

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 12, 1997)

\$154,102,606



FannieMae

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1998-23

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 1998-23 (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 certain previously issued REMIC certificates (the “Underlying REMIC Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC Trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A hereto. The assets of the Underlying REMIC Trusts evidence beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates. The Fannie Mae Guaranteed Mortgage Pass-Through Certificates are collectively referred to herein as the “MBS.” Each MBS represents a beneficial ownership interest in a pool (each, a “Pool”) of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

This Prospectus Supplement is intended to be used 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-7 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
F	1	\$22,500,000	SC/PT	(3)	FLT	31359TAA6	August 2023	A	4	\$22,212,463	SC/PT	5.50%	FIX	31359TAL2	December 2008
FA	1	18,575,000	SC/PT	(3)	FLT	31359TAB4	August 2023	FD	5	13,459,262	SC/PT	(3)	FLT	31359TAM0	July 2023
SA	1	5,867,857	SC/PT	(3)	INV	31359TAC2	August 2023	SK	5	2,884,128	SC/PT	(3)	INV	31359TAN8	July 2023
FB	2	18,498,118	SC/PT	(3)	FLT	31359TAD0	May 2013	SP	5	8,918,077 (4)	NTL	(3)	INV/IO	31359TAP3	July 2023
SB	2	3,963,883	SC/PT	(3)	INV	31359TAE8	May 2013	SQ	5	8,918,077 (4)	NTL	(3)	INV/IO	31359TAQ1	July 2023
FC	3	17,098,252	SC/PT	(3)	FLT	31359TAF5	May 2023	PL	5	8,918,077	SC/PT	(5)	PO	31359TAR9	July 2023
SC	3	2,442,607	SC/PT	(3)	INV	31359TAG3	May 2023	FE	6	8,371,998	SC/PT	(3)	FLT	31359TAS7	May 2023
SD	3	6,090,962 (4)	NTL	(3)	INV/IO	31359TAH1	May 2023	SN	6	3,219,999	SC/PT	(3)	INV	31359TAT5	May 2023
SE	3	6,090,962 (4)	NTL	(3)	INV/IO	31359TAJ7	May 2023	R		0	NPR	0	NPR	31359TAU2	August 2023
PO	3	6,090,962	SC/PT	(5)	PO	31359TAK4	May 2023	RL		0	NPR	0	NPR	31359TAV0	August 2023

- (1) The SG, SH, SJ, SM, SO, SL and B Classes are RCR Classes. See “Description of the Certificates — Combination and Recombination” herein and Schedule 1 hereto for a description of the RCR Classes.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” herein.
- (3) The F, FA, SA, FB, SB, FC, SC, SD, SE, FE and SN Classes will bear interest based on “LIBOR,” the FD and SK Classes will bear interest based on the “10-Year Treasury Index” and the SP and SQ Classes 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.
- (4) These Classes will be Notional Classes, will not have principal balances and will bear interest on their respective notional principal balances. The notional principal balances of the Notional Classes initially will be as set forth above and thereafter will be calculated as specified herein. See “Description of the Certificates—Distributions of Interest—Notional Classes” herein.
- (5) These Classes will be Principal Only Classes and will bear no interest.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the FC and FD Classes and the Group 1, Group 2 and Group 4 Classes will be available through the book-entry system of the Federal Reserve Banks and that the SC, SD, SE, PO, SK, SP, SQ and PL Classes, the Group 6 Classes and the RCR Certificates will be available through the book-entry facilities of The Depository Trust Company on or about March 30, 1998 (the “Settlement Date”). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, 245 Park Avenue, New York, New York 10167, on or about the Settlement Date.

Bear, Stearns & Co. Inc.

March 5, 1998

(Cover continued from previous page)

Certain of the REMIC Certificates may, upon notice and payment of an exchange fee, be exchanged for the related 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 REMIC Certificates. Certain characteristics of the RCR Certificates 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 RCR Certificates. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 hereto.

The yields to investors in the Group 1, Group 2, Group 3, Group 4, Group 5 and Group 6 Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions of the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting distributions on 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 or the Prospectus Supplements for the Underlying REMIC Trusts (collectively, the “Underlying REMIC Disclosure Documents”). 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 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 Bear, Stearns & Co. Inc. by writing or calling its Prospectus Department at One Metro Tech Center North, Brooklyn, New York 11201 (telephone 718-272-1581).

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REFERENCE SHEET

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

Characteristics of the Underlying REMIC Certificates

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

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

Combination and Recombination

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

Interest Rates

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

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

Class	Initial Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate (1)
F	6.57500%	8.00000%	0.95%	LIBOR + 95 basis points
FA	6.57500%	8.00000%	0.95%	LIBOR + 95 basis points
SA	9.97500%	49.35000%	0.00%	49.35% - (7 × LIBOR)
FB	6.12500%	8.50000%	0.50%	LIBOR + 50 basis points
SB	11.08333%	37.33333%	0.00%	37.33333% - (4.666666 × LIBOR)
FC	6.57500%	8.00000%	0.95%	LIBOR + 95 basis points
SC	9.97500%	49.35000%	0.00%	49.35% - (7 × LIBOR)
SD	4.30209% (2)	17.50005%	0.00%	17.50005% - (2.33334 × LIBOR)
SE	2.91662% (2)	2.91662%	0.00%	20.41667% - (2.33334 × LIBOR)
FD	5.93000%	8.50000%	0.30%	10-Year Treasury Index + 30 basis points
SK	11.99333%	38.26667%	0.00%	38.26667% - (4.66666667 × 10-Year Treasury Index)
SP	5.86366%	17.50000%	0.00%	17.50000% - (2.33333333 × COFI)
SQ	2.91666%	2.91666%	0.00%	20.41666% - (2.33333333 × COFI)
FE	6.08750% (2)	9.00000%	0.40%	LIBOR + 40 basis points
SN	7.57250% (2)	22.36000%	0.00%	22.36% - (2.6 × LIBOR)
SG	7.21871% (2)	20.41667%	0.00%	20.41667% - (2.33334 × LIBOR)
SH	7.21871% (2)	20.41667%	0.00%	20.41667% - (2.33334 × LIBOR)
SJ	2.85519%	14.12570%	0.00%	14.12570% - (2.003645 × LIBOR)
SM	2.93083%	9.35130%	0.00%	9.35130% - (1.140402 × 10-Year Treasury Index)
SO	8.78032%	20.41666%	0.00%	20.41666% - (2.33333333 × COFI)
SL	8.78032%	20.41666%	0.00%	20.41666% - (2.33333333 × COFI)

(1) LIBOR will be established on the basis of the “BBA Method” in the case of the F, FA, SA, FB, SB, FC, SC, FE, SN and SJ Classes, and will be established on the basis of the “LIBO Method” in the case of the SD, SE, SG and SH Classes. See “Description of the Certificates—Calculation of LIBOR” herein.

(2) The initial interest rates for these Classes are assumed rates. The actual initial interest rates for these Classes will be calculated on the basis of the applicable formulas for the calculation of such interest rates on the Index Determination Date occurring on March 23, 1998.

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

Distributions of interest to be allocated from REMIC Certificates to RCR Certificates on any Distribution Date will be allocated on a pro rata basis.

Notional Classes

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

<u>Classes</u>	
SD	100% of PO Class
SE	100% of PO Class
SG	100% of PO Class
SL	100% of PL Class
SP	100% of PL Class
SQ	100% of PL Class

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Tables—*The Inverse Floating Rate Classes and the SG, SH, SJ, SM, SO and SL Classes*” herein.

Distributions of Principal

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

Group 1 Principal Distribution Amount

To the F, FA and SA Classes, pro rata, to zero.

Group 2 Principal Distribution Amount

To the FB and SB Classes, pro rata, to zero.

Group 3 Principal Distribution Amount

To the FC, SC and PO Classes, pro rata, to zero.

Group 4 Principal Distribution Amount

To the A Class, to zero.

Group 5 Principal Distribution Amount

To the FD, SK and PL Classes, pro rata, to zero.

Group 6 Principal Distribution Amount

To the FE and SN Classes, pro rata, to zero.

Distributions of principal to be allocated from REMIC Certificates to RCR Certificates on any Distribution Date will be allocated on a pro rata basis.

Weighted Average Lives (years) *

		PSA Prepayment Assumption				
<u>Group 1 Classes</u>		<u>0%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
F, FA and SA		25.0	21.9	16.2	2.2	1.0
		PSA Prepayment Assumption				
<u>Group 2 Classes</u>		<u>0%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
FB and SB		14.5	11.7	5.8	0.9	0.5
		PSA Prepayment Assumption				
<u>Group 3 Classes</u>		<u>0%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
FC, SC, SD, SE, PO, SG, SH and SJ		24.6	20.8	14.4	1.9	0.9
		PSA Prepayment Assumption				
<u>Group 4 Class</u>		<u>0%</u>	<u>100%</u>	<u>130%</u>	<u>350%</u>	<u>500%</u>
A		10.2	9.2	8.9	2.0	0.9
		PSA Prepayment Assumption				
<u>Group 5 Classes</u>		<u>0%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
FD, SK, SP, SQ, PL, SM, SO and SL		24.6	20.3	13.3	1.9	0.9
		PSA Prepayment Assumption				
<u>Group 6 Classes</u>		<u>0%</u>	<u>100%</u>	<u>260%</u>	<u>350%</u>	<u>500%</u>
FE, SN and B		23.0	15.8	7.0	2.3	0.9

* 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 principal distributions of the Group 1, Group 2, Group 3, Group 4, Group 5 and Group 6 Classes will be directly related to the rate of principal distributions of the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal (including prepayments) of the related Mortgage Loans and the priority sequences affecting distributions on the 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, certain of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and in some cases may receive no distributions of principal for extended periods). Prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such classes have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether such classes otherwise have performed as originally anticipated. 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 Underlying REMIC Certificates 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 on or about the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. 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. No interest at all will be paid on any Class after its principal balance has been reduced to zero.

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 March 1, 1998 (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 Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trusts).

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

Characteristics of Certificates. The FC and FD Classes and the Group 1, Group 2 and Group 4 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 SC, SD, SE, PO, SK, SP, SQ and PL Classes, the Group 6 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 Certificates 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 Underlying REMIC Certificates. In the event any issue arises under the trust agreement governing any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates of the related Classes having principal balances aggregating not less than 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Combination and Recombination

General. Subject to the rules, regulations and procedures of the Depository, all or a portion of the SD, SE, PO, SC, SK, PL, SP, SQ, FE and SN Classes of REMIC Certificates may be exchanged for a proportionate interest in one or more RCR Certificates as reflected on Schedule 1 hereto. Similarly, all or a portion of one or more RCR Certificates may be exchanged as reflected on Schedule 1, for certain REMIC Certificates. This process may occur repeatedly.

The RCR Certificates 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 REMIC Certificates, and the Holders of RCR Certificates will be treated as the beneficial owners of a proportionate interest in the related REMIC Certificates.

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of such Classes, will depend upon any related distributions of principal as well as any exchanges that occur. The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balances of the related Classes.

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.

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

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 Certificates of the Class or of the related Classes in the proportions necessary to effect a desired exchange. A Holder that does not own Certificates of the related Classes in the necessary proportions may not be able to obtain the necessary REMIC Certificates or RCR Certificates, as applicable. The Holder of needed Certificates may refuse or be unable to sell at a reasonable price or any price, or certain Certificates 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 Underlying REMIC Certificates

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

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

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

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Floating Rate	F and FA
Inverse Floating Rate	SA
Group 2 Classes	
Floating Rate	FB
Inverse Floating Rate	SB
Group 3 Classes	
Floating Rate	FC
Inverse Floating Rate	SC, SD and SE
Interest Only	SD and SE
Principal Only	PO
RCR**	SG, SH and SJ
Group 4 Class	
Fixed Rate	A
Group 5 Classes	
Floating Rate	FD
Inverse Floating Rate	SK, SP and SQ
Interest Only	SP and SQ
Principal Only	PL
RCR**	SM, SO, and SL
Group 6 Classes	
Floating Rate	FE
Inverse Floating Rate	SN
RCR**	B
No Payment Residual	R and RL

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

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

General. The interest-bearing Certificates will bear interest at the applicable per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing in the month after the Settlement Date.

Distributions of interest to be allocated from REMIC Certificates to RCR Certificates on any Distribution Date will be allocated on a pro rata basis.

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
The SD, SE, FE, SN, SG and SH Classes	One month period ending on the day preceding the Distribution Date
All other interest-bearing 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 Principal Only Classes, such Classes will be treated as Delay Classes.

Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates described herein during each Interest Accrual Period on their respective notional principal balances. The notional principal balances of the Notional Classes will be 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.

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 the applicable Class or Classes for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. Each such rate of interest may be obtained by telephoning Fannie Mae at 1-800-BEST-MBS or 202-752-6547.

Calculation of LIBOR

On each Index Determination Date, until the principal balances and notional principal balances of the F, FA, SA, FB, SB, FC, SC, SD, SE, FE, SN, SG, SH and SJ Classes have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period. LIBOR will be established on the basis of the “BBA Method” in the case of F, FA, SA, FB, SB, FC, SC, FE, SN and SJ Classes and will be established on the basis of the “LIBO Method” in the case of the SD, SE, SG and SH Classes, 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 LIBOR as determined for such Interest Accrual Period for the related Underlying REMIC Certificate in the case of the FC, SC, SD, SE, SG, SH and SJ Classes, and will be equal to 5.6250% in the case of the F, FA, SA, FB and SB Classes and 5.6875% in the case of the FE and SN Classes.

Calculation of 10-Year Treasury Index

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

Calculation of COFI

Except as otherwise specified below, the amount of interest which will accrue in respect of the SP, SQ, SO and SL Classes (the “COFI Classes”) 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 Classes 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 Classes 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 Classes. 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 values of the Eleventh District Cost of Funds Index as reported by the FHLBSF since October 1997 were as follows:

October 1997	4.957%
November 1997	4.949%
December 1997	4.963%
January 1998	4.987%

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Structured Collateral/Pass-Through	F, FA and SA

<u>Principal Type*</u>	<u>Classes</u>
Group 2 Classes	
Structured Collateral/Pass-Through	FB and SB
Group 3 Classes	
Structured Collateral/Pass-Through	FC, SC and PO
Notional	SD and SE
RCR**	SG, SH and SJ
Group 4 Class	
Structured Collateral/Pass-Through	A
Group 5 Classes	
Structured Collateral/Pass-Through	FD, SK and PL
Notional	SP and SQ
RCR**	SM, SO and SL
Group 6 Classes	
Structured Collateral/Pass-Through	FE and SN
RCR**	B
No Payment Residual	R and RL

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

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

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 concurrently made on the Class 1993-138-FA, Class 1993-138-SA and Class 1993-138-SB REMIC Certificates (the “Group 1 Principal Distribution Amount”), (ii) the distribution of principal concurrently made on the Class 1993-140-N REMIC Certificate (the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal concurrently made on the Class 1993-50-FA and Class 1993-50-SA REMIC Certificates (the “Group 3 Principal Distribution Amount”), (iv) the aggregate distributions of principal concurrently made on the Class 1993-234-FC, Class 1993-234-SC and Class 1993-234-SD REMIC Certificates (the “Group 4 Principal Distribution Amount”), (v) the aggregate distributions of principal concurrently made on the Class 1993-99-F and Class 1993-99-S REMIC Certificates (the “Group 5 Principal Distribution Amount”) and (vi) the aggregate distributions of principal concurrently made on the Class 1993-110-FH and Class 1993-110-SH REMIC Certificates (the “Group 6 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, concurrently, as principal of the F, FA and SA Classes, pro rata (or 47.9306148750%, 39.5693853913% and 12.4999997337%, respectively), until the principal balances thereof are reduced to zero.

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed, concurrently, as principal of the FB and SB Classes, pro rata (or 82.3529390814% and 17.6470609186%, respectively), until the principal balances thereof are reduced to zero.

Group 3 Principal Distribution Amount

On each Distribution Date, the Group 3 Principal Distribution Amount will be distributed, concurrently, as principal of the FC, SC and PO Classes, pro rata (or 66.7071293920%, 9.5295882411% and 23.7632823669%, respectively), until the principal balances thereof are reduced to zero.

Group 4 Principal Distribution Amount

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

Group 5 Principal Distribution Amount

On each Distribution Date, the Group 5 Principal Distribution Amount will be distributed, concurrently, as principal of the FD, SK and PL Classes, pro rata (or 53.2798115010%, 11.4171041611% and 35.3030843379%, respectively), until the principal balances thereof are reduced to zero.

Group 6 Principal Distribution Amount

On each Distribution Date, the Group 6 Principal Distribution Amount will be distributed, concurrently, as principal of the FE and SN Classes, pro rata (or 72.222236600% and 27.7777763400%, respectively), until the principal balances thereof are reduced to zero.

Structured
Collateral/
Pass-Through
Classes

Distributions of principal to be allocated from REMIC Certificates to RCR Certificates on any Distribution Date will be allocated on a pro rata basis.

Structuring Assumptions

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

- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the closing date for the sale of the Certificates is March 30, 1998.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used herein is The Bond Market 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 applicable Certificates will be as assumed. In addition, there can be no assurance that the applicable Index will correspond to the levels shown herein. Furthermore, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of the applicable Index will remain constant.*

The Inverse Floating Rate Classes and the SG, SH, SJ, SM, SO and SL Classes. The yields to investors in the Inverse Floating Rate Classes and the SG, SH, SJ, SM, SO 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 SD, SE, SP, SQ, SG 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 SG, SH, SJ, SM, SO and SL Classes for the initial Interest Accrual Period are the rates listed 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	75.0%
SB	98.0%
SC	75.0%
SD	13.0%
SE	12.5%
SK	98.0%
SP	60.0%
SQ	40.0%
SN	92.5%
SG	25.0%
SH	87.0%
SJ	71.5%
SM	74.5%
SO	95.0%
SL	33.0%

* 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 LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
3.625%	33.4%	33.4%	33.5%	43.9%	61.2%
5.625%	13.8%	13.8%	14.2%	25.8%	42.9%
7.050%	1.2%	1.3%	1.8%	13.6%	30.5%

**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>195%</u>	<u>350%</u>	<u>500%</u>
3.625%	21.5%	21.5%	21.5%	22.1%	22.8%
5.625%	11.5%	11.5%	11.7%	12.8%	14.1%
7.625%	1.9%	1.9%	2.1%	3.8%	5.7%
8.000%	0.2%	0.2%	0.4%	2.2%	4.2%

**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>195%</u>	<u>350%</u>	<u>500%</u>
3.625%	33.4%	33.4%	33.6%	46.3%	64.4%
5.625%	13.8%	13.9%	14.4%	28.1%	46.0%
7.050%	1.3%	1.4%	2.0%	15.8%	33.5%

**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>195%</u>	<u>350%</u>	<u>500%</u>
3.65625%	77.6%	77.6%	77.5%	26.5%	(66.4)%
5.65625%	35.4%	35.4%	34.8%	(36.0)%	*
7.50000%	*	*	*	*	*

* 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>195%</u>	<u>350%</u>	<u>500%</u>
7.50% and below	24.3%	24.3%	23.0%	(56.5)%	*
8.10%	11.5%	11.2%	8.5%	(84.6)%	*
8.75%	*	*	*	*	*

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

**Sensitivity of the SK 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>195%</u>	<u>350%</u>	<u>500%</u>
3.63%	22.4%	22.4%	22.4%	22.7%	23.0%
5.63%	12.5%	12.5%	12.5%	13.1%	13.8%
7.63%	2.8%	2.8%	2.8%	3.7%	4.8%
8.20%	0.1%	0.1%	0.2%	1.1%	2.2%

**Sensitivity of the SP 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>195%</u>	<u>350%</u>	<u>500%</u>
2.987%	17.5%	17.3%	14.6%	(70.1)%	*
4.987%	8.2%	7.7%	3.7%	(91.2)%	*
6.987%	(6.4)%	(7.6)%	(13.6)%	*	*
7.500%	*	*	*	*	*

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

**Sensitivity of the SQ 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>195%</u>	<u>350%</u>	<u>500%</u>
7.50% and below	4.7%	4.1%	(0.5)%	(99.8)%	*
8.10%	(1.5)%	(2.4)%	(7.9)%	*	*
8.75%	*	*	*	*	*

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

**Sensitivity of the SN 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>260%</u>	<u>350%</u>	<u>500%</u>
3.6875%	14.2%	14.3%	14.9%	17.2%	22.2%
5.6875%	8.5%	8.6%	9.2%	11.6%	16.8%
7.6875%	2.9%	3.0%	3.7%	6.1%	11.5%
8.6000%	0.4%	0.5%	1.2%	3.7%	9.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
3.65625%	51.8%	51.8%	51.6%	(9.8)%	(99.2)%
5.65625%	30.6%	30.6%	29.7%	(44.6)%	*
7.65625%	9.1%	8.7%	5.7%	(90.4)%	*
8.75000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
3.65625%	14.1%	14.1%	14.4%	20.9%	29.1%
5.65625%	8.7%	8.7%	9.0%	15.7%	24.0%
7.65625%	3.4%	3.5%	3.8%	10.5%	18.9%
8.75000%	0.6%	0.7%	1.0%	7.8%	16.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
3.625%	10.2%	10.3%	11.0%	27.3%	48.6%
5.625%	5.0%	5.1%	5.9%	22.2%	43.3%
7.050%	1.5%	1.6%	2.4%	18.6%	39.6%

**Sensitivity of the SM 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>195%</u>	<u>350%</u>	<u>500%</u>
3.63%	7.7%	7.8%	8.6%	23.0%	41.4%
5.63%	4.8%	5.0%	5.8%	20.2%	38.6%
7.63%	2.1%	2.2%	3.0%	17.4%	35.7%
8.20%	1.3%	1.5%	2.3%	16.6%	34.9%

**Sensitivity of the SO 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>195%</u>	<u>350%</u>	<u>500%</u>
2.987%	14.5%	14.5%	14.6%	16.6%	19.0%
4.987%	9.4%	9.4%	9.6%	11.7%	14.3%
6.987%	4.5%	4.5%	4.6%	6.9%	9.7%
8.750%	0.2%	0.3%	0.4%	2.8%	5.7%

**Sensitivity of the SL 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>195%</u>	<u>350%</u>	<u>500%</u>
2.987%	43.1%	43.1%	42.3%	(24.3)%	*
4.987%	27.5%	27.4%	25.7%	(50.5)%	*
6.987%	11.6%	11.3%	7.7%	(83.2)%	*
8.750%	*	*	*	*	*

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

The Principal Only Classes. The Principal Only Classes will not bear interest. As indicated in the table 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 table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Principal Only Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Classes</u>	<u>Price</u>
PO	61.0%
PL	62.0%

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

<u>Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>350%</u>	<u>500%</u>
PO	2.2%	2.4%	3.5%	28.1%	61.2%
PL	2.2%	2.4%	3.7%	27.9%	60.1%

Weighted Average Lives of the Certificates

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

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of

principal payments and the priority sequences affecting distributions on 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:

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
1993-138	360 months	305 months	9.5%	Group 1
1993-140	240 months	185 months	9.5%	Group 2
1993-50	360 months	302 months	9.5%	Group 3
1993-234	180 months	129 months	8.0%	Group 4
1993-99	360 months	304 months	9.5%	Group 5
1993-110	360 months	302 months	10.0%	Group 6

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

Percent of Original Principal Balances Outstanding

Date	F, FA and SA Classes					FB and SB Classes					FC, SC, SD†, SE†, PO, SG†, SH and SJ Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%	0%	100%	195%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1999	100	100	100	100	47	100	100	100	41	0	100	100	100	100	36
March 2000	100	100	100	59	0	100	100	99	0	0	100	100	100	40	0
March 2001	100	100	100	3	0	100	100	86	0	0	100	100	100	0	0
March 2002	100	100	100	0	0	100	100	73	0	0	100	100	100	0	0
March 2003	100	100	100	0	0	100	100	60	0	0	100	100	100	0	0
March 2004	100	100	100	0	0	100	100	46	0	0	100	100	100	0	0
March 2005	100	100	100	0	0	100	100	34	0	0	100	100	100	0	0
March 2006	100	100	100	0	0	100	100	21	0	0	100	100	100	0	0
March 2007	100	100	100	0	0	100	100	10	0	0	100	100	97	0	0
March 2008	100	100	100	0	0	100	97	0	0	0	100	100	86	0	0
March 2009	100	100	100	0	0	100	70	0	0	0	100	100	75	0	0
March 2010	100	100	89	0	0	100	42	0	0	0	100	100	65	0	0
March 2011	100	100	77	0	0	100	13	0	0	0	100	100	56	0	0
March 2012	100	100	66	0	0	87	0	0	0	0	100	100	48	0	0
March 2013	100	100	56	0	0	0	0	0	0	0	100	100	40	0	0
March 2014	100	100	46	0	0	0	0	0	0	0	100	100	33	0	0
March 2015	100	100	38	0	0	0	0	0	0	0	100	100	27	0	0
March 2016	100	100	30	0	0	0	0	0	0	0	100	99	21	0	0
March 2017	100	100	23	0	0	0	0	0	0	0	100	81	16	0	0
March 2018	100	92	17	0	0	0	0	0	0	0	100	63	12	0	0
March 2019	100	68	12	0	0	0	0	0	0	0	100	46	8	0	0
March 2020	100	46	7	0	0	0	0	0	0	0	100	29	4	0	0
March 2021	100	24	3	0	0	0	0	0	0	0	100	13	1	0	0
March 2022	100	5	0	0	0	0	0	0	0	0	93	1	0	0	0
March 2023	47	0	0	0	0	0	0	0	0	0	14	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	25.0	21.9	16.2	2.2	1.0	14.5	11.7	5.8	0.9	0.5	24.6	20.8	14.4	1.9	0.9

Date	A Class					FD, SK, SP†, SQ†, PL, SM, SO and SL† Classes					FE, SN and B Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	130%	350%	500%	0%	100%	195%	350%	500%	0%	100%	260%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1999	100	100	100	90	38	100	100	100	96	36	100	100	100	100	34
March 2000	100	100	100	41	0	100	100	100	39	0	100	100	100	56	2
March 2001	100	100	100	14	0	100	100	100	2	0	100	100	100	22	0
March 2002	100	100	100	2	0	100	100	100	0	0	100	100	92	*	0
March 2003	100	100	100	0	0	100	100	100	0	0	100	100	77	0	0
March 2004	100	100	100	0	0	100	100	100	0	0	100	100	64	0	0
March 2005	100	100	100	0	0	100	100	94	0	0	100	100	51	0	0
March 2006	100	93	78	0	0	100	100	88	0	0	100	100	40	0	0
March 2007	100	57	48	0	0	100	100	81	0	0	100	100	23	0	0
March 2008	63	12	10	0	0	100	100	72	0	0	100	100	0	0	0
March 2009	0	0	0	0	0	100	100	63	0	0	100	100	0	0	0
March 2010	0	0	0	0	0	100	100	55	0	0	100	100	0	0	0
March 2011	0	0	0	0	0	100	100	47	0	0	100	100	0	0	0
March 2012	0	0	0	0	0	100	100	40	0	0	100	99	0	0	0
March 2013	0	0	0	0	0	100	100	34	0	0	100	70	0	0	0
March 2014	0	0	0	0	0	100	100	28	0	0	100	43	0	0	0
March 2015	0	0	0	0	0	100	98	23	0	0	100	18	0	0	0
March 2016	0	0	0	0	0	100	83	18	0	0	100	0	0	0	0
March 2017	0	0	0	0	0	100	68	14	0	0	100	0	0	0	0
March 2018	0	0	0	0	0	100	53	10	0	0	100	0	0	0	0
March 2019	0	0	0	0	0	100	39	7	0	0	100	0	0	0	0
March 2020	0	0	0	0	0	100	25	4	0	0	100	0	0	0	0
March 2021	0	0	0	0	0	100	12	1	0	0	52	0	0	0	0
March 2022	0	0	0	0	0	87	1	0	0	0	0	0	0	0	0
March 2023	0	0	0	0	0	23	0	0	0	0	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.2	9.2	8.9	2.0	0.9	24.6	20.3	13.3	1.9	0.9	23.0	15.8	7.0	2.3	0.9

* 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.

† 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.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes, the Principal Only Classes and the SA and SC Classes will be, and certain other Classes of REMIC Certificates may be, issued with original issue discount (“OID”) for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 195% PSA in the case of the Group 1, Group 2, Group 3 and Group 5 Classes, 130% PSA in the case of the Group 4 Classes and 260% PSA in the case of the Group 6 Classes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at any of 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 6.94% (which is 120% of the “federal long-term rate”). 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

The Dealer will receive the Certificates in exchange for 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.

LEGAL MATTERS

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

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Exhibit A

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	March 1998 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
1993-138	FA	August 1993	31359DFC2	(2)	FLT	August 2023	SUP	\$44,520,000	1.00000000	\$32,860,000.00	7.517%	291	57	MBS	1
1993-138	SA	August 1993	31359DFD0	(2)	INV	August 2023	SUP	13,515,000	1.00000000	9,975,357.00	7.517	291	57	MBS	1
1993-138	SB	August 1993	31359DFE8	(2)	INV	August 2023	SUP	5,565,000	1.00000000	4,107,500.00	7.517	291	57	MBS	1
1993-140	N	August 1993	31359BH83	7.0%	FIX	May 2013	SUP	32,950,000	0.68169958	22,462,001.16	7.548	179	56	MBS	2
1993-50	FA	May 1993	31358U3H7	(2)	FLT	May 2023	SUP	59,296,767	0.79081841	13,678,601.78	7.536	287	60	MBS	3
1993-50	SA	May 1993	31358U3J3	(2)	INV	May 2023	SUP	25,412,900	0.79081841	11,953,220.27	7.536	287	60	MBS	3
1993-234	FC	December 1993	31359FKH0	(2)	FLT	December 2008	SUP	23,758,777	0.98659080	13,574,282.81	6.177	123	53	MBS	4
1993-234	SC	December 1993	31359FKJ6	(2)	INV	December 2008	SUP	8,872,713	0.98659080	5,069,314.66	6.177	123	53	MBS	4
1993-234	SD	December 1993	31359FKK3	(2)	INV	December 2008	SUP	6,246,510	0.98659080	3,568,865.94	6.177	123	53	MBS	4
1993-99	F	July 1993	31359A5U9	(2)	FLT	July 2023	SUP	40,184,893	0.90188958	11,440,372.82	7.528	288	59	MBS	5
1993-99	S	July 1993	31359A5V7	(2)	INV	July 2023	SUP	17,222,097	0.90188958	13,821,094.35	7.528	288	59	MBS	5
1993-110	FH	July 1993	31359BHT7	(2)	FLT	May 2023	TAC	22,945,008	0.88104332	7,534,799.65	7.981	285	62	MBS	6
1993-110	SH	July 1993	31359BHU4	(2)	INV	May 2023	TAC	12,354,992	0.88104332	4,057,197.44	7.981	285	62	MBS	6

(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						
<u>Class</u>	<u>Original Principal or Notional Principal Balance</u>	<u>RCR Class</u>	<u>Original Principal or Notional Principal Balance</u>	<u>Interest Rate</u>	<u>Interest Type (2)</u>	<u>Principal Type (2)</u>	<u>CUSIP Number</u>	<u>Final Distribution Date</u>
Recombination 1								
SD	\$6,090,962	SG	\$ 6,090,962	(3)	INV/IO	NTL	31359TAW8	May 2023
SE	6,090,962							
Recombination 2								
SD	6,090,962	SH	6,090,962	(3)	INV	SC/PT	31359TAX6	May 2023
SE	6,090,962							
PO	6,090,962							
Recombination 3								
SC	2,442,607	SJ	8,533,569	(3)	INV	SC/PT	31359TAY4	May 2023
PO	6,090,962							
Recombination 4								
SK	2,884,128	SM	11,802,205	(3)	INV	SC/PT	31359TAZ1	July 2023
PL	8,918,077							
Recombination 5								
SP	8,918,077	SO	8,918,077	(3)	INV	SC/PT	31359TBB3	July 2023
SQ	8,918,077							
PL	8,918,077							
Recombination 6								
SP	8,918,077	SL	8,918,077	(3)	INV/IO	NTL	31359TBC1	July 2023
SQ	8,918,077							
Recombination 7								
FE	8,371,998	B	11,591,997	6.5%	FIX	SC/PT	31359TBA5	May 2023
SN	3,219,999							

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

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

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

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

\$154,102,606



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1998-23**

PROSPECTUS SUPPLEMENT

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Bear, Stearns & Co. Inc.

March 5, 1998
