

\$400,000,000



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1997-33**

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 1997-33 (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist of (i) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Trust MBS") described herein and (ii) a Fannie Mae Stripped Mortgage-Backed Security described herein (the "Trust SMBS"). The Trust SMBS evidences indirect beneficial ownership interests in certain interest distributions made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the "MBS"), certain of which are held in the form of Fannie Mae Guaranteed MBS Pass-Through Certificates (the "Mega Certificates"). Each MBS represents a beneficial ownership interest in a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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

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

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

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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)	Group	Original Principal Balance	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date	Class (1)	Group	Original Principal Balance	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date
FB	1	\$110,000,000	PAC	(3)	FLT	31359PQE9	December 2023	SG	1	(4)	NTL	(3)	INV/IO	31359PQP4	June 2027
SB	1	(4)	NTL	(3)	INV/IO	31359PQF6	December 2023	EA	1	22,760,000	TAC	(5)	PO	31359PQQ2	June 2027
FC	1	45,000,000	PAC	(3)	FLT	31359PQG4	December 2026	ZA	1	18,680,000	SUP	8.5%	FIX/Z	31359PQR0	June 2027
SC	1	(4)	NTL	(3)	INV/IO	31359PQH2	December 2026	I	2	(4)	NTL	8.5	FIX/IO	31359PQS8	April 2024
PA	1	10,100,000	PAC	8.5%	FIX	31359PQJ8	June 2027	J	2	(4)	NTL	8.5	FIX/IO	31359PQT6	April 2024
FA	1	193,460,000	TAC	(3)	FLT	31359PQK5	June 2027	K	2	(4)	NTL	8.5	FIX/IO	31359PQU3	April 2024
SA	1	(4)	NTL	(3)	INV/IO	31359PQL3	January 2025	R		0	NPR	0	NPR	31359PQV1	June 2027
SE	1	(4)	NTL	(3)	INV/IO	31359PQM1	January 2025	RL		0	NPR	0	NPR	31359PQW9	June 2027
SD	1	(4)	NTL	(3)	INV/IO	31359PQN9	June 2027								

- (1) The RCR Classes are set forth on Schedule 1 hereto.
- (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (3) These Classes will bear interest based on "LIBOR" as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus.
- (4) These Classes will be Notional Classes, will not have principal balances and will bear interest on their respective notional principal balances. The notional principal balances of the Notional Classes initially will be as set forth herein and thereafter will be calculated as specified herein. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.
- (5) This Class is a Principal Only Class and will bear no interest.

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

The Certificates will be offered by the Dealer, subject to 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, subject to the right by the Dealer to reject any order in whole or in part and subject to approval of certain legal matters by counsel. It is expected that the Group 1 Classes and the RCR Certificates will be available through the book-entry facilities of The Depository Trust Company and that the Group 2 Classes will be available through the book-entry system of the Federal Reserve Banks on or about May 30, 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, Seven World Trade Center, New York, New York 10048, on or about the Settlement Date.

Salomon Brothers Inc

The date of this Prospectus Supplement is April 10, 1997.

(Cover continued from previous page)

The yields to investors in the Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the related MBS, which in turn will be determined by the rate of principal payments of the related Mortgage Loans and the characteristics of such 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 any 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, the SMBS Prospectus, the Mega Prospectus or the MBS Prospectus (each as defined below). Any representation to the contrary is a criminal offense.

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

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Stripped Mortgage-Backed Securities dated July 1, 1996 (the “SMBS Prospectus”);
- Fannie Mae’s Prospectuses for Guaranteed MBS Pass-Through Securities dated October 1, 1996 (the “Mega Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated January 1, 1997 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated March 31, 1997 and any supplements thereto (collectively, the “Information Statement”).

The MBS Prospectus, SMBS Prospectus, the Mega Prospectus and the Information Statement are incorporated herein by reference and, together with the other Disclosure Documents, 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 Salomon Brothers Inc by writing or calling its Prospectus Department at Brooklyn Army Terminal, 140 58th Street, Suite 1-H, Brooklyn, New York 11220 (telephone 718-567-2005).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Group 1 Cash Flow Distribution Amount</i>	S-15
Additional Risk Factors	S- 7	Structuring Assumptions	S-16
Additional Yield and Prepayment Considerations	S- 7	<i>Pricing Assumptions</i>	S-16
Description of the Certificates	S- 7	<i>Prepayment Assumptions</i>	S-16
General	S- 7	<i>Structuring Ranges and Rate</i>	S-16
<i>Structure</i>	S- 7	<i>Initial Effective Ranges</i>	S-17
<i>Fannie Mae Guaranty</i>	S- 7	Principal Balance Schedules	S-18
<i>Characteristics of Certificates</i>	S- 8	Yield Tables	S-24
<i>Authorized Denominations</i>	S- 8	<i>General</i>	S-24
<i>Distribution Dates</i>	S- 8	<i>The Inverse Floating Rate Classes and the SH, SJ, SK and SL Classes</i>	S-24
<i>Record Date</i>	S- 8	<i>The Principal Only Class</i>	S-27
<i>REMIC Trust Factors</i>	S- 8	<i>The I, J and K Classes</i>	S-27
<i>Optional Termination</i>	S- 9	Weighted Average Lives of the Certificates	S-28
<i>Voting the Trust SMBS</i>	S- 9	Decrement Tables	S-30
Combination and Recombination	S- 9	Characteristics of the R and RL Classes	S-32
<i>General</i>	S- 9	Certain Additional Federal Income Tax Consequences	S-32
<i>Procedures</i>	S- 9	REMIC Elections and Special Tax Attributes	S-32
<i>Additional Considerations</i>	S-10	Taxation of Beneficial Owners of Regular Certificates	S-33
Book-Entry Procedures	S-10	Taxation of Beneficial Owners of Residual Certificates	S-33
<i>General</i>	S-10	Taxation of Beneficial Owners of RCR Certificates	S-33
<i>Method of Distribution</i>	S-11	<i>General</i>	S-33
The Trust MBS (Group 1)	S-11	<i>Combination RCR Classes</i>	S-33
The Trust SMBS (Group 2)	S-11	<i>Exchanges</i>	S-34
Final Data Statement	S-11	Plan of Distribution	S-34
Distributions of Interest	S-12	<i>General</i>	S-34
<i>Categories of Classes</i>	S-12	<i>Increase in Certificates</i>	S-34
<i>General</i>	S-12	Legal Matters	S-34
<i>Interest Accrual Periods</i>	S-12	Schedule 1	A- 1
<i>Accrual Class</i>	S-12		
<i>Notional Classes</i>	S-13		
<i>Floating Rate and Inverse Floating Rate Classes</i>	S-13		
Calculation of LIBOR	S-14		
Distributions of Principal	S-15		
<i>Categories of Classes</i>	S-15		
<i>Principal Distribution Amount</i>	S-15		
<i>Group 1 Accrual Amount</i>	S-15		

REFERENCE SHEET

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

Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS and Trust SMBS (as of May 1, 1997)

	Group	Approximate Principal Balance	Approximate Weighted Average Remaining Term to Maturity (in months)	Approximate Calculated Loan Age (in months)	Approximate Weighted Average Coupon
Trust MBS	1	\$400,000,000	338	22	9.000%
Trust SMBS	2	\$150,823,352	284	67	9.003%

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

Combination and Recombination

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

Interest Rates

The Fixed Rate Classes will bear interest at the applicable per annum interest rates set forth on the cover and on Schedule 1 hereto.

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

Class	Initial Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
FB	6.1875%	8.5%	0.5%	LIBOR + 50 basis points
SB	2.3125%	8.0%	0.0%	8% - LIBOR
FC	6.1875%	8.5%	0.5%	LIBOR + 50 basis points
SC	2.3125%	8.0%	0.0%	8% - LIBOR
FD*	6.1875%	8.5%	0.5%	LIBOR + 50 basis points
SH*	2.3125%	8.0%	0.0%	8% - LIBOR
FA	6.1875%	9.5%	0.5%	LIBOR + 50 basis points
SA	2.3125%	8.0%	0.0%	8% - LIBOR
SE	1.0000%	1.0%	0.0%	9% - LIBOR
SD	2.3125%	8.0%	0.0%	8% - LIBOR
SG	1.0000%	1.0%	0.0%	9% - LIBOR
SJ*	1.0000%	1.0%	0.0%	9% - LIBOR
SK*	3.3125%	9.0%	0.0%	9% - LIBOR
SL*	2.3125%	8.0%	0.0%	8% - LIBOR

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

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

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

Notional Classes

The notional principal balances of the Notional Classes will be equal to the indicated percentages of the outstanding balances specified below immediately prior to the related Distribution Date:

<u>Classes</u>	<u>Initial Notional Principal Balance</u>	<u>Percentages of Specified Balances</u>
SB	\$110,000,000	100% of FB Class
SC	\$ 45,000,000	100% of FC Class
SH*	\$155,000,000	100% of SB and SC Classes
SA and SD	\$193,460,000 (1)	100% of FA Class
SL*	\$193,460,000	100% of SA and SD Classes
SE	\$110,000,000	100% of SA Class
SG	\$ 83,460,000	100% of SD Class
SJ*	\$193,460,000	100% of SE and SG Classes
SK*	\$193,460,000	100% of SA and SD Classes
I, J and K	\$150,823,352 (2)	100% of Trust SMBS

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

- (1) In the aggregate. The initial notional principal balances of the SA and SD Classes will be \$110,000,000 and \$83,460,000, respectively. On each Distribution Date, reductions in the principal balance of the FA Class will be allocated in reduction of the notional principal balances of the SA and SD Classes in that order, until the respective notional principal balances thereof are reduced to zero.
- (2) In the aggregate. The initial notional principal balances of the I, J and K Classes will be \$75,267,365, \$37,967,829 and \$37,588,158, respectively. On each Distribution Date, reductions in the notional principal balance of the Trust SMBS will be allocated in reduction of the notional principal balances of the I, J and K Classes in the following order of priority:
 - (i) to the I Class, until the notional principal balance thereof is reduced to its Notional Planned Balance for such Distribution Date;
 - (ii) to the J Class, until the notional principal balance thereof is reduced to zero;
 - (iii) to the I Class, without regard to its Notional Planned Balance and until the notional principal balance thereof is reduced to zero; and
 - (iv) to the K Class, until the notional principal balance thereof is reduced to zero.

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Tables—*The Inverse Floating Rate Classes and the SH, SJ, SK and SL Classes*” and “—*The I, J and K Classes*” herein.

Distributions of Principal

The portion of the Principal Distribution Amount allocated to each Class of Certificates will be determined by distributions of principal of the Trust MBS and the accrued and unpaid interest on the Accrual Class. For such purposes, the Principal Distribution Amount will be allocated to the Classes as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*”.

Group 1 Principal Distribution Amount

Group 1 Accrual Amount

To the FA and EA Classes, in proportion to their original principal balances, to zero, and then to the ZA Class.

Group 1 Cash Flow Distribution Amount

- 1. To the FB, FC and PA Classes, in that order, to their Planned Balances.
- 2. To the FA and EA Classes, in proportion to their original principal balances, to their Targeted Balances.

3. To the ZA Class, to zero.
4. To the FA and EA Classes, in proportion to their original principal balances, to zero.
5. To the FB, FC and PA 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 Class or Classes of REMIC Certificates to the related RCR Class.

Weighted Average Lives (years) *

<u>Group 1 Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
FB, SB and PB**	12.6	2.7	2.7	2.7	2.3
FC, SC and PC**	20.5	7.2	7.2	7.2	5.3
PA	22.1	12.6	12.6	12.6	9.3
FA, EA, SJ**, SL** and SK**	19.4	12.8	4.8	1.8	1.1
SA and SE	15.7	9.9	2.0	0.9	0.6
SD and SG	24.3	16.6	8.5	2.9	1.8
ZA	27.9	23.6	17.1	0.2	0.1
FD**, SH** and PD**	14.9	4.0	4.0	4.0	3.2

<u>Group 2 Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>130%</u>	<u>200%</u>	<u>275%</u>	<u>500%</u>
I	14.3	3.2	3.2	3.2	1.9
J	22.9	9.7	4.9	2.0	0.6
K	25.8	17.5	14.2	11.3	6.4

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

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

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal or reductions of notional balances of the Group 1 and Group 2 Classes, as applicable, will be sensitive in varying degrees to the rate of principal distributions on the related MBS, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that the Mortgage Loans underlying the Trust MBS or the Trust SMBS, as applicable, will have the characteristics assumed herein. Because the rate of principal distributions or notional balance reductions of the Group 1 and Group 2 Classes will be related to the rate of amortization of the related 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 such Classes is likely to differ from the rate anticipated by an investor, even if the related Mortgage Loans prepay at the indicated constant percentages of PSA.

It is highly unlikely that the Mortgage Loans underlying the Trust MBS or the Trust SMBS, as applicable, will prepay at any of the rates assumed herein, will prepay at a *constant* PSA rate until maturity or that such Mortgage Loans will prepay at the same rate. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The effective 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 or 25th day, as applicable, following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market 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 May 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 Certificates (other than the R and RL Classes) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC. The assets of the Lower Tier REMIC will consist of the Trust MBS and Trust SMBS.

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

such balance is actually recovered. The guarantee obligations of Fannie Mae with respect to the Trust SMBS are described in the SMBS Prospectus. 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, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

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

The Group 2 Classes will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.”

A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

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

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

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

Distribution Dates. Distributions on the Group 1 Classes and the RCR 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) and distributions on the Group 2 Classes will be made on 25th day of each month (or, if the 25th day is not a business day, on the first business day next succeeding such 25th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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.

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

Combination and Recombination

General. Subject to the rules, regulations and procedures of the Depository, all or a portion of the FB, SB, FC, SC, SA, SE, SD and SG Classes of REMIC Certificates may be exchanged for a proportionate interest in one or more RCR Classes in the combinations and ratios set forth on Schedule 1 hereto. Similarly, all or a portion of one or more RCR Classes may be exchanged, in the combinations and ratios set forth on Schedule 1, for certain Classes of REMIC Certificates. This process may occur repeatedly.

Each RCR Class issued in an exchange will represent a beneficial ownership interest in, and will be entitled to receive a proportionate share of the distributions on, the related Class or Classes of REMIC Certificates, and the Holders of an RCR Class will be treated as the beneficial owners of a proportionate interest in the related Class or 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 RCR Classes (exclusive of any notional principal balance) will at all times equal the aggregate outstanding principal balance of the related Trust MBS or Trust SMBS.

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 ratios” 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 an RCR Class will reflect the principal payment characteristics of the Class or Classes of REMIC Certificates which are combined to form such RCR Class. However, since an RCR Class may be formed through the combination of Classes of REMIC Certificates which have different principal payment characteristics, the principal payment characteristics of the RCR Classes should be viewed in terms of the resulting combination of REMIC Certificates in the aggregate rather than as a group of individual Classes of REMIC Certificates with different principal payment characteristics.

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

Book-Entry Procedures

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

No person acquiring a beneficial ownership interest in the DTC Certificates (a "beneficial owner" or an "investor") will be entitled to receive a physical certificate representing such ownership interest. An investor's interest in the DTC Certificates will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains such investor's account for such purpose. In turn, the financial intermediary's record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as an agent for the financial intermediary if such intermediary is not a Depository Participant). Accordingly, an investor will not be recognized by the Trustee or the Depository as a Certificateholder and must rely on the foregoing arrangements to evidence its interest in the DTC Certificates. Beneficial ownership of an investor's interest in the DTC Certificates may be transferred only by compliance with the procedures of an investor's financial intermediary and of Depository Participants. In general, beneficial ownership of an investor's interest in the DTC Certificates will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

The Group 2 Classes will be issued and maintained only on the book-entry system of the Federal Reserve Banks. Such Certificates may be held of record only by entities eligible to maintain book-entry accounts with the Federal Reserve Banks. Beneficial owners ordinarily will hold such Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of such a Certificate, and each other financial intermediary in the chain to the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of such a Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Fannie Mae and the Federal Reserve Banks will have no direct obligation to a beneficial owner of such a Certificate that is not also the Holder of the Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording

transfers of such a Certificate. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

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

Fannie Mae’s fiscal agent for the Group 2 Classes is the Federal Reserve Bank of New York. The Federal Reserve Banks will make distributions on such Certificates on behalf of Fannie Mae on the applicable Distribution Dates by crediting Holders’ accounts at the Federal Reserve Banks.

The Trust MBS (Group 1)

The Trust 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 Trust MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, commencing in the month following the month of the initial issuance thereof. The Mortgage Loans underlying the Trust MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“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 Trust MBS and the related Mortgage Loans as of the Issue Date are expected to be as follows:

Trust MBS	
Aggregate Unpaid Principal Balance	\$400,000,000
MBS Pass-Through Rate	8.50%
Related Mortgage Loans	
Range of WACs (per annum percentages)	8.75% to 11.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	338 months
Approximate Weighted Average CAGE	22 months

The Trust SMBS (Group 2)

The Trust SMBS will evidence an indirect beneficial ownership interest in certain interest distributions at a Pass-Through Rate of 8.50% on a notional principal amount of \$150,823,352 of certain MBS held in the form of a Mega Certificate CL-190270 and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000270-CL. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The Trust SMBS provide that distributions thereon will be passed through monthly, commencing in the month following the initial issuance thereof. The general characteristics of the Trust SMBS and the Mega Certificate are described in the SMBS Prospectus and the Mega Prospectus, respectively.

Final Data Statement

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

balances of the Mortgage Loans underlying the Trust MBS and the Trust SMBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

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	PA, ZA, I, J and K
Accrual	ZA
Floating Rate	FB, FC and FA
Inverse Floating Rate	SB, SC, SA, SE, SD and SG
Principal Only	EA
Interest Only	SB, SC, SA, SE, SD, SG, I, J and K
RCR**	PB, PC, PD, FD, SH, SJ, SK and SL
No Payment Residual	R and RL

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

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

General. The interest-bearing Certificates will bear interest at the applicable per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (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 for each interest-bearing Certificate on a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

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

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>
All Floating Rate and Inverse Floating Rate Classes and the FD*, SH*, SL*, SJ* and SK* 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 and the PB*, PC* and PD* Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

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

Accrual Class. The ZA Class is an Accrual Class. Interest will accrue on the Accrual Class at the per annum rate set forth on the cover hereof; however, such interest will not be distributed thereon for so long as such Class remains outstanding. 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 SB, SC, SH*, SA, SD, SL*, SE, SG, SJ*, SK*, I, J and K Classes will be Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates described herein during each Interest Accrual Period on their respective notional principal balances. The notional principal balances of the Notional Classes will be equal to the applicable percentages of the outstanding balances as specified below immediately prior to the related Distribution Date:

<u>Classes</u>	<u>Initial Notional Principal Balance</u>	<u>Percentages of Specified Balances</u>
SB	\$110,000,000	100% of FB Class
SC	\$ 45,000,000	100% of FC Class
SH*	\$155,000,000	100% of SB and SC Classes
SA and SD	\$193,460,000 (1)	100% of FA Class
SL*	\$193,460,000	100% of SA and SD Classes
SE	\$110,000,000	100% of SA Class
SG	\$ 83,460,000	100% of SD Class
SJ*	\$193,460,000	100% of SE and SG Classes
SK*	\$193,460,000	100% of SA and SD Classes
I, J and K	\$150,823,352 (2)	100% of Trust SMBS

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

- (1) In the aggregate. The initial notional principal balances of the SA and SD Classes will be \$110,000,000 and \$83,460,000, respectively. On each Distribution Date, reductions in the principal balance of the FA Class will be allocated in reduction of the notional principal balances of the SA and SD Classes in that order, until the respective notional principal balances thereof are reduced to zero.
- (2) In the aggregate. The initial notional principal balances of the I, J and K Classes will be \$75,267,365, \$37,967,829 and \$37,588,158, respectively. On each Distribution Date, reductions in the notional principal balance of the Trust SMBS will be allocated in reduction of the notional principal balances of the I, J and K Classes in the following order of priority:
 - (i) to the I Class, until the notional principal balance thereof is reduced to its Notional Planned Balance for such Distribution Date;
 - (ii) to the J Class, until the notional principal balance thereof is reduced to zero;
 - (iii) to the I Class, without regard to its Notional Planned Balance and until the notional principal balance thereof is reduced to zero; and
 - (iv) to the K Class, until the notional principal balance thereof is reduced to zero.

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

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

bear interest during each Interest Accrual Period thereafter, subject to the applicable maximum and minimum interest rates, at 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>
FB	6.1875%	8.5%	0.5%	LIBOR + 50 basis points
SB	2.3125%	8.0%	0.0%	8% – LIBOR
FC	6.1875%	8.5%	0.5%	LIBOR + 50 basis points
SC	2.3125%	8.0%	0.0%	8% – LIBOR
FD*	6.1875%	8.5%	0.5%	LIBOR + 50 basis points
SH*	2.3125%	8.0%	0.0%	8% – LIBOR
FA	6.1875%	9.5%	0.5%	LIBOR + 50 basis points
SA	2.3125%	8.0%	0.0%	8% – LIBOR
SE	1.0000%	1.0%	0.0%	9% – LIBOR
SD	2.3125%	8.0%	0.0%	8% – LIBOR
SG	1.0000%	1.0%	0.0%	9% – LIBOR
SJ*	1.0000%	1.0%	0.0%	9% – LIBOR
SK*	3.3125%	9.0%	0.0%	9% – LIBOR
SL*	2.3125%	8.0%	0.0%	8% – 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 balances of the Floating Rate and Inverse Floating Rate Classes and the FD*, SH*, SJ*, SK* and SL* 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 5.6875%.

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

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
PAC	FB, FC and PA
TAC	FA and EA
Notional	SB, SC, SA, SE, SD and SG
Accretion Directed	FA and EA
Support	ZA
RCR**	PB, PC, PD, FD, SH, SJ, SK and SL
Group 2 Classes	
Notional	I(1), J(2) and K(3)
No Payment Residual	R and RL

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

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

- (1) The I Class is a Notional Class whose notional principal balance is designed to be reduced using a predetermined notional principal balance schedule derived by assuming two constant prepayment rates for the underlying Mortgage Loans relating to such Class. These two rates are the end points for the “structuring range” for such Class.
- (2) The J Class is a Notional Class whose notional principal balance declines on any Distribution Date only if scheduled reductions have occurred in the notional principal balance of the I Class.
- (3) The K Class is a Notional Class whose notional principal balance is reduced in a prescribed sequence, does not have a predetermined schedule and under all circumstances will decline continuously from the first Distribution Date on which such Class is reduced until such Class is retired.

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 Trust MBS in the month of such Distribution Date (the “Group 1 Cash Flow Distribution Amount”) and any interest accrued and added on such Distribution Date to the principal balance of the Accrual Class (the “Group 1 Accrual Amount”).

Group 1 Accrual Amount

On each Distribution Date, the Accrual Amount, if any, will be distributed, concurrently, as principal of the FA and EA Classes, in proportion to their original principal balances (or 89.4736842105% and 10.5263157895%, respectively), until the principal balances thereof are reduced to zero, and then to the ZA Class. } **Accretion Directed Classes and Accrual Class**

Group 1 Cash Flow Distribution Amount

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

- (i) sequentially to the FB, FC and PA Classes, in that order, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date; } **PAC Classes**
- (ii) concurrently, to the FA and EA Classes, in proportion to their original principal balances, until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date; } **TAC Classes**
- (iii) to the ZA Class, until the principal balance thereof is reduced to zero; } **Support Class**

(iv) concurrently, to the FA and EA Classes, in proportion to their original principal balances, without regard to their Targeted Balances and until the principal balances thereof are reduced to zero; and

} TAC
Classes

(v) sequentially, to the FB, FC and PA Classes, in that order, without regard to their Planned Balances and until the respective principal balances thereof are reduced to zero.

} PAC
Classes

Structuring Assumptions

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

- the Mortgage Loans underlying the Trust MBS and Trust SMBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

Trust MBS	360 months	338 months	22 months	9.000%
Trust SMBS	360 months	284 months	67 months	9.003%

- 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 Ranges and Rate. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans prepay at a *constant* PSA rate within the Structuring Ranges or at the rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Ranges and Rate</u>
Planned Balances	FB, FC and PA	Between 80% and 500%
Notional Planned Balance	I	(1)
Targeted Balances	FA and EA	230%

(1) The Notional Planned Balance for the I Class has been structured at 130% and 275% PSA, but will have an Initial Effective Range (as defined below) of between 131% and 276% PSA.

There is no assurance that the balance of any Class listed above will conform on any Distribution Date to the applicable balance specified for such Distribution Date in the Principal Balance Schedules herein, or that distributions of principal (or reductions in the notional balance) of such Class will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal distribution (or notional balance reduction) on any Distribution Date over the amount necessary to reduce any such Class to its scheduled balance will be distributed or allocated, the ability to so reduce such Class will not be enhanced by the averaging of high and low principal payments (or notional balance reductions) from month to month. In addition, even if prepayments occur on the related Mortgage Loans at rates falling within the applicable Structuring Ranges specified above, principal distributions (or notional balance reductions) may be insufficient to reduce the applicable Classes to their scheduled balances if such

prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans), the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Range or at the applicable rate specified above.

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

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
FB	Between 80% and 502%
FC	Between 80% and 500%
PA	Between 59% and 500%
I	Between 131% and 276%

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>FB Class Planned Balance</u>	<u>FC Class Planned Balance</u>	<u>PA Class Planned Balance</u>	<u>FA Class Targeted Balance</u>	<u>EA Class Targeted Balance</u>	<u>I Class Notional Planned Balance</u>
Initial Balance	\$110,000,000.00	\$45,000,000.00	\$10,100,000.00	\$193,460,000.00	\$22,760,000.00	\$75,267,365.00
June 1997	108,492,034.89	45,000,000.00	10,100,000.00	191,139,887.37	22,487,045.57	74,096,582.46
July 1997	106,932,644.93	45,000,000.00	10,100,000.00	188,747,560.68	22,205,595.37	72,933,583.47
August 1997	105,322,369.35	45,000,000.00	10,100,000.00	186,286,132.63	21,916,015.60	71,778,315.96
September 1997	103,661,768.02	45,000,000.00	10,100,000.00	183,758,825.02	21,618,685.30	70,630,727.22
October 1997	101,951,421.14	45,000,000.00	10,100,000.00	181,168,962.85	21,313,995.63	69,490,765.38
November 1997	100,191,928.88	45,000,000.00	10,100,000.00	178,519,968.33	21,002,349.22	68,358,378.91
December 1997	98,383,911.07	45,000,000.00	10,100,000.00	175,815,354.49	20,684,159.35	67,233,516.63
January 1998	96,528,006.82	45,000,000.00	10,100,000.00	173,058,718.73	20,359,849.26	66,116,127.71
February 1998	94,678,792.28	45,000,000.00	10,100,000.00	170,349,115.62	20,041,072.43	65,006,161.65
March 1998	92,836,237.04	45,000,000.00	10,100,000.00	167,685,897.82	19,727,752.69	63,903,568.30
April 1998	91,000,310.79	45,000,000.00	10,100,000.00	165,068,426.14	19,419,814.84	62,808,297.86
May 1998	89,170,983.34	45,000,000.00	10,100,000.00	162,496,069.35	19,117,184.63	61,720,300.84
June 1998	87,348,224.62	45,000,000.00	10,100,000.00	159,968,204.13	18,819,788.72	60,639,535.30
July 1998	85,532,004.67	45,000,000.00	10,100,000.00	157,484,214.95	18,527,554.70	59,565,945.18
August 1998	83,722,293.64	45,000,000.00	10,100,000.00	155,043,494.00	18,240,411.06	58,499,482.01
September 1998	81,919,061.80	45,000,000.00	10,100,000.00	152,645,441.05	17,958,287.18	57,440,097.63
October 1998	80,122,279.51	45,000,000.00	10,100,000.00	150,289,463.40	17,681,113.34	56,387,744.20
November 1998	78,331,917.26	45,000,000.00	10,100,000.00	147,974,975.76	17,408,820.68	55,342,374.22
December 1998	76,547,945.64	45,000,000.00	10,100,000.00	145,701,400.15	17,141,341.19	54,303,940.51
January 1999	74,770,335.36	45,000,000.00	10,100,000.00	143,468,165.83	16,878,607.75	53,272,396.19
February 1999	72,999,057.23	45,000,000.00	10,100,000.00	141,274,709.21	16,620,554.02	52,247,694.71
March 1999	71,234,082.17	45,000,000.00	10,100,000.00	139,120,473.72	16,367,114.56	51,229,789.83
April 1999	69,475,381.21	45,000,000.00	10,100,000.00	137,004,909.79	16,118,224.68	50,218,635.62
May 1999	67,722,925.49	45,000,000.00	10,100,000.00	134,927,474.69	15,873,820.55	49,214,186.46
June 1999	65,976,686.26	45,000,000.00	10,100,000.00	132,887,632.48	15,633,839.12	48,216,397.04
July 1999	64,236,634.86	45,000,000.00	10,100,000.00	130,884,853.96	15,398,218.11	47,225,222.36
August 1999	62,502,742.76	45,000,000.00	10,100,000.00	128,918,616.50	15,166,896.06	46,240,617.72
September 1999	60,774,981.52	45,000,000.00	10,100,000.00	126,988,404.03	14,939,812.24	45,262,538.72
October 1999	59,053,322.80	45,000,000.00	10,100,000.00	125,093,706.94	14,716,906.70	44,290,941.25
November 1999	57,337,738.38	45,000,000.00	10,100,000.00	123,234,021.97	14,498,120.23	43,325,781.51
December 1999	55,628,200.14	45,000,000.00	10,100,000.00	121,408,852.15	14,283,394.37	42,367,016.00
January 2000	53,924,680.07	45,000,000.00	10,100,000.00	119,617,706.75	14,072,671.38	41,414,601.50
February 2000	52,227,150.25	45,000,000.00	10,100,000.00	117,860,101.14	13,865,894.25	40,468,495.08
March 2000	50,535,582.86	45,000,000.00	10,100,000.00	116,135,556.78	13,663,006.68	39,528,654.12
April 2000	48,849,950.20	45,000,000.00	10,100,000.00	114,443,601.09	13,463,953.07	38,595,036.26
May 2000	47,170,224.67	45,000,000.00	10,100,000.00	112,783,767.38	13,268,678.52	37,667,599.45
June 2000	45,496,378.76	45,000,000.00	10,100,000.00	111,155,594.82	13,077,128.80	36,746,301.91
July 2000	43,828,385.06	45,000,000.00	10,100,000.00	109,558,628.32	12,889,250.39	35,831,102.14
August 2000	42,166,216.28	45,000,000.00	10,100,000.00	107,992,418.48	12,704,990.41	34,921,958.93
September 2000	40,509,845.21	45,000,000.00	10,100,000.00	106,456,521.52	12,524,296.65	34,018,831.34
October 2000	38,859,244.75	45,000,000.00	10,100,000.00	104,950,499.18	12,347,117.55	33,121,678.71
November 2000	37,214,387.90	45,000,000.00	10,100,000.00	103,473,918.68	12,173,402.20	32,230,460.65
December 2000	35,575,247.75	45,000,000.00	10,100,000.00	102,026,352.65	12,003,100.31	31,345,137.04
January 2001	33,941,797.50	45,000,000.00	10,100,000.00	100,607,379.05	11,836,162.24	30,465,668.05
February 2001	32,314,010.44	45,000,000.00	10,100,000.00	99,216,581.10	11,672,538.95	29,592,016.50
March 2001	30,691,859.96	45,000,000.00	10,100,000.00	97,853,547.24	11,512,182.03	28,724,140.66
April 2001	29,075,319.55	45,000,000.00	10,100,000.00	96,517,871.01	11,355,043.65	27,862,001.49
May 2001	27,464,362.79	45,000,000.00	10,100,000.00	95,209,151.05	11,201,076.59	27,005,560.20
June 2001	25,858,963.37	45,000,000.00	10,100,000.00	93,926,990.99	11,050,234.23	26,154,778.28
July 2001	24,259,095.06	45,000,000.00	10,100,000.00	92,670,999.39	10,902,470.52	25,309,617.58
August 2001	22,664,731.74	45,000,000.00	10,100,000.00	91,440,789.72	10,757,739.97	24,470,081.10

<u>Distribution Date</u>	<u>FB Class Planned Balance</u>	<u>FC Class Planned Balance</u>	<u>PA Class Planned Balance</u>	<u>FA Class Targeted Balance</u>	<u>EA Class Targeted Balance</u>	<u>I Class Notional Planned Balance</u>
September 2001.....	\$ 21,075,847.37	\$45,000,000.00	\$10,100,000.00	\$ 90,235,980.23	\$10,615,997.67	\$23,636,089.74
October 2001.....	19,492,416.01	45,000,000.00	10,100,000.00	89,056,193.97	10,477,199.29	22,807,606.01
November 2001.....	17,914,411.82	45,000,000.00	10,100,000.00	87,901,058.63	10,341,301.02	21,984,592.67
December 2001.....	16,341,809.05	45,000,000.00	10,100,000.00	86,770,206.58	10,208,259.60	21,167,012.73
January 2002.....	14,774,582.04	45,000,000.00	10,100,000.00	85,663,274.75	10,078,032.32	20,354,835.65
February 2002.....	13,212,705.23	45,000,000.00	10,100,000.00	84,579,904.59	9,950,577.01	19,548,018.72
March 2002.....	11,656,153.15	45,000,000.00	10,100,000.00	83,519,742.00	9,825,852.00	18,746,525.69
April 2002.....	10,104,900.42	45,000,000.00	10,100,000.00	82,482,437.30	9,703,816.15	17,950,320.57
May 2002.....	8,558,921.75	45,000,000.00	10,100,000.00	81,467,645.14	9,584,428.84	17,159,397.95
June 2002.....	7,018,191.95	45,000,000.00	10,100,000.00	80,475,024.49	9,467,649.94	16,373,691.78
July 2002.....	5,482,685.91	45,000,000.00	10,100,000.00	79,504,238.53	9,353,439.83	15,593,166.80
August 2002.....	3,952,378.61	45,000,000.00	10,100,000.00	78,554,954.63	9,241,759.37	14,817,787.96
September 2002.....	2,427,245.13	45,000,000.00	10,100,000.00	77,626,844.32	9,132,569.92	14,047,520.47
October 2002.....	907,260.64	45,000,000.00	10,100,000.00	76,719,583.15	9,025,833.31	13,282,329.76
November 2002.....	0.00	44,392,400.39	10,100,000.00	75,832,850.74	8,921,511.85	12,522,181.50
December 2002.....	0.00	42,882,639.72	10,100,000.00	74,966,330.67	8,819,568.31	11,767,041.59
January 2003.....	0.00	41,377,954.06	10,100,000.00	74,119,710.45	8,719,965.94	11,016,881.60
February 2003.....	0.00	39,878,318.93	10,100,000.00	73,292,681.45	8,622,668.41	10,271,680.93
March 2003.....	0.00	38,383,709.94	10,100,000.00	72,484,938.87	8,527,639.87	9,531,435.94
April 2003.....	0.00	36,908,440.20	10,100,000.00	71,683,353.47	8,433,335.70	8,796,065.68
May 2003.....	0.00	35,477,586.99	10,100,000.00	70,865,168.72	8,337,078.67	8,065,539.46
June 2003.....	0.00	34,089,822.87	10,100,000.00	70,031,257.09	8,238,971.42	7,339,821.30
July 2003.....	0.00	32,743,859.86	10,100,000.00	69,182,459.50	8,139,112.88	6,618,912.32
August 2003.....	0.00	31,438,448.27	10,100,000.00	68,319,586.23	8,037,598.38	5,902,748.84
September 2003.....	0.00	30,172,375.57	10,100,000.00	67,443,417.95	7,934,519.76	5,191,296.30
October 2003.....	0.00	28,944,465.30	10,100,000.00	66,554,706.61	7,829,965.48	4,484,522.85
November 2003.....	0.00	27,753,575.97	10,100,000.00	65,654,176.40	7,724,020.75	3,782,396.83
December 2003.....	0.00	26,598,600.07	10,100,000.00	64,742,524.59	7,616,767.60	3,084,886.80
January 2004.....	0.00	25,478,463.01	10,100,000.00	63,820,422.41	7,508,284.99	2,392,464.55
February 2004.....	0.00	24,392,122.20	10,100,000.00	62,888,515.88	7,398,648.93	1,711,013.90
March 2004.....	0.00	23,338,566.05	10,100,000.00	61,947,426.61	7,287,932.54	1,040,366.44
April 2004.....	0.00	22,316,813.09	10,100,000.00	60,997,752.55	7,176,206.18	380,360.20
May 2004.....	0.00	21,325,911.05	10,100,000.00	60,040,068.82	7,063,537.51	0.00
June 2004.....	0.00	20,364,936.03	10,100,000.00	59,074,928.35	6,949,991.57	0.00
July 2004.....	0.00	19,432,991.61	10,100,000.00	58,102,862.66	6,835,630.90	0.00
August 2004.....	0.00	18,529,208.08	10,100,000.00	57,124,382.55	6,720,515.59	0.00
September 2004.....	0.00	17,652,741.62	10,100,000.00	56,139,978.69	6,604,703.38	0.00
October 2004.....	0.00	16,802,773.55	10,100,000.00	55,150,122.38	6,488,249.69	0.00
November 2004.....	0.00	15,978,509.58	10,100,000.00	54,155,266.06	6,371,207.77	0.00
December 2004.....	0.00	15,179,179.06	10,100,000.00	53,155,844.04	6,253,628.71	0.00
January 2005.....	0.00	14,404,034.33	10,100,000.00	52,152,272.99	6,135,561.53	0.00
February 2005.....	0.00	13,652,350.00	10,100,000.00	51,144,952.55	6,017,053.24	0.00
March 2005.....	0.00	12,923,422.29	10,100,000.00	50,134,265.90	5,898,148.93	0.00
April 2005.....	0.00	12,216,568.42	10,100,000.00	49,120,580.26	5,778,891.80	0.00
May 2005.....	0.00	11,531,125.94	10,100,000.00	48,104,247.45	5,659,323.23	0.00
June 2005.....	0.00	10,866,452.17	10,100,000.00	47,085,604.38	5,539,482.87	0.00
July 2005.....	0.00	10,221,923.59	10,100,000.00	46,064,973.50	5,419,408.65	0.00
August 2005.....	0.00	9,596,935.28	10,100,000.00	45,042,663.34	5,299,136.86	0.00
September 2005.....	0.00	8,990,900.36	10,100,000.00	44,018,968.93	5,178,702.23	0.00
October 2005.....	0.00	8,403,249.46	10,100,000.00	42,994,172.25	5,058,137.91	0.00
November 2005.....	0.00	7,833,430.19	10,100,000.00	41,968,542.67	4,937,475.61	0.00
December 2005.....	0.00	7,280,906.67	10,100,000.00	40,942,337.34	4,816,745.57	0.00

<u>Distribution Date</u>	<u>FB Class Planned Balance</u>	<u>FC Class Planned Balance</u>	<u>PA Class Planned Balance</u>	<u>FA Class Targeted Balance</u>	<u>EA Class Targeted Balance</u>	<u>I Class Notional Planned Balance</u>
January 2006	\$ 0.00	\$ 6,745,158.99	\$10,100,000.00	\$ 39,915,801.64	\$ 4,695,976.66	\$ 0.00
February 2006	0.00	6,225,682.77	10,100,000.00	38,889,169.54	4,575,196.42	0.00
March 2006	0.00	5,721,988.69	10,100,000.00	37,862,664.00	4,454,431.06	0.00
April 2006	0.00	5,233,602.04	10,100,000.00	36,836,497.30	4,333,705.56	0.00
May 2006	0.00	4,760,062.29	10,100,000.00	35,810,871.44	4,213,043.70	0.00
June 2006	0.00	4,300,922.67	10,100,000.00	34,785,978.48	4,092,468.06	0.00
July 2006	0.00	3,855,749.75	10,100,000.00	33,762,000.84	3,972,000.10	0.00
August 2006	0.00	3,424,123.05	10,100,000.00	32,739,111.68	3,851,660.20	0.00
September 2006	0.00	3,005,634.66	10,100,000.00	31,717,475.15	3,731,467.67	0.00
October 2006	0.00	2,599,888.86	10,100,000.00	30,697,246.77	3,611,440.80	0.00
November 2006	0.00	2,206,501.76	10,100,000.00	29,678,573.64	3,491,596.90	0.00
December 2006	0.00	1,825,100.95	10,100,000.00	28,661,594.80	3,371,952.33	0.00
January 2007	0.00	1,455,325.16	10,100,000.00	27,646,441.46	3,252,522.52	0.00
February 2007	0.00	1,096,823.92	10,100,000.00	26,633,237.28	3,133,322.03	0.00
March 2007	0.00	749,257.24	10,100,000.00	25,622,098.65	3,014,364.55	0.00
April 2007	0.00	412,295.32	10,100,000.00	24,613,134.91	2,895,662.93	0.00
May 2007	0.00	85,618.21	10,100,000.00	23,606,448.61	2,777,229.25	0.00
June 2007	0.00	0.00	9,868,915.55	22,602,135.75	2,659,074.79	0.00
July 2007	0.00	0.00	9,561,886.26	21,600,286.01	2,541,210.12	0.00
August 2007	0.00	0.00	9,264,238.28	20,600,982.94	2,423,645.05	0.00
September 2007	0.00	0.00	8,975,688.30	19,604,304.21	2,306,388.73	0.00
October 2007	0.00	0.00	8,695,961.49	18,610,321.80	2,189,449.62	0.00
November 2007	0.00	0.00	8,424,791.25	17,619,102.23	2,072,835.56	0.00
December 2007	0.00	0.00	8,161,918.98	16,630,706.69	1,956,553.73	0.00
January 2008	0.00	0.00	7,907,093.81	15,645,191.29	1,840,610.74	0.00
February 2008	0.00	0.00	7,660,072.42	14,662,607.22	1,725,012.61	0.00
March 2008	0.00	0.00	7,420,618.75	13,683,000.92	1,609,764.81	0.00
April 2008	0.00	0.00	7,188,503.84	12,706,414.25	1,494,872.26	0.00
May 2008	0.00	0.00	6,963,505.60	11,732,884.68	1,380,339.37	0.00
June 2008	0.00	0.00	6,745,408.59	10,762,445.40	1,266,170.05	0.00
July 2008	0.00	0.00	6,534,003.83	9,795,125.54	1,152,367.71	0.00
August 2008	0.00	0.00	6,329,088.62	8,830,950.27	1,038,935.33	0.00
September 2008	0.00	0.00	6,130,466.35	7,869,940.95	925,875.41	0.00
October 2008	0.00	0.00	5,937,946.30	6,912,115.28	813,190.03	0.00
November 2008	0.00	0.00	5,751,343.48	5,957,487.47	700,880.88	0.00
December 2008	0.00	0.00	5,570,478.46	5,006,068.28	588,949.21	0.00
January 2009	0.00	0.00	5,395,177.20	4,057,865.24	477,395.91	0.00
February 2009	0.00	0.00	5,225,270.89	3,112,882.73	366,221.50	0.00
March 2009	0.00	0.00	5,060,595.78	2,171,122.09	255,426.13	0.00
April 2009	0.00	0.00	4,900,993.05	1,232,581.77	145,009.62	0.00
May 2009	0.00	0.00	4,746,308.66	297,257.41	34,971.46	0.00
June 2009	0.00	0.00	4,596,393.20	0.00	0.00	0.00
July 2009	0.00	0.00	4,451,101.75	0.00	0.00	0.00
August 2009	0.00	0.00	4,310,293.75	0.00	0.00	0.00
September 2009	0.00	0.00	4,173,832.88	0.00	0.00	0.00
October 2009	0.00	0.00	4,041,586.91	0.00	0.00	0.00
November 2009	0.00	0.00	3,913,427.59	0.00	0.00	0.00
December 2009	0.00	0.00	3,789,230.54	0.00	0.00	0.00
January 2010	0.00	0.00	3,668,875.12	0.00	0.00	0.00
February 2010	0.00	0.00	3,552,244.33	0.00	0.00	0.00
March 2010	0.00	0.00	3,439,224.69	0.00	0.00	0.00
April 2010	0.00	0.00	3,329,706.14	0.00	0.00	0.00

<u>Distribution Date</u>	<u>FB Class Planned Balance</u>	<u>FC Class Planned Balance</u>	<u>PA Class Planned Balance</u>	<u>FA Class Targeted Balance</u>	<u>EA Class Targeted Balance</u>	<u>I Class Notional Planned Balance</u>
May 2010	\$ 0.00	\$ 0.00	\$ 3,223,581.94	\$ 0.00	\$ 0.00	\$ 0.00
June 2010	0.00	0.00	3,120,748.57	0.00	0.00	0.00
July 2010	0.00	0.00	3,021,105.64	0.00	0.00	0.00
August 2010	0.00	0.00	2,924,555.77	0.00	0.00	0.00
September 2010	0.00	0.00	2,831,004.53	0.00	0.00	0.00
October 2010	0.00	0.00	2,740,360.34	0.00	0.00	0.00
November 2010	0.00	0.00	2,652,534.38	0.00	0.00	0.00
December 2010	0.00	0.00	2,567,440.51	0.00	0.00	0.00
January 2011	0.00	0.00	2,484,995.21	0.00	0.00	0.00
February 2011	0.00	0.00	2,405,117.46	0.00	0.00	0.00
March 2011	0.00	0.00	2,327,728.70	0.00	0.00	0.00
April 2011	0.00	0.00	2,252,752.75	0.00	0.00	0.00
May 2011	0.00	0.00	2,180,115.72	0.00	0.00	0.00
June 2011	0.00	0.00	2,109,745.97	0.00	0.00	0.00
July 2011	0.00	0.00	2,041,574.01	0.00	0.00	0.00
August 2011	0.00	0.00	1,975,532.47	0.00	0.00	0.00
September 2011	0.00	0.00	1,911,556.01	0.00	0.00	0.00
October 2011	0.00	0.00	1,849,581.27	0.00	0.00	0.00
November 2011	0.00	0.00	1,789,546.81	0.00	0.00	0.00
December 2011	0.00	0.00	1,731,393.05	0.00	0.00	0.00
January 2012	0.00	0.00	1,675,062.21	0.00	0.00	0.00
February 2012	0.00	0.00	1,620,498.27	0.00	0.00	0.00
March 2012	0.00	0.00	1,567,646.91	0.00	0.00	0.00
April 2012	0.00	0.00	1,516,455.45	0.00	0.00	0.00
May 2012	0.00	0.00	1,466,872.81	0.00	0.00	0.00
June 2012	0.00	0.00	1,418,849.46	0.00	0.00	0.00
July 2012	0.00	0.00	1,372,337.38	0.00	0.00	0.00
August 2012	0.00	0.00	1,327,290.01	0.00	0.00	0.00
September 2012	0.00	0.00	1,283,662.19	0.00	0.00	0.00
October 2012	0.00	0.00	1,241,410.14	0.00	0.00	0.00
November 2012	0.00	0.00	1,200,491.41	0.00	0.00	0.00
December 2012	0.00	0.00	1,160,864.85	0.00	0.00	0.00
January 2013	0.00	0.00	1,122,490.55	0.00	0.00	0.00
February 2013	0.00	0.00	1,085,329.81	0.00	0.00	0.00
March 2013	0.00	0.00	1,049,345.12	0.00	0.00	0.00
April 2013	0.00	0.00	1,014,500.11	0.00	0.00	0.00
May 2013	0.00	0.00	980,759.51	0.00	0.00	0.00
June 2013	0.00	0.00	948,089.13	0.00	0.00	0.00
July 2013	0.00	0.00	916,455.83	0.00	0.00	0.00
August 2013	0.00	0.00	885,827.46	0.00	0.00	0.00
September 2013	0.00	0.00	856,172.87	0.00	0.00	0.00
October 2013	0.00	0.00	827,461.84	0.00	0.00	0.00
November 2013	0.00	0.00	799,665.10	0.00	0.00	0.00
December 2013	0.00	0.00	772,754.25	0.00	0.00	0.00
January 2014	0.00	0.00	746,701.76	0.00	0.00	0.00
February 2014	0.00	0.00	721,480.96	0.00	0.00	0.00
March 2014	0.00	0.00	697,065.97	0.00	0.00	0.00
April 2014	0.00	0.00	673,431.71	0.00	0.00	0.00
May 2014	0.00	0.00	650,553.88	0.00	0.00	0.00
June 2014	0.00	0.00	628,408.91	0.00	0.00	0.00
July 2014	0.00	0.00	606,973.95	0.00	0.00	0.00
August 2014	0.00	0.00	586,226.86	0.00	0.00	0.00

<u>Distribution Date</u>	<u>FB Class Planned Balance</u>	<u>FC Class Planned Balance</u>	<u>PA Class Planned Balance</u>	<u>FA Class Targeted Balance</u>	<u>EA Class Targeted Balance</u>	<u>I Class Notional Planned Balance</u>
September 2014.....	\$ 0.00	\$ 0.00	\$ 566,146.17	\$ 0.00	\$ 0.00	\$ 0.00
October 2014.....	0.00	0.00	546,711.07	0.00	0.00	0.00
November 2014.....	0.00	0.00	527,901.38	0.00	0.00	0.00
December 2014.....	0.00	0.00	509,697.56	0.00	0.00	0.00
January 2015.....	0.00	0.00	492,080.65	0.00	0.00	0.00
February 2015.....	0.00	0.00	475,032.27	0.00	0.00	0.00
March 2015.....	0.00	0.00	458,534.62	0.00	0.00	0.00
April 2015.....	0.00	0.00	442,570.44	0.00	0.00	0.00
May 2015.....	0.00	0.00	427,123.00	0.00	0.00	0.00
June 2015.....	0.00	0.00	412,176.09	0.00	0.00	0.00
July 2015.....	0.00	0.00	397,713.98	0.00	0.00	0.00
August 2015.....	0.00	0.00	383,721.44	0.00	0.00	0.00
September 2015.....	0.00	0.00	370,183.71	0.00	0.00	0.00
October 2015.....	0.00	0.00	357,086.48	0.00	0.00	0.00
November 2015.....	0.00	0.00	344,415.87	0.00	0.00	0.00
December 2015.....	0.00	0.00	332,158.45	0.00	0.00	0.00
January 2016.....	0.00	0.00	320,301.19	0.00	0.00	0.00
February 2016.....	0.00	0.00	308,831.46	0.00	0.00	0.00
March 2016.....	0.00	0.00	297,737.03	0.00	0.00	0.00
April 2016.....	0.00	0.00	287,006.04	0.00	0.00	0.00
May 2016.....	0.00	0.00	276,627.00	0.00	0.00	0.00
June 2016.....	0.00	0.00	266,588.77	0.00	0.00	0.00
July 2016.....	0.00	0.00	256,880.56	0.00	0.00	0.00
August 2016.....	0.00	0.00	247,491.91	0.00	0.00	0.00
September 2016.....	0.00	0.00	238,412.69	0.00	0.00	0.00
October 2016.....	0.00	0.00	229,633.08	0.00	0.00	0.00
November 2016.....	0.00	0.00	221,143.56	0.00	0.00	0.00
December 2016.....	0.00	0.00	212,934.91	0.00	0.00	0.00
January 2017.....	0.00	0.00	204,998.20	0.00	0.00	0.00
February 2017.....	0.00	0.00	197,324.76	0.00	0.00	0.00
March 2017.....	0.00	0.00	189,906.21	0.00	0.00	0.00
April 2017.....	0.00	0.00	182,734.42	0.00	0.00	0.00
May 2017.....	0.00	0.00	175,801.52	0.00	0.00	0.00
June 2017.....	0.00	0.00	169,099.87	0.00	0.00	0.00
July 2017.....	0.00	0.00	162,622.08	0.00	0.00	0.00
August 2017.....	0.00	0.00	156,360.99	0.00	0.00	0.00
September 2017.....	0.00	0.00	150,309.65	0.00	0.00	0.00
October 2017.....	0.00	0.00	144,461.35	0.00	0.00	0.00
November 2017.....	0.00	0.00	138,809.57	0.00	0.00	0.00
December 2017.....	0.00	0.00	133,348.00	0.00	0.00	0.00
January 2018.....	0.00	0.00	128,070.52	0.00	0.00	0.00
February 2018.....	0.00	0.00	122,971.21	0.00	0.00	0.00
March 2018.....	0.00	0.00	118,044.34	0.00	0.00	0.00
April 2018.....	0.00	0.00	113,284.34	0.00	0.00	0.00
May 2018.....	0.00	0.00	108,685.83	0.00	0.00	0.00
June 2018.....	0.00	0.00	104,243.60	0.00	0.00	0.00
July 2018.....	0.00	0.00	99,952.60	0.00	0.00	0.00
August 2018.....	0.00	0.00	95,807.93	0.00	0.00	0.00
September 2018.....	0.00	0.00	91,804.85	0.00	0.00	0.00
October 2018.....	0.00	0.00	87,938.77	0.00	0.00	0.00
November 2018.....	0.00	0.00	84,205.24	0.00	0.00	0.00
December 2018.....	0.00	0.00	80,599.95	0.00	0.00	0.00

<u>Distribution Date</u>	<u>FB Class Planned Balance</u>	<u>FC Class Planned Balance</u>	<u>PA Class Planned Balance</u>	<u>FA Class Targeted Balance</u>	<u>EA Class Targeted Balance</u>	<u>I Class Notional Planned Balance</u>
January 2019	\$ 0.00	\$ 0.00	\$ 77,118.74	\$ 0.00	\$ 0.00	\$ 0.00
February 2019	0.00	0.00	73,757.56	0.00	0.00	0.00
March 2019	0.00	0.00	70,512.50	0.00	0.00	0.00
April 2019	0.00	0.00	67,379.77	0.00	0.00	0.00
May 2019	0.00	0.00	64,355.70	0.00	0.00	0.00
June 2019	0.00	0.00	61,436.73	0.00	0.00	0.00
July 2019	0.00	0.00	58,619.43	0.00	0.00	0.00
August 2019	0.00	0.00	55,900.46	0.00	0.00	0.00
September 2019	0.00	0.00	53,276.59	0.00	0.00	0.00
October 2019	0.00	0.00	50,744.70	0.00	0.00	0.00
November 2019	0.00	0.00	48,301.76	0.00	0.00	0.00
December 2019	0.00	0.00	45,944.83	0.00	0.00	0.00
January 2020	0.00	0.00	43,671.09	0.00	0.00	0.00
February 2020	0.00	0.00	41,477.78	0.00	0.00	0.00
March 2020	0.00	0.00	39,362.24	0.00	0.00	0.00
April 2020	0.00	0.00	37,321.90	0.00	0.00	0.00
May 2020	0.00	0.00	35,354.27	0.00	0.00	0.00
June 2020	0.00	0.00	33,456.93	0.00	0.00	0.00
July 2020	0.00	0.00	31,627.54	0.00	0.00	0.00
August 2020	0.00	0.00	29,863.84	0.00	0.00	0.00
September 2020	0.00	0.00	28,163.64	0.00	0.00	0.00
October 2020	0.00	0.00	26,524.82	0.00	0.00	0.00
November 2020	0.00	0.00	24,945.33	0.00	0.00	0.00
December 2020	0.00	0.00	23,423.18	0.00	0.00	0.00
January 2021	0.00	0.00	21,956.44	0.00	0.00	0.00
February 2021	0.00	0.00	20,543.26	0.00	0.00	0.00
March 2021	0.00	0.00	19,181.83	0.00	0.00	0.00
April 2021	0.00	0.00	17,870.41	0.00	0.00	0.00
May 2021	0.00	0.00	16,607.31	0.00	0.00	0.00
June 2021	0.00	0.00	15,390.90	0.00	0.00	0.00
July 2021	0.00	0.00	14,219.60	0.00	0.00	0.00
August 2021	0.00	0.00	13,091.88	0.00	0.00	0.00
September 2021	0.00	0.00	12,006.26	0.00	0.00	0.00
October 2021	0.00	0.00	10,961.30	0.00	0.00	0.00
November 2021	0.00	0.00	9,955.62	0.00	0.00	0.00
December 2021	0.00	0.00	8,987.88	0.00	0.00	0.00
January 2022	0.00	0.00	8,056.78	0.00	0.00	0.00
February 2022	0.00	0.00	7,161.07	0.00	0.00	0.00
March 2022	0.00	0.00	6,299.53	0.00	0.00	0.00
April 2022	0.00	0.00	5,470.98	0.00	0.00	0.00
May 2022	0.00	0.00	4,674.29	0.00	0.00	0.00
June 2022	0.00	0.00	3,908.36	0.00	0.00	0.00
July 2022	0.00	0.00	3,172.12	0.00	0.00	0.00
August 2022	0.00	0.00	2,464.54	0.00	0.00	0.00
September 2022	0.00	0.00	1,784.63	0.00	0.00	0.00
October 2022	0.00	0.00	1,131.43	0.00	0.00	0.00
November 2022	0.00	0.00	504.00	0.00	0.00	0.00
December 2022 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00

Yield Tables

General. The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. The yields set forth in the tables were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase prices of such Classes and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered. *There can be no assurance that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. In addition, there can be no assurance that the Index will correspond to the levels shown herein. Furthermore, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of the Index will remain constant.*

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

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

The information set forth in the following tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Classes and the SH**, SJ**, SK** and SL** Classes 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 such Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SB	4.50%
SC	9.50
SH**	6.00
SJ**	3.75
SA	4.00
SE	2.00
SD	9.00
SG	6.00
SL**	6.00
SK**	5.00

* 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.

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	91.4%	78.4%	78.4%	78.4%	74.7%
5.6875%	34.1%	19.7%	19.7%	19.7%	12.0%
7.6875%	(36.0)%	(57.5)%	(57.5)%	(57.5)%	(74.8)%
8.0000%	*	*	*	*	*

* 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>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	48.3%	46.3%	46.3%	46.3%	41.7%
5.6875%	21.6%	17.4%	17.4%	17.4%	9.6%
7.6875%	(20.0)%	(29.2)%	(29.2)%	(29.2)%	(44.6)%
8.0000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	67.3%	59.4%	59.4%	59.4%	55.2%
5.6875%	26.5%	17.9%	17.9%	17.9%	10.1%
7.6875%	(25.1)%	(36.6)%	(36.6)%	(36.6)%	(52.9)%
8.0000% and above	*	*	*	*	*

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

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
8.0% and below	26.5%	25.8%	7.3%	(30.1)%	(87.2)%
8.5%	10.3%	8.8%	(10.0)%	(35.5)%	*
9.0%	*	*	*	*	*

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

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	129.0%	129.0%	77.0%	(10.7)%	(71.5)%
5.6875%	63.2%	62.9%	12.2%	(78.0)%	*
7.6875%	(0.3)%	(4.0)%	(70.0)%	*	*
8.0000% and above	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
8.0% and below	53.4%	53.1%	1.6%	(89.0)%	*
8.5%	23.7%	22.2%	(34.3)%	*	*
9.0%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	52.3%	52.3%	50.5%	21.8%	(14.7)%
5.6875%	26.8%	26.6%	21.8%	(15.8)%	(57.9)%
7.6875%	(4.1)%	(5.8)%	(21.0)%	(38.3)%	*
8.0000% and above	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
8.0% and below	16.3%	15.8%	8.4%	(27.7)%	(79.3)%
8.5%	5.3%	4.2%	(7.0)%	(34.0)%	*
9.0%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	80.9%	80.8%	59.0%	18.0%	(23.7)%
5.6875%	40.5%	40.1%	21.1%	(22.4)%	(68.8)%
7.6875%	(2.6)%	(5.0)%	(25.3)%	(39.8)%	*
8.0000%	*	*	*	*	*

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

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
3.6875%	128.4%	128.4%	103.4%	64.2%	23.2%
5.6875%	74.9%	74.8%	53.5%	12.1%	(29.8)%
7.6875%	26.7%	25.9%	7.4%	(30.0)%	(86.9)%
9.0000%	*	*	*	*	*

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

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

The Principal Only Class. **The Principal Only 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 Trust MBS will have a negative effect on the yield to investors in the Principal Only 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 Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
EA	72.0%

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

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>80%</u>	<u>230%</u>	<u>500%</u>	<u>650%</u>
EA	2.2%	2.6%	7.7%	21.4%	33.2%

The I, J and K Classes. **The yields to investors in the I, J and K Classes will be very sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the Trust SMBS. The Mortgage Loans generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the I, J and K Classes would be 0% if prepayments of the Mortgage Loans underlying the Trust SMBS were to occur at constant rates of approximately 336% PSA, 233% PSA and 400% PSA, respectively. If the actual prepayment rates of the related Mortgage Loans were to exceed the applicable levels for as little as one month while equaling such levels for the remaining months, the investors in the I, J and K Classes, as applicable, would not fully recoup their initial investments.**

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

<u>Class</u>	<u>Price*</u>
I	23.5%
J	28.5%
K	68.0%

* 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 I Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>130%</u>	<u>200%</u>	<u>275%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	24.8%	5.5%	5.5%	5.5%	(26.0)%

Sensitivity of the J Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>130%</u>	<u>200%</u>	<u>275%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	30.6%	28.3%	11.3%	(26.9)%	*

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

Sensitivity of the K Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>130%</u>	<u>200%</u>	<u>275%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	11.5%	10.4%	8.7%	6.0%	(5.8)%

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 sequences of distributions of principal (or reductions of notional principal) of the Group 1 and Group 2 Classes, as applicable. The weighted average lives of certain Group 1 and Group 2 Classes will also depend on the distribution of principal (or reduction of notional principal) of certain Classes in accordance with the Principal Balance Schedules. In particular, if certain amounts distributable as principal (or allocable to reduction in notional principal) of such Classes on any Distribution Date exceed the amount required to reduce the balances of such Classes to their scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed or allocated to the applicable remaining Classes on such Distribution Date. Conversely, if certain amounts distributable as principal (or allocable to reduction in notional principal) on any

Distribution Date are less than the amount required to reduce such Classes to their scheduled amounts, no principal will be distributed (or reduction allocated) to the applicable remaining Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the Group 1 and Group 2 Classes is expected to have a greater effect on the weighted average lives of the related Support Class and, under certain scenarios, the TAC Classes than on the weighted average lives of the PAC Classes. See “Distributions of Principal” herein.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA rates 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, as applicable, it has been assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the per annum rates specified below:

<u>Mortgage Loans Relating to Trust MBS and Trust SMBS</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
Trust MBS	360 months	360 months	11.0%	Group 1
Trust SMBS	360 months	323 months	11.0%	Group 2

It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a constant PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA rates, even if the distributions of the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	FB, SB† and PB‡ Classes					FC, SC† and PC‡ Classes					PA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	80%	230%	500%	650%	0%	80%	230%	500%	650%	0%	80%	230%	500%	650%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1998	98	81	81	81	81	100	100	100	100	100	100	100	100	100	100
May 1999	97	62	62	62	62	100	100	100	100	100	100	100	100	100	100
May 2000	94	43	43	43	34	100	100	100	100	100	100	100	100	100	100
May 2001	92	25	25	25	1	100	100	100	100	100	100	100	100	100	100
May 2002	90	8	8	8	0	100	100	100	100	52	100	100	100	100	100
May 2003	87	0	0	0	0	100	79	79	79	23	100	100	100	100	100
May 2004	84	0	0	0	0	100	47	47	47	5	100	100	100	100	100
May 2005	80	0	0	0	0	100	26	26	26	0	100	100	100	100	72
May 2006	76	0	0	0	0	100	11	11	11	0	100	100	100	100	43
May 2007	72	0	0	0	0	100	*	*	*	0	100	100	100	100	26
May 2008	67	0	0	0	0	100	0	0	0	0	100	69	69	69	15
May 2009	62	0	0	0	0	100	0	0	0	0	100	47	47	47	9
May 2010	55	0	0	0	0	100	0	0	0	0	100	32	32	32	5
May 2011	49	0	0	0	0	100	0	0	0	0	100	22	22	22	3
May 2012	41	0	0	0	0	100	0	0	0	0	100	15	15	15	2
May 2013	33	0	0	0	0	100	0	0	0	0	100	10	10	10	1
May 2014	23	0	0	0	0	100	0	0	0	0	100	6	6	6	1
May 2015	13	0	0	0	0	100	0	0	0	0	100	4	4	4	*
May 2016	1	0	0	0	0	100	0	0	0	0	100	3	3	3	*
May 2017	0	0	0	0	0	70	0	0	0	0	100	2	2	2	*
May 2018	0	0	0	0	0	34	0	0	0	0	100	1	1	1	*
May 2019	0	0	0	0	0	0	0	0	0	0	75	1	1	1	*
May 2020	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
May 2021	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
May 2022	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
May 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*
May 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*
May 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*
May 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.6	2.7	2.7	2.7	2.3	20.5	7.2	7.2	7.2	5.3	22.1	12.6	12.6	12.6	9.3

* 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.

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

Date	FA, EA, SJ‡, SL‡ and SK‡ Classes					SA† and SE† Classes					SD† and SG† Classes					ZA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	80%	230%	500%	650%	0%	80%	230%	500%	650%	0%	80%	230%	500%	650%	0%	80%	230%	500%	650%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1998	99	99	84	66	51	99	99	72	40	13	100	100	100	100	100	109	109	109	0	0
May 1999	98	98	70	35	14	97	97	47	0	0	100	100	100	82	33	118	118	118	0	0
May 2000	98	98	58	16	0	96	96	27	0	0	100	100	100	38	0	129	129	129	0	0
May 2001	97	97	49	6	0	94	94	11	0	0	100	100	100	14	0	140	140	140	0	0
May 2002	95	95	42	1	0	92	92	0	0	0	100	100	98	3	0	153	153	153	0	0
May 2003	94	94	37	*	0	90	90	0	0	0	100	100	85	*	0	166	166	166	0	0
May 2004	93	91	31	*	0	88	85	0	0	0	100	100	72	*	0	181	181	181	0	0
May 2005	92	87	25	*	0	85	77	0	0	0	100	100	58	*	0	197	197	197	0	0
May 2006	90	81	19	*	0	83	67	0	0	0	100	100	43	*	0	214	214	214	0	0
May 2007	88	74	12	*	0	80	55	0	0	0	100	100	28	*	0	233	233	233	0	0
May 2008	87	67	6	*	0	77	42	0	0	0	100	100	14	*	0	254	254	254	0	0
May 2009	85	60	*	*	0	73	29	0	0	0	100	100	*	*	0	276	276	276	0	0
May 2010	83	52	0	*	0	69	15	0	0	0	100	100	0	*	0	301	301	237	0	0
May 2011	80	44	0	*	0	65	1	0	0	0	100	100	0	*	0	327	327	200	0	0
May 2012	78	35	0	*	0	61	0	0	0	0	100	82	0	*	0	356	356	168	0	0
May 2013	75	27	0	*	0	56	0	0	0	0	100	63	0	*	0	388	388	140	0	0
May 2014	72	19	0	*	0	51	0	0	0	0	100	43	0	*	0	422	422	116	0	0
May 2015	69	10	0	*	0	45	0	0	0	0	100	23	0	*	0	459	459	95	0	0
May 2016	65	1	0	*	0	39	0	0	0	0	100	3	0	*	0	500	500	77	0	0
May 2017	62	0	0	*	0	33	0	0	0	0	100	0	0	*	0	544	453	62	0	0
May 2018	57	0	0	*	0	25	0	0	0	0	100	0	0	*	0	592	394	49	0	0
May 2019	53	0	0	*	0	17	0	0	0	0	100	0	0	*	0	645	336	38	0	0
May 2020	42	0	0	*	0	0	0	0	0	0	98	0	0	*	0	702	279	29	0	0
May 2021	27	0	0	*	0	0	0	0	0	0	62	0	0	*	0	764	224	21	0	0
May 2022	9	0	0	*	0	0	0	0	0	0	21	0	0	*	0	831	169	14	0	0
May 2023	0	0	0	*	0	0	0	0	0	0	0	0	0	*	0	789	115	9	0	0
May 2024	0	0	0	*	0	0	0	0	0	0	0	0	0	*	0	623	61	4	0	0
May 2025	0	0	0	*	0	0	0	0	0	0	0	0	0	*	0	438	9	1	0	0
May 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	231	0	0	0	0
May 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.4	12.8	4.8	1.8	1.1	15.7	9.9	2.0	0.9	0.6	24.3	16.6	8.5	2.9	1.8	27.9	23.6	17.1	0.2	0.1

Date	FD‡, SH†‡ and PD‡ Classes					I† Class					J† Class					K† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	80%	230%	500%	650%	0%	130%	200%	275%	500%	0%	130%	200%	275%	500%	0%	130%	200%	275%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1998	99	87	87	87	87	99	82	82	82	82	100	100	84	66	13	100	100	100	100	100
May 1999	98	73	73	73	73	97	65	65	65	46	100	100	71	41	0	100	100	100	100	100
May 2000	96	59	59	59	53	96	50	50	50	16	100	100	61	23	0	100	100	100	100	100
May 2001	94	47	47	47	30	94	36	36	36	0	100	100	54	12	0	100	100	100	100	91
May 2002	93	35	35	35	15	92	23	23	23	0	100	100	49	5	0	100	100	100	100	62
May 2003	91	23	23	23	7	90	11	11	11	0	100	100	46	1	0	100	100	100	100	43
May 2004	88	14	14	14	1	87	0	0	0	0	100	99	44	*	0	100	100	100	100	29
May 2005	86	7	7	7	0	84	0	0	0	0	100	79	23	0	0	100	100	100	81	20
May 2006	83	3	3	3	0	81	0	0	0	0	100	60	5	0	0	100	100	100	66	13
May 2007	80	*	*	*	0	78	0	0	0	0	100	43	0	0	0	100	100	90	53	9
May 2008	77	0	0	0	0	74	0	0	0	0	100	26	0	0	0	100	100	76	43	6
May 2009	73	0	0	0	0	70	0	0	0	0	100	11	0	0	0	100	100	64	34	4
May 2010	68	0	0	0	0	65	0	0	0	0	100	0	0	0	0	100	98	53	27	3
May 2011	64	0	0	0	0	60	0	0	0	0	100	0	0	0	0	100	85	44	21	2
May 2012	58	0	0	0	0	54	0	0	0	0	100	0	0	0	0	100	73	36	16	1
May 2013	52	0	0	0	0	47	0	0	0	0	100	0	0	0	0	100	62	29	13	1
May 2014	45	0	0	0	0	40	0	0	0	0	100	0	0	0	0	100	52	23	10	*
May 2015	38	0	0	0	0	31	0	0	0	0	100	0	0	0	0	100	42	18	7	*
May 2016	30	0	0	0	0	22	0	0	0	0	100	0	0	0	0	100	33	14	5	*
May 2017	20	0	0	0	0	12	0	0	0	0	100	0	0	0	0	100	25	10	3	*
May 2018	10	0	0	0	0	*	0	0	0	0	100	0	0	0	0	100	18	7	2	*
May 2019	0	0	0	0	0	0	0	0	0	0	76	0	0	0	0	100	11	4	1	*
May 2020	0	0	0	0	0	0	0	0	0	0	47	0	0	0	0	100	4	1	*	*
May 2021	0	0	0	0	0	0	0	0	0	0	16	0	0	0	0	100	0	0	0	0
May 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80	0	0	0	0
May 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40	0	0	0	0
May 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.9	4.0	4.0	4.0	3.2	14.3	3.2	3.2	3.2	1.9	22.9	9.7	4.9	2.0	0.6	25.8	17.5	14.2	11.3	6.4

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

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

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

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

Characteristics of the R and RL Classes

The R and RL Classes will 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 Notional Classes, the Accrual Class and the Principal Only Class will be, and certain other Classes of REMIC Certificates may be, issued with original issue discount (“OID”) for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 230% PSA in the case of the Group 1 Classes and 200% PSA in the case of the Group 2 Classes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at either of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of REMIC 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 120% of the “federal long-term rate.” The rate will be published on or about April 20, 1997. 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 interests 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. The RCR Certificates (the “Combination RCR Certificates”) will represent beneficial ownership of undivided interests in two or more underlying Regular Certificates.

Combination RCR Classes. 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 values 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 owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Certificates that it owned immediately prior to the exchange.

PLAN OF DISTRIBUTION

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

Increase in Certificates. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Group 1 Classes in addition to those contemplated as of the date hereof. In such event, the related Trust MBS will be increased in principal balance, but it is expected that all such additional Trust MBS will have the same characteristics as described herein under “Description of the Certificates—The Trust MBS.” The proportion that the original principal balance of each Group 1 Class bears to the aggregate original principal balance of all Group 1 Classes, respectively, will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedules will be increased in a pro rata amount that corresponds to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

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

Available Recombinations

	REMIC Certificates			RCR Certificates						
	Class	Original Principal or Notional Principal Balance	Exchange Ratio (1)	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
I-V	Recombination 1									
	FB.....	\$110,000,000	100%	PB	\$110,000,000	8.5%	FIX	PAC	31359PQX7	December 2023
	SB.....	110,000,000	100%							
	Recombination 2									
	FC.....	45,000,000	100%	PC	45,000,000	8.5%	FIX	PAC	31359PQY5	December 2026
	SC.....	45,000,000	100%							
	Recombination 3									
	FB.....	110,000,000	70.9677419355%	PD	155,000,000	8.5%	FIX	PAC	31359PQZ2	December 2026
	SB.....	110,000,000	70.9677419355%							
	FC.....	45,000,000	29.0322580645%							
	SC.....	45,000,000	29.0322580645%							
	Recombination 4									
	FB.....	110,000,000	70.9677419355%	FD	155,000,000	(3)	FLT	PAC	31359PRA6	December 2026
	FC.....	45,000,000	29.0322580645%							
	Recombination 5									
	SB.....	110,000,000	70.9677419355%	SH	155,000,000	(3)	INV/IO	NTL	31359PRB4	December 2026
	SC.....	45,000,000	29.0322580645%							
	Recombination 6									
	SE.....	110,000,000	56.8592990799%	SJ	193,460,000	(3)	INV/IO	NTL	31359PRC2	June 2027
	SG.....	83,460,000	43.1407009201%							
Recombination 7										
SA.....	110,000,000	56.8592990799%	SK	193,460,000	(3)	INV/IO	NTL	31359PRD0	June 2027	
SE.....	110,000,000	56.8592990799%								
SD.....	83,460,000	43.1407009201%								
SG.....	83,460,000	43.1407009201%								
Recombination 8										
SA.....	110,000,000	56.8592990799%	SL	193,460,000	(3)	INV/IO	NTL	31359PRE8	June 2027	
SD.....	83,460,000	43.1407009201%								

(1) Each exchange ratio represents the percentage relationship which the original principal or notional principal balance of the Certificate of each REMIC Class presented for exchange must bear to the original principal or notional principal balance of the Certificate of the RCR Class received in any such exchange. Correspondingly, in connection with any reverse exchange of RCR Certificates for Certificates of each related REMIC Class, such exchange ratio represents the percentage relationship which the original principal or notional principal balance of the Certificate of each RCR Class presented for exchange must bear to the original principal or notional principal balance of the Certificate of the REMIC Class received in any such exchange.

(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) For a description of these interest rates, see “Description of the Certificates—Distribution of Interest” herein.

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

\$400,000,000



FannieMae

**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 1997-33

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Additional Risk Factors	S- 7
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences	S-32
Plan of Distribution	S-34
Legal Matters	S-34
Schedule 1	A- 1
REMIC Prospectus	
Prospectus Supplement	2
Summary of Prospectus	3
Risk Factors	8
Description of the Certificates	10
The Trust Agreement	23
Certain Federal Income Tax Consequences	25
Legal Investment Considerations	37
Legal Opinion	37
ERISA Considerations	37
Glossary	39

Salomon Brothers Inc

Prospectus Supplement

Dated April 10, 1997