

Prospectus Supplement to Prospectus dated June 14, 1996  
**\$436,710,712**



**FannieMae**

**Guaranteed REMIC Pass-Through Certificates  
 Fannie Mae REMIC Trust 1997-45**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1997-45 (the "Trust"). The CC Class, having an aggregate original principal balance of \$20,000,000, is being offered by means of a separate Prospectus Supplement dated May 19, 1997 (the "Retail Class Supplement"). The other Classes of Certificates are offered hereby. The assets of the Trust will consist of (i) the "regular interests" in a separate trust fund (the "Lower Tier REMIC") and (ii) a non-interest bearing cash deposit of \$999.99 (the "Retail Cash Deposit") to be applied as described in the Retail Class Supplement. The assets of the Lower Tier REMIC will consist of (i) two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Group 1 MBS" and "Group 3 MBS" and, together, the "Trust MBS") and (ii) the REMIC Certificates specified herein (the "Underlying REMIC Certificates") evidencing beneficial ownership interests in the related Fannie Mae REMIC Trusts (the "Underlying REMIC Trusts") as further described in Exhibit A hereto. The assets of the Underlying REMIC Trusts evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the "MBS"). Each MBS represents a beneficial interest in a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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

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

*(Cover continued on next page)*

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

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

Class	Group	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Group	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
PA	1	\$174,780,000	PAC	7.50%	FIX	31359PZU3	July 2027	CA	3	\$ 68,028,000	SEQ	7.25%	FIX	31359PH58	July 2024
A	1	18,802,000	SUP	7.50	FIX	31359PZV1	February 2025	CB	3	25,950,000	SEQ	8.00	FIX	31359PH66	March 2026
B	1	9,737,000	SUP	7.50	FIX	31359PZW9	August 2025	CD	3	10,000,000	SEQ	8.00	FIX	31359PH74	July 2027
C	1	5,803,000	SUP	7.50	FIX	31359PZX7	November 2025	CK	3	(4)	NTL	8.00	FIX /IO	31359PH82	January 2027
D	1	12,513,000	SUP	7.50	FIX	31359PZY5	June 2026	FA	3	51,021,000	SEQ	(2)	FLT	31359PH90	July 2024
FC	1	23,636,666	SUP	(2)	FLT	31359PZZ2	July 2027	SA	3	(4)	NTL	(2)	INV /IO	31359PJ23	July 2024
SD	1	1,231,077	SUP	(2)	INV	31359PA22	July 2027	SB	3	(4)	NTL	(2)	INV /IO	31359PJ31	July 2024
SE	1	1,723,507	SUP	(2)	INV	31359PA30	July 2027	SC	3	(4)	NTL	(2)	INV /IO	31359PJ49	July 2024
EA	1	1,772,750	SUP	(3)	PO	31359PH25	July 2027	JP	4	13,000,000	SC /PT	(3)	PO	31359PJ56	June 2022
F	2	18,710,712	SC /PT	(2)	FLT	31359PH33	September 2023	JD	4	(4)	NTL	7.00	FIX /IO	31359PJ64	June 2022
S	2	(4)	NTL	(2)	INV /IO	31359PH41	September 2023	R	1	1,000	STP	7.50	FIX	31359PJ72	July 2027
CC	3	(5)	SEQ /RTL	7.40	FIX	31359PZT6	January 2027	RL	3	1,000	STP	8.00	FIX	31359PJ80	July 2027

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) The F, S, FA, SA, SB and SC Classes will bear interest based on "LIBOR" and the FC, SD and SE Classes will bear interest based on the "Prime Rate" 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.
- (3) These Classes will be Principal Only Classes and will bear no interest.
- (4) The S, CK, SA, SB, SC and JD Classes will be Notional Classes, will not have principal balances and will bear interest on their notional principal balances (initially \$18,710,712, \$1,500,000, \$37,521,000, \$13,500,000, \$13,500,000 and \$13,000,000, respectively). The notional principal balances of the Notional Classes will be calculated as specified herein. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.
- (5) The CC Class, with an aggregate original principal balance of \$20,000,000, is being offered by means of the Retail Class Supplement and is not offered hereby.

The Certificates will be offered by Goldman, Sachs & Co. and LaSalle National Bank (the "Dealers") 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 Dealers, 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 Dealers, subject to approval of certain legal matters by counsel. It is expected that the Certificates (except for the R and RL Classes) will be available through the book-entry system of the Federal Reserve Banks on or about June 27, 1997 (the "Settlement Date"). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of Goldman, Sachs & Co., New York, New York, on or about June 27, 1997.

**Goldman, Sachs & Co.**

**LaSalle National Bank**

The date of this Prospectus Supplement is May 19, 1997

(Cover continued from previous page)

The yields to investors in the Group 1 and Group 3 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Group 1 and Group 3 MBS, respectively, 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 yields to investors in the Group 2 and Group 4 Classes (as described herein) will be sensitive to, among other things, the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting principal distributions for the related Underlying REMIC Trusts. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class and, in the case of the Floating Rate and Inverse Floating Rate Classes, fluctuations in the level of the applicable 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 applicable 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” herein.

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

- The Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, there is no assurance that principal distributions will be made on such Underlying REMIC Certificates on any particular Distribution Date. Further, certain of the Underlying REMIC Certificates are Support classes that are entitled to receive principal distributions on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal distributions for extended periods of time or may receive principal payments that vary widely from period to period. In addition, one of the Underlying REMIC Certificates has a Principal Balance Schedule and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further, prepayments on the Mortgage Loans relating to the Underlying REMIC Certificates may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether the related Underlying REMIC Certificate has adhered to its Principal Balance Schedule, whether any related Support classes remain outstanding or whether such Underlying REMIC Certificate otherwise has performed as originally anticipated. Such information may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus Supplements (as defined below), which may be obtained from Fannie Mae as described below.
- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “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 Dealers intend to make a market for the Certificates offered hereby but are 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 Underlying Prospectus Supplements, the Mega Prospectus or the MBS Prospectus (each as defined herein). Any representation to the contrary is a criminal offense.

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

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

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

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying Prospectus Supplements, may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents, other than the Underlying Prospectus Supplements, may also be obtained from the Dealers by writing or calling the Registration Department of Goldman Sachs & Co., at 85 Broad Street, New York, New York 10004 (telephone 212-902-6685) or LaSalle National Bank at 327 Plaza Real, Boca Raton, Florida 33432 (telephone 561-361-1100).

## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>Reference Sheet</b> .....	S- 4	<i>Group 2 Principal Distribution Amount</i> .....	S-15
<b>Additional Risk Factors</b> .....	S- 7	<i>Group 3 Principal Distribution Amount</i> .....	S-15
Additional Yield and Prepayment Considerations .....	S- 7	<i>Group 4 Principal Distribution Amount</i> .....	S-15
<b>Description of the Certificates</b> .....	S- 8	Structuring Assumptions .....	S-15
General .....	S- 8	<i>Pricing Assumptions</i> .....	S-15
<i>Structure</i> .....	S- 8	<i>Prepayment Assumptions</i> .....	S-16
<i>Fannie Mae Guaranty</i> .....	S- 8	<i>Structuring Range</i> .....	S-16
<i>Characteristics of Certificates</i> .....	S- 8	<i>Initial Effective Range</i> .....	S-16
<i>Authorized Denominations</i> .....	S- 9	Principal Balance Schedule .....	S-17
<i>Distribution Dates</i> .....	S- 9	Yield Tables .....	S-21
<i>Record Date</i> .....	S- 9	<i>General</i> .....	S-21
<i>REMIC Trust Factors</i> .....	S- 9	<i>The Inverse Floating Rate Classes and the CK and JD Classes</i> .....	S-21
<i>Optional Termination</i> .....	S- 9	<i>The Principal Only Classes</i> .....	S-23
<i>Voting the Underlying REMIC Certificates</i> .....	S- 9	Weighted Average Lives of the Certificates .....	S-24
Book-Entry Procedures .....	S- 9	Decrement Tables .....	S-25
<i>General</i> .....	S- 9	Characteristics of the R and RL Classes .....	S-28
<i>Method of Distribution</i> .....	S-10	<b>Certain Additional Federal Income Tax Consequences</b> .....	S-28
The Trust MBS .....	S-10	REMIC Elections and Special Tax Attributes .....	S-28
The Underlying REMIC Certificates .....	S-10	Taxation of Beneficial Owners of Regular Certificates .....	S-29
Final Data Statement .....	S-11	Taxation of Beneficial Owners of Residual Certificates .....	S-29
Distributions of Interest .....	S-11	<b>Plan of Distribution</b> .....	S-30
<i>Categories of Classes</i> .....	S-11	<i>General</i> .....	S-30
<i>General</i> .....	S-11	<i>Increase in Certificates</i> .....	S-30
<i>Interest Accrual Periods</i> .....	S-12	<b>Legal Matters</b> .....	S-30
<i>Notional Classes</i> .....	S-12	<b>Exhibit A</b> .....	A- 1
<i>Floating Rate and Inverse Floating Rate Classes</i> .....	S-13		
Calculation of LIBOR .....	S-13		
Calculation of Prime Rate .....	S-13		
Distributions of Principal .....	S-14		
<i>Categories of Classes</i> .....	S-14		
<i>Principal Distribution Amount</i> .....	S-14		
<i>Group 1 Principal Distribution Amount</i> .....	S-14		

## REFERENCE SHEET

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

### Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS (as of June 1, 1997)

MBS Group	Approximate Principal Balance	Approximate Weighted Average Remaining Term to Maturity (in months)	Approximate Weighted Average Calculated Loan Age (in months)	Approximate Weighted Average Coupon
Group 1	\$250,000,000	348	10	8.10%
Group 3	\$175,000,000	355	4	8.50%

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

### Characteristics of the Underlying REMIC Certificates

The table contained in Exhibit A hereto sets forth information with respect to the Underlying REMIC Certificates underlying the Group 2 and Group 4 Classes, including certain information regarding the underlying Mortgage Loans. Certain additional information as to the Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

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

### Interest Rates

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

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

Class	Initial Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
FC . . . . .	7.12500%	9.0%	0.0%	Prime Rate – 137.5 basis points
SD . . . . .	19.20000%	156.0%	0.0%	182.4% – (19.2 × Prime Rate)
SE . . . . .	12.00000%	12.0%	0.0%	142.28571% – (13.714285 × Prime Rate)
F . . . . .	6.41878% (1)	10.0%	0.7%	LIBOR + 70 basis points
S . . . . .	0.30000% (1)	0.3%	0.0%	9.3% – LIBOR
FA . . . . .	6.08750%	9.0%	0.4%	LIBOR + 40 basis points
SA . . . . .	2.91250%	8.6%	0.0%	8.6% – LIBOR
SB . . . . .	1.10000%	1.1%	0.0%	8.6% – LIBOR
SC . . . . .	1.81250%	7.5%	0.0%	7.5% – LIBOR

(1) The initial interest rates listed for the F and S Classes are assumed rates. The actual initial interest rates for the F and S Classes will be calculated on the basis of the applicable formulas for the calculation of such interest rates on the June 23, 1997 Index Determination Date.

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

**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:

Classes

S .....	100% of F Class
CK .....	7.5% of CC Class
SA .....	73.5403069324% of FA Class
SB .....	26.4596930676% of FA Class
SC .....	26.4596930676% of FA Class
JD .....	100% of JP Class

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

**Distributions of Principal**

*Group 1 Principal Distribution Amount*

On each Distribution Date, 0.0004% of such amount will be distributed to the R Class.

On each Distribution Date, the remaining amount will be distributed in the following order of priority:

- a. to the PA Class, to its Planned Balance;
- b. to the A, B, C and D Classes, in that order, to zero;
- c. to the FC, SD, SE and EA Classes, in proportion to their original principal balances, to zero; and
- d. to the PA Class, to zero.

*Group 2 Principal Distribution Amount*

To the F Class, to zero.

*Group 3 Principal Distribution Amount*

1. Commencing in July 2000, on each Distribution Date until the CC Class is reduced to zero, to the CC Class, an amount equal to the lesser of \$20,000 and the Group 3 Principal Distribution Amount.

2. Commencing in July 1997, on each Distribution Date, the remaining amount will be distributed in the following order of priority:

- a. to the RL Class, the RL Percentage (as defined below) of the Group 3 Principal Distribution Amount;
- b. to the CA and FA Classes, in proportion to their original principal balances, to zero; and
- c. to the CB, CC and CD Classes, in that order, to zero.

The “RL Percentage” is equal to (x) the principal balance of the RL Class divided by (y) the aggregate principal balances of the Group 3 Classes (after giving effect to any payment pursuant to 1. above). The initial RL Percentage is approximately 0.0005714286%.

*Group 4 Principal Distribution Amount*

To the JP Class, to zero.

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

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
A .....	27.1	12.9	1.6	0.5	0.4
B .....	27.8	16.7	3.9	1.1	0.8
C .....	28.2	18.4	5.9	1.4	1.0
D .....	28.6	20.5	10.9	1.7	1.2
FC, SD, SE and EA .....	29.5	25.4	20.4	2.5	1.7
R .....	21.6	11.2	8.5	4.5	3.2

<u>Group 1 Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
PA .....	18.6	7.5	7.5	7.5	5.8	4.2

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>130%</u>	<u>350%</u>	<u>500%</u>
F and S .....	25.4	20.7	18.5	1.6	0.8

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
CC** and CK .....	25.0	21.3	15.3	9.7	6.9
CA, FA, SA, SB and SC .....	19.3	7.1	4.2	2.8	2.1
CB .....	27.8	18.6	11.2	6.8	4.9
CD .....	29.7	27.9	23.4	15.9	11.4
RL .....	22.1	11.8	7.8	4.9	3.6

<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
JP and JD .....	24.3	17.2	7.4	0.4	0.2

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

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

## ADDITIONAL RISK FACTORS

### Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Group 1 and Group 3 Classes will be sensitive in varying degrees to the rate of principal distributions on the Group 1 and Group 3 MBS, respectively, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that such Mortgage Loans will have the characteristics assumed herein. Because the rate of principal distributions on the Group 1 and Group 3 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 the Group 1 and Group 3 Classes is likely to differ from the rate anticipated by an investor, even if such Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is highly unlikely that the Mortgage Loans underlying the Group 1 or Group 3 MBS will prepay at a constant PSA rate until maturity or that all such Mortgage Loans will prepay at the same rate.

The rate of reduction in notional principal balances of the Group 2 and Group 4 Classes will be directly related to the rate of reduction in principal balances of the Underlying REMIC Certificates, which in turn will be sensitive to the amortization (including prepayments) of the related Mortgage Loans and the priority sequence affecting principal distributions for the Underlying REMIC Trusts. As described in the related Underlying Prospectus Supplement, the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, there is no assurance that principal distributions will be made on such Underlying REMIC Certificates on any particular Distribution Date. Further, certain of the Underlying REMIC Certificates are Support classes that are entitled to receive principal distributions on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal distributions for extended periods of time or may receive principal payments that vary widely from period to period. In addition, one of the Underlying REMIC Certificates has a Principal Balance Schedule and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further, prepayments on the Mortgage Loans relating to the Underlying REMIC Certificates may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether the related Underlying REMIC Certificate has adhered to its Principal Balance Schedule, whether any related Support classes remain outstanding or whether such Underlying REMIC Certificate otherwise has performed as originally anticipated. Additional information as to the Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates. See “Risk Factors—Prepayment Considerations” in the REMIC Prospectus and “Maturity and Prepayment Assumptions” in the MBS Prospectus.

The effective yields on the Delay Classes (as defined herein) will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 18th 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 June 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.

*Fannie Mae Guaranty.* Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. The guaranty obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the Underlying Prospectus Supplements. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and interest and to distribute the principal balance of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are available in the Trust Account. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus and “Description of the Certificates—General—Fannie Mae Guaranty” in the Underlying Prospectus Supplements.

*Characteristics of Certificates.* The Certificates (other than the R and RL 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 and RL Certificates, “Holder” or “Certificateholder” refers to the registered owner thereof. The R and 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 and RL

Certificates and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R and RL Classes” herein.

The distribution to the Holders of the R and RL Certificates of the proceeds of any remaining assets of the Trust and the Lower Tier REMIC 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 in denominations of \$1,000.

*Distribution Dates.* Distributions on the Group 1 and Group 3 Classes will be made on the 18th day of each month (or, if such 18th day is not a business day, on the first business day next succeeding such 18th day) and distributions on the Group 2 and Group 4 Classes will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date. See “Distributions of Interest—General” and “—Interest Accrual Periods” and “Distributions of Principal—Principal Distribution Amount” herein.

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

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

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

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

## **Book-Entry Procedures**

*General.* The Certificates (other than the R and RL 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.* Fannie Mae’s fiscal agent for the Certificates (other than the R and RL Classes) is the Federal Reserve Bank of New York. The Federal Reserve Banks will make distributions on such Certificates on behalf of Fannie Mae on the applicable Distribution Dates by crediting Holders’ accounts at the Federal Reserve Banks.

### The Trust MBS

The Group 1 and Group 3 MBS will have the aggregate unpaid principal balances and Pass-Through Rates set forth below and the general characteristics described in the MBS Prospectus. The Group 1 and Group 3 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 Group 1 and Group 3 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 Group 1 and Group 3 MBS and the related Mortgage Loans as of June 1, 1997 (the “Issue Date”) are expected to be as follows:

#### Group 1 MBS

Aggregate Unpaid Principal Balance .....	\$250,000,000
MBS Pass-Through Rate.....	7.50%

#### Related Mortgage Loans

Range of WACs (per annum percentages) .....	7.75% to 10.00%
Range of WAMs.....	241 months to 360 months
Approximate Weighted Average WAM.....	348 months
Approximate Weighted Average CAGE .....	10 months

#### Group 3 MBS

Aggregate Unpaid Principal Balance .....	\$175,000,000
MBS Pass-Through Rate.....	8.00%

#### Related Mortgage Loans

Range of WACs (per annum percentages) .....	8.25% to 10.50%
Range of WAMs.....	241 months to 360 months
Approximate Weighted Average WAM.....	355 months
Approximate Weighted Average CAGE .....	4 months

### The Underlying REMIC Certificates

The Underlying REMIC Certificates underlying the Group 2 and Group 4 Classes represent beneficial ownership interests in the related Underlying REMIC Trusts, the assets of which evidence direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus.

The Underlying REMIC Certificates provide that distributions thereon will be passed through monthly, commencing in the month following the initial issuance thereof. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying Prospectus Supplements. Each MBS underlying a REMIC Certificate 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 table contained in Exhibit A hereto sets forth certain information with respect to each Underlying REMIC Certificate, including the numerical designation of the Underlying REMIC Trust, the class designation, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance of the related class, the current

principal factor for such class and the principal balance of such class contained in the Lower Tier REMIC as of the Issue Date. The table also sets forth the approximate weighted average WAC, approximate weighted average WAM and approximate weighted average CAGE of the Mortgage Loans underlying the related MBS as of the Issue Date, the underlying security type and the related Class Group.

To request further information regarding the Underlying REMIC Certificates, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-8547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying Prospectus Supplements were prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such documents.

## Final Data Statement

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

## Distributions of Interest

### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	PA, A, B, C, D, CC, CA, CB, CD, CK, JD, R and RL
Floating Rate	FC, F and FA
Inverse Floating Rate	SD, SE, S, SA, SB and SC
Interest Only	S, CK, SA, SB, SC and JD
Principal Only	EA and JP

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

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

*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>
SA, SB, SC and FA 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
F and S Classes	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date
All Fixed Rate Classes and the FC, SD and SE Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

*Notional Classes.* The S, CK, SA, SB, SC and JD Classes will be Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates set forth on the cover or as 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 indicated percentages of the outstanding balances specified below immediately prior to the related Distribution Date:

<u>Classes</u>	
S .....	100% of F Class
CK .....	7.5% of CC Class
SA .....	73.5403069324% of FA Class
SB .....	26.4596930676% of FA Class
SC .....	26.4596930676% of FA Class
JD .....	100% of JP Class

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 any distributions of principal. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balances of the Notional Classes.

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
FC . . . . .	7.12500%	9.0%	0.0%	Prime Rate – 137.5 basis points
SD . . . . .	19.20000%	156.0%	0.0%	182.4% – (19.2 × Prime Rate)
SE . . . . .	12.00000%	12.0%	0.0%	142.28571% – (13.714285 × Prime Rate)
F . . . . .	6.41878% (1)	10.0%	0.7%	LIBOR + 70 basis points
S . . . . .	0.30000% (1)	0.3%	0.0%	9.3% – LIBOR
FA . . . . .	6.08750%	9.0%	0.4%	LIBOR + 40 basis points
SA . . . . .	2.91250%	8.6%	0.0%	8.6% – LIBOR
SB . . . . .	1.10000%	1.1%	0.0%	8.6% – LIBOR
SC . . . . .	1.81250%	7.5%	0.0%	7.5% – LIBOR

(1) The initial interest rates listed for the F and S Classes are assumed rates. The actual initial interest rates for the F and S Classes will be calculated on the basis of the applicable formulas for the calculation of such interest rates on the June 23, 1997 Index Determination Date.

The yields with respect to such Classes will be affected by changes in the applicable index as set forth in the table above (each, an “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 an Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of such Index.

The establishment of each Index value by Fannie Mae and Fannie Mae’s determination of the rates of interest for the applicable 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 F, S, FA SA, SB and SC Classes have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—LIBOR.”

If on the initial Index Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be equal to 5.6875% in the case of the FA and SA Classes and will be equal to LIBOR as determined for such Interest Accrual Period for the related Underlying REMIC Certificate in the case of the F and S Classes.

### Calculation of Prime Rate

On each Index Determination Date, until the notional principal balances of the FC, SD and SE Classes have been reduced to zero, Fannie Mae will ascertain the Prime Rate for the related Interest Accrual Period in the manner specified in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—Prime Rate.”

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	PA
Support	A, B, C, D, FC, SD, SE and EA
Strip	R
<b>Group 2 Classes</b>	
Structured Collateral/Pass-Through	F
Notional	S
<b>Group 3 Classes</b>	
Retail	CC
Sequential Pay	CC, CA, CB, CD and FA
Strip	RL
Notional	CK, SA, SB and SC
<b>Group 4 Classes</b>	
Structured Collateral/Pass-Through	JP
Notional	JD

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

### *Principal Distribution Amount*

On each Distribution Date, principal will be distributed 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 Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”), (ii) the distribution of principal concurrently made on the Class 1996-11-FA REMIC Certificate (the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal to be made on the Group 3 MBS in the month of the Distribution Date (the “Group 3 Principal Distribution Amount”) and (iv) the distribution of principal concurrently made on the Class 1993-25-L REMIC Certificate (the “Group 4 Principal Distribution Amount”). The portion of each class of Underlying REMIC Certificates held by the Lower Tier REMIC will be as set forth in Exhibit A.

### *Group 1 Principal Distribution Amount*

On each Distribution Date, 0.0004% of the Group 1 Principal Distribution Amount will be distributed as principal of the R Class. } Strip Class

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

a. to the PA Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; } PAC Class

b. sequentially, to the A, B, C and D Classes, in that order, until the respective principal balances thereof are reduced to zero; and }

c. concurrently, to the FC, SD, SE and EA Classes, in proportion to their original principal balances (or 83.3333309829%, 4.3402799323%, 6.0763890848% and 6.25%, respectively), until the principal balances thereof are reduced to zero; and } Support Classes

d. to the PA Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero. } PAC Class

*Group 2 Principal Distribution Amount*

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the F Class, until the principal balance thereof is reduced to zero. } Structured Collateral/ Pass-Through Class

*Group 3 Principal Distribution Amount*

1. Commencing in July 2000, on each Distribution Date until the CC Class is reduced to zero, an amount equal to the lesser of \$20,000 and the Group 3 Principal Distribution Amount will be distributed as principal of the CC Class. } Sequential Pay Class

2. Commencing in July 1997, on each Distribution Date, the remaining Group 3 Principal Distribution Amount will be distributed as principal of the Group 3 Classes in the following order of priority:

a. to the RL Class, the RL Percentage (as defined below) of the Group 3 Principal Distribution Amount; } Strip Class

b. concurrently, to the CA and FA Classes, in proportion to their original principal balances (or 57.1428571429% and 42.8571428571%, respectively), until the principal balances thereof are reduced to zero; and } Sequential Pay Classes

c. sequentially, to the CB, CC and CD Classes, in that order, until the respective principal balances thereof are reduced to zero.

The “RL Percentage” is equal to (x) the principal balance of the RL Class divided by (y) the aggregate principal balances of the Group 3 Classes (after giving effect to any payment pursuant to 1. above). The initial RL Percentage is approximately 0.0005714286%.

*Group 4 Principal Distribution Amount*

On each Distribution Date, the Group 4 Principal Distribution Amount will be distributed as principal of the JP Class, until the principal balance thereof is reduced to zero. } Structured Collateral/ Pass-Through Class

**Structuring Assumptions**

*Pricing Assumptions.* Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared on the basis of the actual characteristics of each Pool underlying the Underlying REMIC Certificates, the priority sequences affecting the principal distributions for the Underlying REMIC Trusts and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 and Group 3 MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

Group 1 MBS	360 months	348 months	10 months	8.10%
Group 3 MBS	360 months	355 months	4 months	8.50%

- 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 June 27, 1997; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

*Prepayment Assumptions.* Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used herein is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other *constant* rate.

*Structuring Range.* The Principal Balance Schedule has been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans underlying the Group 1 MBS prepay at a constant PSA rate within the Structuring Range set forth below.

<u>Principal Balance Schedule Reference</u>	<u>Related Class</u>	<u>Structuring Range</u>
Planned Balance	PA	Between 100% and 250%

**There is no assurance that the principal balance of the Class listed above will conform on any Distribution Date to the balance specified for such Distribution Date in the Principal Balance Schedule herein, or that distributions of principal on such Class will begin or end on the respective Distribution Dates specified therein.** Because any excess of the principal distribution on any Distribution Date over the amount necessary to reduce such Class to its scheduled balance will be distributed, the ability to so reduce such Class will not be enhanced by the averaging of high and low principal payments from month to month. In addition, even if prepayments occur at rates falling within the Structuring Range specified above, principal distributions may be insufficient to reduce such Class to its scheduled balance if such prepayments do not occur at a constant PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans underlying the Group 1 MBS (which may include recently originated Mortgage Loans), the Class specified above may not be reduced to its scheduled balance, even if prepayments occur at a constant rate within the Structuring Range specified above.

*Initial Effective Range.* 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 Range set forth in the table below is based upon the assumed characteristics of the Mortgage Loans specified in the Pricing Assumptions.

<u>Related Class</u>	<u>Initial Effective Range</u>
PA	Between 100% and 250%

The actual Effective Range at any time will be based upon the actual characteristics of the Mortgage Loans underlying the Group 1 MBS at such time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Range calculated on the basis of the actual characteristics likely will differ from the Initial Effective Range. As a result, the Class specified above might not be reduced to its scheduled balance even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range (particularly if such rate were at the lower or higher end of such range). In addition, even if prepayments occur at rates falling within the actual Effective Range, principal distributions may be insufficient to reduce the Class specified above to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The principal payment stability of the PAC Class will be supported in part by the Support Classes. When the Support Classes are retired, the PAC Class may no longer have an Effective Range and will be more sensitive to prepayments.

## Principal Balance Schedule

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
Initial Balance .....	\$174,780,000.00	October 2001 .....	\$113,630,038.41
July 1997 .....	174,137,654.43	November 2001 .....	112,458,281.96
August 1997 .....	173,453,197.76	December 2001 .....	111,292,236.62
September 1997 .....	172,726,888.42	January 2002 .....	110,131,872.52
October 1997 .....	171,959,006.58	February 2002 .....	108,977,159.95
November 1997 .....	171,149,853.97	March 2002 .....	107,828,069.35
December 1997 .....	170,299,753.79	April 2002 .....	106,684,571.30
January 1998 .....	169,409,050.40	May 2002 .....	105,546,636.55
February 1998 .....	168,478,109.18	June 2002 .....	104,414,235.97
March 1998 .....	167,507,316.27	July 2002 .....	103,287,340.62
April 1998 .....	166,497,078.32	August 2002 .....	102,165,921.67
May 1998 .....	165,447,822.22	September 2002 .....	101,049,950.46
June 1998 .....	164,359,994.79	October 2002 .....	99,939,398.46
July 1998 .....	163,234,062.51	November 2002 .....	98,834,237.31
August 1998 .....	162,070,511.16	December 2002 .....	97,734,438.77
September 1998 .....	160,869,845.51	January 2003 .....	96,639,974.75
October 1998 .....	159,632,588.94	February 2003 .....	95,550,817.33
November 1998 .....	158,359,283.06	March 2003 .....	94,466,938.69
December 1998 .....	157,050,487.35	April 2003 .....	93,388,311.18
January 1999 .....	155,706,778.74	May 2003 .....	92,314,907.28
February 1999 .....	154,328,751.15	June 2003 .....	91,246,699.63
March 1999 .....	152,957,511.46	July 2003 .....	90,183,660.99
April 1999 .....	151,593,024.28	August 2003 .....	89,125,764.26
May 1999 .....	150,235,254.41	September 2003 .....	88,072,982.49
June 1999 .....	148,884,166.84	October 2003 .....	87,025,288.85
July 1999 .....	147,539,726.73	November 2003 .....	85,982,656.68
August 1999 .....	146,201,899.41	December 2003 .....	84,945,059.41
September 1999 .....	144,870,650.40	January 2004 .....	83,912,470.64
October 1999 .....	143,545,945.39	February 2004 .....	82,884,864.11
November 1999 .....	142,227,750.25	March 2004 .....	81,862,213.66
December 1999 .....	140,916,031.03	April 2004 .....	80,844,493.29
January 2000 .....	139,610,753.93	May 2004 .....	79,831,677.13
February 2000 .....	138,311,885.36	June 2004 .....	78,823,739.44
March 2000 .....	137,019,391.87	July 2004 .....	77,820,654.61
April 2000 .....	135,733,240.20	August 2004 .....	76,822,397.15
May 2000 .....	134,453,397.24	September 2004 .....	75,828,941.73
June 2000 .....	133,179,830.08	October 2004 .....	74,840,263.11
July 2000 .....	131,912,505.95	November 2004 .....	73,856,336.22
August 2000 .....	130,651,392.27	December 2004 .....	72,877,136.09
September 2000 .....	129,396,456.61	January 2005 .....	71,902,637.88
October 2000 .....	128,147,666.70	February 2005 .....	70,932,816.89
November 2000 .....	126,904,990.47	March 2005 .....	69,967,648.53
December 2000 .....	125,668,395.98	April 2005 .....	69,007,108.36
January 2001 .....	124,437,851.47	May 2005 .....	68,051,172.04
February 2001 .....	123,213,325.33	June 2005 .....	67,099,815.36
March 2001 .....	121,994,786.12	July 2005 .....	66,153,014.24
April 2001 .....	120,782,202.57	August 2005 .....	65,210,744.73
May 2001 .....	119,575,543.55	September 2005 .....	64,272,982.98
June 2001 .....	118,374,778.11	October 2005 .....	63,339,705.28
July 2001 .....	117,179,875.44	November 2005 .....	62,410,888.03
August 2001 .....	115,990,804.90	December 2005 .....	61,486,507.77
September 2001 .....	114,807,536.00	January 2006 .....	60,566,541.13

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
February 2006 .....	\$ 59,655,706.48	September 2010 .....	\$ 25,277,102.99
March 2006 .....	58,757,777.01	October 2010 .....	24,871,467.62
April 2006 .....	57,872,574.70	November 2010 .....	24,471,734.43
May 2006 .....	56,999,923.94	December 2010 .....	24,077,821.00
June 2006 .....	56,139,651.51	January 2011 .....	23,689,646.04
July 2006 .....	55,291,586.55	February 2011 .....	23,307,129.36
August 2006 .....	54,455,560.54	March 2011 .....	22,930,191.88
September 2006 .....	53,631,407.24	April 2011 .....	22,558,755.61
October 2006 .....	52,818,962.68	May 2011 .....	22,192,743.62
November 2006 .....	52,018,065.15	June 2011 .....	21,832,080.04
December 2006 .....	51,228,555.09	July 2011 .....	21,476,690.03
January 2007 .....	50,450,275.17	August 2011 .....	21,126,499.80
February 2007 .....	49,683,070.18	September 2011 .....	20,781,436.54
March 2007 .....	48,926,787.01	October 2011 .....	20,441,428.46
April 2007 .....	48,181,274.67	November 2011 .....	20,106,404.75
May 2007 .....	47,446,384.21	December 2011 .....	19,776,295.57
June 2007 .....	46,721,968.72	January 2012 .....	19,451,032.04
July 2007 .....	46,007,883.28	February 2012 .....	19,130,546.23
August 2007 .....	45,303,984.95	March 2012 .....	18,814,771.14
September 2007 .....	44,610,132.77	April 2012 .....	18,503,640.68
October 2007 .....	43,926,187.65	May 2012 .....	18,197,089.67
November 2007 .....	43,252,012.44	June 2012 .....	17,895,053.84
December 2007 .....	42,587,471.84	July 2012 .....	17,597,469.80
January 2008 .....	41,932,432.41	August 2012 .....	17,304,275.00
February 2008 .....	41,286,762.53	September 2012 .....	17,015,407.80
March 2008 .....	40,650,332.36	October 2012 .....	16,730,807.36
April 2008 .....	40,023,013.84	November 2012 .....	16,450,413.70
May 2008 .....	39,404,680.68	December 2012 .....	16,174,167.67
June 2008 .....	38,795,208.27	January 2013 .....	15,902,010.91
July 2008 .....	38,194,473.75	February 2013 .....	15,633,885.89
August 2008 .....	37,602,355.91	March 2013 .....	15,369,735.85
September 2008 .....	37,018,735.20	April 2013 .....	15,109,504.81
October 2008 .....	36,443,493.69	May 2013 .....	14,853,137.59
November 2008 .....	35,876,515.09	June 2013 .....	14,600,579.72
December 2008 .....	35,317,684.68	July 2013 .....	14,351,777.53
January 2009 .....	34,766,889.31	August 2013 .....	14,106,678.05
February 2009 .....	34,224,017.37	September 2013 .....	13,865,229.06
March 2009 .....	33,688,958.79	October 2013 .....	13,627,379.05
April 2009 .....	33,161,604.99	November 2013 .....	13,393,077.23
May 2009 .....	32,641,848.89	December 2013 .....	13,162,273.49
June 2009 .....	32,129,584.85	January 2014 .....	12,934,918.44
July 2009 .....	31,624,708.70	February 2014 .....	12,710,963.33
August 2009 .....	31,127,117.68	March 2014 .....	12,490,360.12
September 2009 .....	30,636,710.44	April 2014 .....	12,273,061.40
October 2009 .....	30,153,387.00	May 2014 .....	12,059,020.45
November 2009 .....	29,677,048.79	June 2014 .....	11,848,191.16
December 2009 .....	29,207,598.53	July 2014 .....	11,640,528.07
January 2010 .....	28,744,940.32	August 2014 .....	11,435,986.35
February 2010 .....	28,288,979.55	September 2014 .....	11,234,521.78
March 2010 .....	27,839,622.91	October 2014 .....	11,036,090.76
April 2010 .....	27,396,778.36	November 2014 .....	10,840,650.28
May 2010 .....	26,960,355.12	December 2014 .....	10,648,157.93
June 2010 .....	26,530,263.67	January 2015 .....	10,458,571.89
July 2010 .....	26,106,415.70	February 2015 .....	10,271,850.90
August 2010 .....	25,688,724.11	March 2015 .....	10,087,954.29

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
April 2015	\$ 9,906,841.95	November 2019	\$ 3,263,837.82
May 2015	9,728,474.30	December 2019	3,188,928.05
June 2015	9,552,812.33	January 2020	3,115,236.49
July 2015	9,379,817.58	February 2020	3,042,745.33
August 2015	9,209,452.08	March 2020	2,971,437.01
September 2015	9,041,678.42	April 2020	2,901,294.20
October 2015	8,876,459.69	May 2020	2,832,299.82
November 2015	8,713,759.51	June 2020	2,764,437.03
December 2015	8,553,541.98	July 2020	2,697,689.23
January 2016	8,395,771.70	August 2020	2,632,040.04
February 2016	8,240,413.78	September 2020	2,567,473.32
March 2016	8,087,433.80	October 2020	2,503,973.16
April 2016	7,936,797.80	November 2020	2,441,523.87
May 2016	7,788,472.31	December 2020	2,380,109.97
June 2016	7,642,424.33	January 2021	2,319,716.21
July 2016	7,498,621.29	February 2021	2,260,327.55
August 2016	7,357,031.10	March 2021	2,201,929.15
September 2016	7,217,622.10	April 2021	2,144,506.41
October 2016	7,080,363.07	May 2021	2,088,044.89
November 2016	6,945,223.21	June 2021	2,032,530.39
December 2016	6,812,172.18	July 2021	1,977,948.90
January 2017	6,681,180.03	August 2021	1,924,286.60
February 2017	6,552,217.23	September 2021	1,871,529.87
March 2017	6,425,254.68	October 2021	1,819,665.28
April 2017	6,300,263.67	November 2021	1,768,679.59
May 2017	6,177,215.87	December 2021	1,718,559.74
June 2017	6,056,083.38	January 2022	1,669,292.87
July 2017	5,936,838.66	February 2022	1,620,866.28
August 2017	5,819,454.56	March 2022	1,573,267.47
September 2017	5,703,904.31	April 2022	1,526,484.11
October 2017	5,590,161.51	May 2022	1,480,504.03
November 2017	5,478,200.14	June 2022	1,435,315.25
December 2017	5,367,994.51	July 2022	1,390,905.94
January 2018	5,259,519.31	August 2022	1,347,264.47
February 2018	5,152,749.59	September 2022	1,304,379.34
March 2018	5,047,660.72	October 2022	1,262,239.22
April 2018	4,944,228.43	November 2022	1,220,832.96
May 2018	4,842,428.80	December 2022	1,180,149.55
June 2018	4,742,238.22	January 2023	1,140,178.14
July 2018	4,643,633.41	February 2023	1,100,908.02
August 2018	4,546,591.43	March 2023	1,062,328.66
September 2018	4,451,089.65	April 2023	1,024,429.66
October 2018	4,357,105.75	May 2023	987,200.77
November 2018	4,264,617.73	June 2023	950,631.89
December 2018	4,173,603.91	July 2023	914,713.06
January 2019	4,084,042.87	August 2023	879,434.46
February 2019	3,995,913.54	September 2023	844,786.41
March 2019	3,909,195.10	October 2023	810,759.36
April 2019	3,823,867.05	November 2023	777,343.92
May 2019	3,739,909.16	December 2023	744,530.81
June 2019	3,657,301.50	January 2024	712,310.89
July 2019	3,576,024.39	February 2024	680,675.15
August 2019	3,496,058.45	March 2024	649,614.71
September 2019	3,417,384.57	April 2024	619,120.80
October 2019	3,339,983.89	May 2024	589,184.81

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
June 2024 .....	\$ 559,798.22	July 2025 .....	\$ 224,110.27
July 2024 .....	530,952.64	August 2025 .....	201,586.88
August 2024 .....	502,639.80	September 2025 .....	179,498.91
September 2024 .....	474,851.57	October 2025 .....	157,839.62
October 2024 .....	447,579.89	November 2025 .....	136,602.33
November 2024 .....	420,816.87	December 2025 .....	115,780.50
December 2024 .....	394,554.68	January 2026 .....	95,367.64
January 2025 .....	368,785.64	February 2026 .....	75,357.39
February 2025 .....	343,502.16	March 2026 .....	55,743.45
March 2025 .....	318,696.77	April 2026 .....	36,519.63
April 2025 .....	294,362.09	May 2026 .....	17,679.83
May 2025 .....	270,490.88	June 2026 and thereafter .....	0.00
June 2025 .....	247,075.95		

## Yield Tables

*General.* The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA and, where specified, to changes in the applicable 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 applicable 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 such 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 applicable Index will remain constant.*

*The Inverse Floating Rate Classes and the CK and JD Classes.* **The yields to investors in the Inverse Floating Rate Classes specified in the following tables and the CK and JD Classes will be very sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the Group 1 or Group 3 MBS or the related Underlying REMIC Certificate, as applicable, and in the case of the Inverse Floating Rate Classes, to the level of the applicable 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 prepayment and, where applicable, Index scenarios, investors in the Interest Only Classes would not fully recoup their initial investments. Moreover, on the basis of the assumptions described below, the yield to maturity on the CK and JD Classes would be 0% if prepayments were to occur at constant rates of approximately 499% PSA and 172% PSA, respectively. If the actual prepayment rate of the related Mortgage Loans were to exceed either of these levels for as little as one month while equaling such level for the remaining months, the investors in the CK and JD Classes, as applicable, would not fully recoup their initial investments.**

Changes in an 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 such 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 Classes specified in the following tables for the initial Interest Accrual Period are the actual and assumed rates appearing in the table under “Distributions of Interest—*Floating Rate and Inverse Floating Rate Classes*” herein and for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based on the indicated level of the applicable Index and (ii) the aggregate purchase prices of the Inverse

Floating Rate Classes and the CK and JD Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SD .....	80.500000%
SE .....	91.656250%
S .....	1.750000%
CK .....	55.312500%
SA .....	5.250000%
SB .....	2.750000%
SC .....	2.937500%
JD .....	30.640625%

\* 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 SD Class to Prepayments and Prime Rate  
(Pre-Tax Yields to Maturity)**

<u>Prime Rate</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
6.5% .....	79.6%	79.6%	79.6%	83.7%	88.2%
8.5% .....	24.8%	24.8%	24.9%	31.8%	36.6%
9.5% and above .....	0.8%	0.9%	1.1%	8.9%	13.7%

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

<u>Prime Rate</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
9.500% and below .....	13.4%	13.4%	13.5%	16.3%	18.1%
10.000% .....	5.8%	5.8%	5.9%	8.9%	10.8%
10.375% .....	0.3%	0.3%	0.4%	3.5%	5.4%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>130%</u>	<u>350%</u>	<u>500%</u>
9.00% and below .....	17.4%	17.1%	16.7%	(86.6)%	*
9.15% .....	6.9%	6.3%	5.4%	*	*
9.30% .....	*	*	*	*	*

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

**Sensitivity of the CK Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	13.6%	13.4%	12.0%	7.1%	(0.1)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
3.6875% .....	105.6%	102.0%	94.3%	81.6%	68.2%
5.6875% .....	56.8%	52.8%	43.7%	28.5%	12.9%
7.6875% .....	11.3%	5.3%	(9.1)%	(31.6)%	(51.8)%
8.6000% .....	*	*	*	*	*

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

**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>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
7.5000% and below .....	37.8%	33.3%	23.0%	5.6%	(11.4)%
7.6875% .....	29.8%	25.0%	13.9%	(4.7)%	(22.5)%
8.6000% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
3.6875% .....	157.2%	153.6%	146.3%	134.6%	122.1%
5.6875% .....	64.8%	60.8%	52.1%	37.5%	22.5%
7.5000% and above .....	*	*	*	*	*

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

**Sensitivity of the JD Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	23.3%	23.0%	12.3%	*	*

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

*The Principal Only Classes.* **The Principal Only Classes will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the Mortgage Loans underlying the Group 1 MBS and the related Underlying REMIC Certificate, as applicable, will have a negative effect on the yields to investors in the Principal Only Classes.**

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

<u>Class</u>	<u>Price</u>
EA .....	38.65625%
JP .....	65.43750%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
EA .....	3.5%	3.8%	4.8%	42.0%	66.8%
JP .....	2.0%	2.5%	6.3%	154.6%	331.6%

**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 applicable 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 of the Group 1 and Group 3 Classes. The weighted average lives of the Group 1 Classes will also depend on the distribution of principal of the PAC Class in accordance with the Principal Balance Schedule herein. In particular, if the amount distributable as principal of the Group 1 Classes on any Distribution Date exceeds the amount required to reduce the principal balance of the PAC Class to its scheduled amount as set forth in the Principal Balance Schedule, such excess principal will be distributed on certain remaining Group 1 Classes, as applicable, on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce the PAC Class to its scheduled amount, no principal will be distributed on certain remaining Group 1 Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the Group 1 MBS is expected to have a greater effect on the weighted average lives of the Support Classes than on the weighted average life of the PAC Class. See “—Distributions of Principal” herein.

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

## Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the per annum rates specified below:

<u>Mortgage Loans relating to Trust MBS and Underlying REMIC Trusts specified below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
Group 1 MBS 1996-11	360 months	360 months	10.0%	Group 1
Group 3 MBS 1993-25	360 months	315 months	9.0%	Group 2
	360 months	360 months	10.5%	Group 3
	360 months	309 months	10.0%	Group 4

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

## Percent of Original Principal Balances Outstanding

Date	PA Class						A Class					B Class					C Class				
	PSA Prepayment Assumption						PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	250%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1998	99	94	94	94	94	94	100	100	74	0	0	100	100	100	82	0	100	100	100	100	25
June 1999	98	85	85	85	85	85	100	100	34	0	0	100	100	100	0	0	100	100	100	0	0
June 2000	97	76	76	76	76	59	100	100	0	0	0	100	100	98	0	0	100	100	100	0	0
June 2001	96	68	68	68	61	41	100	100	0	0	0	100	100	43	0	0	100	100	100	0	0
June 2002	95	60	60	60	48	28	100	100	0	0	0	100	100	0	0	0	100	100	98	0	0
June 2003	94	52	52	52	37	19	100	100	0	0	0	100	100	0	0	0	100	100	42	0	0
June 2004	92	45	45	45	29	13	100	100	0	0	0	100	100	0	0	0	100	100	1	0	0
June 2005	91	38	38	38	22	9	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2006	89	32	32	32	17	6	100	99	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2007	87	27	27	27	13	4	100	94	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2008	85	22	22	22	10	3	100	84	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2009	83	18	18	18	8	2	100	69	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2010	80	15	15	15	6	1	100	52	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2011	77	12	12	12	5	1	100	33	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2012	74	10	10	10	4	1	100	12	0	0	0	100	100	0	0	0	100	100	0	0	0
June 2013	70	8	8	8	3	*	100	0	0	0	0	100	80	0	0	0	100	100	0	0	0
June 2014	66	7	7	7	2	*	100	0	0	0	0	100	35	0	0	0	100	100	0	0	0
June 2015	62	5	5	5	2	*	100	0	0	0	0	100	0	0	0	0	100	83	0	0	0
June 2016	57	4	4	4	1	*	100	0	0	0	0	100	0	0	0	0	100	6	0	0	0
June 2017	52	3	3	3	1	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2018	46	3	3	3	1	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2019	40	2	2	2	*	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2020	33	2	2	2	*	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2021	25	1	1	1	*	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2022	16	1	1	1	*	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2023	6	1	1	1	*	*	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2024	*	*	*	*	*	*	59	0	0	0	0	100	0	0	0	0	100	0	0	0	0
June 2025	*	*	*	*	*	*	0	0	0	0	0	6	0	0	0	0	100	0	0	0	0
June 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.6	7.5	7.5	7.5	5.8	4.2	27.1	12.9	1.6	0.5	0.4	27.8	16.7	3.9	1.1	0.8	28.2	18.4	5.9	1.4	1.0

Date	D Class					FC, SD, SE and EA Classes					F and S† Classes					CC*** and CK† Classes					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	130%	350%	500%	0%	100%	200%	350%	500%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	80	25	100	100	100	100	100	100
June 1999	100	100	100	0	0	100	100	100	92	0	100	100	100	25	0	100	100	100	100	100	100
June 2000	100	100	100	0	0	100	100	100	12	0	100	100	100	0	0	100	100	100	100	100	100
June 2001	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	99	99	99	99	99	99
June 2002	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	98	98	98	98	98	98
June 2003	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	96	96	96	96	96	87
June 2004	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	95	95	95	95	95	45
June 2005	100	100	87	0	0	100	100	100	0	0	100	100	100	0	0	94	94	94	94	94	15
June 2006	100	100	79	0	0	100	100	100	0	0	100	100	100	0	0	93	93	93	93	68	0
June 2007	100	100	67	0	0	100	100	100	0	0	100	100	100	0	0	92	92	92	92	41	0
June 2008	100	100	53	0	0	100	100	100	0	0	100	100	100	0	0	90	90	90	90	21	0
June 2009	100	100	36	0	0	100	100	100	0	0	100	100	100	0	0	89	89	89	89	5	0
June 2010	100	100	17	0	0	100	100	100	0	0	100	100	99	0	0	88	88	88	88	0	0
June 2011	100	100	0	0	0	100	100	99	0	0	100	100	89	0	0	87	87	81	0	0	0
June 2012	100	100	0	0	0	100	100	90	0	0	100	100	80	0	0	86	86	62	0	0	0
June 2013	100	100	0	0	0	100	100	82	0	0	100	100	70	0	0	84	84	45	0	0	0
June 2014	100	100	0	0	0	100	100	73	0	0	100	93	61	0	0	83	83	30	0	0	0
June 2015	100	100	0	0	0	100	100	65	0	0	100	80	52	0	0	82	82	17	0	0	0
June 2016	100	100	0	0	0	100	100	57	0	0	100	68	43	0	0	81	81	6	0	0	0
June 2017	100	67	0	0	0	100	100	49	0	0	100	56	35	0	0	80	80	0	0	0	0
June 2018	100	32	0	0	0	100	100	42	0	0	100	45	27	0	0	78	78	0	0	0	0
June 2019	100	0	0	0	0	100	99	35	0	0	100	34	20	0	0	77	72	0	0	0	0
June 2020	100	0	0	0	0	100	84	29	0	0	100	23	13	0	0	76	54	0	0	0	0
June 2021	100	0	0	0	0	100	69	23	0	0	100	12	7	0	0	75	36	0	0	0	0
June 2022	100	0	0	0	0	100	54	18	0	0	71	3	1	0	0	74	19	0	0	0	0
June 2023	100	0	0	0	0	100	40	13	0	0	15	*	0	0	0	72	3	0	0	0	0
June 2024	100	0	0	0	0	100	26	8	0	0	0	0	0	0	0	71	0	0	0	0	0
June 2025	100	0	0	0	0	100	13	4	0	0	0	0	0	0	0	70	0	0	0	0	0
June 2026	0	0	0	0	0	88	0	0	0	0	0	0	0	0	0	41	0	0	0	0	0
June 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.6	20.5	10.9	1.7	1.2	29.5	25.4	20.4	2.5	1.7	25.4	20.7	18.5	1.6	0.8	25.0	21.3	15.3	9.7	6.9	

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

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

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

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

Date	CA, FA, SA†, SB† and SC† Classes					CB Class					CD Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	200%	350%	500%	0%	100%	200%	350%	500%	0%	100%	200%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1998	99	96	93	88	83	100	100	100	100	100	100	100	100	100	100
June 1999	98	88	79	66	53	100	100	100	100	100	100	100	100	100	100
June 2000	98	79	63	41	23	100	100	100	100	100	100	100	100	100	100
June 2001	97	70	49	22	1	100	100	100	100	100	100	100	100	100	100
June 2002	96	62	37	7	0	100	100	100	100	39	100	100	100	100	100
June 2003	95	55	26	0	0	100	100	100	80	0	100	100	100	100	100
June 2004	94	47	17	0	0	100	100	100	38	0	100	100	100	100	100
June 2005	92	41	8	0	0	100	100	100	6	0	100	100	100	100	100
June 2006	91	34	1	0	0	100	100	100	0	0	100	100	100	100	90
June 2007	89	28	0	0	0	100	100	77	0	0	100	100	100	100	62
June 2008	87	23	0	0	0	100	100	52	0	0	100	100	100	100	42
June 2009	85	17	0	0	0	100	100	31	0	0	100	100	100	100	29
June 2010	83	12	0	0	0	100	100	12	0	0	100	100	100	84	20
June 2011	80	7	0	0	0	100	100	0	0	0	100	100	100	64	13
June 2012	77	3	0	0	0	100	100	0	0	0	100	100	100	49	9
June 2013	74	0	0	0	0	100	94	0	0	0	100	100	100	37	6
June 2014	70	0	0	0	0	100	75	0	0	0	100	100	100	28	4
June 2015	66	0	0	0	0	100	58	0	0	0	100	100	100	21	3
June 2016	61	0	0	0	0	100	41	0	0	0	100	100	100	16	2
June 2017	56	0	0	0	0	100	25	0	0	0	100	100	93	12	1
June 2018	50	0	0	0	0	100	11	0	0	0	100	100	76	9	1
June 2019	44	0	0	0	0	100	0	0	0	0	100	100	61	6	*
June 2020	37	0	0	0	0	100	0	0	0	0	100	100	48	5	*
June 2021	29	0	0	0	0	100	0	0	0	0	100	100	38	3	*
June 2022	20	0	0	0	0	100	0	0	0	0	100	100	28	2	*
June 2023	10	0	0	0	0	100	0	0	0	0	100	100	20	1	*
June 2024	0	0	0	0	0	96	0	0	0	0	100	75	13	1	*
June 2025	0	0	0	0	0	41	0	0	0	0	100	45	8	*	*
June 2026	0	0	0	0	0	0	0	0	0	0	100	16	3	*	*
June 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.3	7.1	4.2	2.8	2.1	27.8	18.6	11.2	6.8	4.9	29.7	27.9	23.4	15.9	11.4

Date	JP and JD† Classes					R Class					RL Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	200%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 1998	100	100	96	0	0	99	96	94	88	83	99	97	95	92	89
June 1999	100	100	80	0	0	99	90	85	70	59	99	92	86	77	68
June 2000	100	100	71	0	0	98	83	76	55	41	98	86	75	60	47
June 2001	100	100	68	0	0	97	77	68	43	28	98	80	65	47	33
June 2002	100	100	68	0	0	97	72	60	33	20	97	74	57	37	23
June 2003	100	100	68	0	0	96	67	54	26	14	96	69	50	29	16
June 2004	100	100	66	0	0	95	62	48	20	9	96	64	43	23	11
June 2005	100	100	58	0	0	94	57	43	16	6	95	60	38	18	8
June 2006	100	100	47	0	0	92	53	38	12	4	94	55	33	14	5
June 2007	100	100	34	0	0	91	48	33	9	3	93	51	28	11	4
June 2008	100	100	20	0	0	89	44	30	7	2	91	47	24	9	3
June 2009	100	100	5	0	0	88	41	26	6	1	90	43	21	7	2
June 2010	100	100	0	0	0	86	37	23	4	1	88	40	18	5	1
June 2011	100	100	0	0	0	84	34	20	3	1	86	37	16	4	1
June 2012	100	100	0	0	0	82	31	17	2	*	84	33	14	3	1
June 2013	100	83	0	0	0	79	28	15	2	*	82	30	12	2	*
June 2014	100	55	0	0	0	76	25	13	1	*	79	27	10	2	*
June 2015	100	26	0	0	0	73	22	11	1	*	76	25	8	1	*
June 2016	100	0	0	0	0	70	20	10	1	*	73	22	7	1	*
June 2017	100	0	0	0	0	66	17	8	1	*	70	20	6	1	*
June 2018	100	0	0	0	0	62	15	7	*	*	66	17	5	1	*
June 2019	100	0	0	0	0	58	13	5	*	*	61	15	4	*	*
June 2020	100	0	0	0	0	53	11	4	*	*	56	13	3	*	*
June 2021	86	0	0	0	0	47	9	3	*	*	51	11	2	*	*
June 2022	0	0	0	0	0	41	7	3	*	*	44	9	2	*	*
June 2023	0	0	0	0	0	35	5	2	*	*	37	7	1	*	*
June 2024	0	0	0	0	0	27	3	1	*	*	30	5	1	*	*
June 2025	0	0	0	0	0	19	2	1	*	*	21	3	*	*	*
June 2026	0	0	0	0	0	10	0	0	0	0	11	1	*	*	*
June 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	24.3	17.2	7.4	0.4	0.2	21.6	11.2	8.5	4.5	3.2	22.1	11.8	7.8	4.9	3.6

\* 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.

## **Characteristics of the R and RL Classes**

In addition to distributions of principal and interest, the Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, including the Retail Cash Deposit, after the principal balances of all Classes have been reduced to zero. 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 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 may 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. Transferors of an R or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to enable them to prepare their federal income tax 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 Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

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

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

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

The Notional Classes, the Principal Only Classes and the SD Class will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 160% PSA in the case of the Group 1 Classes, 130% PSA in the case of the Group 2 Classes, 200% PSA in the case of the Group 3 Classes and 160% PSA in the case of the Group 4 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 any of these rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

### **Taxation of Beneficial Owners of Residual Certificates**

Under the Regulations, neither the R Class nor 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 May 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.

Fannie Mae intends to determine the accruals of OID on the Underlying REMIC Certificates using the same Prepayment Assumptions, as provided above, that will be used to determine the accruals of OID on the related Regular Certificates. The IRS, however, could take the position that the proper Prepayment Assumption to be used with respect to an Underlying REMIC Certificate is the Prepayment Assumption set forth in the related Underlying Prospectus Supplement. See also “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Taxable Income or Net Loss of a REMIC Trust*” in the REMIC Prospectus.

## **PLAN OF DISTRIBUTION**

*General.* The Dealers will receive the Certificates in exchange for the Trust MBS and the Underlying REMIC Certificates pursuant to a Fannie Mae commitment. The Dealers propose 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 Dealers may effect such transactions to or through dealers.

*Increase in Certificates.* Before the Settlement Date, Fannie Mae and the Dealers may agree to offer hereby Group 1 and Group 3 Classes in addition to those contemplated as of the date hereof. In such event, the Trust MBS in the related MBS Group will be increased in principal balance, but it is expected that all 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 and Group 3 Class bears to the aggregate original principal balance of all the Group 1 and Group 3 Classes, respectively, will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedule with respect to the PAC Class will be increased in a pro rata amount that corresponds to the increase of the principal balances of the Group 1 Classes.

## **LEGAL MATTERS**

Certain legal matters will be passed upon for the Dealers by Cadwalader, Wickersham & Taft.

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	June 1997 Class Factor	Principal Balance in Lower Tier REMIC as of Issue Date	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
96-11	FA	April 1996	31359L5K7	(2)	FLT	September 2023	SC/PT	\$18,710,712	1.0	\$18,710,712	7.146%	303	47	MBS	2
93-25	L	March 1993	31358TWG0	7.0%	FIX	June 2022	SCH	22,120,000	1.0	13,000,000	8.062	294	54	MBS	4

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

(2) This Class bears interest during its interest accrual periods, subject to the applicable maximum and minimum interest rates, as further described in the related Underlying Prospectus Supplement.

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.

**\$436,710,712**



**TABLE OF CONTENTS**

	<u>Page</u>
<b>Prospectus Supplement</b>	
Table of Contents .....	S- 3
Reference Sheet .....	S- 4
Additional Risk Factors .....	S- 7
Description of the Certificates .....	S- 8
Certain Additional Federal Income Tax Consequences .....	S-28
Plan of Distribution .....	S-30
Legal Matters .....	S-30
Exhibit A .....	A- 1
<b>REMIC Prospectus</b>	
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

**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 1997-45**

**PROSPECTUS SUPPLEMENT**

**Goldman, Sachs & Co.  
LaSalle National Bank**

**May 19, 1997**