of the close of business on the last day of the month of the exchange.

Certificates to be exchanged must be delivered to Fannie Mae in the correct "exchange proportions" as shown in Schedule 1, which are based on the original principal balances of the related Classes of REMIC Certificates or RCR Certificates and will not change as a result of any reductions in the outstanding principal balances of the Certificates.

Additional Considerations. At any given time, a Holder's ability to exchange REMIC Certificates for RCR Certificates or to exchange RCR Certificates for REMIC Certificates will be limited by a number of factors. A Holder must, at the time of the proposed exchange, own the appropriate Classes in the appropriate proportions in order to effect a desired exchange. A Holder that does not own the appropriate Classes or the appropriate portions of such Classes may not be able to obtain the necessary Class of REMIC Certificates or the RCR Classes. The Holder of a needed Class may refuse or be unable to sell at a reasonable price or any price, or certain Classes may have been purchased and placed into other financial structures. In addition, principal distributions will, over time, diminish the amounts available for exchange. Only the combinations listed on Schedule 1 are permitted.

Book-Entry Procedures

General. Each of the Group 1 Classes and the RCR Certificates will be represented by one or more certificates (the "DTC Certificates") to be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the "Depository"). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a "Depository Participant") in the DTC Certificates, whether held for its own account or as a nominee for another person. State Street will act as Paying Agent for, and perform certain administrative functions with respect to, the DTC Certificates.

No person acquiring a beneficial ownership interest in the DTC Certificates (a "beneficial owner" or an "investor") will be entitled to receive a physical certificate representing such ownership interest. An investor's interest in the DTC Certificates will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains

such investor's account for such purpose. In turn, the financial intermediary's record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as an agent for the financial intermediary if such intermediary is not a Depository Participant). Accordingly, an investor will not be recognized by the Trustee or the Depository as a Certificateholder and must rely on the foregoing arrangements to evidence its interest in the DTC Certificates. Beneficial ownership of an investor's interest in the DTC Certificates may be transferred only by compliance with the procedures of an investor's financial intermediary and of Depository Participants. In general, beneficial ownership of an investor's interest in the DTC Certificates will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

The AB and SM Classes will be issued and maintained only on the book-entry system of the Federal Reserve Banks. Such Certificates may be held of record only by entities eligible to maintain book-entry accounts with the Federal Reserve Banks. Beneficial owners ordinarily will hold such Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of such a Certificate, and each other financial intermediary in the chain to the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of such a Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Fannie Mae and the Federal Reserve Banks will have no direct obligation to a beneficial owner of such a Certificate that is not also the Holder of the Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of such a Certificate. See "Description of the Certificates—Denominations, Certificate Form" in the REMIC Prospectus.

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

Fannie Mae's fiscal agent for the AB and SM Classes is the Federal Reserve Bank of New York. The Federal Reserve Banks will make distributions on such Certificates on behalf of Fannie Mae on the applicable Distribution Dates by crediting Holders' accounts at the Federal Reserve Banks.

The Trust MBS

The Trust MBS underlying the Group 1 Classes will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The Trust MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, commencing in the month following the month of the initial issuance of the Trust MBS. The Mortgage Loans underlying the Trust MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family residential properties ("single-family properties") and having original maturities of up to 30 years, as described under "The Mortgage Pools" and "Yield Considerations" in the MBS Prospectus. The

characteristics of the Trust MBS and the related Mortgage Loans as of December 1, 1996 (the “Issue Date”) are expected to be as follows:

Trust MBS

Aggregate Unpaid Principal Balance	\$250,000,000
MBS Pass-Through Rate	7.00%

Mortgage Loans Underlying Trust MBS

Range of WACs (per annum percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	346 months
Approximate Weighted Average CAGE	14 months

The Underlying REMIC Certificate

The Underlying REMIC Certificate represents a beneficial ownership interest in the Underlying REMIC Trust, the assets of which evidence indirect beneficial ownership interests in certain MBS.

The general characteristics of the Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document. The general characteristics of the MBS are described in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The Underlying REMIC Certificate provides 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 table contained in Exhibit A hereto sets forth certain information with respect to the Underlying REMIC Certificate, 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 Lower Tier REMIC as of the Issue Date. 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 Trust MBS and the Underlying REMIC Certificate, 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 date the Underlying REMIC Disclosure Document was 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 document.

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 balance of the Trust MBS and Underlying REMIC Certificate as of the Issue Date and, with respect to the Trust MBS, 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 MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the Trust MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data

Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	HA, A, B and C
Floating Rate	FP
Inverse Floating Rate	SJ, SC and SM
Interest Only	SC and SM
Principal Only	AB
RCR**	S, P, CA and CB
No Payment Residual	R and RL

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

** See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description of the RCR Classes.

General. The interest-bearing Certificates will bear interest at the applicable per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing 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.

On any Distribution Date when distributions of interest are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Class or, if applicable, RCR Classes.

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
FP, SJ, S* and SC Classes	One month period beginning on the 18th day of the month preceding the month of the Distribution Date and ending on the 17th day of the month of the Distribution Date
SM Class	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th of the month of the Distribution Date
The Fixed Rate Classes and the CA* and CB* Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

* These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

See “Additional Risk Factors—Additional Yield and Prepayment Considerations” herein.

Notional Classes. The SC and SM Classes will be Notional Classes. The Notional Classes will have no principal balances and will bear interest at the applicable per annum interest rates described herein during each Interest Accrual Period on the related notional principal balances. The notional principal balance of each Notional Class will be equal to the indicated percentage of the outstanding principal balance of the Class specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Class</u>
S*	100% of P* Class
SC	42.8567288745% of FP Class
SM	100% of AB Class

* These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

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

Floating Rate and Inverse Floating Rate Classes. The following Classes will bear interest during their initial Interest Accrual Period at initial interest rates determined as described below, and will bear interest during each Interest Accrual Period thereafter, subject to the applicable maximum and minimum interest rates, at the rates determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
FP	6.175%	9.00000%	0.8%	LIBOR + 80 basis points
SJ and S*	5.650%	16.39947%	0.0%	$16.39947\% - (1.999899 \times \text{LIBOR})$
SC	2.825%	8.20000%	0.0%	$8.2\% - \text{LIBOR}$
SM	$7.500\%(1)$	7.50000%	0.0%	$45\% - (5.35714286 \times \text{LIBOR})$

* This Class is an RCR Class. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

- (1) The initial interest rate for the SM Class is an assumed rate. The actual initial interest rate for the SM Class will be calculated on the basis of the applicable formula for the calculation of such interest rate on the Index Determination Date occurring on December 19, 1996.

The yields with respect to such Classes will be affected by changes in the index as set forth in the table above (the “Index”), which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an increase in the level of the Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of the Index.

The establishment of each Index value by Fannie Mae and Fannie Mae’s determination of the rate or rates of interest for the applicable Class or Classes for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. Each such rate of interest may be obtained by telephoning Fannie Mae at 1-800-BEST-MBS or 202-752-6547.

Calculation of LIBOR

On each Index Determination Date, until the principal balances and notional principal balances of the FP, SJ, S*, SC and SM Classes have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under

“Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*LIBOR*.”

If on the initial Index Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be equal to 5.375% in the case of the FP, SJ, S* and SC Classes, and will be equal to LIBOR as determined for such Interest Accrual Period for the Underlying REMIC Certificate in the case of the SM Class.

* This Class is an RCR Class. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

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	
PAC	HA
Scheduled	A, B and C
Support	FP and SJ
Notional	SC
RCR**	P, S, CA and CB
Group 2 Classes	
Structured Collateral/Pass-Through	AB
Notional	SM
No Payment Residual	R and RL

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

** See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description of the RCR Classes.

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 aggregate distributions of principal concurrently made on the Trust MBS (the “Group 1 Principal Distribution Amount”) and (ii) the distribution of principal concurrently made on the Class 1994-22-SB REMIC Certificate (the “Group 2 Principal Distribution Amount”). The portion of the class of Underlying REMIC Certificate held by the Lower Tier REMIC 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:

- | | |
|--|-------------------|
| (i) to the HA Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; | } PAC Class |
| (ii) sequentially, to the A, B and C Classes, in that order, until the principal balances thereof are reduced to their respective Scheduled Balances for such Distribution Date; | |
| (iii) concurrently, to the FP and SJ Classes, in proportion to their original principal balances (or 77.7767760548% and 22.2232239452%, respectively), until the principal balances thereof are reduced to zero; | } Support Classes |

- (iv) to the A, B and C Classes, in that order, without regard to their Scheduled Balances and until the respective principal balances thereof are reduced to zero; and
- (v) to the HA Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero.

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the AB Class, until the principal balance thereof is reduced to zero.

On any Distribution Date when distributions of principal are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Class or, if applicable, to such RCR 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 actual characteristics of each Pool underlying the Underlying REMIC Certificate, the priority sequence affecting the principal distributions on the Underlying REMIC Certificate and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS bear interest at a rate of 7.6% per annum and have an original term to maturity of 360 months, a CAGE of 14 months and a remaining term to maturity of 346 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 Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any PSA rate or at any other constant rate.

Structuring Ranges. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans underlying the Trust MBS prepay at a constant PSA rate within the Structuring Ranges specified below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Ranges</u>
Planned Balance	PAC	Between 100% and 265%
Scheduled Balance	Scheduled	Between 130% and 200%

There is no assurance that the principal balance of any Class listed above will conform on any Distribution Date to the applicable balance specified for such Distribution Date in the Principal Balance Schedules herein, or that distributions of principal on such 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 any such Class to its scheduled balance will be distributed, the ability to reduce such Class will not be enhanced by the averaging of high and low principal payments from month to month. In addition, even if prepayments on the Mortgage Loans underlying the Trust MBS occur at rates falling within the applicable Structuring Range specified above, principal distributions may be insufficient to reduce such Class to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans underlying the Trust MBS (which may include recently originated Mortgage Loans), the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Ranges specified above.

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

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
HA	Between 100% and 265%
A	Between 126% and 1,429%
B	Between 126% and 200%
C	Between 116% and 200%

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
Initial Balance	\$145,295,000.00	\$3,026,000.00	\$47,311,000.00	\$10,000,000.00
January 1997	144,877,978.48	2,441,393.05	47,311,000.00	10,000,000.00
February 1997	144,440,280.71	1,825,860.73	47,311,000.00	10,000,000.00
March 1997	143,982,084.98	1,179,761.26	47,311,000.00	10,000,000.00
April 1997	143,503,580.20	503,475.49	47,311,000.00	10,000,000.00
May 1997	143,004,965.70	0.00	47,108,406.51	10,000,000.00
June 1997	142,486,451.20	0.00	46,372,979.32	10,000,000.00
July 1997	141,948,256.60	0.00	45,608,640.40	10,000,000.00
August 1997	141,390,611.84	0.00	44,815,857.34	10,000,000.00
September 1997	140,813,756.77	0.00	43,995,118.35	10,000,000.00
October 1997	140,217,940.96	0.00	43,146,931.80	10,000,000.00
November 1997	139,603,423.50	0.00	42,271,825.73	10,000,000.00
December 1997	138,970,472.89	0.00	41,370,347.33	10,000,000.00
January 1998	138,319,366.76	0.00	40,443,062.40	10,000,000.00
February 1998	137,650,391.72	0.00	39,490,554.77	10,000,000.00
March 1998	136,963,843.15	0.00	38,513,425.72	10,000,000.00
April 1998	136,260,024.97	0.00	37,512,293.37	10,000,000.00
May 1998	135,559,706.37	0.00	36,518,842.32	10,000,000.00
June 1998	134,862,869.22	0.00	35,533,017.69	10,000,000.00
July 1998	134,169,495.47	0.00	34,554,765.00	10,000,000.00
August 1998	133,479,567.17	0.00	33,584,030.12	10,000,000.00
September 1998	132,793,066.46	0.00	32,620,759.33	10,000,000.00
October 1998	132,109,975.58	0.00	31,664,899.25	10,000,000.00
November 1998	131,430,276.84	0.00	30,716,396.91	10,000,000.00
December 1998	130,753,952.67	0.00	29,775,199.68	10,000,000.00
January 1999	130,080,985.56	0.00	28,841,255.32	10,000,000.00
February 1999	129,411,358.11	0.00	27,914,511.95	10,000,000.00
March 1999	128,745,053.00	0.00	26,994,918.04	10,000,000.00
April 1999	128,082,053.00	0.00	26,082,422.43	10,000,000.00
May 1999	127,422,340.99	0.00	25,176,974.34	10,000,000.00
June 1999	126,765,899.90	0.00	24,278,523.30	10,000,000.00
July 1999	126,112,712.77	0.00	23,387,019.23	10,000,000.00
August 1999	125,462,762.72	0.00	22,502,412.38	10,000,000.00
September 1999	124,816,032.97	0.00	21,624,653.37	10,000,000.00
October 1999	124,172,506.81	0.00	20,753,693.15	10,000,000.00
November 1999	123,532,167.62	0.00	19,889,483.01	10,000,000.00
December 1999	122,894,998.87	0.00	19,031,974.58	10,000,000.00
January 2000	122,260,984.12	0.00	18,181,119.86	10,000,000.00
February 2000	121,630,107.00	0.00	17,336,871.14	10,000,000.00
March 2000	121,002,351.22	0.00	16,499,181.08	10,000,000.00
April 2000	120,377,700.60	0.00	15,668,002.66	10,000,000.00
May 2000	119,134,577.44	0.00	15,464,850.76	10,000,000.00
June 2000	117,897,600.30	0.00	15,265,044.44	10,000,000.00
July 2000	116,666,737.29	0.00	15,068,553.59	10,000,000.00
August 2000	115,441,956.68	0.00	14,875,348.37	10,000,000.00
September 2000	114,223,226.89	0.00	14,685,399.17	10,000,000.00
October 2000	113,010,516.52	0.00	14,498,676.61	10,000,000.00
November 2000	111,803,794.32	0.00	14,315,151.57	10,000,000.00
December 2000	110,603,029.21	0.00	14,134,795.12	10,000,000.00
January 2001	109,408,190.27	0.00	13,957,578.61	10,000,000.00
February 2001	108,219,246.72	0.00	13,783,473.59	10,000,000.00
March 2001	107,036,167.96	0.00	13,612,451.85	10,000,000.00

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
April 2001.....	\$105,858,923.53	\$ 0.00	\$13,444,485.41	\$10,000,000.00
May 2001	104,687,483.14	0.00	13,279,546.50	10,000,000.00
June 2001	103,521,816.65	0.00	13,117,607.58	10,000,000.00
July 2001	102,361,894.07	0.00	12,958,641.35	10,000,000.00
August 2001	101,207,685.57	0.00	12,802,620.71	10,000,000.00
September 2001.....	100,059,161.47	0.00	12,649,518.78	10,000,000.00
October 2001	98,916,292.25	0.00	12,499,308.90	10,000,000.00
November 2001	97,779,048.53	0.00	12,351,964.64	10,000,000.00
December 2001	96,647,401.09	0.00	12,207,459.75	10,000,000.00
January 2002	95,521,320.85	0.00	12,065,768.23	10,000,000.00
February 2002	94,400,778.89	0.00	11,926,864.27	10,000,000.00
March 2002	93,285,746.43	0.00	11,790,722.27	10,000,000.00
April 2002.....	92,176,194.84	0.00	11,657,316.83	10,000,000.00
May 2002	91,072,095.64	0.00	11,526,622.78	10,000,000.00
June 2002	89,973,420.50	0.00	11,398,615.13	10,000,000.00
July 2002	88,880,141.22	0.00	11,273,269.10	10,000,000.00
August 2002	87,792,229.76	0.00	11,150,560.13	10,000,000.00
September 2002.....	86,709,658.21	0.00	11,030,463.82	10,000,000.00
October 2002	85,632,398.83	0.00	10,912,956.01	10,000,000.00
November 2002	84,560,423.98	0.00	10,798,012.70	10,000,000.00
December 2002	83,493,706.20	0.00	10,685,610.13	10,000,000.00
January 2003	82,432,218.15	0.00	10,575,724.68	10,000,000.00
February 2003	81,375,932.65	0.00	10,468,332.96	10,000,000.00
March 2003	80,324,822.63	0.00	10,363,411.76	10,000,000.00
April 2003.....	79,278,861.18	0.00	10,260,938.07	10,000,000.00
May 2003	78,238,021.52	0.00	10,160,889.04	10,000,000.00
June 2003	77,202,277.01	0.00	10,063,242.03	10,000,000.00
July 2003	76,171,601.16	0.00	9,967,974.58	10,000,000.00
August 2003	75,145,967.59	0.00	9,875,064.41	10,000,000.00
September 2003.....	74,125,350.07	0.00	9,784,489.44	10,000,000.00
October 2003	73,109,722.51	0.00	9,696,227.74	10,000,000.00
November 2003	72,099,058.94	0.00	9,610,257.57	10,000,000.00
December 2003	71,093,333.53	0.00	9,526,557.40	10,000,000.00
January 2004	70,092,520.58	0.00	9,445,105.83	10,000,000.00
February 2004	69,096,594.53	0.00	9,365,881.66	10,000,000.00
March 2004	68,105,529.95	0.00	9,288,863.87	10,000,000.00
April 2004.....	67,119,301.52	0.00	9,214,031.60	10,000,000.00
May 2004	66,137,884.07	0.00	9,141,364.15	10,000,000.00
June 2004	65,161,252.57	0.00	9,070,841.03	10,000,000.00
July 2004	64,189,382.08	0.00	9,002,441.88	10,000,000.00
August 2004	63,222,247.83	0.00	8,936,146.53	10,000,000.00
September 2004.....	62,259,825.15	0.00	8,871,934.96	10,000,000.00
October 2004	61,302,089.51	0.00	8,809,787.33	10,000,000.00
November 2004	60,349,016.49	0.00	8,749,683.96	10,000,000.00
December 2004	59,400,581.81	0.00	8,691,605.32	10,000,000.00
January 2005	58,456,761.31	0.00	8,635,532.07	10,000,000.00
February 2005	57,522,555.33	0.00	8,576,420.63	10,000,000.00
March 2005	56,602,507.32	0.00	8,509,684.58	10,000,000.00
April 2005.....	55,696,408.20	0.00	8,435,490.37	10,000,000.00
May 2005	54,804,051.92	0.00	8,354,001.63	10,000,000.00
June 2005	53,925,235.42	0.00	8,265,379.29	10,000,000.00
July 2005	53,059,758.63	0.00	8,170,256.74	10,000,000.00

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
August 2005	\$ 52,207,424.38	\$ 0.00	\$ 8,072,748.06	\$10,000,000.00
September 2005.....	51,368,038.36	0.00	7,972,931.05	10,000,000.00
October 2005	50,541,409.12	0.00	7,870,881.96	10,000,000.00
November 2005	49,727,347.98	0.00	7,766,675.45	10,000,000.00
December 2005	48,925,669.02	0.00	7,660,384.66	10,000,000.00
January 2006	48,136,189.03	0.00	7,552,081.23	10,000,000.00
February 2006	47,358,727.47	0.00	7,441,835.32	10,000,000.00
March 2006	46,593,106.43	0.00	7,329,715.61	10,000,000.00
April 2006.....	45,839,150.60	0.00	7,215,789.40	10,000,000.00
May 2006	45,096,687.23	0.00	7,100,122.54	10,000,000.00
June 2006	44,365,546.08	0.00	6,982,779.54	10,000,000.00
July 2006	43,645,559.41	0.00	6,863,823.54	10,000,000.00
August 2006	42,936,561.92	0.00	6,743,316.35	10,000,000.00
September 2006.....	42,238,390.71	0.00	6,621,318.47	10,000,000.00
October 2006	41,550,885.28	0.00	6,497,889.14	10,000,000.00
November 2006	40,873,887.45	0.00	6,373,086.31	10,000,000.00
December 2006	40,207,241.38	0.00	6,246,966.72	10,000,000.00
January 2007	39,550,793.48	0.00	6,119,585.87	10,000,000.00
February 2007	38,904,392.40	0.00	5,990,998.08	10,000,000.00
March 2007	38,267,889.03	0.00	5,861,256.50	10,000,000.00
April 2007.....	37,641,136.41	0.00	5,730,413.12	10,000,000.00
May 2007	37,023,989.73	0.00	5,598,518.81	10,000,000.00
June 2007	36,416,306.31	0.00	5,465,623.32	10,000,000.00
July 2007	35,817,945.56	0.00	5,331,775.31	10,000,000.00
August 2007	35,228,768.91	0.00	5,197,022.37	10,000,000.00
September 2007.....	34,648,639.85	0.00	5,061,411.05	10,000,000.00
October 2007	34,077,423.86	0.00	4,924,986.84	10,000,000.00
November 2007	33,514,988.37	0.00	4,787,794.25	10,000,000.00
December 2007	32,961,202.76	0.00	4,649,876.77	10,000,000.00
January 2008	32,415,938.32	0.00	4,511,276.92	10,000,000.00
February 2008	31,879,068.23	0.00	4,372,036.26	10,000,000.00
March 2008	31,350,467.51	0.00	4,232,195.41	10,000,000.00
April 2008.....	30,830,013.03	0.00	4,091,794.06	10,000,000.00
May 2008	30,317,583.43	0.00	3,950,871.00	10,000,000.00
June 2008	29,813,059.15	0.00	3,809,464.11	10,000,000.00
July 2008	29,316,322.37	0.00	3,667,610.43	10,000,000.00
August 2008	28,827,257.01	0.00	3,525,346.09	10,000,000.00
September 2008.....	28,345,748.68	0.00	3,382,706.43	10,000,000.00
October 2008	27,871,684.65	0.00	3,239,725.93	10,000,000.00
November 2008	27,404,953.87	0.00	3,096,438.25	10,000,000.00
December 2008	26,945,446.89	0.00	2,952,876.28	10,000,000.00
January 2009	26,493,055.88	0.00	2,809,072.12	10,000,000.00
February 2009	26,047,674.58	0.00	2,665,057.08	10,000,000.00
March 2009	25,609,198.30	0.00	2,520,861.74	10,000,000.00
April 2009.....	25,177,523.87	0.00	2,376,515.93	10,000,000.00
May 2009	24,752,549.64	0.00	2,232,048.75	10,000,000.00
June 2009	24,334,175.45	0.00	2,087,488.60	10,000,000.00
July 2009	23,922,302.61	0.00	1,942,863.16	10,000,000.00
August 2009	23,516,833.87	0.00	1,798,199.46	10,000,000.00
September 2009.....	23,117,673.42	0.00	1,653,523.81	10,000,000.00
October 2009	22,724,726.84	0.00	1,508,861.90	10,000,000.00
November 2009	22,337,901.10	0.00	1,364,238.75	10,000,000.00

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
December 2009	\$ 21,957,104.55	\$ 0.00	\$ 1,219,678.75	\$10,000,000.00
January 2010	21,582,246.86	0.00	1,075,205.66	10,000,000.00
February 2010	21,213,239.04	0.00	930,842.63	10,000,000.00
March 2010	20,849,993.41	0.00	786,612.23	10,000,000.00
April 2010	20,492,423.57	0.00	642,536.41	10,000,000.00
May 2010	20,140,444.39	0.00	498,636.56	10,000,000.00
June 2010	19,793,972.00	0.00	354,933.50	10,000,000.00
July 2010	19,452,923.75	0.00	211,447.50	10,000,000.00
August 2010	19,117,218.20	0.00	68,198.27	10,000,000.00
September 2010	18,786,775.13	0.00	0.00	9,925,205.00
October 2010	18,461,515.47	0.00	0.00	9,782,486.35
November 2010	18,141,361.34	0.00	0.00	9,640,060.47
December 2010	17,826,235.99	0.00	0.00	9,497,945.01
January 2011	17,516,063.79	0.00	0.00	9,356,157.10
February 2011	17,210,770.25	0.00	0.00	9,214,713.42
March 2011	16,910,281.94	0.00	0.00	9,073,630.15
April 2011	16,614,526.54	0.00	0.00	8,932,923.02
May 2011	16,323,432.79	0.00	0.00	8,792,607.30
June 2011	16,036,930.47	0.00	0.00	8,652,697.81
July 2011	15,754,950.38	0.00	0.00	8,513,208.92
August 2011	15,477,424.37	0.00	0.00	8,374,154.59
September 2011	15,204,285.29	0.00	0.00	8,235,548.34
October 2011	14,935,466.94	0.00	0.00	8,097,403.30
November 2011	14,670,904.15	0.00	0.00	7,959,732.18
December 2011	14,410,532.66	0.00	0.00	7,822,547.29
January 2012	14,154,289.20	0.00	0.00	7,685,860.55
February 2012	13,902,111.41	0.00	0.00	7,549,683.52
March 2012	13,653,937.85	0.00	0.00	7,414,027.37
April 2012	13,409,707.98	0.00	0.00	7,278,902.89
May 2012	13,169,362.18	0.00	0.00	7,144,320.55
June 2012	12,932,841.68	0.00	0.00	7,010,290.43
July 2012	12,700,088.58	0.00	0.00	6,876,822.30
August 2012	12,471,045.86	0.00	0.00	6,743,925.56
September 2012	12,245,657.32	0.00	0.00	6,611,609.32
October 2012	12,023,867.59	0.00	0.00	6,479,882.32
November 2012	11,805,622.13	0.00	0.00	6,348,753.02
December 2012	11,590,867.18	0.00	0.00	6,218,229.56
January 2013	11,379,549.81	0.00	0.00	6,088,319.77
February 2013	11,171,617.84	0.00	0.00	5,959,031.19
March 2013	10,967,019.89	0.00	0.00	5,830,371.07
April 2013	10,765,705.31	0.00	0.00	5,702,346.38
May 2013	10,567,624.23	0.00	0.00	5,574,963.78
June 2013	10,372,727.48	0.00	0.00	5,448,229.71
July 2013	10,180,966.65	0.00	0.00	5,322,150.30
August 2013	9,992,294.04	0.00	0.00	5,196,731.43
September 2013	9,806,662.63	0.00	0.00	5,071,978.74
October 2013	9,624,026.14	0.00	0.00	4,947,897.59
November 2013	9,444,338.93	0.00	0.00	4,824,493.14
December 2013	9,267,556.07	0.00	0.00	4,701,770.26
January 2014	9,093,633.28	0.00	0.00	4,579,733.62
February 2014	8,922,526.94	0.00	0.00	4,458,387.65
March 2014	8,754,194.07	0.00	0.00	4,337,736.55

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
April 2014.....	\$ 8,588,592.33	\$ 0.00	\$ 0.00	\$ 4,217,784.32
May 2014	8,425,680.01	0.00	0.00	4,098,534.72
June 2014	8,265,416.03	0.00	0.00	3,979,991.32
July 2014	8,107,759.89	0.00	0.00	3,862,157.48
August 2014	7,952,671.72	0.00	0.00	3,745,036.35
September 2014.....	7,800,112.22	0.00	0.00	3,628,630.90
October 2014	7,650,042.68	0.00	0.00	3,512,943.90
November 2014	7,502,424.99	0.00	0.00	3,397,977.93
December 2014	7,357,221.56	0.00	0.00	3,283,735.40
January 2015	7,214,395.38	0.00	0.00	3,170,218.52
February 2015	7,073,910.01	0.00	0.00	3,057,429.35
March 2015	6,935,729.52	0.00	0.00	2,945,369.75
April 2015.....	6,799,818.53	0.00	0.00	2,834,041.45
May 2015	6,666,142.18	0.00	0.00	2,723,445.99
June 2015	6,534,666.13	0.00	0.00	2,613,584.76
July 2015	6,405,356.55	0.00	0.00	2,504,459.00
August 2015	6,278,180.13	0.00	0.00	2,396,069.78
September 2015.....	6,153,104.02	0.00	0.00	2,288,418.05
October 2015	6,030,095.89	0.00	0.00	2,181,504.59
November 2015	5,909,123.89	0.00	0.00	2,075,330.05
December 2015	5,790,156.62	0.00	0.00	1,969,894.95
January 2016	5,673,163.17	0.00	0.00	1,865,199.67
February 2016	5,558,113.08	0.00	0.00	1,761,244.45
March 2016	5,444,976.35	0.00	0.00	1,658,029.41
April 2016.....	5,333,723.43	0.00	0.00	1,555,554.55
May 2016	5,224,325.19	0.00	0.00	1,453,819.74
June 2016	5,116,752.97	0.00	0.00	1,352,824.75
July 2016	5,010,978.51	0.00	0.00	1,252,569.20
August 2016	4,906,973.98	0.00	0.00	1,153,052.64
September 2016.....	4,804,711.96	0.00	0.00	1,054,274.47
October 2016	4,704,165.45	0.00	0.00	956,234.02
November 2016	4,605,307.85	0.00	0.00	858,930.48
December 2016	4,508,112.95	0.00	0.00	762,362.98
January 2017	4,412,554.94	0.00	0.00	666,530.51
February 2017	4,318,608.39	0.00	0.00	571,431.99
March 2017	4,226,248.25	0.00	0.00	477,066.25
April 2017.....	4,135,449.86	0.00	0.00	383,432.00
May 2017	4,046,188.91	0.00	0.00	290,527.89
June 2017	3,958,441.46	0.00	0.00	198,352.48
July 2017	3,872,183.93	0.00	0.00	106,904.24
August 2017	3,787,393.10	0.00	0.00	16,181.55
September 2017.....	3,704,046.07	0.00	0.00	0.00
October 2017	3,622,120.33	0.00	0.00	0.00
November 2017	3,541,593.66	0.00	0.00	0.00
December 2017	3,462,444.20	0.00	0.00	0.00
January 2018	3,384,650.42	0.00	0.00	0.00
February 2018	3,308,191.10	0.00	0.00	0.00
March 2018	3,233,045.34	0.00	0.00	0.00
April 2018.....	3,159,192.56	0.00	0.00	0.00
May 2018	3,086,612.49	0.00	0.00	0.00
June 2018	3,015,285.15	0.00	0.00	0.00
July 2018	2,945,190.89	0.00	0.00	0.00

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
August 2018	\$ 2,876,310.32	\$ 0.00	\$ 0.00	\$ 0.00
September 2018.....	2,808,624.36	0.00	0.00	0.00
October 2018	2,742,114.23	0.00	0.00	0.00
November 2018	2,676,761.41	0.00	0.00	0.00
December 2018	2,612,547.66	0.00	0.00	0.00
January 2019	2,549,455.02	0.00	0.00	0.00
February 2019	2,487,465.82	0.00	0.00	0.00
March 2019	2,426,562.62	0.00	0.00	0.00
April 2019.....	2,366,728.27	0.00	0.00	0.00
May 2019	2,307,945.87	0.00	0.00	0.00
June 2019	2,250,198.77	0.00	0.00	0.00
July 2019	2,193,470.59	0.00	0.00	0.00
August 2019	2,137,745.16	0.00	0.00	0.00
September 2019.....	2,083,006.60	0.00	0.00	0.00
October 2019	2,029,239.23	0.00	0.00	0.00
November 2019	1,976,427.64	0.00	0.00	0.00
December 2019	1,924,556.63	0.00	0.00	0.00
January 2020	1,873,611.23	0.00	0.00	0.00
February 2020	1,823,576.72	0.00	0.00	0.00
March 2020	1,774,438.58	0.00	0.00	0.00
April 2020.....	1,726,182.51	0.00	0.00	0.00
May 2020	1,678,794.44	0.00	0.00	0.00
June 2020	1,632,260.50	0.00	0.00	0.00
July 2020	1,586,567.04	0.00	0.00	0.00
August 2020	1,541,700.62	0.00	0.00	0.00
September 2020.....	1,497,648.00	0.00	0.00	0.00
October 2020	1,454,396.12	0.00	0.00	0.00
November 2020	1,411,932.15	0.00	0.00	0.00
December 2020	1,370,243.44	0.00	0.00	0.00
January 2021	1,329,317.53	0.00	0.00	0.00
February 2021	1,289,142.16	0.00	0.00	0.00
March 2021	1,249,705.25	0.00	0.00	0.00
April 2021.....	1,210,994.90	0.00	0.00	0.00
May 2021	1,172,999.39	0.00	0.00	0.00
June 2021	1,135,707.19	0.00	0.00	0.00
July 2021	1,099,106.93	0.00	0.00	0.00
August 2021	1,063,187.44	0.00	0.00	0.00
September 2021.....	1,027,937.69	0.00	0.00	0.00
October 2021	993,346.83	0.00	0.00	0.00
November 2021.....	959,404.18	0.00	0.00	0.00
December 2021	926,099.21	0.00	0.00	0.00
January 2022	893,421.58	0.00	0.00	0.00
February 2022	861,361.07	0.00	0.00	0.00
March 2022	829,907.64	0.00	0.00	0.00
April 2022.....	799,051.40	0.00	0.00	0.00
May 2022	768,782.61	0.00	0.00	0.00
June 2022	739,091.68	0.00	0.00	0.00
July 2022	709,969.16	0.00	0.00	0.00
August 2022	681,405.75	0.00	0.00	0.00
September 2022.....	653,392.29	0.00	0.00	0.00
October 2022	625,919.78	0.00	0.00	0.00
November 2022	598,979.32	0.00	0.00	0.00

<u>Distribution Date</u>	<u>HA Class Planned Balance</u>	<u>A Class Scheduled Balance</u>	<u>B Class Scheduled Balance</u>	<u>C Class Scheduled Balance</u>
December 2022	\$ 572,562.19	\$ 0.00	\$ 0.00	\$ 0.00
January 2023	546,659.76	0.00	0.00	0.00
February 2023	521,263.57	0.00	0.00	0.00
March 2023	496,365.27	0.00	0.00	0.00
April 2023	471,956.64	0.00	0.00	0.00
May 2023	448,029.60	0.00	0.00	0.00
June 2023	424,576.17	0.00	0.00	0.00
July 2023	401,588.51	0.00	0.00	0.00
August 2023	379,058.91	0.00	0.00	0.00
September 2023	356,979.76	0.00	0.00	0.00
October 2023	335,343.57	0.00	0.00	0.00
November 2023	314,142.97	0.00	0.00	0.00
December 2023	293,370.71	0.00	0.00	0.00
January 2024	273,019.65	0.00	0.00	0.00
February 2024	253,082.74	0.00	0.00	0.00
March 2024	233,553.07	0.00	0.00	0.00
April 2024	214,423.82	0.00	0.00	0.00
May 2024	195,688.27	0.00	0.00	0.00
June 2024	177,339.83	0.00	0.00	0.00
July 2024	159,371.97	0.00	0.00	0.00
August 2024	141,778.31	0.00	0.00	0.00
September 2024	124,552.53	0.00	0.00	0.00
October 2024	107,688.42	0.00	0.00	0.00
November 2024	91,179.89	0.00	0.00	0.00
December 2024	75,020.90	0.00	0.00	0.00
January 2025	59,205.55	0.00	0.00	0.00
February 2025	43,727.99	0.00	0.00	0.00
March 2025	28,582.50	0.00	0.00	0.00
April 2025	13,763.41	0.00	0.00	0.00
May 2025 and thereafter	0.00	0.00	0.00	0.00

Yield Tables

General. The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. 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. *There can be no assurance 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. In addition, there can be no assurance that the Index will correspond to the levels shown herein. 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. Moreover, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of the Index will remain constant.*

The Inverse Floating Rate Classes. The yields to investors in the Inverse Floating Rate Classes will be sensitive in varying degrees to the level of the Index and to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the Trust MBS or the Underlying REMIC Certificate, as applicable. The Mortgage Loans generally can be prepaid at any time. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool. As indicated in the tables below, it is possible that, under certain Index and prepayment scenarios, investors in the Interest Only Classes would not fully recoup their initial investments.

Changes in the Index may not correlate with changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur concurrently with an increased level of the Index.

The information set forth in the following tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Classes for the initial Interest Accrual Period are the actual and assumed rates appearing in the table under “Distributions of Interest—*Floating Rate and Inverse Floating Rate Classes*” herein and for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based on the indicated level of the Index and (ii) the aggregate purchase prices of the Inverse Floating Rate Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SJ	74%
S**	24%
SC	7%
SM	22%

* The prices do not include accrued interest. Except in the case of the SM Class, accrued interest has not been added to such prices in calculating the yields set forth in the tables below.

** This Class is an RCR Class. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

**Sensitivity of the SJ Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>265%</u>	<u>500%</u>
3.375%	13.5%	13.6%	15.2%	34.5%	68.3%
5.375%	8.2%	8.3%	9.7%	29.3%	63.0%
7.375%	3.1%	3.3%	4.4%	24.1%	57.8%
8.210%	1.2%	1.3%	2.3%	22.1%	55.6%

Sensitivity of the S Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>265%</u>	<u>500%</u>
3.375%	43.0%	43.0%	36.5%	(38.5)%	*
5.375%	24.6%	24.6%	19.0%	(66.1)%	*
7.375%	5.2%	4.5%	0.2%	*	*
8.210%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.
 ** This Class is an RCR Class. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

**Sensitivity of the SC Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>265%</u>	<u>500%</u>
3.375%	77.5%	77.5%	69.6%	3.5%	*
5.375%	43.9%	43.8%	37.2%	(37.4)%	*
7.375%	11.7%	11.3%	6.6%	(90.8)%	*
8.200%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

**Sensitivity of the SM Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
7.000% and below	36.3%	35.2%	17.6%	(21.6)%	(80.1)%
7.375%	25.8%	23.9%	5.6%	(34.9)%	(88.5)%
8.400%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

The information set forth in the following tables 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>
P*	50%
AB	75%

**Sensitivity of the AB Class to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
AB	1.8%	2.6%	6.6%	16.2%	43.1%

**Sensitivity of the P* Class to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>265%</u>	<u>500%</u>
P*	2.7%	3.0%	5.7%	57.6%	159.9%

* This Class is an RCR Class. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

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 Classes and, in the case of the AB and SM Classes, the priority sequence of distributions of principal of the Underlying REMIC Certificate. The weighted average lives of the Group 1 Classes will also depend on the distribution of principal of certain Classes in accordance with the Principal Balance Schedules. In particular, if the amount distributable as principal of the Group 1 Classes on any Distribution Date exceeds the amount required to reduce the principal balances of certain Classes to their scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed on the remaining Group 1 Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce such Classes to their scheduled amounts, no principal will be distributed on the remaining Group 1 Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the Trust MBS is expected to have a greater effect on the weighted average lives of the Support Classes and, under certain prepayment scenarios, the Scheduled Classes, than on the weighted average life of the PAC Class. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Document.

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 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:

<u>Mortgage Loans relating to Trust MBS and Underlying REMIC Trust specified below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
Trust MBS	360 months	360 months	9.5%	Group 1
1994-22	360 months	325 months	10.0%	Group 2

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 weighted average remaining term to maturity and the weighted average CAGE of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	HA Class					A Class							B Class						
	PSA Prepayment Assumption					PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	150%	265%	500%	0%	100%	130%	150%	200%	265%	500%	0%	100%	130%	150%	200%	265%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1997	99	96	96	96	96	100	0	0	0	0	0	0	100	93	87	87	87	87	87
December 1998	98	90	90	90	90	100	0	0	0	0	0	0	100	76	63	63	63	63	0
December 1999	96	85	85	85	65	100	0	0	0	0	0	0	100	59	40	40	40	40	0
December 2000	95	76	76	76	45	100	0	0	0	0	0	0	100	54	30	30	30	13	0
December 2001	94	67	67	67	31	100	0	0	0	0	0	0	100	54	26	26	26	0	0
December 2002	92	57	57	57	21	100	0	0	0	0	0	0	100	54	23	23	23	0	0
December 2003	90	49	49	49	15	100	0	0	0	0	0	0	100	54	20	20	20	0	0
December 2004	88	41	41	41	10	100	0	0	0	0	0	0	100	54	18	18	18	0	0
December 2005	86	34	34	34	7	100	0	0	0	0	0	0	100	53	16	16	16	0	0
December 2006	83	28	28	28	5	100	0	0	0	0	0	0	100	49	13	13	13	0	0
December 2007	80	23	23	23	3	100	0	0	0	0	0	0	100	44	10	10	10	0	0
December 2008	77	19	19	19	2	100	0	0	0	0	0	0	100	37	6	6	6	0	0
December 2009	74	15	15	15	1	100	0	0	0	0	0	0	100	29	3	3	3	0	0
December 2010	70	12	12	12	1	100	0	0	0	0	0	0	100	20	0	0	0	0	0
December 2011	66	10	10	10	1	100	0	0	0	0	0	0	100	11	0	0	0	0	0
December 2012	62	8	8	8	*	100	0	0	0	0	0	0	100	1	0	0	0	0	0
December 2013	57	6	6	6	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2014	52	5	5	5	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2015	46	4	4	4	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2016	40	3	3	3	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2017	33	2	2	2	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2018	25	2	2	2	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2019	16	1	1	1	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2020	7	1	1	1	*	100	0	0	0	0	0	0	100	0	0	0	0	0	0
December 2021	1	1	1	1	*	0	0	0	0	0	0	0	95	0	0	0	0	0	0
December 2022	*	*	*	*	*	0	0	0	0	0	0	0	61	0	0	0	0	0	0
December 2023	*	*	*	*	*	0	0	0	0	0	0	0	23	0	0	0	0	0	0
December 2024	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.8	7.9	7.9	7.9	4.5	24.8	0.3	0.2	0.2	0.2	0.2	0.2	26.3	7.9	4.1	4.1	4.1	2.6	1.4

Date	C, CA†† and CB†† Classes							FP, SJ, SC†, P†† and †S†† Classes						AB and SM† Classes					
	PSA Prepayment Assumption							PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	130%	150%	200%	265%	500%	0%	100%	150%	265%	500%	0%	100%	200%	300%	500%		
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1997	100	100	100	100	100	100	100	100	100	95	68	14	100	100	88	88	67	27	
December 1998	100	100	100	100	100	100	63	100	100	88	30	0	100	100	76	43	5		
December 1999	100	100	100	100	100	100	0	100	100	82	2	0	100	100	68	25	3		
December 2000	100	100	100	100	100	100	0	100	100	78	0	0	100	100	59	12	1		
December 2001	100	100	100	100	100	86	0	100	100	74	0	0	100	100	49	0	0		
December 2002	100	100	100	100	100	37	0	100	100	72	0	0	100	100	37	0	0		
December 2003	100	100	100	100	100	10	0	100	100	70	0	0	100	97	25	0	0		
December 2004	100	100	100	100	100	1	0	100	100	69	0	0	100	87	13	0	0		
December 2005	100	100	100	100	100	1	0	100	100	68	0	0	100	76	2	0	0		
December 2006	100	100	100	100	100	1	0	100	100	67	0	0	100	64	0	0	0		
December 2007	100	100	100	100	100	1	0	100	100	65	0	0	100	53	0	0	0		
December 2008	100	100	100	100	100	1	0	100	100	62	0	0	100	41	0	0	0		
December 2009	100	100	100	100	100	1	0	100	100	60	0	0	100	28	0	0	0		
December 2010	100	100	95	95	95	1	0	100	100	57	0	0	100	17	0	0	0		
December 2011	100	100	78	78	78	1	0	100	100	53	0	0	100	6	0	0	0		
December 2012	100	100	62	62	62	1	0	100	100	50	0	0	100	0	0	0	0		
December 2013	100	59	47	47	47	1	0	100	100	47	0	0	100	0	0	0	0		
December 2014	100	33	33	33	33	1	0	100	95	43	0	0	100	0	0	0	0		
December 2015	100	20	20	20	20	1	0	100	88	40	0	0	100	0	0	0	0		
December 2016	100	8	8	8	8	1	0	100	80	37	0	0	100	0	0	0	0		
December 2017	100	0	0	0	0	1	0	100	71	33	0	0	83	0	0	0	0		
December 2018	100	0	0	0	0	1	0	100	61	27	0	0	62	0	0	0	0		
December 2019	100	0	0	0	0	1	0	100	51	22	0	0	39	0	0	0	0		
December 2020	100	0	0	0	0	1	0	100	42	18	0	0	13	0	0	0	0		
December 2021	100	0	0	0	0	1	0	100	33	14	0	0	0	0	0	0	0		
December 2022	100	0	0	0	0	1	0	100	24	10	0	0	0	0	0	0	0		
December 2023	100	0	0	0	0	1	0	100	15	6	0	0	0	0	0	0	0		
December 2024	13	0	0	0	0	1	0	100	7	3	0	0	0	0	0	0	0		
December 2025	0	0	0	0	0	0	0	54	0	0	0	0	0	0	0	0	0		
December 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Weighted Average Life (years)**	27.9	17.7	17.0	17.0	17.0	6.0	2.1	29.1	23.2	14.6	1.5	0.7	22.5	11.2	4.7	2.0	0.8		

* 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.

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

†† These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

Characteristics of the R and RL Classes

The R and RL Classes will have no principal balances and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero, and the Holder of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Regular Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

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

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. The Small Business Job Protection Act of 1996 repeals the bad debt reserve method of accounting for mutual savings banks and domestic building and loan associations for tax years beginning after December 31, 1995. As a

result, section 593(d) of the Code is no longer applicable to treat the Certificates as “qualifying real property loans.” See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Under the Regulations, a REMIC may issue its regular and residual interests over any ten day period and designate any of those ten days as the REMIC’s startup day. Fannie Mae intends to designate the Settlement Date that is the December 17, 1996 Settlement Date as the startup day for the Lower Tier REMIC and the Trust.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes, the Principal Only Class and the SJ Class will be, and certain other Classes of REMIC Certificates may be, issued with original issue discount (“OID”) for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 150% PSA in the case of the Group 1 Classes, and 200% PSA in the case of the Group 2 Classes. 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 either 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, neither the R Class nor the RL Class will have significant value. Special rules regarding the treatment of “excess inclusions” by certain thrift institutions no longer apply because of the amendment of section 593 of the Code by the Small Business Job Protection Act of 1996. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 7.91% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

The Prepayment Assumption that will be used to determine the accruals of OID on the Underlying REMIC Certificate is different from the Prepayment Assumption, as provided above, that will be used to determine the accruals of OID on the Group 2 Classes. Because of the different Prepayment Assumptions and the tax characteristics of such Underlying REMIC Certificate, the beneficial owner of an RL Certificate may be required to accrue OID on the Underlying REMIC Certificate without being entitled to a corresponding deduction for OID accrued on such Classes. Investors should refer to “Certain Additional Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates” in the Underlying REMIC Prospectus Supplement for the Prepayment Assumption that will be used to determine the accruals of OID on the Underlying REMIC Certificate. 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.

Taxation of Beneficial Owners of RCR Certificates

General. The arrangement pursuant to which the RCR Classes will be created, sold and administered will be classified as a grantor trust under subpart E, Part I of subchapter J of the Code. The interest in the REMIC Certificates that have been exchanged for RCR Certificates (including any exchanges effective on the Settlement Date) will be the assets of such trust and the RCR Certificates will evidence an ownership interest in those REMIC Certificates. For a general discussion of the federal income tax treatment of investors in REMIC Certificates, see “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

The RCR Classes will represent beneficial ownership of the underlying Regular Certificates set forth in Schedule 1. Certain RCR Certificates (the “Strip RCR Certificates”) will represent the right to receive a disproportionate part of the principal or interest payments on a single underlying Regular Certificate. Each RCR Certificate other than a Strip RCR Certificate (a “Combination RCR Certificate”) will represent beneficial ownership of an undivided interest in one or more underlying Regular Certificates.

The Strip RCR Classes are the P, S, CA and CB Classes.

Strip RCR Classes. A purchaser of a Strip RCR Certificate will be treated as owning, pursuant to section 1286 of the Code, “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying Regular Certificates. Although it is unclear how the OID computations on a Strip RCR Certificate should be made, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument for purposes of information reporting. The IRS could contend, however, that a Strip RCR Certificate should be treated as an interest in the underlying Regular Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on such Regular Certificate, and an installment obligation consisting of “stripped bonds” or “stripped coupons” with respect to the remainder. Investors should consult their own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

A beneficial owner who purchases a Strip RCR Certificate should calculate OID with respect to the Strip RCR Certificate and include such OID in its ordinary income for federal income tax purposes as it accrues, which may be prior to the receipt of the cash attributable to such income, in accordance with a constant yield method that takes into account the compounding of interest. Although the matter is not entirely clear, a beneficial owner of a Strip RCR Certificate should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price and on a schedule of payments projected using a prepayment assumption. A beneficial owner then makes periodic adjustments to take into account actual prepayment experience. With respect to a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time of purchase of the Strip RCR Certificate or would be the original Prepayment Assumption with respect to the underlying Regular Certificates. Investors should consult their own tax advisors regarding this matter. For purposes of information reporting relating to OID, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption.

An investor that exchanges an underlying Regular Certificate for Strip RCR Classes and then sells Strip RCR Certificates also is subject to the coupon stripping rules of section 1286 of the Code. As of the date of such sale, the beneficial owner must allocate its basis in the Regular Certificate between the part of the Regular Certificate underlying the Strip RCR Certificates sold and the part of the Regular Certificate underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to such Certificates. Then the beneficial owner calculates OID with respect to such retained Certificates as described above.

Upon the sale of the Strip RCR Certificates, the investor will realize gain or loss on the sale of its part of the underlying Regular Certificate in an amount equal to the difference between the amount realized and its adjusted basis in such part. The seller's adjusted basis in such part generally is equal to the seller's allocated cost of such part, increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium in respect of such part. If a beneficial owner holds the Certificates as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under "Certain Federal Income Tax Consequences—Sales of Certificates" in the REMIC Prospectus.

Although the matter is not free from doubt, an investor that acquires in one transaction a combination of Strip RCR Certificates that may be exchanged for underlying Regular Certificates should be treated as owning the underlying Regular Certificates. If an investor acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument.

Exchanges. An exchange, as described under "Description of the Certificates—Combination and Recombination" herein, by a beneficial owner of (i) a combination of REMIC Certificates or (ii) all or a portion of an RCR Class for the related RCR Class or REMIC Certificates, respectively, will not be a taxable exchange. Such owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Certificates that it owned immediately prior to the exchange.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the Trust MBS and the Underlying REMIC Certificate 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 MBS will be increased in principal balance, but it is expected that all such additional Trust MBS will have the same characteristics as described herein under "Description of the Certificates—The Trust MBS." 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. In addition, the dollar amounts reflected in the Principal Balance Schedules will be increased in a pro rata amount that corresponds to the increase of the principal balances of the PAC and Scheduled Classes.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Milbank, Tweed, Hadley & McCloy.

Underlying REMIC Certificate

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	December 1996 Class Factor	Principal Balance in Lower Tier REMIC 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
1994-22	SB	February 1994	31359GRP3	(2)	INV	January 2024	SCH	\$13,860,000	0.93805034	\$10,421,739.28	7.915	310	42	MBS	2

- (1) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
(2) This Class bears interest during its interest accrual period, subject to the applicable maximum and minimum interest rates, as further described in the Underlying REMIC Disclosure Document.

Schedule 1

Available Recombinations

REMIC Certificates			RCR Certificates							
Class	Original Principal Balance	Exchange Proportions (1)	RCR Class	Original Principal or Notional Balance	Exchange Proportions (1)	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1 SJ	\$ 9,860,000	100%	P S	\$9,860,000 9,860,000	100% 100%	(3) (4)	PO INV/IO	SUP NTL	31359K6K8 31359K6L6	January 2027 January 2027
Recombination 2 C	10,000,000	100%	CA CB	5,000,000 5,000,000	50% 50%	6.5% 7.5%	FIX FIX	SCH SCH	31359K6M4 31359K6N2	January 2027 January 2027

- (1) Exchange proportions shown are the proportions of the original principal balances of the related Classes of REMIC Certificates or RCR Certificates required to effect an exchange. Classes of REMIC Certificates may be exchanged for RCR Classes and RCR Classes may be exchanged for Classes of REMIC Certificates in such proportions only.
- (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) This Class is a Principal Only Class and will not bear interest.
- (4) For a description of this interest rate, see “Description of the Certificates—Distributions of Interest” herein.

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.

\$260,421,739



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1996-66**

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet.....	S- 4
Additional Risk Factors	S- 7
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences.....	S-30
Plan of Distribution	S-33
Legal Matters.....	S-33
Exhibit A	A- 1
Schedule 1	A- 2
REMIC Prospectus	
Prospectus Supplement.....	2
Summary of Prospectus	3
Risk Factors	8
Description of the Certificates	10
The Trust Agreement	23
Certain Federal Income Tax Consequences	25
Legal Investment Considerations.....	37
Legal Opinion	37
ERISA Considerations	37
Glossary	39

PROSPECTUS SUPPLEMENT

Merrill Lynch & Co.

November 26, 1996