

\$732,325,788



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1997-70**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the “REMIC Certificates”) will represent beneficial ownership interests in one of two trust funds. The REMIC Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1997-70 (the “Trust”). The assets of the Trust will consist of the “regular interests” in a separate trust fund (the “Lower Tier REMIC”). The assets of the Lower Tier REMIC will consist of (i) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Trust MBS”) described herein and (ii) certain previously issued REMIC certificates (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 beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”) or beneficial ownership interests in certain “fully modified pass-through” mortgage-backed securities (the “GNMA Certificates”) guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”). Each MBS represents a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein. Each GNMA Certificate is based on and backed by a pool of mortgage loans (together with the pools and mortgage loans underlying the MBS, the “Pools” and “Mortgage Loans,” respectively) which are either insured or guaranteed by the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or the Rural Housing Service (“FmHA”). 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-8 hereof and “Risk Factors” beginning on page 8 of the REMIC Prospectus attached hereto for a discussion of certain risks that should be considered in connection with an investment in the Certificates.

(Cover continued on next page)

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

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

Class (1)	Group	Original Class Balance	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date	Class (1)	Group	Original Class Balance	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date
A	..... 1	\$119,470,000	SEQ	6.5%	FIX	31359Q4 Q 4	March 2024	SC	..... 2	\$ 13,000,000(4)	NTL	(3)	INV/IO	31359Q5 B 6	September 2022
C	..... 1	50,000,000	SEQ	6.5	FIX	31359Q4 R 2	March 2023	SD	..... 2	13,000,000(4)	NTL	(3)	INV/IO	31359Q5 C 4	September 2022
D	..... 1	5,985,000	SEQ	6.5	FIX	31359Q4 S 0	March 2024	PO	..... 2	7,000,000	SC/PT	(5)	PO	31359Q5 D 2	September 2022
PB	..... 1	13,223,000	PAC	6.5	FIX	31359Q4 T 8	June 2020	SE	..... 3	21,519,472(4)	NTL	(3)	INV/IO	31359Q5 E 0	April 2022
E	..... 1	21,322,000	SUP	6.5	FIX	31359Q4 U 5	March 2024	PE	..... 3	7,685,526	SC/PT	(5)	PO	31359Q5 F 7	April 2022
FA	..... 1	83,798,600	PAC	(3)	FLT	31359Q4 V 3	July 2020	AC	..... 4	9,740,700	SC/PT	6.5%	FIX	31359Q5 G 5	September 2023
SA	..... 1	83,798,600(4)	NTL	(3)	INV/IO	31359Q4 W 1	July 2020	AD	..... 5	31,488,156	SC/PT	6.5	FIX	31359Q5 H 3	May 2024
FB	..... 1	126,201,400	SUP	(3)	FLT	31359Q4 X 9	March 2024	FG	..... 5	31,488,156	SC/PT	(3)	FLT	31359Q5 J 9	May 2024
SB	..... 1	126,201,400(4)	NTL	(3)	INV/IO	31359Q4 Y 7	March 2024	SG	..... 5	31,488,156(4)	NTL	(3)	INV/IO	31359Q5 K 6	May 2024
B	..... 1	200,000,000	SEQ	7.5	FIX	31359Q4 Z 4	November 2027	R	.....	0	NPR	0	NPR	31359Q5 L 4	November 2027
AB	..... 2	24,923,250	SC/PT	6.5	FIX	31359Q5 A 8	September 2022	RL	.....	0	NPR	0	NPR	31359Q5 M 2	November 2027

- (1) The F, S and SH Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 hereto for a description of the RCR Classes.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” herein.
- (3) The FA, SA, FB, SB, FG and SG Classes will bear interest based on “LIBOR,” the SC and SD Classes will bear interest based on the “10-Year Treasury Index” and the SE Class will bear interest based on the “7-Year Treasury Index,” as described under “Description of the Certificates—Distributions of Interest” herein and “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes” in the REMIC Prospectus.
- (4) These Classes will be Notional Classes, will not have principal balances and will bear interest on their respective notional principal balances. The notional principal balances of the Notional Classes initially will be as set forth above and thereafter will be calculated as specified herein. See “Description of the Certificates—Distributions of Interest—Notional Classes” herein.
- (5) These Classes will be Principal Only Classes and will bear no interest.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Classes, except for the FA, SA, FB, SB, SD, PO, R and RL Classes and the RCR Certificates, will be available through the book-entry system of the Federal Reserve Banks and that the FA, SA, FB, SB, SD and PO Classes and the RCR Certificates will be available through the book-entry facilities of The Depository Trust Company on or about October 30, 1997 (the “Settlement Date”). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, 245 Park Avenue, New York, New York 10167, on or about the Settlement Date.

Bear, Stearns & Co. Inc.
September 9, 1997

(Cover continued from previous page)

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

The yields to investors in the Group 1 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Trust MBS (as described herein), 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, Group 3, Group 4 and Group 5 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions of the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting distributions on such Underlying REMIC Certificates. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class and, in the case of any Floating Rate or Inverse Floating Rate Class, 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" and "Description of the Certificates—Yield Tables" herein.

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

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See "Description of the Certificates—Weighted Average Lives of the Certificates" herein and "Description of the Certificates—Weighted Average Life and Final Distribution Dates" in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See "Risk Factors—Suitability and Reinvestment Considerations" in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See "Legal Investment Considerations" in the REMIC Prospectus.
- The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the REMIC Prospectus, the Prospectus or Prospectus Supplements for the Underlying REMIC Trusts (collectively, the "Underlying REMIC Disclosure Documents") or the MBS Prospectus (each as defined below). Any representation to the contrary is a criminal offense.

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

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

- Fannie Mae's Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the "REMIC Prospectus"), which is attached to this Prospectus Supplement;
- Fannie Mae's Prospectus for Guaranteed Mortgage Pass-Through Certificates dated August 1, 1997 (the "MBS Prospectus");
- Fannie Mae's Information Statement dated March 31, 1997 and any supplements thereto (collectively, the "Information Statement"); and
- The Underlying REMIC Disclosure Documents.

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the other Disclosure Documents, may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents, other than the Underlying REMIC Disclosure Documents, may also be obtained from Bear, Stearns & Co. Inc. by writing or calling its Prospectus Department at One MetroTech Center North, Brooklyn, New York 11201 (telephone 718-272-1581).

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REFERENCE SHEET

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

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

<u>Mortgage Loan Group</u>	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1	\$620,000,000	360	330	24	8.035%

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, 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 related Underlying REMIC Disclosure Documents, which may be obtained from Fannie Mae as described herein.

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

Combination and Recombination

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

Interest Rates

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

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
FA	6.075%	8.50%	0.45%	LIBOR + 45 basis points
SA	2.425%	8.05%	0.00%	8.05% – LIBOR
FB	6.075%	8.50%	0.45%	LIBOR + 45 basis points
SB	2.425%	8.05%	0.00%	8.05% – LIBOR
F	6.075%	8.50%	0.45%	LIBOR + 45 basis points
S	2.425%	8.05%	0.00%	8.05% – LIBOR
SC	1.420%	6.80%	0.00%	7.5% – 10-Year Treasury Index
SD	3.200%	3.20%	0.00%	10.7% – 10-Year Treasury Index
SH	8.630%	8.63%	0.00%	28.85656% – (2.696875 × 10-Year Treasury Index)
SE	3.370% (1)	9.50%	0.00%	9.5% – 7-Year Treasury Index
FG	5.975%	8.50%	0.35%	LIBOR + 35 basis points
SG	2.525%	8.15%	0.00%	8.15% – LIBOR

(1) The initial interest rate for this Class is an assumed rate. The actual initial interest rate for this Class will be calculated on the basis of the applicable formula for the calculation of such interest rate on the Index Determination Date occurring on October 23, 1997 in the case of the SE Class.

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

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

Notional Classes

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

<u>Classes</u>	
SA	100% of FA Class
SB	100% of FB Class
S	100% of FA Class
	100% of FB Class
SC	185.7142857% of PO Class
SD	185.7142857% of PO Class
SE	280% of PE Class
SG	100% of FG Class

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

Distributions of Principal

The portion of the Principal Distribution Amount allocated to each Class of Certificates will be determined as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*.”

Group 1 Principal Distribution Amount

1. (a) 13.3297619048% of such amount to the C and D Classes, in that order, to zero,
- (b) 28.4452380952% of such amount to the A Class, to zero,
- (c) 8.2250000000% of such amount as follows:

first, to the PB Class, to its Planned Balance;

second, to the E Class, to zero; and

third, to the PB Class, to zero, and

(d) 50.0000000000% of such amount as follows:

first, to the FA Class, to its Planned Balance;

second, to the FB Class, to zero; and

third, to the FA Class, to zero.

2. To the B Class, to zero.

Group 2 Principal Distribution Amount

To the AB and PO Classes, in proportion to their original principal balances, to zero.

Group 3 Principal Distribution Amount

To the PE Class, to zero.

Group 4 Principal Distribution Amount

To the AC Class, to zero.

Group 5 Principal Distribution Amount

To the AD and FG Classes, in proportion to their original principal balances, to zero.

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

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>75%</u>	<u>190%</u>	<u>275%</u>	<u>500%</u>
A, F and S	18.4	7.3	3.5	2.5	1.3
C	17.5	6.4	3.0	2.1	1.1
D	25.8	15.0	7.6	5.4	2.8
PB	11.7	3.2	3.2	3.2	2.1
E	22.5	9.8	3.7	2.0	0.8
FA and SA	11.7	2.8	2.8	2.8	2.0
FB and SB	22.8	10.3	3.9	2.2	0.9
B	28.3	21.6	14.2	10.6	5.8
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>75%</u>	<u>140%</u>	<u>275%</u>	<u>500%</u>
AB, SC, SD, PO and SH	17.1	7.6	6.9	6.9	5.0
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>225%</u>	<u>450%</u>	<u>650%</u>
SE and PE	17.6	8.7	5.7	3.1	2.1
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>75%</u>	<u>140%</u>	<u>275%</u>	<u>500%</u>
AC	21.2	16.8	16.8	15.0	2.1
<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>290%</u>	<u>450%</u>	<u>650%</u>
AD, FG and SG	18.5	6.9	2.9	2.0	1.5

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

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Group 1 Classes will be sensitive in varying degrees to the rate of principal distributions on the MBS included in the Trust MBS, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that the Mortgage Loans underlying the Trust MBS will have the characteristics assumed herein. Because the rate of principal distributions on the Group 1 Classes will be related to the rate of amortization of the related Mortgage Loans, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distributions on such Classes is likely to differ from the rate anticipated by an investor, even if the related Mortgage Loans prepay at the indicated constant percentages of PSA.

The rate of distributions of principal of the Group 2, Group 3, Group 4 and Group 5 Classes will be directly related to the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal (including prepayments) of the related Mortgage Loans and the priority sequences affecting distributions on such Underlying REMIC Certificates. As described in the related Underlying REMIC Disclosure Documents, certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. In addition, some of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and, in certain cases, may receive no principal distributions for an extended period). Prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such classes have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether such classes otherwise have performed as originally anticipated. For information with respect to the Underlying REMIC Certificates, see the Underlying REMIC Disclosure Documents.

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

The effective yields on the Delay Classes (as defined herein) will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 18th or 25th day, as applicable, following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market values of the Delay Classes will be lower than would have been the case if there were no such delay.

DESCRIPTION OF THE CERTIFICATES

The following summaries describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the remaining provisions of this Prospectus Supplement, the additional Disclosure Documents and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the meanings assigned to such terms in the applicable Disclosure Document or the Trust Agreement (as the context may require).

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of October 1, 1997 (the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as trustee (the “Trustee”), and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R and RL Classes) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC. The assets of the Lower Tier REMIC will consist of the Trust MBS and Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trusts).

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. The guaranty obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Documents. 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 related Underlying REMIC Disclosure Documents.

Characteristics of Certificates. The Certificates of all Classes, except for the FA, SA, FB, SB, SD, PO, R and RL Classes and the RCR Certificates, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks (such Certificates, the “Fed Book-Entry Certificates”). 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.”

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

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

The R and RL Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R or RL Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R or RL Certificates will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer of the R or RL Certificate

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

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

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

Distribution Dates. Distributions on the Group 1 and Group 5 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, Group 3 and Group 4 Classes will be made on 25th day of each month (or, if the 25th day is not a business day, on the first business day next succeeding such 25th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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

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

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

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

Combination and Recombination

General. Subject to the rules, regulations and procedures of the Depository, all or a portion of the FA, SA, FB, SB, SD and PO Classes of REMIC Certificates may be exchanged for a proportionate interest in one or more RCR Classes as reflected on Schedule 1 hereto. Similarly, all or a portion of one or more RCR Classes may be exchanged as reflected on Schedule 1, for certain Classes of REMIC Certificates. This process may occur repeatedly.

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of such Classes, will depend

upon distributions of principal of such Classes as well as any exchanges that occur. The aggregate outstanding principal balance of all the Classes of REMIC Certificates and RCR Classes (exclusive of any notional principal balance) will at all times equal the aggregate outstanding principal balance of the related Trust MBS and Underlying REMIC Certificates.

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

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

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

Certificates to be exchanged must be delivered to Fannie Mae as provided in Schedule 1, based on the original principal balances of the related Classes of REMIC Certificates or RCR Certificates and will not change as a result of any reductions (or increases) in the outstanding principal balances of the Certificates.

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

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

Book-Entry Procedures

General. The Fed Book-Entry Certificates 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 the Fed Book-Entry 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 a Fed Book-Entry 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 a Fed Book-Entry 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 a Fed Book-Entry 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 a Fed Book-Entry Certificate. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

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

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

Method of Distribution. Fannie Mae’s fiscal agent for the Fed Book-Entry Certificates 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.

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

The Trust MBS

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

Considerations” in the MBS Prospectus. The characteristics of the Trust MBS and the related Mortgage Loans as of October 1, 1997 (the “Issue Date”) are expected to be as follows:

Trust MBS

Aggregate Unpaid Principal Balance	\$620,000,000
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	330 months
Approximate Weighted Average CAGE	24 months

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts, the assets of which evidence beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus or beneficial ownership interests in distributions made in respect of certain GNMA Certificates. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family residential properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. Each GNMA Certificate is based on and backed by a pool of mortgage loans that are either insured or guaranteed by the FHA, the VA or the FmHA. 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 REMIC Disclosure Documents.

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

To request further information regarding the Underlying REMIC Certificates, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying REMIC Disclosure Documents 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 balance 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 Trust MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the Trust MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement,

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

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	A, C, D, PB, E and B
Floating Rate	FA and FB
Inverse Floating Rate	SA and SB
Interest Only	SA and SB
RCR**	F and S
Group 2 Classes	
Fixed Rate	AB
Inverse Floating Rate	SC and SD
Interest Only	SC and SD
Principal Only	PO
RCR**	SH
Group 3 Classes	
Inverse Floating Rate	SE
Interest Only	SE
Principal Only	PE
Group 4 Class	
Fixed Rate	AC
Group 5 Classes	
Fixed Rate	AD
Floating Rate	FG
Inverse Floating Rate	SG
Interest Only	SG
No Payment Residual	R and RL

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

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

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

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
FA, SA, FB, SB, F, S, SE, FG and SG Classes	One month period ending on the day preceding the Distribution Date
All Fixed Rate Classes and the SC, SD and SH 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 SA, SB, S, SC, SD, SE and SG Classes will be Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates as described herein during each Interest Accrual Period on their respective notional principal balances. The notional principal balances of the Notional Classes will be calculated as specified herein under “Reference Sheet — Notional Classes.”

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 principal distributions. 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 Floating Rate and Inverse Floating Rate Classes will bear interest during each Interest Accrual Period, subject to applicable maximum and minimum interest rates, at rates determined as described herein under “Reference Sheet — Interest Rates.”

The yields with respect to such Classes will be affected by changes in the index specified (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 the applicable Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of the applicable Index.

The establishment of each Index value by Fannie Mae and Fannie Mae’s determination of the rate or rates of interest for each related Class 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 FA, SA, FB, SB, F, S, FG and SG 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 5.625% in the case of the FA, SA, FB, SB, F, S, FG and SG Classes.

Calculation of 10-Year Treasury Index

On each Index Determination Date, until the principal balances of the SC, SD and SH Classes have been reduced to zero, Fannie Mae will ascertain the average yield on U.S. Treasury securities, adjusted to a constant maturity of ten years, in effect for the week ending on the last Friday immediately preceding the related Index Determination Date in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*Treasury Index*” with respect to yields on U.S. Treasury securities at “constant maturity.”

Calculation of 7-Year Treasury Index

On each Index Determination Date, until the notional principal balance of the SE Class has been reduced to zero, Fannie Mae will ascertain the average yield on U.S. Treasury securities, adjusted to a constant maturity of seven years, in effect for the week ending on the last Friday immediately preceding the related Index Determination Date in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*Treasury Index*” with respect to yields on U.S. Treasury securities at “constant maturity.”

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
PAC(1)	PB and FA
Support	E and FB
Sequential Pay	A, C, D and B
Notional	SA and SB
RCR**	F and S
Group 2 Classes	
Structured Collateral/Pass-Through	AB and PO
Notional	SC and SD
RCR**	SH
Group 3 Classes	
Structured Collateral/Pass-Through	PE
Notional	SE
Group 4 Class	
Structured Collateral/Pass-Through	AC
Group 5 Classes	
Structured Collateral/Pass-Through	AD and FG
Notional	SG
No Payment Residual	R and RL

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

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

(1) The Principal Balance Schedules are set forth beginning on page B-1.

Principal Distribution Amount

On each Distribution Date, principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal to be made on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”), (ii) the aggregate distributions of principal concurrently made on the

Class 1993-185-FD, Class 1993-185-SD and Class 1993-185-SE REMIC Certificates (the “Group 2 Principal Distribution Amount”), (iii) the distribution of principal concurrently made on the Class 1992-G20-SB REMIC Certificate (the “Group 3 Principal Distribution Amount”), (iv) the aggregate distributions of principal concurrently made on the Class 1993-185-FB, Class 1993-185-SB and Class 1993-185-SC REMIC Certificates (the “Group 4 Principal Distribution Amount”) and (v) the distribution of principal concurrently made on the Class 1997-34-A REMIC Certificate (the “Group 5 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, the Group 1 Principal Distribution Amount will be distributed as principal of the Group 1 Classes in the following order of priority:

- (i) (a) 13.3297619048% of such amount, sequentially, to the C and D Classes, in that order, until the respective principal balances thereof are reduced to zero, } Sequential Pay Classes
- (b) 28.4452380952% of such amount to the A Class, until the principal balance thereof is reduced to zero, } Sequential Pay Class
- (c) 8.2250000000% of such amount as follows:
 - first*, to the PB Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; } PAC Class
 - second*, to the E Class, until the principal balance thereof is reduced to zero; } Support Class
 - and
 - third*, to the PB Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero, and } PAC Class
 - (d) 50.0000000000% of such amount as follows:
 - first*, to the FA Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; } PAC Class
 - second*, to the FB Class, until the principal balance thereof is reduced to zero; and } Support Class
 - third*, to the FA Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero; and } PAC Class
- (ii) to the B Class, until the principal balance thereof is reduced to zero. } Sequential Pay Class

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed, concurrently, as principal of the AB and PO Classes, in proportion to their original principal balances (or 78.0724080412% and 21.9275919588%, respectively), until the principal balances thereof are reduced to zero. } Structured Collateral/Pass-Through Classes

Group 3 Principal Distribution Amount

On each Distribution Date, the Group 3 Principal Distribution Amount will be distributed as principal of the PE Class, until the principal balance thereof is reduced to zero. } Structured Collateral/Pass-Through Class

Group 4 Principal Distribution Amount

On each Distribution Date, the Group 4 Principal Distribution Amount will be distributed as principal of the AC Class, until the principal balance thereof is reduced to zero.

Structured
Collateral/
Pass-Through
Class

Group 5 Principal Distribution Amount

On each Distribution Date, the Group 5 Principal Distribution Amount will be distributed, concurrently, as principal of the AD and FG Classes, in proportion to their original principal balances (or 50% and 50%, respectively), until the principal balances thereof are reduced to zero.

Structured
Collateral/
Pass-Through
Classes

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

Structuring Assumptions

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

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates as specified herein under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS;”
- all payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates, are distributed on the Certificates in the month in which such payments are received;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the closing date for the sale of the Certificates is October 30, 1997.

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

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

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range</u>
Planned Balances	PB and FA	Between 75% and 275%

There is no assurance that the balance of either Class listed above will conform on any Distribution Date to the applicable balance specified for such Distribution Date in the Principal Balance Schedules herein, or that distributions of principal of 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 either such Class to its scheduled balance will be distributed or allocated, the ability to so reduce such Class will not be enhanced by the averaging of high and low principal payments from month to month. In addition,

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

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

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
PB	Between 75% and 275%
FA	Between 72% and 275%

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

Yield Tables

General. The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. The yields set forth in the tables were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase prices of such Classes and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered. *There can be no assurance that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. In addition, there can be no assurance that the 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 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 S and SH Classes. The yields to investors in the Inverse Floating Rate Classes and the S and SH Classes will be sensitive in varying degrees

to the rate of principal payments (including prepayments) of the related Mortgage Loans and 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 Index and prepayment scenarios, investors in the Inverse Floating Rate Classes and the S and SH Classes would not fully recoup their initial investments.

Changes in the applicable 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 Inverse Floating Rate Classes and the S and SH Classes for the initial Interest Accrual Period are the actual and assumed rates appearing in the table under “Reference Sheet—Interest Rates” 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 such Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SA	4.7500%
SB	4.8750%
S	4.8250%
SC	6.5625%
SD	15.8750%
SH	106.4375%
SE	10.6250%
SG	4.0000%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>190%</u>	<u>275%</u>	<u>500%</u>
3.625%	85.2%	76.1%	76.1%	76.1%	62.9%
5.625%	30.9%	21.4%	21.4%	21.4%	(0.3)%
7.625%	(34.7)%	(47.2)%	(47.2)%	(47.2)%	(85.8)%
8.050%	*	*	*	*	*

* The pre-tax yield to maturity would 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>75%</u>	<u>190%</u>	<u>275%</u>	<u>500%</u>
3.625%	107.2%	106.2%	81.0%	56.5%	(32.6)%
5.625%	54.8%	53.5%	31.1%	5.9%	(82.8)%
7.625%	2.0%	(1.5)%	(27.6)%	(58.1)%	*
8.050%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>190%</u>	<u>275%</u>	<u>500%</u>
3.625%	99.6%	96.2%	79.2%	64.7%	17.9%
5.625%	47.8%	44.7%	27.8%	12.5%	(35.2)%
7.625%	(3.0)%	(7.2)%	(32.3)%	(53.2)%	*
8.050%	*	*	*	*	*

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

**Sensitivity of the SC Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>140%</u>	<u>275%</u>	<u>500%</u>
4.08%	55.2%	54.1%	53.1%	53.1%	48.3%
6.08%	17.5%	14.0%	11.8%	11.8%	2.4%
7.50%	*	*	*	*	*

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

**Sensitivity of the SD Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>140%</u>	<u>275%</u>	<u>500%</u>
7.50% and below	15.4%	11.8%	9.4%	9.4%	(0.3)%
8.08%	10.0%	5.9%	3.3%	3.3%	(7.5)%
10.70%	*	*	*	*	*

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

**Sensitivity of the SH Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>75%</u>	<u>140%</u>	<u>275%</u>	<u>500%</u>
7.50% and below	7.7%	7.5%	7.4%	7.4%	7.1%
8.08%	6.2%	6.0%	5.9%	5.9%	5.5%
10.70%	(0.7)%	(0.8)%	(0.9)%	(0.9)%	(1.2)%

**Sensitivity of the SE Class to Prepayments and 7-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>7-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>450%</u>	<u>650%</u>
4.13%	51.6%	48.2%	38.8%	20.2%	2.0%
6.13%	29.0%	25.7%	16.9%	(0.3)%	(17.0)%
8.13%	5.3%	2.2%	(5.9)%	(21.5)%	(36.7)%
9.50%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>290%</u>	<u>450%</u>	<u>650%</u>
3.625%	132.8%	128.2%	109.3%	91.3%	67.3%
5.625%	65.9%	61.3%	40.8%	21.0%	(4.2)%
7.625%	5.2%	(1.6)%	(34.3)%	(61.3)%	(89.8)%
8.150%	*	*	*	*	*

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

The Principal Only Classes. **The Principal Only Classes will not bear interest. As indicated in the tables below, a low rate of principal payments (including prepayments) on the related Mortgage Loans will have a negative effect on the yields to investors in the Principal Only Classes.**

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

<u>Class</u>	<u>Price</u>
PO	63.625%
PE	74.125%

**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>75%</u>	<u>140%</u>	<u>275%</u>	<u>500%</u>
PO	4.8%	6.1%	6.8%	6.8%	9.4%

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>450%</u>	<u>650%</u>
PE	3.0%	3.7%	5.9%	11.1%	17.0%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a). For a description of the factors which may influence the weighted average life of a Certificate, see “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequences of distributions of principal of the Group 1 Classes and, in the case of the Group 2, Group 3, Group 4 and Group 5 Classes, the priority sequences affecting distributions on the related Underlying REMIC Certificates. The weighted average lives of certain Group 1 Classes will also depend on the distribution of principal of certain Classes in accordance with the Principal Balance Schedules. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Documents.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various constant PSA rates and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA 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 Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
Trust MBS	360 months	360 months	10.0%	Group 1
1993-185	360 months	311 months	9.0%	Groups 2 and 4
1992-G20	360 months	294 months	(1)	Group 3
1997-34	360 months	355 months	10.5%	Group 5

(1) It has been assumed that the Mortgage Loans underlying the related GNMA Certificates issued under the GNMA I program and GNMA II program bear interest at the per annum rates of 9.5% and 10.5%, respectively.

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

Percent of Original Principal Balances Outstanding

Date	A, F and S† Classes					C Class					D Class					PB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	190%	275%	500%	0%	75%	190%	275%	500%	0%	75%	190%	275%	500%	0%	75%	190%	275%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1998	99	92	83	75	56	99	91	80	72	51	100	100	100	100	100	99	93	93	93	93
October 1999	98	84	66	54	24	98	82	62	48	15	100	100	100	100	100	97	73	73	73	64
October 2000	97	77	52	36	2	97	74	46	28	0	100	100	100	100	20	94	53	53	53	6
October 2001	96	70	40	21	0	96	66	32	12	0	100	100	100	100	0	91	34	34	34	0
October 2002	95	63	28	9	0	94	58	20	0	0	100	100	100	85	0	88	16	16	16	0
October 2003	94	56	19	0	0	93	51	9	0	0	100	100	100	0	0	85	0	0	0	0
October 2004	92	50	10	0	0	91	43	0	0	0	100	100	94	0	0	81	0	0	0	0
October 2005	90	43	2	0	0	89	37	0	0	0	100	100	23	0	0	76	0	0	0	0
October 2006	89	37	0	0	0	87	30	0	0	0	100	100	0	0	0	72	0	0	0	0
October 2007	87	31	0	0	0	85	23	0	0	0	100	100	0	0	0	66	0	0	0	0
October 2008	84	26	0	0	0	83	17	0	0	0	100	100	0	0	0	61	0	0	0	0
October 2009	82	20	0	0	0	80	11	0	0	0	100	100	0	0	0	54	0	0	0	0
October 2010	79	15	0	0	0	77	5	0	0	0	100	100	0	0	0	47	0	0	0	0
October 2011	76	10	0	0	0	73	0	0	0	0	100	94	0	0	0	39	0	0	0	0
October 2012	73	5	0	0	0	70	0	0	0	0	100	48	0	0	0	31	0	0	0	0
October 2013	69	*	0	0	0	66	0	0	0	0	100	3	0	0	0	21	0	0	0	0
October 2014	65	0	0	0	0	61	0	0	0	0	100	0	0	0	0	11	0	0	0	0
October 2015	61	0	0	0	0	56	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2016	56	0	0	0	0	51	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2017	50	0	0	0	0	44	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2018	44	0	0	0	0	38	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2019	38	0	0	0	0	30	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2020	30	0	0	0	0	22	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2021	22	0	0	0	0	13	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2022	13	0	0	0	0	3	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2023	3	0	0	0	0	0	0	0	0	0	32	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.4	7.3	3.5	2.5	1.3	17.5	6.4	3.0	2.1	1.1	25.8	15.0	7.6	5.4	2.8	11.7	3.2	3.2	3.2	2.1

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

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

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

Date	E Class					FA and SA† Classes					FB and SB† Classes					B Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	190%	275%	500%	0%	75%	190%	275%	500%	0%	75%	190%	275%	500%	0%	75%	190%	275%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1998	99	92	76	64	34	98	81	81	81	81	100	100	83	72	40	100	100	100	100	100
October 1999	99	92	62	42	0	96	63	63	63	61	100	99	69	48	0	100	100	100	100	100
October 2000	99	92	52	26	0	93	45	45	45	5	100	98	57	30	0	100	100	100	100	100
October 2001	99	92	43	13	0	90	29	29	29	0	100	97	47	16	0	100	100	100	100	72
October 2002	99	92	36	5	0	87	13	13	13	0	100	96	39	6	0	100	100	100	100	50
October 2003	99	91	30	0	0	84	0	0	0	0	100	93	31	0	0	100	100	100	98	34
October 2004	99	80	16	0	0	80	0	0	0	0	100	82	17	0	0	100	100	100	80	24
October 2005	99	70	4	0	0	76	0	0	0	0	100	72	4	0	0	100	100	100	66	16
October 2006	99	60	0	0	0	72	0	0	0	0	100	62	0	0	0	100	100	91	54	11
October 2007	99	51	0	0	0	66	0	0	0	0	100	52	0	0	0	100	100	79	44	8
October 2008	99	42	0	0	0	61	0	0	0	0	100	43	0	0	0	100	100	68	35	5
October 2009	99	33	0	0	0	55	0	0	0	0	100	34	0	0	0	100	100	58	29	3
October 2010	99	25	0	0	0	48	0	0	0	0	100	25	0	0	0	100	100	50	23	2
October 2011	99	16	0	0	0	40	0	0	0	0	100	17	0	0	0	100	100	43	19	2
October 2012	99	8	0	0	0	32	0	0	0	0	100	8	0	0	0	100	100	36	15	1
October 2013	99	*	0	0	0	23	0	0	0	0	100	*	0	0	0	100	100	30	12	1
October 2014	99	0	0	0	0	13	0	0	0	0	100	0	0	0	0	100	91	25	9	*
October 2015	98	0	0	0	0	2	0	0	0	0	100	0	0	0	0	100	81	21	7	*
October 2016	90	0	0	0	0	0	0	0	0	0	93	0	0	0	0	100	72	17	6	*
October 2017	82	0	0	0	0	0	0	0	0	0	84	0	0	0	0	100	63	14	4	*
October 2018	72	0	0	0	0	0	0	0	0	0	74	0	0	0	0	100	54	11	3	*
October 2019	61	0	0	0	0	0	0	0	0	0	63	0	0	0	0	100	45	9	2	*
October 2020	49	0	0	0	0	0	0	0	0	0	51	0	0	0	0	100	37	7	2	*
October 2021	36	0	0	0	0	0	0	0	0	0	37	0	0	0	0	100	28	5	1	*
October 2022	22	0	0	0	0	0	0	0	0	0	22	0	0	0	0	100	20	3	1	*
October 2023	6	0	0	0	0	0	0	0	0	0	6	0	0	0	0	100	12	2	*	*
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	84	4	1	*	*
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	59	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	0	0	0	0
October 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	22.5	9.8	3.7	2.0	0.8	11.7	2.8	2.8	2.8	2.0	22.8	10.3	3.9	2.2	0.9	28.3	21.6	14.2	10.6	5.8

Date	AB, SC†, SD†, PO and SH Classes					SE† and PE Classes					AC Class					AD, FG and SG† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	140%	275%	500%	0%	100%	225%	450%	650%	0%	75%	140%	275%	500%	0%	100%	290%	450%	650%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1998	100	100	100	100	100	100	99	91	77	64	100	100	100	100	100	99	94	86	79	70
October 1999	100	100	100	100	100	100	91	77	55	38	100	100	100	100	55	98	86	65	49	30
October 2000	100	100	100	100	100	100	83	65	39	23	100	100	100	100	0	97	77	45	23	1
October 2001	100	100	100	100	81	100	76	54	28	13	100	100	100	100	0	96	68	29	5	0
October 2002	100	100	95	95	44	100	69	45	19	8	100	100	100	100	0	95	60	16	0	0
October 2003	100	89	67	67	18	98	62	38	14	5	100	100	100	100	0	94	53	5	0	0
October 2004	100	64	43	43	0	96	56	31	10	3	100	100	100	100	0	93	46	0	0	0
October 2005	100	40	23	23	0	94	50	26	7	2	100	100	100	96	0	91	39	0	0	0
October 2006	100	16	5	5	0	91	44	21	5	1	100	100	100	89	0	89	33	0	0	0
October 2007	100	0	0	0	0	89	39	17	3	1	100	100	100	85	0	87	27	0	0	0
October 2008	100	0	0	0	0	86	34	14	2	*	100	100	100	83	0	85	21	0	0	0
October 2009	100	0	0	0	0	83	29	11	1	*	100	100	100	82	0	83	15	0	0	0
October 2010	100	0	0	0	0	79	24	8	1	*	100	93	93	75	0	80	10	0	0	0
October 2011	100	0	0	0	0	75	19	6	1	*	100	76	76	59	0	77	6	0	0	0
October 2012	98	0	0	0	0	71	15	4	*	*	100	62	62	46	0	74	1	0	0	0
October 2013	77	0	0	0	0	66	11	3	*	*	100	50	50	36	0	70	0	0	0	0
October 2014	54	0	0	0	0	61	7	2	*	*	100	40	40	27	0	66	0	0	0	0
October 2015	29	0	0	0	0	55	3	1	*	*	100	32	32	21	0	62	0	0	0	0
October 2016	1	0	0	0	0	48	2	*	*	*	100	25	25	15	0	57	0	0	0	0
October 2017	0	0	0	0	0	41	1	*	*	0	100	19	19	11	0	51	0	0	0	0
October 2018	0	0	0	0	0	34	1	*	*	0	52	14	14	8	0	45	0	0	0	0
October 2019	0	0	0	0	0	25	*	*	*	0	10	10	10	5	0	39	0	0	0	0
October 2020	0	0	0	0	0	16	*	*	0	0	6	6	6	3	0	31	0	0	0	0
October 2021	0	0	0	0	0	6	0	0	0	0	4	4	4	1	0	23	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	1	1	1	*	0	13	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.1	7.6	6.9	6.9	5.0	17.6	8.7	5.7	3.1	2.1	21.2	16.8	16.8	15.0	2.1	18.5	6.9	2.9	2.0	1.5

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

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

† 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

The R and RL Classes will not have principal balances and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero, and the Holder of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Regular Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

The R and RL Classes will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R or RL Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Any transferee of an R or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. 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. Arnold & Porter, special tax counsel to Fannie Mae, will deliver its opinion to Fannie Mae that, assuming compliance with the Trust Agreement, the Lower Tier REMIC and the Trust will qualify as REMICs for federal income tax purposes. The REMIC Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate

investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICS. The Small Business Job Protection Act of 1996 repeals the bad debt reserve method of accounting for mutual savings banks and domestic building and loan associations for tax years beginning after December 31, 1995. As a result, section 593(d) of the Code is no longer applicable to treat the 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 and the Principal Only Classes will be, and certain other Classes of REMIC Certificates may be, issued with original issue discount (“OID”) for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 190% PSA in the case of the Group 1 Classes, 140% PSA in the case of the Group 2 and Group 4 Classes, 225% PSA in the case of the Group 3 Classes and 290% PSA in the case of the Group 5 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 or the GNMA Certificates will prepay at any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of REMIC Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

The Taxpayer Relief Act of 1997 adds provisions to the Code that require the recognition of gain upon the “constructive sale of an appreciated financial position.” A constructive sale of an appreciated financial position occurs if a taxpayer enters into certain transactions or series of such transactions with respect to a financial instrument that have the effect of substantially eliminating the taxpayer’s risk of loss or opportunity for gain with respect to the financial instrument. These provisions do not apply to Classes of Certificates other than the Notional Classes.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R Class nor the RL Class will have significant value. Special rules regarding the treatment of “excess inclusions” by certain thrift institutions no longer apply because of the amendment of sections 593 and 860E 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 September 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 the Underlying REMIC Certificates is the Prepayment Assumption set forth in the related Underlying REMIC Disclosure Documents. 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.

The Taxpayer Relief Act of 1997 adds provisions to the Code that will apply to an “electing large partnership.” If an electing large partnership holds an R or RL Certificate, all interests in the electing large partnership are treated as held by disqualified organizations for purposes of the tax imposed upon a pass-through entity by section 860E(e) of the Code. An exception to this tax, otherwise available to a pass-through entity that is furnished certain affidavits by record holders of interests in the entity and that does not know such affidavits are false, is not available to an electing large partnership.

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes will represent beneficial ownership of the underlying Regular Certificates set forth in Schedule 1. The RCR Certificates (the “Combination RCR Certificates”) will represent beneficial ownership of undivided interests in two or more underlying Regular Certificates.

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

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

PLAN OF DISTRIBUTION

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

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

increased in a pro rata amount that corresponds to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982.

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Exhibit A

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	October 1997 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM or WARM (in months)	Approximate Weighted Average CAGE or WALA (in months)	Underlying Security Type	Class Group
1993-185	FD	September 1993	31359DV26	(2)	FLT	September 2022	PAC	\$ 29,200,112	1.00000000	\$16,200,112	7.156%	299	50	MBS	2
1993-185	SD	September 1993	31359DV34	(2)	INV	September 2022	PAC	9,971,088	1.00000000	9,971,088	7.156	299	50	MBS	2
1993-185	SE	September 1993	31359DV42	(2)	INV	September 2022	PAC	5,752,050	1.00000000	5,752,050	7.156	299	50	MBS	2
1992-G20	SB	April 1992	31358MGP3	(2)	INV	April 2022	SEQ	7,685,526	1.00000000	7,685,526	9.503	226	124	GNMA	3
1993-185	FB	September 1993	31359DV67	(2)	FLT	September 2023	PAC	38,779,821	1.00000000	6,664,690	7.156	299	50	MBS	4
1993-185	SB	September 1993	31359DV75	(2)	INV	September 2023	PAC	14,594,454	1.00000000	2,508,199	7.156	299	50	MBS	4
1993-185	SC	September 1993	31359DV83	(2)	INV	September 2023	PAC	3,303,925	1.00000000	567,811	7.156	299	50	MBS	4
1997-34	A	May 1997	31359PVT0	7.50%	FIX	May 2024	SEQ	128,049,000	0.94242059	62,976,313	8.484	349	10	MBS	5

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

(2) These Classes bear interest during their respective interest accrual periods, subject to the applicable maximum and minimum interest rates, as further described in the related Underlying REMIC Disclosure Documents.

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Class	Original Principal or Notional Principal Balance	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1								
FA	\$ 83,798,600	F	\$210,000,000	(3)	FLT	SEQ	31359Q5N0	March 2024
FB	126,201,400							
Recombination 2								
SA	83,798,600	S	210,000,000	(3)	INV/IO	NTL	31359Q5P5	March 2024
SB	126,201,400							
Recombination 3								
PO	4,820,394	SH	4,820,394	(3)	INV	SC/PT	31359Q5Q3	September 2022
SD	13,000,000							

(1) The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balances of the related Classes.

(2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” herein.

(3) For a description of this interest rate, see “Description of the Certificates—Distribution of Interest” herein.

Principal Balance Schedules

<u>Distribution Date</u>	<u>PB Class Planned Balance</u>	<u>FA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PB Class Planned Balance</u>	<u>FA Class Planned Balance</u>
Initial Balance	\$13,223,000.00	\$83,798,600.00	November 2000	\$ 6,797,135.79	\$36,686,260.25
November 1997	13,223,000.00	82,600,665.09	December 2000	6,586,220.12	35,512,604.16
December 1997	13,223,000.00	81,366,494.74	January 2001	6,375,978.54	34,344,670.66
January 1998	13,223,000.00	80,096,629.79	February 2001	6,166,408.08	33,182,429.82
February 1998	13,223,000.00	78,791,628.78	March 2001	5,957,505.80	32,025,851.91
March 1998	13,223,000.00	77,452,067.56	April 2001	5,749,268.76	30,874,907.33
April 1998	13,223,000.00	76,078,538.74	May 2001	5,541,694.02	29,729,566.60
May 1998	13,223,000.00	74,711,775.33	June 2001	5,334,778.66	28,589,800.44
June 1998	13,220,608.16	73,351,742.06	July 2001	5,128,519.78	27,455,579.71
July 1998	12,988,808.15	71,998,403.85	August 2001	4,922,914.47	26,326,875.39
August 1998	12,757,772.76	70,651,725.84	September 2001	4,717,959.85	25,203,658.64
September 1998	12,527,498.72	69,311,673.31	October 2001	4,513,653.03	24,085,900.76
October 1998	12,297,982.75	67,978,211.72	November 2001	4,309,991.14	22,973,573.17
November 1998	12,069,221.61	66,651,306.73	December 2001	4,106,971.33	21,866,647.48
December 1998	11,841,212.04	65,330,924.14	January 2002	3,904,590.74	20,765,095.41
January 1999	11,613,950.82	64,017,029.97	February 2002	3,702,846.53	19,668,888.85
February 1999	11,387,434.73	62,709,590.39	March 2002	3,501,735.87	18,577,999.82
March 1999	11,161,660.55	61,408,571.72	April 2002	3,301,255.94	17,492,400.49
April 1999	10,936,625.09	60,113,940.50	May 2002	3,101,403.93	16,412,063.15
May 1999	10,712,325.17	58,825,663.41	June 2002	2,902,177.04	15,336,960.25
June 1999	10,488,757.60	57,543,707.31	July 2002	2,703,572.47	14,267,064.41
July 1999	10,265,919.23	56,268,039.23	August 2002	2,505,587.44	13,202,348.34
August 1999	10,043,806.89	54,998,626.37	September 2002	2,308,219.18	12,142,784.91
September 1999	9,822,417.45	53,735,436.08	October 2002	2,111,464.92	11,088,347.13
October 1999	9,601,747.78	52,478,435.91	November 2002	1,915,321.91	10,039,008.15
November 1999	9,381,794.75	51,227,593.55	December 2002	1,719,787.40	8,994,741.25
December 1999	9,162,555.26	49,982,876.88	January 2003	1,524,858.66	7,955,519.87
January 2000	8,944,026.21	48,744,253.90	February 2003	1,330,532.97	6,921,317.54
February 2000	8,726,204.51	47,511,692.82	March 2003	1,136,807.60	5,892,107.95
March 2000	8,509,087.08	46,285,162.00	April 2003	943,679.85	4,867,864.96
April 2000	8,292,670.86	45,064,629.94	May 2003	751,147.02	3,848,562.52
May 2000	8,076,952.79	43,850,065.34	June 2003	559,206.42	2,834,174.69
June 2000	7,861,929.83	42,641,437.03	July 2003	367,855.37	1,824,675.74
July 2000	7,647,598.94	41,438,713.99	August 2003	177,091.20	820,040.02
August 2000	7,433,957.10	40,241,865.41	September 2003 and thereafter	0.00	0.00
September 2000	7,221,001.29	39,050,860.58			
October 2000	7,008,728.52	37,865,668.99			

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.

\$732,325,788



FannieMae

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Guaranteed REMIC

Pass-Through Certificates

Fannie Mae REMIC Trust 1997-70

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

September 9, 1997