

\$585,278,000



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1997-89**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the “Certificates”) will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1997-89 (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 “fully modified pass-through” mortgage-backed securities (the “Ginnie Mae Certificates”) guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“Ginnie Mae”) and (ii) a previously issued REMIC certificate (the “Underlying REMIC Certificate”) evidencing a beneficial ownership interest in the related Fannie Mae REMIC Trust (the “Underlying REMIC Trust”) as further described in Exhibit A hereto. The assets of the Underlying REMIC Trust evidence beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”). 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 Ginnie Mae 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.

The Prospectus Supplement is intended to be used only in conjunction with the REMIC Prospectus (defined herein). Investors should not purchase the Certificates before reading this Prospectus Supplement, the REMIC Prospectus and the additional Disclosure Documents (defined herein). Such documents may be obtained as described on page S-2.

See “Additional Risk Factors” on page S-6 hereof and “Certain Risk Factors” beginning on page 10 of the REMIC Prospectus for a discussion of certain risks that should be considered in connection with an investment in the Certificates.
(Cover continued on next page)

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

THE CERTIFICATES, TOGETHER WITH ANY INTEREST THEREON, ARE NOT GUARANTEED BY THE UNITED STATES. THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE CERTIFICATES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND DO NOT CONSTITUTE AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN FANNIE MAE.

THE CERTIFICATES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND ARE “EXEMPTED SECURITIES” WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934.

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A ...	1	\$ 50,000,000	SEQ	6.875%	FIX	31359RPF3	December 2022	J ...	1	\$ 23,883,000	SEQ/AD	7.000%	FIX	31359RPQ9	May 2006
B ...	1	25,000,000	SEQ	6.625	FIX	31359RPG1	December 2022	K ...	1	21,636,000	SEQ/AD	7.000	FIX	31359RPR7	February 2011
G ...	1	69,000,000	SEQ	6.375	FIX	31359RPH9	December 2022	ZA ...	1	30,210,000	SEQ	7.000	FIX/Z	31359RPS5	December 2027
H ...	1	119,315,000	SEQ	6.500	FIX	31359RPJ5	December 2022	PA ...	2	20,278,000	SC/SEQ	5.500	FIX	31359RPT3	May 2012
N ...	1	47,363,000	SEQ	9.500	FIX	31359RPK2	December 2022	PB ...	2	65,000,000	SC/SEQ	5.500	FIX	31359RPU0	May 2012
C ...	1	33,385,000	SEQ/AD	5.750	FIX	31359RPL0	June 2006	PI ...	2	13,119,692(2)	NTL	6.500	FIX/IO	31359RPV8	May 2012
D ...	1	26,832,000	SEQ/AD	5.750	FIX	31359RPM8	February 2011	R ...		0	NPR		NPR	31359RPW6	December 2027
Z ...	1	53,376,000	SEQ	5.750	FIX/Z	31359RPN6	December 2027	RL ...		0	NPR		NPR	31359RPX4	December 2027
E ...	1	20,284,464(2)	NTL	7.000	FIX/IO	31359RPP1	December 2027								

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

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Group 1 Classes will be available through the book-entry facilities of The Depository Trust Company and that the Group 2 Classes will be available through the book-entry system of the Federal Reserve Banks on or about December 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, Greenwich, Connecticut, on or about the Settlement Date.

GREENWICH CAPITAL MARKETS

A DIVISION OF NATWEST MARKETS



(Cover continued from previous page)

The yields to investors in the Group 1 Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Ginnie Mae Certificates, 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 Classes will be sensitive to, among other things, the rate of principal distributions of the Underlying REMIC Certificate, which in turn will be sensitive to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequence affecting the Underlying REMIC Certificate. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class. 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, 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.

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

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

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Certain 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 Supplement for the Underlying REMIC Trust (the “Underlying REMIC Disclosure Document”) 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 November 12, 1997 (the “REMIC Prospectus”);
- 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 Document.

The Information Statement is 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 Document, may also be obtained from Greenwich Capital Markets, Inc., by writing or calling its Prospectus Department at 600 Steamboat Road, Greenwich, CT 06830 (telephone 203-622-5628).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Group 1 Principal Distribution Amount</i>	S-13
Additional Risk Factors	S- 6	<i>Z Accrual Amount</i>	S-13
Additional Yield and Prepayment Considerations	S- 6	<i>ZA Accrual Amount</i>	S-13
Description of the Certificates	S- 6	<i>Group 1 Cash Flow Distribution Amount</i>	S-13
General	S- 7	<i>Group 2 Principal Distribution Amount</i>	S-13
<i>Structure</i>	S- 7	Structuring Assumptions	S-13
<i>Fannie Mae Guaranty</i>	S- 7	<i>Pricing Assumptions</i>	S-13
<i>Characteristics of Certificates</i>	S- 7	<i>Prepayment Assumptions</i>	S-14
<i>Authorized Denominations</i>	S- 8	Yield Tables	S-14
<i>Distribution Dates</i>	S- 8	<i>General</i>	S-14
<i>Record Date</i>	S- 8	<i>The E and PI Classes</i>	S-14
<i>REMIC Trust Factors</i>	S- 8	Weighted Average Lives of the Certificates	S-15
<i>Optional Termination</i>	S- 8	Decrement Tables	S-16
<i>Voting the Underlying REMIC Certificate</i>	S- 8	Characteristics of the R and RL Classes	S-18
Book-Entry Procedures	S- 8	Certain Additional Federal Income Tax Consequences	S-18
<i>General</i>	S- 8	REMIC Elections and Special Tax Attributes	S-18
<i>Method of Distribution</i>	S- 9	Taxation of Beneficial Owners of Regular Certificates	S-19
The Ginnie Mae Certificates	S- 9	Taxation of Beneficial Owners of Residual Certificates	S-19
The Underlying REMIC Certificate	S-10	Plan of Distribution	S-19
Final Data Statement	S-10	<i>General</i>	S-19
Distributions of Interest	S-10	<i>Increase in Certificates</i>	S-19
<i>Categories of Classes</i>	S-10	Legal Matters	S-19
<i>General</i>	S-11	Exhibit A	A-1
<i>Interest Accrual Period</i>	S-11		
<i>Accrual Classes</i>	S-11		
<i>Notional Classes</i>	S-11		
Distributions of Principal	S-12		
<i>Categories of Classes</i>	S-12		
<i>Principal Distribution Amount</i>	S-12		

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 Ginnie Mae Certificates (as of December 1, 1997)

<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>WARM (in months)</u>	<u>WALA (in months)</u>	<u>WAC</u>
\$500,000,000	360	357	2	7.75%

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

Characteristics of the Underlying REMIC Certificate

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

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

Interest Rates

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

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>	
E	17.8571428571% of C Class 17.8571428571% of D Class 17.8571428571% of Z Class
PI	15.3846153846% of PA Class 15.3846153846% of PB Class

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Tables—*The E and PI 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

Z Accrual Amount

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

ZA Accrual Amount

To the J and K Classes, in that order, to zero, and then to the ZA Class.

Group 1 Cash Flow Distribution Amount

1. To the A, B, G, H and N Classes, in proportion to their original principal balances, to zero.
2. (a) 59.9998943599% of the remaining amount to the C, D and Z Classes, in that order, to zero and
(b) 40.0001056401% of such remaining amount to the J, K and ZA Classes, in that order, to zero.

Group 2 Principal Distribution Amount

To the PA and PB Classes, in that order, to zero.

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>350%</u>	<u>500%</u>
A, B, G, H and N.....	16.6	6.3	4.9	2.6	2.1
C	4.6	4.6	4.6	3.9	3.2
D	10.9	10.9	10.2	6.0	4.6
Z	27.7	20.3	17.8	10.4	7.7
E	27.7	20.3	17.1	8.9	6.4
J	4.6	4.6	4.6	3.9	3.2
K	10.9	10.9	10.3	6.1	4.7
ZA	27.7	20.3	17.9	10.6	7.9

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>155%</u>	<u>350%</u>	<u>500%</u>
PA	5.4	2.5	2.5	1.9	1.4
PB	9.9	6.2	6.2	4.9	3.8
PI	8.8	5.3	5.3	4.2	3.2

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

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal or reductions of notional balances of the Group 1 Classes will be sensitive in varying degrees to the rate of principal distributions on the Ginnie Mae Certificates, 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 Ginnie Mae Certificates 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 Classes will be directly related to the rate of distributions of principal of the Underlying REMIC Certificate, which in turn will be sensitive to the rate of payments of principal (including prepayments) of the related Mortgage Loans and the priority sequence affecting the Underlying REMIC Certificate. As described in the Underlying REMIC Disclosure Document, the Underlying REMIC Certificate effectively is subordinate in priority of principal distributions to another class of certificates evidencing beneficial ownership interests in the Underlying REMIC Trust and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of such other class of certificates having priority over the Underlying REMIC Certificate. In addition, the Underlying REMIC Certificate effectively has a Principal Balance Schedule and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case. 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 class has adhered to the effective Principal Balance Schedule, whether any related Support classes remain outstanding or whether such class otherwise has performed as originally anticipated. Additional information as to the Underlying REMIC Certificate may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the Underlying REMIC Disclosure Document, which may be obtained from Fannie Mae as described herein.

It is highly unlikely that the Mortgage Loans underlying the Ginnie Mae Certificates or the Underlying REMIC Certificate, 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 20th 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 December 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 Ginnie Mae Certificates and Underlying REMIC Certificate (which evidences a beneficial ownership interest in the Underlying REMIC Trust).

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

Characteristics of Certificates. The Group 1 Classes each 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.

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

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

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

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

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

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

Distribution Dates. Distributions on the Group 1 Classes will be made on the first business day following the 20th day of each month (or, if the 19th and 20th days are both business days, on such 20th day), and distributions on the Group 2 Classes will be made on the 18th day of each month (or, if the 18th day is not a business day, on the first business day next succeeding such 18th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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

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

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

Book-Entry Procedures

General. 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.

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 such Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of such a Certificate, and each other financial intermediary in the chain to the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of such a Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Fannie Mae and the Federal Reserve Banks will have no direct obligation to a beneficial owner of such a Certificate that is not also the Holder of the Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of such a Certificate. See "Description of the Certificates—Denominations, Certificate Form" in the REMIC Prospectus.

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

Fannie Mae's fiscal agent for the 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.

The Ginnie Mae Certificates

The Ginnie Mae Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the Ginnie Mae Prospectus. All of the Ginnie Mae Certificates are Ginnie Mae II Certificates. See "Ginnie Mae and the Ginnie Mae Programs" in the REMIC Prospectus. The characteristics of the Ginnie Mae Certificates and the Mortgage Loans as of December 1, 1997 (the "Issue Date") are expected to be as follows:

Ginnie Mae Certificates

Aggregate Unpaid Principal Balance	\$500,000,000
Ginnie Mae Pass-Through Rate	7.00%

Mortgage Loans

Range of WACs	7.50 to 8.50%
Range of WARMS	241 months to 360 months
Approximate Weighted Average WARM	357 months
Approximate Weighted Average WALA	2 months

The Underlying REMIC Certificate

The Underlying REMIC Certificate represents a beneficial ownership interest in the Underlying REMIC Trust, the assets of which evidence beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family residential properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The Underlying REMIC Certificate provides that distributions thereon will be passed through monthly, commencing in the month following the initial issuance thereof. The general characteristics of the Underlying REMIC Certificate are described in the related Underlying REMIC Disclosure Document.

The table contained in Exhibit A hereto sets forth certain information with respect to the Underlying REMIC Certificate, 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 and approximate weighted average CAGE of the Mortgage Loans underlying the related MBS as of the Issue Date, the underlying security type and the related Class group.

To request further information regarding the Underlying REMIC Certificate, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying REMIC Disclosure Document was prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such document.

Final Data Statement

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the current principal balance of the Underlying REMIC Certificate as of the Issue Date and with respect to each Ginnie Mae Certificate, among other things, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturity Mortgage Loan underlying such Ginnie Mae Certificate 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, B, G, H, N, C, D, Z, E, J, K and ZA
Accrual	Z and ZA
Interest Only	E

<u>Interest Type*</u>	<u>Classes</u>
Group 2 Classes	
Fixed Rate	PA, PB and PI
Interest Only	PI
No Payment Residual	R and RL

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

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

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

Accrual Classes. The Z and ZA Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable per annum rates set forth on the cover hereof; however, such interest will not be distributed thereon until (x) the Distribution Date following the Distribution Date on which the principal balance of the D Class is reduced to zero, in the case of the Z Class, and (y) the Distribution Date following the Distribution Date on which the principal balance of the K Class is reduced to zero, in the case of the ZA Class. Interest so accrued and unpaid on the Accrual Classes will be added as principal to the respective principal balances thereof on each Distribution Date. Distributions of principal of the Accrual Classes will be made as described herein.

Notional Classes. The E and PI Classes will be Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates set forth on the cover 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 distributions of principal. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balances of the Notional Classes.

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	
Sequential Pay	A, B, G, H, N, C, D, Z, J, K and ZA
Accretion Directed	C, D, J and K
Notional	E
Group 2 Classes	
Structured Collateral/ Sequential Pay	PA and PB
Notional	PI
No Payment Residual	R and RL

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

Principal Distribution Amount

On each Distribution Date, principal will be distributed on the Certificates in an amount (the "Principal Distribution Amount") equal to the sum of (i) the aggregate amount distributable as principal of the Ginnie Mae Certificates in the month of such Distribution Date calculated as described in the immediately following paragraph (the "Group 1 Cash Flow Distribution Amount") and any interest accrued and added on such Distribution Date to the principal balances of the Z and ZA Classes (the "Z Accrual Amount" and "ZA Accrual Amount," respectively, and together with the Group 1 Cash Flow Distribution Amount, the "Group 1 Principal Distribution Amount") and (ii) the distribution of principal concurrently made on the Class 1997-51-PK REMIC Certificate (the "Group 2 Principal Distribution Amount").

On or about the eighth business day of each month, Fannie Mae will aggregate the amount of principal reported to be receivable on the Ginnie Mae Certificates during such month on the basis of published Ginnie Mae factors for such month. For any Ginnie Mae Certificate for which a factor is not available at such time, Fannie Mae will calculate the amount of scheduled payments of principal distributable in respect of such Ginnie Mae Certificates during such month on the basis of the assumed amortization schedules of the related Mortgage Loans. The amortization schedules will be prepared on the assumptions that: (i) each of the Mortgage Loans underlying a single Ginnie Mae Certificate amortizes on a level installment basis, had an original term to maturity of 360 months, and has a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying such Ginnie Mae Certificate at the origination of such Ginnie Mae Certificate, adjusted to the Issue Date; and (ii) each Mortgage Loan underlying a Ginnie Mae Certificate bears an interest rate of 8.5% per annum. All such amounts, whether reported in Ginnie Mae factors or calculated by Fannie Mae, will be reflected in the REMIC Trust Factors for the Distribution Date in such month and will be distributed to Holders of Certificates of the Group 1 Classes on such Distribution Date, whether or not received. There will also be reflected in such REMIC Trust Factors and distributable as principal on such Distribution Date the excess of (a) the distributions of principal of the Ginnie Mae Certificates received during the month prior to the month of such Distribution Date over (b) the amount of principal calculated and distributable previously in accordance with the Ginnie Mae factors and the assumed distribution schedules specified above.

Group 1 Principal Distribution Amount

Z Accrual Amount

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

Accretion
Directed
Classes
and
Accrual
Classes

ZA Accrual Amount

On each Distribution Date, the ZA Accrual Amount will be distributed, sequentially, as principal of the J and K Classes, in that order, until the respective principal balances thereof are reduced to zero, and then to the ZA Class.

Group 1 Cash Flow Distribution Amount

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

(i) concurrently, to the A, B, G, H and N Classes, in proportion to their original principal balances (or 16.0938334868%, 8.0469167434%, 22.2094902117%, 38.4047148494% and 15.2450447087%, respectively), until the principal balances thereof are reduced to zero; and

(ii) (a) 59.9998943599% of the remaining amount, sequentially, to the C, D and Z Classes, in that order, until the respective principal balances thereof are reduced to zero, and

(b) 40.0001056401% of such remaining amount, sequentially, to the J, K and ZA Classes, in that order, until the respective principal balances thereof are reduced to zero.

Sequential
Pay
Classes

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed, sequentially, as principal of the PA and PB Classes, in that order, until the respective principal balances thereof are reduced to zero.

Structured
Collateral/
Sequential
Pay Classes

Structuring Assumptions

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

- the Mortgage Loans underlying the Ginnie Mae Certificates have the original terms to maturity, WARMS, WALAs and interest rates as specified herein under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Ginnie Mae Certificates”;
- all payments (including prepayments) on the Mortgage Loans underlying the Ginnie Mae 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 December 30, 1997.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used herein is The Bond 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.

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

The E and PI Classes. The yields to investors in the E and PI Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the E and PI Classes would be 0% if prepayments of the related Mortgage Loans were to occur at constant rates of approximately 407% PSA and 352% PSA, respectively. If the actual prepayment rates of the related Mortgage Loans were to exceed the applicable levels for as little as one month while equaling such levels for the remaining months, the investors in the E and PI Classes, as applicable, would not fully recoup their initial investments.

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

<u>Class</u>	<u>Price*</u>
E	54.000%
PI	26.875%

* 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 E Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>145%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	12.4%	11.7%	10.6%	2.7%	(4.6%)

Sensitivity of the PI Class to Prepayments

	PSA Prepayment Assumption				
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	8.7%	7.9%	7.9%	0.1%	(10.5)%

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 Classes, the priority sequence of principal distributions of the Underlying REMIC Certificate. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Document.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various constant PSA 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:

Mortgage Loans Relating to Trust Assets Specified Below	Original Terms to Maturity	Remaining Terms to Maturity	Interest Rates	Related Groups
Ginnie Mae Certificates 1997-51	360 months 180 months	360 months 172 months	8.5% 8.5%	Group 1 Group 2

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, B, G, H and N Classes					C Class					D Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	145%	350%	500%	0%	100%	145%	350%	500%	0%	100%	145%	350%	500%	0%	100%	145%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1998	99	96	95	89	85	91	91	91	91	91	100	100	100	100	100	106	106	106	106	106
December 1999	97	88	84	66	54	81	81	81	81	81	100	100	100	100	100	112	112	112	112	112
December 2000	96	78	70	39	19	70	70	70	70	70	100	100	100	100	100	119	119	119	119	119
December 2001	94	68	57	17	0	59	59	59	59	28	100	100	100	100	100	126	126	126	126	126
December 2002	93	59	46	0	0	47	47	47	46	0	100	100	100	100	1	133	133	133	133	133
December 2003	91	50	35	0	0	34	34	34	0	0	100	100	100	48	0	141	141	141	141	92
December 2004	89	42	25	0	0	21	21	21	0	0	100	100	100	0	0	149	149	149	129	64
December 2005	87	34	17	0	0	7	7	7	0	0	100	100	100	0	0	158	158	158	100	44
December 2006	84	27	8	0	0	0	0	0	0	0	90	90	90	0	0	168	168	168	77	30
December 2007	82	20	1	0	0	0	0	0	0	0	70	70	70	0	0	177	177	177	60	21
December 2008	79	13	0	0	0	0	0	0	0	0	49	49	11	0	0	188	188	188	46	14
December 2009	76	7	0	0	0	0	0	0	0	0	27	27	0	0	0	199	199	172	36	10
December 2010	72	1	0	0	0	0	0	0	0	0	4	4	0	0	0	211	211	153	27	7
December 2011	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	197	136	21	4
December 2012	65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	179	120	16	3
December 2013	60	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	162	105	12	2
December 2014	56	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	146	92	9	1
December 2015	51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	131	80	7	1
December 2016	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	116	69	5	1
December 2017	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	102	59	4	*
December 2018	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	89	50	3	*
December 2019	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	77	42	2	*
December 2020	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	65	34	1	*
December 2021	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213	54	28	1	*
December 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	211	44	22	1	*
December 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	175	34	16	*	*
December 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	137	24	11	*	*
December 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95	15	7	*	*
December 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50	6	3	*	*
December 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)**	16.6	6.3	4.9	2.6	2.1	4.6	4.6	4.6	3.9	3.2	10.9	10.9	10.2	6.0	4.6	27.7	20.3	17.8	10.4	7.7

* 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.

Date	E† Class					J Class					K Class					ZA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	145%	350%	500%	0%	100%	145%	350%	500%	0%	100%	145%	350%	500%	0%	100%	145%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1998	100	100	100	100	100	91	91	91	91	91	100	100	100	100	100	107	107	107	107	107
December 1999	100	100	100	100	100	81	81	81	81	81	100	100	100	100	100	115	115	115	115	115
December 2000	100	100	100	100	100	71	71	71	71	71	100	100	100	100	100	123	123	123	123	123
December 2001	100	100	100	100	91	59	59	59	59	30	100	100	100	100	100	132	132	132	132	132
December 2002	100	100	100	100	63	47	47	47	46	0	100	100	100	100	22	142	142	142	142	142
December 2003	100	100	100	78	43	34	34	34	0	0	100	100	100	60	0	152	152	152	152	109
December 2004	100	100	100	60	30	20	20	20	0	0	100	100	100	0	0	163	163	163	152	75
December 2005	100	100	100	47	21	5	5	5	0	0	100	100	100	0	0	175	175	175	118	52
December 2006	100	100	100	36	14	0	0	0	0	0	88	88	88	0	0	187	187	187	91	35
December 2007	100	100	100	28	10	0	0	0	0	0	69	69	69	0	0	201	201	201	71	24
December 2008	100	100	91	22	7	0	0	0	0	0	49	49	17	0	0	215	215	215	55	17
December 2009	100	100	81	17	5	0	0	0	0	0	27	27	0	0	0	231	231	203	42	11
December 2010	100	100	72	13	3	0	0	0	0	0	4	4	0	0	0	248	248	180	32	8
December 2011	100	93	64	10	2	0	0	0	0	0	0	0	0	0	0	251	233	160	25	5
December 2012	100	84	56	8	1	0	0	0	0	0	0	0	0	0	0	251	211	141	19	4
December 2013	100	76	49	6	1	0	0	0	0	0	0	0	0	0	0	251	191	124	14	2
December 2014	100	69	43	4	1	0	0	0	0	0	0	0	0	0	0	251	172	108	11	2
December 2015	100	61	38	3	*	0	0	0	0	0	0	0	0	0	0	251	154	94	8	1
December 2016	100	55	32	2	*	0	0	0	0	0	0	0	0	0	0	251	137	81	6	1
December 2017	100	48	28	2	*	0	0	0	0	0	0	0	0	0	0	251	121	70	5	*
December 2018	100	42	24	1	*	0	0	0	0	0	0	0	0	0	0	251	105	59	3	*
December 2019	100	36	20	1	*	0	0	0	0	0	0	0	0	0	0	251	91	49	2	*
December 2020	100	31	16	1	*	0	0	0	0	0	0	0	0	0	0	251	77	41	2	*
December 2021	100	25	13	*	*	0	0	0	0	0	0	0	0	0	0	251	64	33	1	*
December 2022	99	21	10	*	*	0	0	0	0	0	0	0	0	0	0	248	51	26	1	*
December 2023	82	16	8	*	*	0	0	0	0	0	0	0	0	0	0	207	40	19	1	*
December 2024	64	11	5	*	*	0	0	0	0	0	0	0	0	0	0	161	28	13	*	*
December 2025	45	7	3	*	*	0	0	0	0	0	0	0	0	0	0	112	18	8	*	*
December 2026	23	3	1	*	*	0	0	0	0	0	0	0	0	0	0	58	7	3	*	*
December 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)**	27.7	20.3	17.1	8.9	6.4	4.6	4.6	4.6	3.9	3.2	10.9	10.9	10.3	6.1	4.7	27.7	20.3	17.9	10.6	7.9

Date	PA Class					PB Class					PI† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	155%	350%	500%	0%	100%	155%	350%	500%	0%	100%	155%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1999	100	82	82	41	0	100	100	100	100	89	100	96	96	86	67
December 2000	100	14	14	0	0	100	100	100	81	56	100	80	80	62	43
December 2001	100	0	0	0	0	100	84	84	57	35	100	64	64	44	27
December 2002	67	0	0	0	0	100	64	64	40	22	92	49	49	30	16
December 2003	29	0	0	0	0	100	48	48	26	13	83	36	36	20	10
December 2004	0	0	0	0	0	96	33	33	17	7	73	26	26	13	6
December 2005	0	0	0	0	0	82	22	22	10	4	62	17	17	8	3
December 2006	0	0	0	0	0	66	12	12	5	2	50	9	9	4	1
December 2007	0	0	0	0	0	49	4	4	2	*	38	3	3	1	*
December 2008	0	0	0	0	0	31	0	0	*	*	24	0	0	*	*
December 2009	0	0	0	0	0	11	0	0	0	0	9	0	0	0	0
December 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.4	2.5	2.5	1.9	1.4	9.9	6.2	6.2	4.9	3.8	8.8	5.3	5.3	4.2	3.2

* 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 (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. The Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICS. 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 Accrual Classes will be, and certain other Classes of 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 145% PSA in the case of the Group 1 Classes and 155% PSA in the case of the Group 2 Classes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS or the Ginnie Mae Certificates will prepay at either of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

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 November 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.

PLAN OF DISTRIBUTION

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

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

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Brown & Wood LLP. Brown & Wood LLP also performs legal services for Fannie Mae.

(This page intentionally left blank)

Underlying REMIC Certificate

<u>Underlying REMIC Trust</u>	<u>Class</u>	<u>Date of Issue</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Interest Type (1)</u>	<u>Final Distribution Date</u>	<u>Principal Type (1)</u>	<u>Original Principal Balance of Class</u>	<u>December 1997 Class Factor</u>	<u>Principal Balance in the Lower Tier REMIC</u>	<u>Approximate Weighted Average WAC</u>	<u>Approximate Weighted Average WAM (in months)</u>	<u>Approximate Weighted Average CAGE (in months)</u>	<u>Underlying Security Type</u>	<u>Class Group</u>
1997-51	PK	July 1997	31359QAW4	6.5%	FIX	May 2012	SC/PT	\$85,278,000	1.000000000	\$85,278,000	6.584%	127	50	MBS	2

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

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.

\$585,278,000



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1997-89**

PROSPECTUS SUPPLEMENT

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	S- 3
Reference Sheet	S- 4
Additional Risk Factors	S- 6
Description of the Certificates	S- 6
Certain Additional Federal Income Tax Consequences	S-18
Plan of Distribution	S-19
Legal Matters	S-19
Exhibit A	A- 1

**GREENWICH
CAPITAL MARKETS**

A DIVISION OF NATWEST MARKETS



November 13, 1997