

**\$863,266,544**



# FannieMae

## Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1997-91

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 1997-91 (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) two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates described herein (the "Group 1 MBS" and "Group 3 MBS" and, together, the "Trust MBS"), (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 and (iii) two groups of Fannie Mae Stripped Mortgage-Backed Securities (the "Group 4 SMBS" and "Group 5 SMBS" and, together, the "Trust SMBS") as further described in Exhibit A hereto. The Underlying REMIC Certificates evidence beneficial ownership interests in, and the Trust SMBS evidences beneficial ownership interests in certain interest distributions made in respect of, either (i) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the "MBS") or (ii) beneficial ownership interests in 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"). 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.

This 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-8 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(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	\$240,000,000	SEQ	6.50%	FIX	31359RTM4	April 2024	FB	4	\$172,683,745(3)	NTL	(5)	FLT/IO	31359RTZ5	October 2023
AB	1	21,150,000	SEQ	6.50	FIX	31359RTN2	October 2009	SB	4	132,103,065(3)	NTL	(5)	INV/IO	31359RUA8	October 2023
AC	1	82,645,000	SEQ	6.50	FIX	31359RTP7	May 2023	SC	4	40,580,680(3)	NTL	(5)	INV/IO	31359RUB6	October 2023
AD	1	10,017,500	SEQ	6.50	FIX	31359RTQ5	April 2024	FC	5	74,330,769(3)	NTL	(5)	FLT/IO	31359RUC4	November 2023
B	1	70,762,500	SEQ	9.50	FIX	31359RTR3	April 2024	SD	5	56,863,038(3)	NTL	(5)	INV/IO	31359RUD2	November 2023
C	1	200,425,000	SEQ	7.00	FIX	31359RTS1	January 2028	SE	5	17,467,731(3)	NTL	(5)	INV/IO	31359RUE0	November 2023
EA	2	11,714,088	SC/PT	(4)	PO	31359RTT9	August 2023	EB	6	5,737,456	SC/PT	(4)	PO	31359RUF7	October 2023
SA	2	11,714,088(3)	NTL	(5)	INV/IO	31359RTU6	August 2023	SM	6	5,737,456(3)	NTL	(5)	INV/IO	31359RUG5	October 2023
D	3	83,800,000	SEQ	6.50	FIX	31359RTV4	May 2023	PA	7	20,815,000	SC/PT	(6)	ARB	31359RUH3	May 2027
G	3	15,200,000	SEQ	6.50	FIX	31359RTW2	January 2025	PI	7	20,815,000(3)	NTL	7.50%	FLX/IO	31359RUJ9	December 1998
H	3	50,000,000	SEQ	6.50	FIX	31359RTX0	January 2025	R		0	NPR	0	NPR	31359RUK6	January 2028
K	3	51,000,000	SEQ	6.50	FIX	31359RTY8	January 2028	RL		0	NPR	0	NPR	31359RUL4	January 2028

- (1) The MA, MB, HA, SK and SL Classes are RCR Classes. See "Description of the Certificates—Combination and Recombination" herein and Schedule I 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) 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.
- (4) These Classes will be Principal Only Classes and will bear no interest.
- (5) The SA Class will bear interest based on the "10-Year Treasury Index," the FB, SB, SC, FC, SD and SE Classes will bear interest based on "LIBOR" and the SM Class will bear interest based on "COFI," 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.
- (6) No interest will accrue on the PA Class prior to the Interest Accrual Period in December 1998; thereafter, interest will accrue thereon at a rate of 7.50% per annum.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, subject to the right by the Dealer to reject any order in whole or in part and subject to approval of certain legal matters by counsel. It is expected that the K and PA Classes will be available through the book-entry system of the Federal Reserve Banks on or about December 23, 1997, that the A, B, C, EA, SA, H, FB, FC, EB, SM and PI Classes will be available through the book-entry system of the Federal Reserve Banks on or about December 30, 1997, and that the AB, AC, AD, D, G, SB, SC, SD and SE Classes and the RCR Certificates will be available through the book-entry facilities of The Depository Trust Company on or about December 30, 1997 (each such date, the "Settlement Date" for the related Classes and Certificates). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, Seven World Trade Center, New York, New York 10048, on or about the Settlement Date.

# Salomon Smith Barney

The date of this Prospectus Supplement is November 14, 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 one or more Classes (each, an “RCR Class”) of Combinable and Recombinable REMIC Certificates (“RCR Certificates”) as provided herein. Each RCR Certificate issued in such an exchange will represent a beneficial ownership interest in, and will entitle the Holder thereof to receive a proportionate share of the distributions on, the related 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 and Group 3 Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Group 1 MBS and Group 3 MBS, respectively, which in turn will be determined by the rate of principal payments of the related Mortgage Loans and the characteristics of such Mortgage Loans. The yields to investors in the Group 2, Group 4, Group 5, Group 6 and Group 7 Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions of the related Underlying REMIC Certificates (in the case of Group 2, Group 6 and Group 7) and the rate of notional balance reductions of the Trust SMBS (in the case of Group 4 and Group 5), 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, if applicable, the priority sequences affecting the 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 “Certain 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 “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 SMBS Prospectus, the Mega Prospectus, the 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 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 Prospectus for Stripped Mortgaged-Backed Securities dated February 1, 1997 (the “SMBS Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed MBS Pass-Through Securities dated October 1, 1996 (the “Mega 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 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 Documents, may also be obtained from Salomon Brothers Inc by writing or calling its Prospectus Department at Brooklyn Army Terminal, 140 58th Street, Suite 1-H, Brooklyn, New York 11220 (telephone 718-567-2005).

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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 December 1, 1997)

	<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 MBS	\$625,000,000	360	356	3	7.62%
Group 3 MBS	\$200,000,000	360	327	26	7.29%

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 and Trust SMBS

The table contained in Exhibit A hereto sets forth information with respect to the Underlying REMIC Certificates and Trust SMBS, 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 and the Trust SMBS” herein.

### Combination and Recombination

Holders of certain Classes of REMIC Certificates will be entitled, upon notice and payment of an exchange fee, to exchange all or a portion of such Classes for a proportionate interest in the RCR Classes as reflected on Schedule 1 hereto. The Holders of the 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 the available combination 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 hereto.

The Ascending Rate Class will bear interest at the following per annum interest rates:

<u>Class</u>	<u>Initial Twelve Interest Accrual Periods</u>	<u>Thereafter</u>
PA	0.00%	7.50%

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



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

Class	Initial Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate (1)
SA ...	9.013%	20.583333%	0.0%	$21.666667\% - (2.16666667 \times 10\text{-Year Treasury Index})$
FB ...	2.750%	7.500000%	0.0%	$(2 \times \text{LIBOR}) - 8.5\%$
SB ...	4.750%	7.500000%	0.0%	$16\% - (2 \times \text{LIBOR})$
SC ...	4.750%	7.500000%	0.0%	$16\% - (2 \times \text{LIBOR})$
SK ...	4.750%	7.500000%	0.0%	$16\% - (2 \times \text{LIBOR})$
FC ...	2.750%	7.500000%	0.0%	$(2 \times \text{LIBOR}) - 8.5\%$
SD ...	4.750%	7.500000%	0.0%	$16\% - (2 \times \text{LIBOR})$
SE ...	4.750%	7.500000%	0.0%	$16\% - (2 \times \text{LIBOR})$
SL ...	4.750%	7.500000%	0.0%	$16\% - (2 \times \text{LIBOR})$
SM ...	6.095%	20.88352%	0.0%	$20.88352\% - (2.98336137 \times \text{COFI})$

(1) LIBOR will be established on the basis of the “BBA Method.” See “Description of the Certificates—Calculation of LIBOR” herein.

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 Classes of REMIC Certificates to the related RCR Classes.

### Notional Classes

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

#### Classes

SA .....	100% of EA Class
FB .....	100% of Group 4 SMBS
SB and SC(1) .....	100% of Group 4 SMBS
SK .....	100% of Group 4 SMBS
FC .....	100% of Group 5 SMBS
SD and SE(2) .....	100% of Group 5 SMBS
SL .....	100% of Group 5 SMBS
SM .....	100% of EB Class
PI(3) .....	100% of PA Class

(1) In the aggregate. On each Distribution Date, reductions in the notional principal balance of the Group 4 SMBS will be allocated, sequentially, to the SB and SC Classes, in that order, until the respective notional principal balances thereof are reduced to zero.

(2) In the aggregate. On each Distribution Date, reductions in the notional principal balance of the Group 5 SMBS will be allocated, sequentially, to the SD and SE Classes, in that order, until the respective notional principal balances thereof are reduced to zero.

(3) Prior to the Interest Accrual Period in December 1998, the PI Class will have a notional principal balance calculated as specified above. Thereafter, the notional principal balance of the PI Class will be deemed to be zero and, accordingly, Holders of the PI Class will no longer be entitled to any distributions of interest.

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Tables—*The Inverse Floating Rate Classes and the FB, FC, SK and SL Classes*” and “—*The PI Class*” 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. To the A, B and AB Classes, in the proportions of 56.5271153506%, 16.6666666667% and 26.8062179827%, respectively, until the AB Class is reduced to zero.

2. To the A, B and AC Classes, in the proportions of 56.5271153506%, 16.6666666667% and 26.8062179827%, respectively, until the AC Class is reduced to zero.

3. To the A, B and AD Classes, in the proportions of 56.5271153506%, 16.6666666667% and 26.8062179827%, respectively, to zero.

4. To the C Class, to zero.

*Group 2 Principal Distribution Amount*

To the EA Class, to zero.

*Group 3 Principal Distribution Amount*

1. To the D and H Classes, in the proportions of 66.4429530201% and 33.5570469799%, respectively, until the D Class is reduced to zero.

2. To the G and H Classes, in the proportions of 66.4429530201% and 33.5570469799%, respectively, to zero.

3. To the K Class, to zero.

*Group 6 Principal Distribution Amount*

To the EB Class, to zero.

*Group 7 Principal Distribution Amount*

To the PA Class, 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 Classes.

## Weighted Average Lives (years) \*

		PSA Prepayment Assumption				
<u>Group 1 Classes</u>		<u>0%</u>	<u>100%</u>	<u>170%</u>	<u>300%</u>	<u>500%</u>
A, B and MB	.....	18.0	6.9	4.7	3.1	2.2
AB	.....	6.9	1.6	1.3	0.9	0.7
AC	.....	19.9	7.4	5.0	3.3	2.3
AD	.....	25.8	13.9	9.5	6.0	3.9
C	.....	28.2	21.3	16.5	10.8	6.8
MA	.....	17.3	6.2	4.3	2.8	2.0
<u>Group 2 Classes</u>		PSA Prepayment Assumption				
		<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>
EA and SA	.....	24.8	18.0	12.9	1.5	0.6
<u>Group 3 Classes</u>		PSA Prepayment Assumption				
		<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>
D	.....	17.1	5.3	3.8	2.0	1.2
G	.....	26.2	13.7	10.3	5.5	3.2
H and HA	.....	18.5	6.6	4.8	2.5	1.5
K	.....	28.6	20.8	17.6	10.7	6.4
<u>Group 4 Classes</u>		PSA Prepayment Assumption				
		<u>0%</u>	<u>100%</u>	<u>175%</u>	<u>300%</u>	<u>500%</u>
FB and SK	.....	16.9	9.6	7.0	4.5	2.7
SB	.....	14.6	6.5	4.3	2.6	1.5
SC	.....	24.2	19.4	15.6	10.7	6.5
<u>Group 5 Classes</u>		PSA Prepayment Assumption				
		<u>0%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
FC and SL	.....	18.0	9.6	6.1	4.5	2.7
SD	.....	16.0	6.6	3.7	2.6	1.5
SE	.....	24.8	19.5	14.1	10.8	6.5
<u>Group 6 Classes</u>		PSA Prepayment Assumption				
		<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>
EB and SM	.....	25.5	22.8	20.2	2.6	0.8
<u>Group 7 Classes</u>		PSA Prepayment Assumption				
		<u>0%</u>	<u>100%</u>	<u>225%</u>	<u>300%</u>	<u>500%</u>
PA	.....	25.3	17.8	17.8	16.6	10.3
PI	.....	1.0	1.0	1.0	1.0	1.0

\* 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 of the Group 1 and Group 3 Classes will be sensitive in varying degrees to the rate of principal distributions on the Group 1 MBS and Group 3 MBS, respectively, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that the Mortgage Loans underlying the Group 1 MBS or Group 3 MBS will have the characteristics assumed herein. Because the rate of principal distributions on the Group 1 and Group 3 Classes will be related to the rate of amortization of the related Mortgage Loans, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distributions on 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 6 and Group 7 Classes will be directly related to the rate of distributions of principal of the related Underlying REMIC Certificates, and the rate of notional balance reductions of the Group 4 and Group 5 Classes will be directly related to the rate of notional balance reductions of the Group 4 and Group 5 SMBS, respectively, which in each case will be sensitive in varying degrees to the rate of payments of principal (including prepayments) of the related Mortgage Loans and, if applicable, the priority sequences affecting such Underlying REMIC Certificates. As described in the related Underlying REMIC Disclosure Documents, 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 particular, certain of the Underlying REMIC Certificates are Support classes that are entitled to receive principal distributions on any Distribution Date only if scheduled distributions have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal distributions for extended periods of time or may receive principal distributions that vary widely from period to period. In addition, one of the Underlying REMIC Certificates has a Principal Balance Schedule and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and may receive no distributions of principal 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 class has adhered to its 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 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.

It is highly unlikely that the Mortgage Loans underlying the Group 1 MBS, Group 3 MBS, Group 4 SMBS, Group 5 SMBS or any of 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 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 Trust MBS, Trust SMBS 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 Trust SMBS are described in the SMBS Prospectus. 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, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS 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 A, B, C, EA, SA, H, K, FB, FC, EB, SM, PA and PI 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.”

The AB, AC, AD, D, G, SB, SC, SD and SE 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, Group 3 and Group 7 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 4, Group 5 and Group 6 Classes will be made on the 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 Trust SMBS and Underlying REMIC Certificates.* In the event any issue arises under the trust indenture or trust agreement governing any of the Trust SMBS or Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Trust SMBS or Underlying REMIC Certificates, as applicable, 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 AB, AC, AD, D, G, SB, SC, SD and SE Classes of REMIC Certificates may be exchanged for proportionate interests in the related RCR Classes as reflected on Schedule 1 hereto. Similarly, all or a portion of the RCR Classes may be exchanged as reflected on Schedule 1, for proportionate interests in the related Classes of REMIC Certificates. This process may occur repeatedly.

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

The related 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 (or notional principal balance reductions) of such Classes as well as any exchanges that occur. The aggregate outstanding principal balance or notional principal balance of all the related Classes of REMIC Certificates and RCR Classes will at all times bear the same relationship to the aggregate outstanding principal balance or notional principal balance of the related Trust MBS or Trust SMBS as that borne by the aggregate original principal balances or notional principal balances thereof.

*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, provided that the fee payable in connection with each exchange will in no event be 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 or notional principal balances, as applicable, 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 or notional principal balances, as applicable, of the Certificates.

*Additional Considerations.* The characteristics of the RCR Classes will reflect the characteristics of the Classes of REMIC Certificates used to form such RCR Classes.

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 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 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.

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 included in each group specified below 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 original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the Group 1 and Group 3 MBS and the related Mortgage Loans as of December 1, 1997 (the “Issue Date”) are expected to be as follows:

### Group 1 MBS

Aggregate Unpaid Principal Balance .....	\$625,000,000
MBS Pass-Through Rate .....	7.00%

### Related Mortgage Loans

Range of WACs (per annum percentages) .....	7.25% to 9.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	356 months
Approximate Weighted Average CAGE .....	3 months

### Group 3 MBS

Aggregate Unpaid Principal Balance .....	\$200,000,000
MBS Pass-Through Rate .....	6.50%

### Related Mortgage Loans

Range of WACs (per annum percentages) .....	6.75% to 9.00%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	327 months
Approximate Weighted Average CAGE .....	26 months

## The Underlying REMIC Certificates and the Trust SMBS

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. The Group 4 SMBS evidences beneficial ownership interests in certain interest distributions made in respect of certain Ginnie Mae Certificates. The Group 5 SMBS evidences beneficial ownership interests in certain interest distributions made in respect of certain MBS. 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 Ginnie Mae 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 and the Trust SMBS provide that distributions thereon will be passed through monthly, commencing in the month following the initial issuance thereof. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents. The general characteristics of the Trust SMBS are described in the SMBS Prospectus.

The table contained in Exhibit A hereto sets forth certain information with respect to each of the Underlying REMIC Certificates and the Trust SMBS, 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 notional principal balance or principal balance of the entire class, the current principal factor for such class and the notional principal balance or 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 Ginnie Mae Certificates as of the Issue Date, the underlying security type and the related Class group.

To request further information regarding the Underlying REMIC Certificates and the Trust SMBS, 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 balances of the Underlying REMIC Certificates and the Trust SMBS 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>
<b>Group 1 Classes</b>	
Fixed Rate	A, AB, AC, AD, B and C
RCR**	MA and MB
<b>Group 2 Classes</b>	
Inverse Floating Rate	SA
Interest Only	SA
Principal Only	EA
<b>Group 3 Classes</b>	
Fixed Rate	D, G, H and K
RCR**	HA
<b>Group 4 Classes</b>	
Floating Rate	FB
Inverse Floating Rate	SB and SC
Interest Only	FB, SB and SC
RCR**	SK
<b>Group 5 Classes</b>	
Floating Rate	FC
Inverse Floating Rate	SD and SE
Interest Only	FC, SD and SE
RCR**	SL

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 6 Classes</b>	
Inverse Floating Rate	SM
Interest Only	SM
Principal Only	EB
<b>Group 7 Classes</b>	
Ascending Rate	PA
Fixed Rate	PI
Interest Only	PI
<b>No Payment Residual</b>	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 Classes.

*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 (the “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
All interest-bearing Classes and the RCR 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.

Solely for purposes of facilitating the trading of the EA and EB Classes, such Classes will be treated as Delay Classes.

*Notional Classes.* The SA, FB, SB, SC, SK, FC, SD, SE, SL, SM 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 or as described herein during each Interest Accrual Period on their respective notional principal balances. The notional principal balances of the Notional Classes will be 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.

*Ascending Rate Class.* The Ascending Rate Class will bear interest during each specified Interest Accrual Period at the rates specified herein under “Reference Sheet—Interest Rates.”

*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 10-Year Treasury Index**

On each Index Determination Date, until the principal balance of the SA Class has 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 LIBOR**

On each Index Determination Date, until the notional principal balances of the FB, SB, SC, SK, FC, SD, SE and SL Classes have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period. LIBOR for such Classes will be established on the basis of the “BBA Method” as described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*LIBOR*.” With respect to the “BBA Method”, Interest Settlement Rates currently are based on rates quoted by sixteen BBA designated banks and are calculated by eliminating the four highest rates and the four lowest rates and averaging the eight remaining rates.

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%.

### **Calculation of COFI**

Except as otherwise specified below, the amount of interest which will accrue in respect of the SM Class (the “COFI Class”) during each Interest Accrual Period following its initial Interest Accrual Period will be determined on the basis of the Eleventh District Cost of Funds Index for the second month next preceding the month in which such Interest Accrual Period commences if such Eleventh District Cost of Funds Index for such second preceding month is published on or before the tenth day of the month in which such Interest Accrual Period commences. For example, if the Eleventh District Cost of Funds Index for May is announced on or before July 10, interest accrued on the COFI Class for the Interest Accrual Period commencing in July and distributable in August will be based on the Eleventh District Cost of Funds relating to May. If the Eleventh District Cost of Funds Index for the applicable month is not published on or before the tenth day of the second following month, interest will accrue on the COFI Class at a rate determined as provided in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*COFI*.” Under certain circumstances, an alternative index may be applicable to the COFI Class. A change of index from the Eleventh District Cost of Funds Index to an alternative index will result in a change in the index level, and, particularly if LIBOR is the alternative index, could increase the degree of index volatility.

For information regarding historical values of the Eleventh District Cost of Funds Index as reported by the Federal Home Loan Bank of San Francisco (“FHLBSF”), see “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—COFI” in the REMIC Prospectus.

The value of the Eleventh District Cost of Funds Index as reported by the FHLBSF for October 1997 was 4.957%.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Sequential Pay	A, AB, AC, AD, B and C
RCR**	MA and MB
<b>Group 2 Classes</b>	
Structured Collateral/Pass-Through	EA
Notional	SA
<b>Group 3 Classes</b>	
Sequential Pay	D, G, H and K
RCR**	HA
<b>Group 4 Classes</b>	
Notional	FB, SB and SC
RCR**	SK
<b>Group 5 Classes</b>	
Notional	FC, SD and SE
RCR**	SL
<b>Group 6 Classes</b>	
Structured Collateral/Pass-Through	EB
Notional	SM
<b>Group 7 Classes</b>	
Structured Collateral/Pass-Through	PA
Notional	PI
<b>No Payment Residual</b>	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.

### *Principal Distribution Amount*

On each Distribution Date, principal will be distributed on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal to be made on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”), (ii) the distribution of principal concurrently made on the Class 1994-37-SG REMIC Certificate (the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal to be made on the Group 3 MBS in the month of such Distribution Date (the “Group 3 Principal Distribution Amount”), (iv) the distribution of principal concurrently made on the Class 1993-183-SB REMIC Certificate on such Distribution Date (the “Group 6 Principal Distribution Amount”) and (v) the distribution of principal concurrently made on the Class 1997-28-PG REMIC Certificate (the “Group 7 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) concurrently, to the A, B and AB Classes, in the proportions of 56.5271153506%, 16.6666666667% and 26.8062179827%, respectively, until the principal balance of the AB Class is reduced to zero;
- (ii) concurrently, to the A, B and AC Classes, in the proportions of 56.5271153506%, 16.6666666667% and 26.8062179827%, respectively, until the principal balance of the AC Class is reduced to zero;
- (iii) concurrently, to the A, B and AD Classes, in the proportions of 56.5271153506%, 16.6666666667% and 26.8062179827%, respectively, until the principal balances thereof are reduced to zero; and
- (iv) to the C Class, until the principal balance thereof is reduced to zero.

Sequential  
Pay  
Classes

### *Group 2 Principal Distribution Amount*

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the EA Class, until the principal balance thereof is reduced to zero.

Structured  
Collateral/  
Pass-Through  
Class

### *Group 3 Principal Distribution Amount*

On each Distribution Date, the Group 3 Principal Distribution Amount will be distributed as principal of the Group 3 Classes in the following order of priority:

- (i) concurrently, to the D and H Classes, in the proportions of 66.4429530201% and 33.5570469799%, respectively, until the principal balance of the D Class is reduced to zero;
- (ii) concurrently, to the G and H Classes, in the proportions of 66.4429530201% and 33.5570469799%, respectively, until the principal balances thereof are reduced to zero; and
- (iii) to the K Class, until the principal balance thereof is reduced to zero.

Sequential  
Pay  
Classes

### *Group 6 Principal Distribution Amount*

On each Distribution Date, the Group 6 Principal Distribution Amount will be distributed as principal of the EB Class, until the principal balance thereof is reduced to zero.

Structured  
Collateral/  
Pass-Through  
Class

### *Group 7 Principal Distribution Amount*

On each Distribution Date, the Group 7 Principal Distribution Amount will be distributed as principal of the PA Class, until the principal balance thereof is reduced to zero.

Structured  
Collateral/  
Pass-Through  
Class

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 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 Certificates and the Trust SMBS, the priority sequences affecting the principal distributions of the Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 MBS and Group 3 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 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 and, where specified, to changes in the applicable Index. The yields set forth in the tables were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase prices of such Classes and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered. *There can be no assurance that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. In addition, there can be no assurance that the applicable Index will correspond to the levels shown herein. Furthermore, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all 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 or that the level of the applicable Index will remain constant.*

*The Inverse Floating Rate Classes and the FB, FC, SK and SL Classes.* **The yields to investors in the Inverse Floating Rate Classes and the FB, FC, SK and SL 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 FB, FC, SK and SL 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 FB, FC, SK and SL Classes for the initial Interest Accrual Period are the actual 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 .....	41.0%
FB .....	17.5%
SB .....	9.0%
SC .....	24.0%
SK .....	12.5%
FC .....	17.5%
SD .....	9.0%
SE .....	24.0%
SL .....	12.5%
SM .....	35.0%

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

**Sensitivity of the SA 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>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>
3.840% .....	34.0%	33.9%	33.2%	(59.0)%	*
5.840% .....	22.4%	22.1%	20.6%	(79.7)%	*
7.840% .....	10.2%	9.2%	6.2%	*	*
9.840% .....	(12.5)%	(15.9)%	(23.5)%	*	*
10.000% .....	*	*	*	*	*

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

**Sensitivity of the FB 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>175%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	*	*	*	*	*
5.625% .....	9.6%	6.3%	1.4%	(7.1)%	(21.6)%
7.625% .....	35.0%	31.4%	26.0%	16.5%	0.5%
8.000% .....	39.7%	36.1%	30.6%	21.0%	4.6%

\* 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>100%</u>	<u>175%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	84.7%	78.9%	69.5%	51.8%	17.0%
5.625% .....	48.9%	43.4%	34.4%	16.2%	(19.3)%
7.625% .....	(3.9)%	(10.9)%	(23.9)%	(49.0)%	(90.5)%
8.000% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	32.6%	32.5%	32.1%	30.2%	23.6%
5.625% .....	20.0%	19.7%	18.8%	15.7%	6.9%
7.625% .....	(3.4)%	(4.6)%	(7.5)%	(14.0)%	(26.7)%
8.000% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	59.2%	55.3%	49.3%	39.1%	21.6%
5.625% .....	34.4%	30.8%	25.4%	16.0%	(0.1)%
7.625% .....	(3.6)%	(6.6)%	(11.3)%	(19.3)%	(33.0)%
8.000% .....	*	*	*	*	*

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

**Sensitivity of the FC 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>210%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	*	*	*	*	*
5.625% .....	9.6%	6.4%	(0.9)%	(7.1)%	(21.6)%
7.625% .....	35.0%	31.5%	23.4%	16.6%	0.5%
8.000% .....	39.8%	36.1%	27.9%	21.0%	4.6%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	84.8%	78.9%	64.9%	51.9%	17.1%
5.625% .....	48.9%	43.5%	29.7%	16.3%	(19.2)%
7.625% .....	(3.8)%	(10.8)%	(30.6)%	(49.0)%	(90.4)%
8.000% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	32.6%	32.5%	31.8%	30.3%	23.7%
5.625% .....	20.0%	19.7%	18.2%	15.7%	6.9%
7.625% .....	(3.3)%	(4.5)%	(9.1)%	(13.9)%	(26.6)%
8.000% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
4.250% and below .....	59.2%	55.3%	46.5%	39.1%	21.6%
5.625% .....	34.4%	30.8%	22.8%	16.0%	0.0%
7.625% .....	(3.5)%	(6.5)%	(13.4)%	(19.2)%	(32.9)%
8.000% .....	*	*	*	*	*

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

**Sensitivity of the SM Class to Prepayments and COFI  
(Pre-Tax Yields to Maturity)**

<u>COFI</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>
2.957% .....	36.1%	36.1%	36.1%	(9.4)%	*
4.957% .....	17.5%	17.4%	17.1%	(45.9)%	*
6.957% .....	(15.1)%	(16.0)%	(18.3)%	*	*
7.000% .....	*	*	*	*	*

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

***The PI Class.* The yields to investors in the PI Class will be sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time.**

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

<u>Class</u>	<u>Price*</u>
PI .....	6.675%

\* The price does not include accrued interest. Accrued interest has been added to such price in calculating the yields set forth in the table below.

**Sensitivity of the PI Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	6.0%	6.0%	6.0%	6.0%	6.0%

***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>
EA .....	56.0%
EB .....	50.0%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>
EA .....	2.7%	3.3%	4.6%	43.1%	131.9%
EB .....	2.9%	3.1%	3.5%	28.9%	102.3%

**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 and Group 3 Classes and, in the case of the Group 2, Group 6, and Group 7 Classes, the priority sequences of principal distributions of the related Underlying REMIC Certificates. 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:

Mortgage Loans Relating to Trust Assets Specified Below	Original Terms to Maturity	Remaining Terms to Maturity	Interest Rates	Related Groups
Group 1 MBS	360 months	360 months	9.5%	Group 1
1994-37	360 months	315 months	9.0%	Group 2
Group 3 MBS	360 months	360 months	9.0%	Group 3
Group 4 SMBS	360 months	(1)	(2)	Group 4
Group 5 SMBS	360 months	311 months	10.0%	Group 5
1993-183	360 months	310 months	9.0%	Group 6
1997-28	360 months	352 months	10.0%	Group 7

- (1) It has been assumed that the Mortgage Loans underlying the Ginnie Mae Certificates included in Trust 000216-GN, Trust 000233-GN and Trust 000247-GN have remaining terms to maturity of 304 months, 308 months and 310 months, respectively.
- (2) It has been assumed that the Mortgage Loans underlying the Ginnie Mae Certificates will bear interest at the per annum rate of 8.0%, except that in the case of Trust 000216-GN and Trust 000233-GN, the Mortgage Loans underlying those Ginnie Mae Certificates issued under the Ginnie Mae II program will bear interest at the per annum rate of 9.0%.

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 and MB Classes					AB Class					AC Class					AD Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%	0%	100%	170%	300%	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	94	90	85	95	78	67	48	18	100	100	100	100	100	100	100	100	100	100
December 1999 .....	98	88	82	71	55	90	37	5	0	0	100	100	100	86	64	100	100	100	100	100
December 2000 .....	97	79	68	49	24	84	0	0	0	0	100	96	81	55	21	100	100	100	100	100
December 2001 .....	96	70	55	31	2	77	0	0	0	0	100	84	64	30	0	100	100	100	100	23
December 2002 .....	94	61	43	16	0	70	0	0	0	0	100	72	48	10	0	100	100	100	100	0
December 2003 .....	93	53	33	4	0	62	0	0	0	0	100	61	33	0	0	100	100	100	43	0
December 2004 .....	91	46	24	0	0	54	0	0	0	0	100	51	20	0	0	100	100	100	0	0
December 2005 .....	90	39	15	0	0	44	0	0	0	0	100	41	9	0	0	100	100	100	0	0
December 2006 .....	88	32	8	0	0	34	0	0	0	0	100	32	0	0	0	100	100	89	0	0
December 2007 .....	86	26	1	0	0	22	0	0	0	0	100	23	0	0	0	100	100	14	0	0
December 2008 .....	83	20	0	0	0	10	0	0	0	0	100	15	0	0	0	100	100	0	0	0
December 2009 .....	81	14	0	0	0	0	0	0	0	0	99	8	0	0	0	100	100	0	0	0
December 2010 .....	78	9	0	0	0	0	0	0	0	0	95	*	0	0	0	100	100	0	0	0
December 2011 .....	75	4	0	0	0	0	0	0	0	0	91	0	0	0	0	100	45	0	0	0
December 2012 .....	71	0	0	0	0	0	0	0	0	0	86	0	0	0	0	100	0	0	0	0
December 2013 .....	68	0	0	0	0	0	0	0	0	0	81	0	0	0	0	100	0	0	0	0
December 2014 .....	63	0	0	0	0	0	0	0	0	0	75	0	0	0	0	100	0	0	0	0
December 2015 .....	59	0	0	0	0	0	0	0	0	0	69	0	0	0	0	100	0	0	0	0
December 2016 .....	54	0	0	0	0	0	0	0	0	0	62	0	0	0	0	100	0	0	0	0
December 2017 .....	48	0	0	0	0	0	0	0	0	0	55	0	0	0	0	100	0	0	0	0
December 2018 .....	42	0	0	0	0	0	0	0	0	0	46	0	0	0	0	100	0	0	0	0
December 2019 .....	36	0	0	0	0	0	0	0	0	0	37	0	0	0	0	100	0	0	0	0
December 2020 .....	29	0	0	0	0	0	0	0	0	0	27	0	0	0	0	100	0	0	0	0
December 2021 .....	21	0	0	0	0	0	0	0	0	0	16	0	0	0	0	100	0	0	0	0
December 2022 .....	12	0	0	0	0	0	0	0	0	0	4	0	0	0	0	100	0	0	0	0
December 2023 .....	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23	0	0	0	0
December 2024 .....	0	0	0	0	0	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	0	0	0	0	0
December 2026 .....	0	0	0	0	0	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	0	0	0	0	0
Weighted Average Life (years)** .....	18.0	6.9	4.7	3.1	2.2	6.9	1.6	1.3	0.9	0.7	19.9	7.4	5.0	3.3	2.3	25.8	13.9	9.5	6.0	3.9

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

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

Date	C Class					MA Class					EA and SA† Classes					D Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%	0%	100%	150%	300%	500%	0%	100%	150%	300%	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	99	95	93	89	83	100	100	100	79	0	99	89	84	70	52
December 1999	100	100	100	100	100	98	87	81	69	51	100	100	100	22	0	98	78	70	46	18
December 2000	100	100	100	100	100	97	77	65	44	17	100	100	100	0	0	96	68	56	26	0
December 2001	100	100	100	100	100	95	67	51	24	0	100	100	100	0	0	95	59	44	9	0
December 2002	100	100	100	100	72	94	58	38	8	0	100	100	100	0	0	93	50	34	0	0
December 2003	100	100	100	100	50	92	49	26	0	0	100	100	100	0	0	92	41	24	0	0
December 2004	100	100	100	87	34	91	41	16	0	0	100	100	100	0	0	90	33	15	0	0
December 2005	100	100	100	70	24	89	33	7	0	0	100	100	100	0	0	88	26	7	0	0
December 2006	100	100	100	57	16	87	26	0	0	0	100	100	95	0	0	86	19	0	0	0
December 2007	100	100	100	45	11	84	19	0	0	0	100	100	85	0	0	83	12	0	0	0
December 2008	100	100	90	36	8	82	12	0	0	0	100	100	74	0	0	81	6	0	0	0
December 2009	100	100	79	29	5	79	6	0	0	0	100	100	62	0	0	78	*	0	0	0
December 2010	100	100	69	23	4	76	*	0	0	0	100	100	49	0	0	75	0	0	0	0
December 2011	100	100	60	18	2	72	0	0	0	0	100	100	36	0	0	71	0	0	0	0
December 2012	100	98	52	15	2	69	0	0	0	0	100	100	24	0	0	67	0	0	0	0
December 2013	100	89	45	12	1	64	0	0	0	0	100	83	13	0	0	63	0	0	0	0
December 2014	100	80	38	9	1	60	0	0	0	0	100	66	2	0	0	59	0	0	0	0
December 2015	100	71	33	7	*	55	0	0	0	0	100	49	0	0	0	54	0	0	0	0
December 2016	100	63	28	5	*	49	0	0	0	0	100	32	0	0	0	48	0	0	0	0
December 2017	100	56	23	4	*	43	0	0	0	0	100	15	0	0	0	42	0	0	0	0
December 2018	100	49	20	3	*	37	0	0	0	0	100	0	0	0	0	36	0	0	0	0
December 2019	100	42	16	2	*	30	0	0	0	0	100	0	0	0	0	29	0	0	0	0
December 2020	100	35	13	2	*	22	0	0	0	0	100	0	0	0	0	21	0	0	0	0
December 2021	100	29	10	1	*	13	0	0	0	0	100	0	0	0	0	12	0	0	0	0
December 2022	100	24	8	1	*	3	0	0	0	0	32	0	0	0	0	3	0	0	0	0
December 2023	100	18	6	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2024	82	13	4	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2025	57	8	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2026	30	3	1	*	*	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	0	0	0	0	0
Weighted Average Life (years)**	28.2	21.3	16.5	10.8	6.8	17.3	6.2	4.3	2.8	2.0	24.8	18.0	12.9	1.5	0.6	17.1	5.3	3.8	2.0	1.2

Date	G Class					H and HA Classes					K Class					FB† and SK† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	300%	500%	0%	100%	150%	300%	500%	0%	100%	150%	300%	500%	0%	100%	175%	300%	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	99	91	87	75	59	100	100	100	100	100	99	93	88	81	69
December 1999	100	100	100	100	100	98	82	74	54	30	100	100	100	100	100	97	86	78	65	48
December 2000	100	100	100	100	67	97	73	63	37	10	100	100	100	100	100	96	79	68	53	33
December 2001	100	100	100	100	0	96	65	53	23	0	100	100	100	100	90	94	73	60	42	22
December 2002	100	100	100	80	0	94	57	44	12	0	100	100	100	100	62	93	67	53	34	15
December 2003	100	100	100	20	0	93	50	35	3	0	100	100	100	100	42	91	62	46	27	11
December 2004	100	100	100	0	0	91	44	28	0	0	100	100	100	88	29	89	57	40	22	7
December 2005	100	100	100	0	0	90	37	21	0	0	100	100	100	70	20	87	52	35	17	5
December 2006	100	100	96	0	0	88	31	15	0	0	100	100	100	56	14	84	47	30	14	3
December 2007	100	100	60	0	0	86	26	9	0	0	100	100	100	45	9	82	43	26	11	2
December 2008	100	100	27	0	0	84	20	4	0	0	100	100	100	36	6	79	38	22	9	2
December 2009	100	100	0	0	0	81	15	0	0	0	100	100	98	28	4	76	35	19	7	1
December 2010	100	70	0	0	0	78	11	0	0	0	100	100	86	22	3	73	31	16	5	1
December 2011	100	41	0	0	0	75	6	0	0	0	100	100	75	18	2	69	27	14	4	*
December 2012	100	14	0	0	0	72	2	0	0	0	100	100	65	14	1	66	24	11	3	*
December 2013	100	0	0	0	0	69	0	0	0	0	100	95	56	11	1	61	21	9	2	*
December 2014	100	0	0	0	0	65	0	0	0	0	100	84	48	8	1	57	18	8	2	*
December 2015	100	0	0	0	0	61	0	0	0	0	100	73	41	6	*	52	15	6	1	*
December 2016	100	0	0	0	0	56	0	0	0	0	100	63	34	5	*	47	12	5	1	*
December 2017	100	0	0	0	0	51	0	0	0	0	100	54	28	4	*	41	10	4	1	*
December 2018	100	0	0	0	0	46	0	0	0	0	100	45	23	3	*	35	7	3	*	*
December 2019	100	0	0	0	0	39	0	0	0	0	100	37	18	2	*	28	5	2	*	*
December 2020	100	0	0	0	0	33	0	0	0	0	100	29	14	1	*	21	3	1	*	*
December 2021	100	0	0	0	0	26	0	0	0	0	100	22	10	1	*	13	1	*	*	*
December 2022	100	0	0	0	0	18	0	0	0	0	100	15	7	*	*	5	*	*	*	*
December 2023	60	0	0	0	0	9	0	0	0	0	100	8	3	*	*	0	0	0	0	0
December 2024	0	0	0	0	0	0	0	0	0	0	99	2	1	*	*	0	0	0	0	0
December 2025	0	0	0	0	0	0	0	0	0	0	69	0	0	0	0	0	0	0	0	0
December 2026	0	0	0	0	0	0	0	0	0	0	36	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	0	0	0	0	0
Weighted Average Life (years)**	26.2	13.7	10.3	5.5	3.2	18.5	6.6	4.8	2.5	1.5	28.6	20.8	17.6	10.7	6.4	16.9	9.6	7.0	4.5	2.7

\* 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.

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

Date	SB† Class					SC† Class					FC† and SL† Classes					SD† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	175%	300%	500%	0%	100%	175%	300%	500%	0%	100%	210%	300%	500%	0%	100%	210%	300%	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	98	90	85	75	59	100	100	100	100	100	99	93	86	81	69	99	90	82	75	60
December 1999	97	81	71	55	31	100	100	100	100	100	98	86	74	65	48	98	81	66	55	31
December 2000	95	73	59	38	12	100	100	100	100	100	97	79	64	53	33	96	73	53	38	12
December 2001	93	65	48	25	0	100	100	100	100	96	96	73	55	42	22	95	65	41	25	0
December 2002	90	57	38	14	0	100	100	100	100	66	95	67	47	34	15	93	57	30	14	0
December 2003	88	50	29	5	0	100	100	100	100	45	93	62	40	27	11	91	50	22	5	0
December 2004	85	43	22	0	0	100	100	100	93	31	92	57	34	22	7	89	43	14	0	0
December 2005	83	37	15	0	0	100	100	100	74	21	90	52	29	17	5	87	37	7	0	0
December 2006	80	31	9	0	0	100	100	100	59	14	88	47	25	14	3	84	31	1	0	0
December 2007	76	25	3	0	0	100	100	100	46	10	86	43	21	11	2	82	25	0	0	0
December 2008	73	20	0	0	0	100	100	95	36	6	84	39	17	9	2	79	20	0	0	0
December 2009	69	14	0	0	0	100	100	82	29	4	81	35	15	7	1	75	15	0	0	0
December 2010	65	10	0	0	0	100	100	69	22	3	78	31	12	5	1	72	10	0	0	0
December 2011	60	5	0	0	0	100	100	58	17	2	75	28	10	4	*	68	5	0	0	0
December 2012	55	1	0	0	0	100	100	49	13	1	72	24	8	3	*	63	1	0	0	0
December 2013	50	0	0	0	0	100	88	40	10	1	68	21	7	2	*	58	0	0	0	0
December 2014	44	0	0	0	0	100	75	33	7	1	64	18	5	2	*	53	0	0	0	0
December 2015	37	0	0	0	0	100	63	26	5	*	59	15	4	1	*	46	0	0	0	0
December 2016	31	0	0	0	0	100	52	20	4	*	54	13	3	1	*	40	0	0	0	0
December 2017	23	0	0	0	0	100	41	15	3	*	48	10	2	1	*	32	0	0	0	0
December 2018	15	0	0	0	0	100	30	11	2	*	42	8	2	*	*	24	0	0	0	0
December 2019	6	0	0	0	0	100	20	7	1	*	35	5	1	*	*	15	0	0	0	0
December 2020	0	0	0	0	0	90	11	4	*	*	27	3	1	*	*	5	0	0	0	0
December 2021	0	0	0	0	0	57	3	1	*	*	19	1	*	*	*	0	0	0	0	0
December 2022	0	0	0	0	0	21	*	*	*	*	9	*	*	*	*	0	0	0	0	0
December 2023	0	0	0	0	0	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	0	0	0	0	0
December 2025	0	0	0	0	0	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	0	0	0	0	0
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)**	14.6	6.5	4.3	2.6	1.5	24.2	19.4	15.6	10.7	6.5	18.0	9.6	6.1	4.5	2.7	16.0	6.6	3.7	2.6	1.5

Date	SE† Class					EB and SM† Classes					PA Class					PI† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	210%	300%	500%	0%	100%	150%	300%	500%	0%	100%	225%	300%	500%	0%	100%	225%	300%	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	100	100	100	100	2	100	100	100	100	100	0	0	0	0	0
December 1999	100	100	100	100	100	100	100	100	90	0	100	100	100	100	100	0	0	0	0	0
December 2000	100	100	100	100	100	100	100	100	21	0	100	100	100	100	100	0	0	0	0	0
December 2001	100	100	100	100	96	100	100	100	0	0	100	100	100	100	100	0	0	0	0	0
December 2002	100	100	100	100	66	100	100	100	0	0	100	100	100	100	100	0	0	0	0	0
December 2003	100	100	100	100	45	100	100	100	0	0	100	100	100	100	100	0	0	0	0	0
December 2004	100	100	100	93	31	100	100	100	0	0	100	100	100	100	100	0	0	0	0	0
December 2005	100	100	100	74	21	100	100	100	0	0	100	100	100	100	87	0	0	0	0	0
December 2006	100	100	100	59	14	100	100	100	0	0	100	100	100	100	60	0	0	0	0	0
December 2007	100	100	88	47	10	100	100	100	0	0	100	100	100	100	41	0	0	0	0	0
December 2008	100	100	74	37	6	100	100	100	0	0	100	100	100	100	28	0	0	0	0	0
December 2009	100	100	62	29	4	100	100	100	0	0	100	100	100	100	19	0	0	0	0	0
December 2010	100	100	51	22	3	100	100	100	0	0	100	100	100	93	13	0	0	0	0	0
December 2011	100	100	42	17	2	100	100	100	0	0	100	93	93	74	9	0	0	0	0	0
December 2012	100	100	35	13	1	100	100	100	0	0	100	75	75	58	6	0	0	0	0	0
December 2013	100	90	28	10	1	100	100	100	0	0	100	60	60	46	4	0	0	0	0	0
December 2014	100	77	22	8	1	100	100	92	0	0	100	48	48	36	3	0	0	0	0	0
December 2015	100	65	18	6	*	100	100	77	0	0	100	38	38	28	2	0	0	0	0	0
December 2016	100	53	13	4	*	100	100	63	0	0	100	30	30	21	1	0	0	0	0	0
December 2017	100	42	10	3	*	100	100	50	0	0	100	23	23	16	1	0	0	0	0	0
December 2018	100	32	7	2	*	100	99	37	0	0	100	18	18	12	*	0	0	0	0	0
December 2019	100	22	4	1	*	100	71	25	0	0	100	13	13	9	*	0	0	0	0	0
December 2020	100	13	2	1	*	100	44	15	0	0	100	10	10	7	*	0	0	0	0	0
December 2021	80	5	1	*	*	100	18	5	0	0	100	7	7	5	*	0	0	0	0	0
December 2022	40	*	*	*	*	100	0	0	0	0	72	5	5	3	*	0	0	0	0	0
December 2023	0	0	0	0	0	0	0	0	0	0	3	3	3	2	*	0	0	0	0	0
December 2024	0	0	0	0	0	0	0	0	0	0	2	2	2	1	*	0	0	0	0	0
December 2025	0	0	0	0	0	0	0	0	0	0	1	1	1	*	*	0	0	0	0	0
December 2026	0	0	0	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	0	0	0	0	0
Weighted Average Life (years)**	24.8	19.5	14.1	10.8	6.5	25.5	22.8	20.2	2.6	0.8	25.3	17.8	17.8	16.6	10.3	1.0	1.0	1.0	1.0	1.0

\* 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 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. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Under the Regulations, a REMIC may issue its regular and residual interests over any ten-day period and designate any of those ten days as the REMIC’s startup day. Fannie Mae intends to designate the December 23, 1997 Settlement Date as the startup day for the Lower Tier REMIC and the Trust.

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

The Notional Classes, the Principal Only Classes and the PA Class will be, and certain other Classes of REMIC Certificates may be, issued with original issue discount (“OID”) for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 170% PSA in the case of the Group 1 Classes, 150% PSA in the case of the Group 2, Group 3 and Group 6 Classes, 175% PSA in the case of the Group 4 Classes, 210% PSA in the case of the Group 5 Classes and 225% PSA in the case of the Group 7 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 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.

## **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.

## **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, the Trust SMBS 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 or Group 3 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 or Group 3 Class bears to the aggregate original principal balance of all Group 1 or Group 3 Classes, respectively, will remain the same.

### **LEGAL MATTERS**

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

**Exhibit A**

**Underlying REMIC Certificates and Trust SMBS**

Underlying REMIC Trust and SMBS Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance or Notional Principal Balance of Class	December 1997 Class Factor	Principal Balance or Notional Principal Balance in the Lower Tier REMIC	Weighted Average WAC	Approximate Weighted Average WARM or WAM (in months)	Approximate Weighted Average WALA or CAGE (in months)	Underlying Security Type	Class Group
1994-37	SG	March 1994	31359GQ33	(2)	INV	August 2023	SUP	\$ 27,164,212	0.96491666	\$ 11,714,088	7.094	303	48	MBS	2
000216-GN	2	April 1993	31364HVJ3	7.50%	FIX/IO	April 2023	NTL	100,000,000	0.64519723	64,519,723	8.001	292	59	Ginne Mae	4
000233-GN	2	August 1993	31364HWU7	7.50	FIX/IO	August 2023	NTL	1,175,000,000	0.63581285	104,273,307	8.004	289	61	Ginnie Mae	4
000247-GN	2	October 1993	31364HE45	7.50	FIX/IO	October 2023	NTL	50,000,000	0.65315994	3,890,715	8.000	295	55	Ginnie Mae	4
000252-CL	2	November 1993	31364HF69	7.50	FIX/IO	November 2023	NTL	1,975,000,000	0.65856372	74,330,769	7.934	293	56	MBS	5
1993-183	SB	October 1993	31359EHX2	(2)	INV	October 2023	SUP	6,248,414	0.94858851	5,737,456	7.116	298	51	MBS	6
1997-28	PG	April 1997	31359PDD5	7.50	FIX	May 2027	PAC	20,815,000	1.00000000	20,815,000	8.098	347	11	MBS	7

(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.

**Schedule 1**

**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								
AB	\$ 21,150,000	MA	\$103,795,000	6.5%	FIX	SEQ	31359RUM2	May 2023
AC	82,645,000							
Recombination 2								
AB	21,150,000	MB	113,812,500	6.5	FIX	SEQ	31359RUN0	April 2024
AC	82,645,000							
AD	10,017,500							
Recombination 3								
D	83,800,000	HA	99,000,000	6.5	FIX	SEQ	31359RUP5	January 2025
G	15,200,000							
Recombination 4								
SB	132,103,065	SK	172,683,745	(3)	INV/IO	NTL	31359RUQ3	October 2023
SC	40,580,680							
Recombination 5								
SD	56,863,038	SL	74,330,769	(3)	INV/IO	NTL	31359RUR1	November 2023
SE	17,467,731							

- (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 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 these interest rates, see “Description of the Certificates—Distributions of Interest” herein.

**\$863,266,544**

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.



**FannieMae**

**Guaranteed REMIC  
Pass-Through Certificates**

**Fannie Mae REMIC Trust 1997-91**

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**Salomon Smith Barney**

**Prospectus Supplement  
Dated November 14, 1997**