

\$200,000,000



FannieMae

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1997-27

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 1997-27 (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 certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”). Each MBS represents a beneficial 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 Class (the “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 Classes of REMIC Certificates. The characteristics of the RCR Class 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 Class of RCR Certificates. See “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.

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

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

Class(1)	Original Principal Balance	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date	Class(1)	Original Principal Balance	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
A	\$57,255,000	SCH	7.00%	FIX	31359N P 5 4	September 2021	G	\$ (3)	NTL	7.50%	FIX/IO	31359N Q 8 7	April 2012
B	13,320,000	SEQ	7.00	FIX	31359N P 6 2	February 2025	S	(3)	NTL	(4)	INV/IO	31359N Q 9 5	February 2025
BF	1,500,000	SEQ	7.00	FIX	31359N P 7 0	June 2023	SA	(3)	NTL	(4)	INV/IO	31359N R 2 9	January 2023
BG	1,500,000	SEQ	7.00	FIX	31359N P 8 8	December 2023	F	54,875,000	CPT	(4)	FLT	31359N R 3 7	February 2025
BK	1,500,000	SEQ	7.00	FIX	31359N P 9 6	May 2024	SC	(3)	NTL	(4)	INV/IO	31359N R 4 5	February 2025
BL	1,500,000	SEQ	7.00	FIX	31359N Q 2 0	September 2024	HA	2,770,000	SUP	(5)	PO	31359N R 5 2	June 2021
BP	1,500,000	SEQ	7.00	FIX	31359N Q 3 8	February 2025	HB	3,000,000	SUP	(5)	PO	31359N R 6 0	January 2023
C	5,160,000	AD/SEQ/LIQ	6.75	FIX	31359N Q 4 6	February 2002	J	25,000,000	SEQ	7.50	FIX	31359N R 7 8	April 2027
D	9,020,000	AD/SEQ	7.00	FIX	31359N Q 5 3	November 2007	R	0	NPR	0	NPR	31359N R 8 6	April 2027
E	10,350,000	AD/SEQ	7.00	FIX	31359N Q 6 1	April 2012	RL	0	NPR	0	NPR	31359N R 9 4	April 2027
Z	11,750,000	SEQ	7.50	FIX/Z	31359N Q 7 9	April 2027							

- (1) The RCR Class is 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) The G, S, SA and SC Classes will be Notional Classes, will not have principal balances and will bear interest on their notional principal balances (initially, \$1,807,333, \$26,025,000, \$28,850,000 and \$54,875,000, 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.
- (4) 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.
- (5) These Classes will be Principal Only Classes and will bear no interest.

The Certificates will be offered by Smith Barney Inc. (the “Dealer”) from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry facilities of The Depository Trust Company on or about March 27, 1997 (the “Settlement Date”). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

Smith Barney Inc.

March 7, 1997

(Cover continued from previous page)

The yield to investors in the Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the MBS, which in turn will be determined by the rate of principal payments of the Mortgage Loans and the characteristics of the Mortgage Loans. 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 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 or the MBS Prospectus. Any representation to the contrary is a criminal offense.

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

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated January 1, 1997 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated February 22, 1996 and any supplements thereto (collectively, the “Information Statement”).

The MBS Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Smith Barney Inc. by writing or calling its Prospectus Department at Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220 (telephone 718-921-8466).

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REFERENCE SHEET

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

Assumed Characteristics of the Mortgage Loans (as of March 1, 1997)

<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>
\$110,000,000	359	1	8.125%
40,000,000	360	0	8.100
50,000,000	357	2	8.100

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

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 RCR Class in the proportions and combinations set forth on Schedule 1 hereto. The Holders of the RCR Class will be entitled to receive distributions of principal and interest from the related Classes of REMIC Certificates. See “Description of the Certificates—Combination and Recombination” herein. Schedule 1 sets forth the available combination of the Classes of REMIC Certificates and the RCR Class.

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 the initial interest rates specified 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>
F	5.9375%	9.0%	0.50%	LIBOR + 50 basis points
S	2.0625%	7.5%	0.00%	7.5% – LIBOR
SA	2.0625%	7.5%	0.00%	7.5% – LIBOR
SC	1.0000%	1.0%	0.00%	8.5% – LIBOR

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

Notional Classes

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

<u>Class</u>	<u>Percentage of Principal Balance of Class or Component</u>
G	10.0000000000% of C Class 6.6666666667% of D Class 6.6666666667% of E Class
S	100% of F1 Component 100% of F3 Component
SA	100% of F2 Component
SC	100% of F1 Component 100% of F2 Component 100% of F3 Component

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

Component Classes

	<u>Original Principal Balance</u>	<u>Principal Type</u>
F1 Component	\$19,085,000	SCH
F2 Component	28,850,000	SUP
F3 Component	6,940,000	SEQ

Distributions of Principal

Principal Distribution Amount

Accrual Amount

To the C, D and E Classes, in that order, to zero, and then to the Z Class.

Cash Flow Distribution Amount

1. To the J Class, as specified herein under “Description of the Certificates—Distributions of Principal,” to zero.
2. To the Classes and Components specified below in the following order:
 - (i) to the A Class and F1 Component, in proportion to their original principal balances, to their Scheduled Balances;
 - (ii) to the HA Class and F2 Component, in the proportions of 16.6666666667% and 83.3333333333%, respectively, until the HA Class is reduced to zero;
 - (iii) to the HB Class and F2 Component, in the proportions of 16.6666666667% and 83.3333333333%, respectively, to zero;
 - (iv) to the A Class and F1 Component, in proportion to their original principal balances, to zero;
 - (v) to the BF, BG, BK, BL, BP and B Classes and the F3 Component, as specified herein under “Description of the Certificates—Distributions of Principal,” to zero; and
 - (vi) to the C, D, E, Z and J Classes, in that order, 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 Classes of REMIC Certificates to the RCR Class.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>160%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>
A	15.3	4.8	3.8	3.8	3.8	3.0	2.4
<u>Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>		
B	26.8	15.8	11.0	5.3	3.9		
BF	26.0	13.6	9.2	4.6	3.5		
BG	26.4	14.6	10.0	4.9	3.7		
BK	26.8	15.7	10.9	5.2	3.9		
BL	27.2	16.8	11.8	5.6	4.1		
BP	27.6	18.1	12.9	6.0	4.3		
C	2.6	2.6	2.6	2.6	2.6		
D	7.9	7.9	7.9	6.3	4.7		
E	13.0	13.0	12.8	7.3	5.2		
Z	29.0	23.8	19.8	11.4	6.8		
G	8.3	8.3	8.3	5.6	4.3		
S	18.4	7.7	5.7	3.6	2.8		
SA and H**	23.3	9.0	5.4	1.3	1.0		
F and SC	21.0	8.4	5.6	2.4	1.9		
HA	21.6	6.2	2.8	0.8	0.6		
HB	24.9	11.6	7.8	1.8	1.3		
J	21.6	15.2	13.2	10.0	8.8		

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

** This Class is an RCR Class. 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 Classes will be sensitive in varying degrees to the rate of principal distributions on the MBS, which in turn will reflect the rate of amortization (including prepayments) of the Mortgage Loans. There can be no assurance that the Mortgage Loans will have the characteristics assumed herein. Because the rate of principal distributions on the Classes will be related to the rate of amortization of the Mortgage Loans, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distributions on the Classes is likely to differ from the rate anticipated by an investor, even if the Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is highly unlikely that the Mortgage Loans underlying the MBS will prepay at a constant PSA rate until maturity or that all 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. See “Risk Factors—Prepayment Considerations” in the REMIC Prospectus and “Maturity and Prepayment Assumptions” in the MBS Prospectus.

The effective yields on the Delay Classes (as defined herein) will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 18th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market values 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 March 1, 1997 (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 MBS.

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not

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

Characteristics of Certificates. The Certificates, other than the R and RL 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 a book-entry Certificate, the terms “Holders” or “Certificateholders” refer to the nominee of the Depository. A Holder is not necessarily the beneficial owner of any DTC 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—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 Certificate will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer of the R 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 Holders of the R and RL Certificates 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 such 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 Certificates 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) (each, a “Distribution Date”), commencing in the month following the Settlement Date. See “Distributions of Interest—General” and “—Interest Accrual Periods” and “Distributions of Principal—Principal Distribution Amount” herein.

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

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

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the 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.

Liquid Asset. The C Class is intended to qualify as a “liquid asset” for purposes of the liquidity requirements applicable to federal savings associations, federal savings banks and state chartered associations whose deposits are insured by the Federal Deposit Insurance Corporation.

Combination and Recombination

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

Each RCR Certificate 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 Classes of REMIC Certificates, and the Holders of the RCR Class will be treated as the beneficial owners of a proportionate interest in the related Classes 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 balances) 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 the RCR Class will at all times equal the aggregate outstanding principal balance of the related Underlying REMIC Certificates and Trust MBS.

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 (or increases) in the outstanding principal balances of the Certificates.

Additional Considerations. The principal payment characteristics of the RCR Class will reflect the principal payment characteristics of the Classes of REMIC Certificates which are combined to form such RCR Class.

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 Classes of REMIC Certificates or the RCR Class. 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. The Certificates (other than the R and RL Certificates) will be represented by one or more 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.

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.

The MBS

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

characteristics of the MBS and the Mortgage Loans as of March 1, 1997 (the “Issue Date”) are expected to be as follows:

MBS

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	7.50%

Mortgage Loans

Range of WACs (per annum percentages)	7.75% to 10.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	359 months
Approximate Weighted Average CAGE	1 month

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

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	A, B, BF, BG, BK, BL, BP, C, D, E, Z, G and J
Accrual	Z
Floating Rate	F
Inverse Floating Rate	S, SA and SC
Interest Only	G, S, SA and SC
Principal Only	HA and HB
RCR**	H
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 Class.

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 (except with respect to the Accrual Class) in the month after the Settlement Date. Interest to be distributed or, in the case of the Accrual Class, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

Interest Accrual 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>
F, S, SA 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
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

Accrual Class. The Z Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable per annum rate set forth on the cover hereof; however, such interest will not be distributed thereon until the Distribution Date following the Distribution Date on which the principal balance of the E Class is reduced to zero. Interest so accrued and unpaid on the Accrual Class will be added as principal to the principal balance thereof on each Distribution Date. Distributions of principal of the Accrual Class will be made as described herein.

Notional Classes. The G, S, SA and SC Classes will be Notional Classes. The Notional Classes will have no principal balances and will bear interest at the applicable per annum interest rates set forth on the cover or 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 each applicable Class or Component specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Class or Classes</u>
G	10.0000000000% of C Class 6.6666666667% of D Class 6.6666666667% of E Class
S	100% of F1 Component 100% of F3 Component
SA	100% of F2 Component
SC	100% of F1 Component 100% of F2 Component 100% of F3 Component

See “Yield Tables—*The Interest Only Classes*” herein.

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 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 the initial interest rates specified 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>
F	5.9375%	9.0%	0.50%	LIBOR + 50 basis points
S	2.0625%	7.5%	0.00%	7.5% – LIBOR
SA.....	2.0625%	7.5%	0.00%	7.5% – LIBOR
SC.....	1.0000%	1.0%	0.00%	8.5% – LIBOR

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 balance of the F, S, SA and SC 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 5.4375%.

Distributions of Principal

Categories of Classes and Components

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

<u>Principal Type*</u>	<u>Classes and Components</u>
Scheduled	A and F1
Support	HA, HB and F2
Sequential Pay	B, BF, BG, BK, BL, BP, C, D, E, Z, F3 and J
Accretion Directed	C, D and E
Notional	G, S, SA and SC
RCR**	H
No Payment Residual	R and RL

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

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

Components. For purposes of calculating payments of principal, the F Class is comprised of multiple payment Components having the designations and original principal balances set forth below,

and therefore the payment characteristics of such Class will reflect a combination of the payment characteristics of the related Components.

<u>Designation</u>	<u>Original Principal Balance</u>	<u>Principal Type</u>
F1 Component	\$19,085,000	SCH
F2 Component	28,850,000	SUP
F3 Component	6,940,000	SEQ

Components are not separately transferable from the related Class of Certificates.

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 to be made on the MBS in the month of such Distribution Date (the “Cash Flow Distribution Amount”) and (ii) any interest accrued and added on such Distribution Date to the principal balances of the Accrual Classes (the “Accrual Amount”).

Accrual Amount

On each Distribution Date, the Accrual Amount will be distributed, sequentially, as principal of the C, D and E Classes, in that order, until the respective principal balances thereof are reduced to zero, and then to the Z Class. } Accretion
Directed
Classes and
Accrual
Class

Cash Flow Distribution Amount

(a) On each Distribution Date, the J Class Percentage (described below) of the Basic Principal Amount (described below) will be distributed as principal of the J Class, until the principal balance thereof is reduced to zero. } Sequential
Pay
Class

The “J Class Percentage” for any Distribution Date will be calculated by dividing (x) the outstanding principal balance of the J Class by (y) the aggregate outstanding principal balance of all the Classes, in each case immediately prior to such Distribution Date.

The “Basic Principal Amount” for any Distribution Date is the sum of (i) the portion of the Cash Flow Distribution Amount consisting of scheduled payments of principal assumed to be received on the underlying Mortgage Loans during the calendar month prior to the month of such Distribution Date plus (ii) the Prepayment Percentage (described below) of the remaining portion of the Cash Flow Distribution Amount. For this purpose, the scheduled payments of principal assumed to be received on the underlying Mortgage Loans during any calendar month will be calculated by Fannie Mae on the basis of the interest rates and remaining terms to maturity of such Mortgage Loans. All such amounts calculated by Fannie Mae shall (in the absence of manifest error) be final and binding.

The “Prepayment Percentage” for any Distribution Date will be as specified below:

<u>Distribution Date</u>	<u>Prepayment Percentage</u>
April 1997 through March 2002	0%
April 2002 through March 2003	30%
April 2003 through March 2004	40%
April 2004 through March 2005	60%
April 2005 through March 2006	80%
April 2006 and thereafter	100%

(b) On each Distribution Date, the excess of the Cash Flow Distribution Amount over the amount distributed pursuant to paragraph (a) above will be distributed as principal of the Classes and Components in the following order of priority:

(i) concurrently, to the A Class and the F1 Component, in proportion to their original principal balances (or 75% and 25%, respectively), until the principal balances thereof are reduced to their respective Scheduled Balances for such Distribution Date;

Scheduled
Class and
Component

(ii) concurrently, to the HA Class and F2 Component, in the proportions of 16.666666667% and 83.333333333%, respectively, until the principal balance of the HA Class is reduced to zero;

Support
Classes and
Component

(iii) concurrently, to the HB Class and F2 Component, in the proportions of 16.666666667% and 83.333333333%, respectively, until the principal balances thereof are reduced to zero;

(iv) concurrently, to the A Class and the F1 Component, in proportion to their original principal balances, without regard to their Scheduled Balances and until the principal balances thereof are reduced to zero;

Scheduled
Class and
Component

(v) to the BF, BG, BK, BL, BP and B Classes and the F3 Component, in the order and proportions set forth in the following table, until the respective principal balances thereof are reduced to zero:

	<u>Class listed in the preceding column</u>	<u>B Class</u>	<u>F3 Component</u>
BF	27.0172910663%	47.9827089337%	25.0000000000%
BG	27.0172910663%	47.9827089337%	25.0000000000%
BK	27.0172910663%	47.9827089337%	25.0000000000%
BL	27.0172910663%	47.9827089337%	25.0000000000%
BP	27.0172910663%	47.9827089337%	25.0000000000%

Sequential
Pay
Classes and
Component

(vi) sequentially, to the C, D, E, Z and J Classes, in that order, until the respective principal balances thereof are 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 Classes of REMIC Certificates to the related RCR Class.

Structuring Assumptions

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

- the Mortgage Loans underlying the Trust MBS in the following aggregate principal amounts have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

\$110,000,000	359	1	8.125%
40,000,000	360	0	8.100
50,000,000	357	2	8.100

- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used herein is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA 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 *constant* PSA rate or at any other *constant* rate.

Structuring Range. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans underlying the MBS pay at a *constant* PSA rate within the Structuring Range set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Class and Component</u>	<u>Structuring Range</u>
Planned Balances	A and F1	Between 150% and 225%

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

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

<u>Related Class and Component</u>	<u>Initial Effective Range</u>
A and F1	Between 150% and 225%

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>F1 Component Planned Balance</u>	<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>F1 Component Planned Balance</u>
Initial Balance	\$57,255,000.00	\$19,085,000.00	July 2000	\$32,547,372.22	\$10,849,124.07
April 1997	57,255,000.00	19,085,000.00	August 2000	31,532,421.67	10,510,807.22
May 1997	57,255,000.00	19,085,000.00	September 2000	30,525,771.20	10,175,257.07
June 1997	57,255,000.00	19,085,000.00	October 2000	29,527,357.32	9,842,452.44
July 1997	57,255,000.00	19,085,000.00	November 2000	28,537,117.03	9,512,372.34
August 1997	57,255,000.00	19,085,000.00	December 2000	27,554,987.83	9,184,995.94
September 1997	57,255,000.00	19,085,000.00	January 2001	26,580,907.73	8,860,302.58
October 1997	57,255,000.00	19,085,000.00	February 2001	25,614,815.24	8,538,271.75
November 1997	57,255,000.00	19,085,000.00	March 2001	24,656,649.36	8,218,883.12
December 1997	57,255,000.00	19,085,000.00	April 2001	23,706,349.57	7,902,116.52
January 1998	57,255,000.00	19,085,000.00	May 2001	22,763,855.84	7,587,951.95
February 1998	57,255,000.00	19,085,000.00	June 2001	21,829,108.61	7,276,369.54
March 1998	57,255,000.00	19,085,000.00	July 2001	20,902,048.84	6,967,349.61
April 1998	57,255,000.00	19,085,000.00	August 2001	19,982,617.91	6,660,872.64
May 1998	57,255,000.00	19,085,000.00	September 2001	19,070,757.71	6,356,919.24
June 1998	57,255,000.00	19,085,000.00	October 2001	18,166,410.56	6,055,470.19
July 1998	56,537,039.95	18,845,679.98	November 2001	17,269,519.29	5,756,506.43
August 1998	55,784,669.13	18,594,889.71	December 2001	16,380,027.15	5,460,009.05
September 1998	54,998,360.44	18,332,786.81	January 2002	15,497,877.87	5,165,959.29
October 1998	54,178,612.93	18,059,537.64	February 2002	14,623,015.61	4,874,338.54
November 1998	53,325,951.38	17,775,317.13	March 2002	13,755,385.00	4,585,128.33
December 1998	52,440,925.69	17,480,308.56	April 2002	12,936,774.09	4,312,258.03
January 1999	51,524,110.36	17,174,703.45	May 2002	12,125,099.30	4,041,699.77
February 1999	50,576,103.88	16,858,701.29	June 2002	11,320,306.24	3,773,435.41
March 1999	49,597,528.14	16,532,509.38	July 2002	10,522,340.93	3,507,446.98
April 1999	48,589,027.69	16,196,342.56	August 2002	9,731,149.83	3,243,716.61
May 1999	47,551,269.13	15,850,423.04	September 2002	8,946,679.82	2,982,226.61
June 1999	46,484,940.36	15,494,980.12	October 2002	8,168,878.21	2,722,959.40
July 1999	45,390,749.80	15,130,249.93	November 2002	7,397,692.72	2,465,897.57
August 1999	44,278,317.31	14,759,439.10	December 2002	6,633,071.47	2,211,023.82
September 1999	43,167,725.11	14,389,241.70	January 2003	5,874,963.01	1,958,321.00
October 1999	42,066,166.24	14,022,055.41	February 2003	5,123,316.29	1,707,772.10
November 1999	40,973,571.33	13,657,857.11	March 2003	4,378,080.66	1,459,360.22
December 1999	39,889,871.59	13,296,623.86	April 2003	3,652,588.01	1,217,529.34
January 2000	38,814,998.74	12,938,332.91	May 2003	2,933,302.22	977,767.41
February 2000	37,748,885.09	12,582,961.70	June 2003	2,220,174.08	740,058.03
March 2000	36,691,463.45	12,230,487.82	July 2003	1,513,154.77	504,384.92
April 2000	35,642,667.19	11,880,889.06	August 2003	812,195.87	270,731.96
May 2000	34,602,430.19	11,534,143.40	September 2003	117,249.32	39,083.11
June 2000	33,570,686.89	11,190,228.96	October 2003 and thereafter	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 Interest Only Classes. The yields to investors in the Interest Only Classes will be highly sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the MBS and, in the case of the Inverse Floating Rate Classes, to the level of the Index. The Mortgage Loans generally can be prepaid at any time. As indicated in the tables below, it is possible that, under certain prepayment and Index scenarios, investors in the Interest Only Classes would not fully recoup their initial investments. In addition, on the basis of the assumptions described below, the yield to maturity on the G Class would be 0% if prepayments were to occur at a constant rate of approximately 398% PSA. If the actual prepayment rate of the Mortgage Loans underlying the MBS were to exceed the foregoing level for as little as one month while equaling such level for the remaining months, investors in the G Class would not fully recoup their initial investment.

Changes in the Index may not correlate with changes in prevailing mortgage 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 rate applicable to the Inverse Floating Rate Class 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 Interest Only Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
G	37.875%
S	4.500%
SA	3.500%
SC	2.500%

* The prices do not include accrued interest. Accrued interest has been added to such prices in calculating the yields set forth in the tables below.

Sensitivity of the G Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	10.7%	10.7%	10.6%	3.0%	(6.9)%

**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>160%</u>	<u>350%</u>	<u>500%</u>
3.4375%	102.7%	100.3%	97.9%	94.6%	87.6%
5.4375%	45.4%	41.7%	38.0%	29.7%	18.4%
7.5000%	*	*	*	*	*

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

**Sensitivity of the SA 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>160%</u>	<u>350%</u>	<u>500%</u>
3.4375%	132.2%	126.7%	118.4%	57.5%	20.7%
5.4375%	60.6%	57.0%	49.6%	(27.1)%	(62.8)%
7.5000%	*	*	*	*	*

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

**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>160%</u>	<u>350%</u>	<u>500%</u>
7.5%	38.7%	35.0%	28.8%	(2.3)%	(19.5)%
8.0%	16.0%	11.3%	3.2%	(32.2)%	(51.5)%
8.5%	*	*	*	*	*

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

The Principal Only Classes and the H Class. **The Principal Only Classes and the H** Class will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the Mortgage Loans underlying the MBS will have a negative effect on the yield to investors in the Principal Only Classes and the H** Class.**

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the Principal Only Classes and the H** Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price</u>
H**	81.5%
HA	90.0%
HB	76.0%

** 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 Principal Only Classes and the H** Class to Prepayments (Pre-Tax Yields to Maturity)

Class	PSA Prepayment Assumption				
	50%	100%	160%	350%	500%
H**	1.5%	2.3%	3.9%	16.6%	21.9%
HA	1.0%	1.8%	3.9%	14.3%	17.4%
HB	1.6%	2.4%	3.5%	15.8%	21.6%

** 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 and the priority sequence of distributions of principal of the Classes. The weighted average lives of the Classes will also depend on the distribution of principal of certain Classes in accordance with the Principal Balance Schedules herein. In particular, if the amount distributable as principal of the Classes on any Distribution Date exceeds the amount required to reduce the principal balances of the Scheduled Class and Component to their scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed on certain remaining Classes and Components on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce the Scheduled Class and Component to their scheduled amounts, no principal will be distributed on certain remaining Classes and Components on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the MBS is expected to have a greater effect on the weighted average lives of the related Support Classes than on the weighted average lives of the Scheduled Class. See “—Distributions of Principal” herein.

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

As described under “Distribution of Principal—Components” herein, for purposes of calculating payments of principal, the F Class is comprised of multiple payment components. Since such components are not divisible, the payment characteristics of such Class will reflect a combination of the payment characteristics of the related Components.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each Mortgage Loan bears interest at the rate of 10.00% per annum and has an original and remaining term to maturity of 360 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the distributions of weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class							B Class					BF Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	160%	225%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1999	99	90	87	87	87	87	75	100	100	100	100	100	100	100	100	100	100
March 2000	97	74	64	64	64	50	18	100	100	100	100	100	100	100	100	100	100
March 2001	96	59	43	43	43	14	0	100	100	100	100	38	100	100	100	100	0
March 2002	94	44	24	24	24	0	0	100	100	100	62	0	100	100	100	0	0
March 2003	92	31	8	8	8	0	0	100	100	100	7	0	100	100	100	0	0
March 2004	89	19	0	0	0	0	0	100	100	100	0	0	100	100	100	0	0
March 2005	87	8	0	0	0	0	0	100	100	100	0	0	100	100	100	0	0
March 2006	84	0	0	0	0	0	0	100	100	96	0	0	100	100	80	0	0
March 2007	81	0	0	0	0	0	0	100	100	70	0	0	100	100	0	0	0
March 2008	77	0	0	0	0	0	0	100	100	47	0	0	100	100	0	0	0
March 2009	74	0	0	0	0	0	0	100	100	26	0	0	100	100	0	0	0
March 2010	69	0	0	0	0	0	0	100	100	8	0	0	100	100	0	0	0
March 2011	65	0	0	0	0	0	0	100	81	0	0	0	100	7	0	0	0
March 2012	60	0	0	0	0	0	0	100	62	0	0	0	100	0	0	0	0
March 2013	54	0	0	0	0	0	0	100	44	0	0	0	100	0	0	0	0
March 2014	48	0	0	0	0	0	0	100	27	0	0	0	100	0	0	0	0
March 2015	41	0	0	0	0	0	0	100	11	0	0	0	100	0	0	0	0
March 2016	33	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2017	25	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2018	15	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2019	5	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2020	0	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2021	0	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2022	0	0	0	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2023	0	0	0	0	0	0	0	87	0	0	0	0	37	0	0	0	0
March 2024	0	0	0	0	0	0	0	41	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.3	4.8	3.8	3.8	3.8	3.0	2.4	26.8	15.8	11.0	5.3	3.9	26.0	13.6	9.2	4.6	3.5

Date	BG Class					BK Class					BL Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1999	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2000	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2001	100	100	100	100	0	100	100	100	100	0	100	100	100	100	90
March 2002	100	100	100	9	0	100	100	100	100	0	100	100	100	100	0
March 2003	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
March 2004	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
March 2005	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
March 2006	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
March 2007	100	100	52	0	0	100	100	100	0	0	100	100	100	0	0
March 2008	100	100	0	0	0	100	100	36	0	0	100	100	100	0	0
March 2009	100	100	0	0	0	100	100	0	0	0	100	100	32	0	0
March 2010	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
March 2011	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
March 2012	100	11	0	0	0	100	100	0	0	0	100	100	0	0	0
March 2013	100	0	0	0	0	100	21	0	0	0	100	100	0	0	0
March 2014	100	0	0	0	0	100	0	0	0	0	100	35	0	0	0
March 2015	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2016	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2017	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2018	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2019	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2020	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2021	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2022	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2023	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2024	0	0	0	0	0	4	0	0	0	0	100	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.4	14.6	10.0	4.9	3.7	26.8	15.7	10.9	5.2	3.9	27.2	16.8	11.8	5.6	4.1

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

Date	BP Class					C Class					D Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	100	82	82	82	82	82	100	100	100	100	100
March 1999	100	100	100	100	100	63	63	63	63	63	100	100	100	100	100
March 2000	100	100	100	100	100	43	43	43	43	43	100	100	100	100	100
March 2001	100	100	100	100	100	21	21	21	21	21	100	100	100	100	100
March 2002	100	100	100	100	0	0	0	0	0	0	98	98	98	98	0
March 2003	100	100	100	37	0	0	0	0	0	0	83	83	83	83	0
March 2004	100	100	100	0	0	0	0	0	0	0	68	68	68	0	0
March 2005	100	100	100	0	0	0	0	0	0	0	51	51	51	0	0
March 2006	100	100	100	0	0	0	0	0	0	0	32	32	32	0	0
March 2007	100	100	100	0	0	0	0	0	0	0	12	12	12	0	0
March 2008	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0
March 2009	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0
March 2010	100	100	38	0	0	0	0	0	0	0	0	0	0	0	0
March 2011	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2012	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2013	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2014	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2015	100	53	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2016	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2017	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2018	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2019	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2020	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2021	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2022	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2023	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2024	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.6	18.1	12.9	6.0	4.3	2.6	2.6	2.6	2.6	2.6	7.9	7.9	7.9	6.3	4.7

Date	E Class					Z Class					G† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	100	108	108	108	108	108	95	95	95	95	95
March 1999	100	100	100	100	100	116	116	116	116	116	90	90	90	90	90
March 2000	100	100	100	100	100	125	125	125	125	125	84	84	84	84	84
March 2001	100	100	100	100	100	135	135	135	135	135	77	77	77	77	77
March 2002	100	100	100	100	79	145	145	145	145	145	71	71	71	71	30
March 2003	100	100	100	100	0	157	157	157	157	109	66	66	66	66	0
March 2004	100	100	100	72	0	169	169	169	169	45	61	61	61	27	0
March 2005	100	100	100	0	0	182	182	182	167	15	55	55	55	0	0
March 2006	100	100	100	0	0	196	196	196	124	4	49	49	49	0	0
March 2007	100	100	100	0	0	211	211	211	96	3	42	42	42	0	0
March 2008	92	92	92	0	0	228	228	228	75	2	35	35	35	0	0
March 2009	72	72	72	0	0	245	245	245	58	1	28	28	28	0	0
March 2010	50	50	50	0	0	264	264	264	44	1	19	19	19	0	0
March 2011	27	27	2	0	0	285	285	285	34	1	10	10	1	0	0
March 2012	2	2	0	0	0	307	307	251	26	*	1	1	0	0	0
March 2013	0	0	0	0	0	309	309	219	20	*	0	0	0	0	0
March 2014	0	0	0	0	0	309	309	190	15	*	0	0	0	0	0
March 2015	0	0	0	0	0	309	309	164	11	*	0	0	0	0	0
March 2016	0	0	0	0	0	309	298	140	8	*	0	0	0	0	0
March 2017	0	0	0	0	0	309	263	119	6	*	0	0	0	0	0
March 2018	0	0	0	0	0	309	230	100	5	*	0	0	0	0	0
March 2019	0	0	0	0	0	309	199	83	3	*	0	0	0	0	0
March 2020	0	0	0	0	0	309	170	68	2	*	0	0	0	0	0
March 2021	0	0	0	0	0	309	141	55	2	*	0	0	0	0	0
March 2022	0	0	0	0	0	309	115	43	1	*	0	0	0	0	0
March 2023	0	0	0	0	0	309	89	32	1	*	0	0	0	0	0
March 2024	0	0	0	0	0	309	65	22	*	*	0	0	0	0	0
March 2025	0	0	0	0	0	283	41	14	*	*	0	0	0	0	0
March 2026	0	0	0	0	0	149	19	6	*	*	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	13.0	13.0	12.8	7.3	5.2	29.0	23.8	19.8	11.4	6.8	8.3	8.3	8.3	5.6	4.3

* 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.

Date	S† Class					SA† and H†† Classes					F and SC† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	100	97	87	82	65	52	99	93	91	82	75
March 1999	99	93	90	90	82	96	82	72	17	0	98	87	81	52	39
March 2000	98	81	74	63	40	96	82	70	0	0	97	82	72	30	19
March 2001	97	70	58	37	10	96	82	67	0	0	97	76	63	18	5
March 2002	95	59	44	16	0	96	82	66	0	0	96	71	56	8	0
March 2003	94	49	32	2	0	96	82	65	0	0	95	66	49	1	0
March 2004	92	40	27	0	0	96	82	49	0	0	94	62	38	0	0
March 2005	90	32	27	0	0	96	82	21	0	0	94	58	24	0	0
March 2006	88	27	26	0	0	96	76	0	0	0	93	53	12	0	0
March 2007	86	27	19	0	0	96	56	0	0	0	91	42	9	0	0
March 2008	83	27	13	0	0	96	37	0	0	0	90	32	6	0	0
March 2009	81	27	7	0	0	96	18	0	0	0	89	22	3	0	0
March 2010	78	27	2	0	0	96	1	0	0	0	87	13	1	0	0
March 2011	74	22	0	0	0	96	0	0	0	0	86	10	0	0	0
March 2012	70	17	0	0	0	96	0	0	0	0	84	8	0	0	0
March 2013	66	12	0	0	0	96	0	0	0	0	82	6	0	0	0
March 2014	62	7	0	0	0	96	0	0	0	0	80	3	0	0	0
March 2015	57	3	0	0	0	96	0	0	0	0	78	1	0	0	0
March 2016	51	0	0	0	0	96	0	0	0	0	75	0	0	0	0
March 2017	45	0	0	0	0	96	0	0	0	0	72	0	0	0	0
March 2018	38	0	0	0	0	96	0	0	0	0	69	0	0	0	0
March 2019	30	0	0	0	0	96	0	0	0	0	65	0	0	0	0
March 2020	27	0	0	0	0	82	0	0	0	0	56	0	0	0	0
March 2021	27	0	0	0	0	54	0	0	0	0	41	0	0	0	0
March 2022	27	0	0	0	0	24	0	0	0	0	25	0	0	0	0
March 2023	23	0	0	0	0	0	0	0	0	0	11	0	0	0	0
March 2024	11	0	0	0	0	0	0	0	0	0	5	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.4	7.7	5.7	3.6	2.8	23.3	9.0	5.4	1.3	1.0	21.0	8.4	5.6	2.4	1.9

Date	HA Class					HB Class					J Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	94	73	62	28	*	100	100	100	100	100	99	99	99	99	99
March 1999	93	62	42	0	0	100	100	100	32	0	99	98	98	98	98
March 2000	93	62	37	0	0	100	100	100	0	0	98	97	97	97	97
March 2001	93	62	32	0	0	100	100	100	0	0	97	96	96	96	96
March 2002	93	62	29	0	0	100	100	100	0	0	97	95	95	95	95
March 2003	93	62	26	0	0	100	100	100	0	0	96	92	91	88	84
March 2004	93	62	0	0	0	100	100	94	0	0	95	89	86	79	72
March 2005	93	62	0	0	0	100	100	40	0	0	94	84	80	67	58
March 2006	93	50	0	0	0	100	100	0	0	0	92	79	72	55	43
March 2007	93	8	0	0	0	100	100	0	0	0	91	72	64	42	29
March 2008	93	0	0	0	0	100	70	0	0	0	89	67	57	33	20
March 2009	93	0	0	0	0	100	35	0	0	0	88	61	50	25	14
March 2010	93	0	0	0	0	100	2	0	0	0	86	56	44	19	9
March 2011	93	0	0	0	0	100	0	0	0	0	84	51	39	15	6
March 2012	93	0	0	0	0	100	0	0	0	0	82	47	34	11	4
March 2013	93	0	0	0	0	100	0	0	0	0	79	42	30	9	3
March 2014	93	0	0	0	0	100	0	0	0	0	76	38	26	7	2
March 2015	93	0	0	0	0	100	0	0	0	0	73	34	22	5	1
March 2016	93	0	0	0	0	100	0	0	0	0	70	30	19	4	1
March 2017	93	0	0	0	0	100	0	0	0	0	66	27	16	3	1
March 2018	93	0	0	0	0	100	0	0	0	0	62	24	14	2	*
March 2019	93	0	0	0	0	100	0	0	0	0	58	20	11	1	*
March 2020	63	0	0	0	0	100	0	0	0	0	53	17	9	1	*
March 2021	5	0	0	0	0	100	0	0	0	0	47	14	7	1	*
March 2022	0	0	0	0	0	46	0	0	0	0	41	12	6	1	*
March 2023	0	0	0	0	0	0	0	0	0	0	35	9	4	*	*
March 2024	0	0	0	0	0	0	0	0	0	0	27	7	3	*	*
March 2025	0	0	0	0	0	0	0	0	0	0	19	4	2	*	*
March 2026	0	0	0	0	0	0	0	0	0	0	10	2	1	*	*
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.6	6.2	2.8	0.8	0.6	24.9	11.6	7.8	1.8	1.3	21.6	15.2	13.2	10.0	8.8

* 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.

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

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, 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 noneconomic residual interests under the Regulations. Any transferee of an R or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Transferees of an R or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

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

REMIC Certificates as “qualifying real property loans.” See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Principal Only Classes, the Accrual Class and the Notional Classes will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 160% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate 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 8.02% (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.

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 undivided interests in two or more underlying Regular Certificates.

The H Class is a Combination RCR Class.

Combination RCR Class. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the related Class or Classes of REMIC Certificates. A purchaser of a Combination RCR Certificate must allocate its purchase price among the related Classes of REMIC Certificates in proportion to their relative fair market values at the time of

purchase. Such owner should account for its ownership interest in each related Class of REMIC Certificates as described under “—Taxation of Beneficial Owners of Regular Certificates” herein and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, such owner must allocate the sale proceeds among the related Classes of REMIC Certificates in proportion to their relative fair market value at the time of sale.

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

Increase in Certificates. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Certificates in addition to those contemplated as of the date hereof. In such event, the MBS will be increased in principal balance, but it is expected that all additional MBS will have the same characteristics as described herein under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class bears to the aggregate original principal balance of all the Classes will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedules with respect to any Class or Component will be increased in a pro rata amount that corresponds to the increase of the principal balances of all the Classes.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Cleary, Gottlieb, Steen & Hamilton.

Schedule 1

Available Recombinations (1)

REMIC Certificates			RCR Certificates							
Class	Original Principal Balance	Exchange Proportions (2)	RCR Class	Original Principal Balance	Exchange Proportions (2)	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1										
HA	\$2,770,000	48.0069324090%	H	\$ 5,770,000	100%	(4)	PO	SUP	31359NV73	January 2023
HB	3,000,000	51.9930675910%								

(1) See “Description of the Certificates—Combinations and Recombinations” herein.

(2) 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.

(3) 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.

(4) This Class is a Principal Only Class and will not bear interest.

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.

\$200,000,000



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1997-27**

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PROSPECTUS SUPPLEMENT

March 7, 1997

Smith Barney Inc.