

\$1,950,000,000



# FannieMae

## Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1998-32

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 1998-32 (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 include (i) two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates described herein (the "Group 1 MBS" and "Group 2 MBS" and, together, the "MBS"), (ii) certain "fully modified pass-through" mortgage-backed securities (the "Ginnie Mae Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") and (iii) a non-interest bearing cash deposit of \$999.99 (the "Retail Cash Deposit") to be applied as described herein. 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.

Prospective investors in the UU Class should consider carefully, as should prospective investors in any Class of Certificates, whether such an investment is appropriate for their investment objectives. See "Description of the Certificates—The Retail Certificates" herein.

See "Additional Risk Factors" on page S-9 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)	GUSIP Number	Final Distribution Date	Class(1)	Group	Original Class Balance	Principal Type(2)	Interest Rate	Interest Type(2)	GUSIP Number	Final Distribution Date
PK	1	\$100,000,000	PAC	6.00%	FIX	31359TVX3	June 2017	UU	1	\$ 10,000,000(5)	RTL/SUP	7.00%	FIX	31359TWW6	June 2028
PA	1	93,646,000	PAC	6.25	FIX	31359TVY1	June 2017	M	1	13,370,000	SUP	7.00	FIX	31359TWW4	June 2028
PB	1	162,960,000	PAC	6.25	FIX	31359TVZ8	December 2022	D	1	50,000,000	TAC	6.90	FIX	31359TWX2	December 2027
PC	1	274,899,000	PAC	7.00	FIX	31359TWA2	June 2028	DA	1	48,108,000	TAC	7.00	FIX	31359TWY0	December 2027
PD	1	41,779,214(3)	NTL	7.00	FIX/IO	31359TWB0	December 2022	DB	1	50,000,000(3)	NTL	0.10	FIX/IO	31359TWZ7	December 2027
PE	1	30,000,000	SCH	6.80	FIX	31359TWC8	June 2028	ZA	1	14,262,000	SUP	7.00	FIX/Z	31359TXA1	December 2027
PW	1	15,000,000	SCH	6.85	FIX	31359TWD6	June 2028	FB	1	16,638,125	SUP	(4)	FLT	31359TXB9	June 2028
PG	1	40,000,000	SCH	6.90	FIX	31359TWE4	June 2028	SB	1	2,376,875	SUP	(4)	INV	31359TXC7	June 2028
PH	1	50,000,000	SCH	6.95	FIX	31359TWF1	June 2028	TB	2	77,004,000	PAC	6.00	FIX	31359TXD5	May 2013
PJ	1	2,107,142(3)	NTL	7.00	FIX/IO	31359TWG9	June 2028	TE	2	28,178,000	PAC	6.00	FIX	31359TXE3	December 2015
Z	1	25,740,000	SUP	7.00	FIX/Z	31359TWH7	March 2027	TL	2	35,651,000	PAC	6.50	FIX	31359TXF0	June 2018
H	1	9,000,000	SUP	7.00	FIX	31359TWJ3	May 2027	TN	2	8,090,923(3)	NTL	6.50	FIX/IO	31359TXG8	December 2015
JA	1	1,000,000	TAC	7.00	FIX	31359TWK0	June 2027	C	2	51,000,000	TAC	6.50	FIX	31359TXH6	June 2017
JB	1	500,000	TAC	7.00	FIX	31359TWL8	July 2027	ZB	2	2,042,000	SUP	6.50	FIX/Z	31359TXJ2	June 2017
JC	1	2,500,000	TAC	7.00	FIX	31359TWM6	September 2027	ZC	2	6,125,000	SUP	6.50	FIX/Z	31359TXK9	June 2018
JZ	1	1,000,000	SUP	7.00	FIX/Z	31359TWN4	September 2027	AB	3	368,197,000	SEQ	6.50	FIX	31359TXL7	October 2024
J	1	7,500,000	SUP	7.00	FIX	31359TWP9	July 2027	AC	3	52,600,000	SEQ	6.50	FIX	31359TXM5	May 2026
K	1	7,500,000	SUP	7.00	FIX	31359TWQ7	September 2027	FE	3	210,398,000	SEQ	(4)	FLT	31359TXN3	May 2026
L	1	14,000,000	SUP	7.00	FIX	31359TWR5	February 2028	SE	3	210,398,000(3)	NTL	(4)	INV/IO	31359TXP8	May 2026
LA	1	4,000,000	SUP	7.00	FIX	31359TWS3	March 2012	G	3	118,805,000	SEQ	7.00	FIX	31359TXQ6	May 2028
LB	1	3,500,000	SUP	7.00	FIX	31359TWT1	May 2018	R	1	0	NPR	0	NPR	31359TXR4	June 2028
LZ	1	2,500,000	SUP	7.00	FIX/Z	31359TWU8	February 2028	RL	1	0	NPR	0	NPR	31359TXS2	June 2028

- (1) The E Class is an RCR Class. See "Description of the Certificates—Combination and Recombination" herein and Schedule 1 hereto for a description of the RCR Class.
- (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 bear interest based on "LIBOR" 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.
- (5) The Retail Certificates will be offered in \$1,000 increments ("Retail Class Units") as described herein. See "Description of the Certificates—The Retail Certificates" herein.

The Certificates will be offered by Lehman 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 Group 1 and Group 2 Classes (other than the UU Class) will be available through the book-entry system of the Federal Reserve Banks and that the UU Class, the Group 3 Classes and the RCR Class will be available through the book-entry facilities of The Depository Trust Company on or about May 29, 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, Three World Financial Center, New York, New York 10285, on or about the Settlement Date.

## LEHMAN BROTHERS

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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 and Group 3 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Group 1 MBS, Group 2 MBS and the Ginnie Mae Certificates, 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 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 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, 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 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 “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.

The UU Class (the “Retail Certificates”) may not be an appropriate investment for all prospective investors. The Retail Certificates would not be an appropriate investment for any investor requiring a particular distribution of principal on a specific date or an otherwise predictable stream of principal distributions. Any investor who purchases a Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following issuance of the Certificates could result in an actual yield that is lower than such investor’s anticipated yield. In addition, although the Dealer intends to make a secondary market in the Retail Certificates, it has no obligation to do so, and any such market making may be discontinued at any time. Finally, there can be no assurance that the price at which an investor may be able to sell a Retail Certificate will be the same as the price at which such investor purchased such Certificate. See “Description of the Certificates—The Retail Certificates” herein.

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 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”); and
- Fannie Mae’s Information Statement dated March 31, 1998 and any supplements thereto (collectively, the “Information Statement”).

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). The Disclosure Documents may also be obtained from the Dealer by writing or calling its Prospectus Department at 536 Broadhollow Road, Melville, New York 11747 (telephone 516-254-7106).

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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.**

### **The Retail Certificates**

#### *Description*

The Retail Certificates represent an indirect interest in certain Mortgage Loans. The Retail Certificates are guaranteed by Fannie Mae but are not guaranteed by, and are not a debt or obligation of, the United States. See “Description of the Certificates—General—*Fannie Mae Guaranty*” herein.

#### *Investment Objective*

Each individual investor should determine, in consultation with his or her investment advisor, whether or not the Retail Certificates satisfy his or her specified investment objectives. See “Description of the Certificates—The Retail Certificates—*Investment Determination*” herein.

#### *Liquidity*

If a Retail Certificate is sold prior to its maturity, an investor may receive sales proceeds (less applicable transaction costs) that are less than the amount originally invested. The Dealer intends to make a market for the purchase and sale of the Retail Certificates after their initial issuance, but is not obligated to do so. There is no assurance that such a secondary market will develop or, if it develops, that it will continue. See “Description of the Certificates—The Retail Certificates—*Investment Determination*” herein.

#### *Federal Income Taxes*

Interest on the Retail Certificates will be taxed in the year it is earned, which may not be the year it is paid. Relevant federal income tax information for the preceding calendar year will be mailed to investors who own Retail Certificates, as required by the Internal Revenue Service. Investors should be aware, however, that such information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a Retail Certificate. See “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions—Tax Information*” and “Certain Additional Federal Income Tax Consequences” herein.

#### *Maturity*

Unlike many other fixed income securities, the Retail Certificates do not have fixed principal redemption schedules or fixed principal distribution dates. The timing of principal distributions may vary considerably based upon a number of factors, including changes in prevailing interest rates. If prevailing interest rates decrease, principal distributions on the Retail Certificates may accelerate, and any reinvestment of such distributions might be at such lower prevailing interest rates. Conversely, if prevailing interest rates increase, principal distributions on the Retail Certificates may slow down, and investors might not be able to reinvest their principal at such higher prevailing interest rates. In such case, the market value of such Retail Certificates is likely to have declined. See “Description of the Certificates—The Retail Certificates—*Certain Principal Distribution Considerations*” herein.



**Assumed Characteristics of the Mortgage Loans Underlying the MBS and the Ginnie Mae Certificates (as of May 1, 1998)**

	<u>Group</u>	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity or WARM (in months)</u>	<u>Approximate Calculated Loan Age or WALA (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	1	\$1,000,000,000	360	357	3	7.52%
Group 2 MBS	2	\$ 200,000,000	240	238	2	7.10%
Ginnie Mae Certificates	3	\$ 750,000,000	360	330	30	7.50%

The actual remaining terms to maturity, calculated loan ages and, in the case of the Group 1 and Group 2 Classes, 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.

**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 of principal and interest from the related REMIC Certificates. See “Description of the Certificates—Combination and Recombination” herein. Schedule 1 sets forth the available combination of the REMIC Certificates and the related RCR Certificates.

**Interest Rates**

The first distribution of interest on each Retail Class Unit will be made on June 18, 1998 in an amount equal to approximately \$5.83 with respect to each Retail Class Unit. Distributions of interest in that approximate amount on each monthly Distribution Date will continue on each Retail Class Unit until such Unit is retired. See “Description of the Certificates—The Retail Certificates—Retail Interest Distributions” herein.

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FB .....	6.60625%	8.00%	0.95%	LIBOR + 95 basis points
SB .....	9.75625%	49.35%	0.00%	49.35% - (7 × LIBOR)
FE .....	5.92500%	8.00%	0.30%	LIBOR + 30 basis points
SE .....	2.07500%	7.70%	0.00%	7.7% - LIBOR

(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.

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:

### Classes

PD .....	14.2857142857% of PK Class 10.7142857143% of PA Class 10.7142857143% of PB Class
PJ .....	2.8571428571% of PE Class 2.1428571429% of PW Class 1.4285714286% of PG Class 0.7142857143% of PH Class
DB .....	100% of D Class
TN .....	7.6923076923% of TB Class 7.6923076923% of TE Class
SE .....	100% of FE Class

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Tables—*The Inverse Floating Rate Classes*” and “—*The PD, PJ, DB and TN Classes*” herein.

## Distributions of Principal

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

### *Group 1 Principal Distribution Amount*

#### *Z Accrual Amount*

To the Aggregate Group II, to its Scheduled Balance, and thereafter to the Z Class.

#### *JZ Accrual Amount*

To the Aggregate Group IV, to its Targeted Balance, and thereafter to the JZ Class.

#### *LZ Accrual Amount*

To the LA and LB Classes, in that order, to zero, and thereafter to the LZ Class.

#### *ZA Accrual Amount*

To the Aggregate Group III, to its Targeted Balance, and thereafter to the ZA Class.

### *Group 1 Cash Flow Distribution Amount*

1. To the Aggregate Group I, to its Planned Balance.
2. (a) 64.3455135076% of the remaining amount as follows:
  - first*, to the Aggregate Group II, to its Scheduled Balance;
  - second*, to the Z and H Classes, in that order, to zero;
  - third*, (x) 25% of the remaining amount as follows:
    - (i) to the Aggregate Group IV, to its Targeted Balance;
    - (ii) to the JZ Class, to zero; and
    - (iii) to the Aggregate Group IV, to zero; and
  - (y) 75% of such remaining amount to the J and K Classes, in that order, to zero;
  - fourth*, (x) 58.3333333333% of the remaining amount to the L Class, to zero; and
  - (y) 41.6666666667% of such remaining amount to the LA, LB and LZ Classes, in that order, to zero;

*fifth*, to the UU and M Classes, pro rata, to zero; and

*sixth*, to the Aggregate Group II, to zero;

(b) 35.6544864924% of such remaining amount as follows:

*first*, to the Aggregate Group III, to its Targeted Balance;

*second*, to the ZA Class, to zero;

*third*, to the Aggregate Group III, to zero; and

*fourth*, to the FB and SB Classes, pro rata, to zero.

3. To the Aggregate Group I, to zero.

For a description of the related Aggregate Groups, see “Description of the Certificates—Distributions of Principal” herein.

*Group 2 Principal Distribution Amount*

*ZB Accrual Amount*

To the C Class, to its Targeted Balance, and thereafter to the ZB Class.

*ZC Accrual Amount*

1. To the C Class, to its Targeted Balance.

2. To the ZB Class, to zero.

3. To the C Class, to zero, and thereafter to the ZC Class.

*Group 2 Cash Flow Distribution Amount*

1. To the Aggregate Group V, to its Planned Balance.

2. To the C Class, to its Targeted Balance.

3. To the ZB Class, to zero.

4. To the C Class, to zero.

5. To the ZC Class, to zero.

6. To the Aggregate Group V, to zero.

For a description of the related Aggregate Group, see “Description of the Certificates—Distributions of Principal” herein.

*Group 3 Principal Distribution Amount*

1. To the AB and FE Classes, in the proportions of 66.6667194765% and 33.3332805235%, respectively, until the AB Class is reduced to zero.

2. To the AC and FE Classes, in the proportions of 66.6667194765% and 33.3332805235%, respectively, to zero.

3. To the G Class, 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) \***

Group 1 Classes		PSA Prepayment Assumption					
		0%	100%	205%	275%	500%	
PK and PA		9.8	2.9	2.9	2.9	2.6	
PB		18.0	6.0	6.0	6.0	3.9	
PC		23.2	12.3	12.3	12.3	7.2	
PD		13.2	4.2	4.2	4.2	3.1	
H		28.8	22.7	2.8	1.6	0.8	
JA		5.5	5.5	2.9	1.8	0.9	
JB		11.6	11.6	3.5	2.0	1.1	
JC		18.7	18.7	4.1	2.2	1.1	
JZ		29.1	24.0	5.1	1.8	0.9	
J		29.0	23.5	3.6	1.9	1.0	
K		29.2	24.4	4.8	2.2	1.1	
L		29.4	26.0	13.7	2.7	1.3	
LA		7.9	7.9	5.3	2.3	1.2	
LB		17.0	17.0	11.1	2.7	1.4	
LZ		29.4	26.0	16.5	2.9	1.5	
UU** and M		29.8	28.5	23.0	3.6	1.6	
ZA		28.0	22.0	1.2	0.8	0.4	
FB and SB		29.7	27.9	21.2	6.1	2.5	
		PSA Prepayment Assumption					
		0%	100%	155%	205%	275%	500%
PE, PW, PG, PH and PJ	16.0	9.4	4.6	4.6	3.4	1.8	
Z	27.3	19.0	13.7	1.5	0.9	0.4	
		PSA Prepayment Assumption					
		0%	100%	117%	205%	275%	500%
D, DA and DB	18.4	11.2	9.0	5.0	2.5	1.4	
		PSA Prepayment Assumption					
Group 2 Classes		0%	100%	185%	250%	500%	
TB		7.7	3.9	3.9	3.9	2.8	
TE		13.6	8.0	8.0	8.0	4.7	
TL		16.1	12.9	12.9	12.9	7.9	
TN		9.3	5.0	5.0	5.0	3.3	
ZB		18.8	15.9	0.6	0.4	0.2	
ZC		19.5	18.1	15.4	5.4	2.2	
		PSA Prepayment Assumption					
		0%	100%	118%	185%	250%	500%
C	13.8	9.2	7.6	3.9	2.1	1.2	
		PSA Prepayment Assumption					
Group 3 Classes		0%	100%	185%	275%	500%	
AB		17.3	6.6	4.0	2.7	1.4	
AC		27.2	17.3	11.4	8.0	4.2	
E, FE and SE		18.5	7.9	4.9	3.4	1.8	
G		29.0	23.1	18.2	13.7	7.6	

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

\*\* The weighted average lives shown in the table for the Class of Retail Certificates apply to such Class as a whole and are not likely to reflect the experience of any investor in such Class of Retail Certificates. Because investors will receive principal distributions subject to the distribution priorities and allocations described under “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions*” herein, the weighted average lives of Retail Class Units will vary among different investors. See “Description of the Certificates—The Retail Certificates—*Certain Principal Distribution Considerations*” herein.



## ADDITIONAL RISK FACTORS

### Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Group 1, Group 2 and Group 3 Classes will be sensitive in varying degrees to the rate of principal distributions on the Group 1 MBS, Group 2 MBS and Ginnie Mae Certificates, respectively, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that such related Mortgage Loans will have the characteristics assumed herein. Because the rate of principal distributions on the Group 1, Group 2 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 (except in the case of the Group 3 Classes) 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.

It is highly unlikely that the Mortgage Loans underlying the Group 1 MBS, Group 2 MBS or Ginnie Mae 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 on or about the 17th or 18th 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 May 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 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 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 include the MBS and the Ginnie Mae Certificates.

The assets of the Trust will consist of the Lower Tier Regular Interests and a non-interest bearing cash deposit of \$999.99 (the “Retail Cash Deposit”). The Retail Cash Deposit will be used, if necessary, to round the amount of any principal distribution on the UU Class to an amount equal to an

integral multiple of \$1,000 as described herein. The Retail Cash Deposit will not be available for application toward any distributions on the other Classes of Certificates offered hereby (other than the R Class). See “Description of the Certificates—The Retail Certificates—Rounding of Retail Principal Distributions” herein.

*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. 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 Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

*Characteristics of Certificates.* The Certificates of the Group 1 and Group 2 Classes (other than the UU Class) will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks (such Certificates, the “Fed Book-Entry Certificates”). Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts the Fed Book-Entry Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.”

The UU Class, the Group 3 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 Retail Certificates and the R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The Retail Certificates will be issued in minimum denominations of \$1,000 and integral multiples thereof. The R and RL Classes will be issued as single Certificates and will not have principal balances.

*Distribution Dates.* Distributions on the Group 1 and Group 2 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 3 Classes will be made on the 17th day of each month

(or, if such 17th day is not a business day, on the first business day next succeeding such 17th 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, (i) in the case of each such Class of Certificates other than the Retail Certificates, when multiplied by the original principal balance of a Certificate of such Class, will equal the remaining principal balance of such Certificate and (ii) in the case of the Retail Certificates, when multiplied by the aggregate original principal balance of such Class, will equal the aggregate remaining principal balance of such Class, in each case after giving effect to the distribution of principal to be made on the following Distribution Date and any interest to be added as principal to the principal balances of the Accrual Classes on such Distribution Date. As a result, the factor for the Retail Certificates will reflect the reduction in aggregate principal balance of such Class taken as a whole, and will not reflect the reduction in principal balance of the Retail Certificates owned by any particular investor. For purposes of determining the factor for the Retail Certificates, any rounding of the distribution of principal thereof will be disregarded.

*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.

## **The Retail Certificates**

### *General*

The UU Class will consist of Retail Certificates. The Class of Retail Certificates will be represented by one or more certificates to 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”). The Depository will maintain the Class of Retail Certificates in integral numbers of Retail Class Units, through its book-entry facilities. For purposes of calculating principal distributions, the Retail Class Unit for the Class of Retail Certificates will have the initial principal balance set forth below:

<u>Class</u>	<u>Initial Principal Balance Per Unit</u>	<u>Number of Retail Class Units</u>
UU .....	\$1,000	10,000

In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the Retail 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 Retail Certificates.

No person acquiring a beneficial ownership interest in the Retail Certificates (a “beneficial owner” or an “investor”) will be entitled to receive a physical certificate representing such ownership interest. An investor’s interest in a Retail Certificate will be recorded, in an integral number of Retail Class Units 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 Certificate will be recorded, in an integral number of Retail Class Units on the records of the Depository (or of a Depository Participant that acts as agent for the financial intermediary if such intermediary is not a Depository Participant). Therefore, the investor must rely on the foregoing arrangements to evidence its interest in the Retail Certificates. Beneficial ownership of the Retail Certificates may be transferred only by compliance with the

procedures of an investor's financial intermediary and of the Depository Participants. In general, beneficial ownership of the Retail 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*

Each distribution of principal and interest on the Retail Certificates will be distributed by State Street 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. Each Depository Participant and each financial intermediary will be responsible for disbursing such distribution to the beneficial owners of the Retail Certificates that it represents. Accordingly, the beneficial owners may experience some delay in their receipt of distributions.

#### *Retail Interest Distributions*

Interest to be distributed on the Retail Certificates on each Distribution Date will consist of one month's interest at the per annum rate of 7.0% on the outstanding principal balance thereof immediately prior to such Distribution Date. For further discussion, see "Distributions of Interest" herein.

#### *Retail Principal Distributions*

*General.* Distributions of principal of the Retail Certificates on any Distribution Date (each, a "Retail Principal Distribution") will be made, in each case in integral multiples of \$1,000, in accordance with the priorities and limitations set forth herein. On each Distribution Date, State Street, or the Depository in the case of excess Retail Principal Distributions by random lot as described below, will determine the portion of the Retail Principal Distribution, if any, to be made on Retail Certificates held for the account of each Depository Participant. Each Depository Participant and each financial intermediary will in turn determine the portion of the Retail Principal Distribution to be made on the Retail Class Units held for the account of each investor that it represents.

*Rounding of Retail Principal Distributions.* On each Distribution Date on which amounts are available for the distribution of principal of the Retail Certificates (as described under "Distributions of Principal" herein), the amount of such distribution will be rounded, as necessary, to an amount equal to an integral multiple of \$1,000. Such rounding will be accomplished on the first Distribution Date on which a Retail Principal Distribution is made by withdrawing from the Retail Cash Deposit the amount of funds, if any, needed to round the amount otherwise allocable as principal of the Retail Certificates to the next higher integral multiple of \$1,000. On each succeeding Distribution Date on which a Retail Principal Distribution is to be made, the aggregate amount allocable as principal to the Retail Certificates will be applied first to repay any funds withdrawn from the Retail Cash Deposit on the preceding Distribution Date, and then the remainder of such allocable amount, if any, will be similarly rounded upward and applied as a Retail Principal Distribution. This procedure will continue on succeeding Distribution Dates until the principal balance of the Class of Retail Certificates has been reduced to zero. Thus, the Retail Principal Distribution on any Distribution Date may be slightly more or less than would be the case in the absence of such rounding procedures, but such difference will in no event exceed \$999.99 on any Distribution Date. The aggregate of all Retail Principal Distributions made through any Distribution Date will in no event be less than what would have been the case in the absence of such rounding procedures.

*Retail Principal Distribution Requests.* An investor in the Retail Certificates may request that distributions of principal of the Retail Certificates be allocated to such investor (up to the amount of such investor's ownership interest in the Retail Certificates) in integral multiples of \$1,000, on the earliest possible Distribution Date, subject to the priorities and limitations described below (each, a "Retail Principal Distribution Request"). Any Retail Principal Distribution Request must be submitted to the financial intermediary that maintains the account evidencing the related investor's interest in the Retail Certificates. If such financial intermediary is not a Depository Participant, it



must notify the related Depository Participant of such request. The related Depository Participant must in turn make the request in writing to the Depository on a form required by the Depository. Upon the receipt of a request, the Depository will date and time stamp such request and forward it to State Street. State Street shall not be deemed liable for any delay in delivery to State Street of Retail Principal Distribution Requests or the withdrawal of such requests. The exact procedures to be followed by the Depository for purposes of determining the order of receipt will be those established from time to time by the Depository. State Street will maintain a list of those Depository Participants representing investors that have submitted Retail Principal Distribution Requests, together with the order of receipt and the amounts of such requests. State Street will notify the Depository and the appropriate Depository Participants as to which requests should be honored on each Distribution Date. Retail Principal Distribution Requests will be honored by the Depository in accordance with the procedures, and subject to the priorities and limitations, described below. The exact procedures to be followed by State Street and the Depository for purposes of determining such priorities and limitations will be those established from time to time by State Street or the Depository, as the case may be. The decisions of State Street and the Depository concerning such matters will be final and binding on all affected persons.

*An investor may withdraw a Retail Principal Distribution Request by notifying the financial intermediary that maintains the account evidencing such investor's Retail Certificates. If such financial intermediary is not a Depository Participant, it must notify the related Depository Participant, which must in turn forward the withdrawal of such request, on a form required by the Depository, to State Street.*

In order for a Retail Principal Distribution Request, or a withdrawal of such request, to be honored with respect to a Distribution Date, it must be received by the Depository and forwarded to State Street, in the case of a Retail Principal Distribution Request, or received by the Depository Participant and forwarded to State Street, in the case of a withdrawal of such request, by the last day of the month preceding the month in which such Distribution Date occurs (the "Record Date"), in accordance with the procedures described above. Priority of distribution of principal of the Retail Certificates will be given to investors on whose behalf Retail Principal Distribution Requests have been duly received and not withdrawn. Such requests will be honored by the Depository in the following order of priority:

- (i) requests on behalf of Deceased Owners (as defined above) will be honored in the order of their receipt by the Depository until such requests have been honored, with respect to each Deceased Owner on whose behalf such a request has been made, in an initial amount up to \$100,000 of original principal balance per Deceased Owner; and

- (ii) requests on behalf of Living Owners (as defined below) will be honored in the order of their receipt by the Depository until such requests have been honored, with respect to each Living Owner on whose behalf such a request has been made, in an initial amount up to \$10,000 of original principal balance per Living Owner.

Thereafter, requests on behalf of Deceased Owners will be honored as provided in clause (i) above up to an additional amount equal to \$100,000 of original principal balance, and requests on behalf of Living Owners will be honored as provided in clause (ii) above up to an additional amount equal to \$10,000 of original principal balance. This sequence of priorities will be repeated until all Retail Principal Distribution Requests have been honored.

To the extent that the Retail Principal Distribution Requests exceed the aggregate amount of principal available for distribution on the Retail Certificates on a Distribution Date, such requests will automatically be honored on succeeding Distribution Dates, without the need for any further Retail Principal Distribution Requests, all in accordance with the applicable procedures of State Street. A Retail Principal Distribution Request submitted on behalf of a Living Owner who thereafter becomes a Deceased Owner will become entitled to the priority of a newly submitted request on behalf of a Deceased Owner, provided that, as to any Distribution Date, the Depository has received and forwarded to State Street appropriate evidence of death and any required tax waivers on or before the



related Record Date. Upon the transfer of beneficial ownership of any Retail Certificate, any Retail Principal Distribution Request relating thereto will be deemed to have been withdrawn only upon the receipt by State Street of notification of such withdrawal using a form required by the Depository.

*Excess Retail Principal Distribution by Random Lot.* To the extent the Retail Principal Distribution for the Retail Certificates on any Distribution Date exceeds the amount evidenced by the applicable Retail Principal Distribution Requests received by State Street, the Retail Certificates in respect of which distributions of principal are to be made (in integral multiples of \$1,000) will be determined in accordance with the then applicable random lot procedures of the Depository and the established procedures of the Depository Participants and financial intermediaries. Accordingly, a Depository Participant or financial intermediary may elect to allot the remaining portion of such Retail Principal Distribution to the accounts of some investors (which could include such Depository Participant or financial intermediary) without allotting such distributions to the accounts of other investors.

*Beneficial Owners.* A “Deceased Owner” is a beneficial Owner of Retail Certificates who was living at the time such interest was acquired and whose executor or other authorized representative causes to be furnished to the Depository evidence of death satisfactory to State Street and any tax waivers requested by State Street. A “Living Owner” is any other beneficial owner of Retail Certificates. Retail Certificates beneficially owned by tenants by the entirety, joint tenants or tenants in common will be considered to be beneficially owned by a single owner. The death of a tenant by the entirety, joint tenant or tenant in common will be deemed to be the death of the beneficial owner, and the Retail Certificates so beneficially owned will be eligible for priority in principal distribution, subject to the limitations stated above. Retail Certificates beneficially owned by a trust will be considered to be beneficially owned by each beneficiary of the trust to the extent of such beneficiary’s beneficial interest in such Retail Certificates, but in no event will a trust’s beneficiaries collectively be deemed to be beneficial owners of a principal amount of Retail Certificates greater than the principal amount of Retail Certificates of which such trust is the owner. The death of a beneficiary of a trust will be deemed to be the death of a beneficial owner of the Retail Certificates beneficially owned by the trust to the extent of such beneficiary’s beneficial interest in the Retail Certificates owned by such trust. The death of an individual who was a tenant by the entirety, joint tenant or tenant in common in a tenancy which is the beneficiary of a trust will be deemed to be the death of the beneficiary of the trust. The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial ownership interests in Retail Certificates will be deemed to be the death of the beneficial owner of such Retail Certificates regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of State Street. Such beneficial interest will be deemed to exist in typical cases of street name or nominee ownership, ownership by a trustee, ownership under the Uniform Gifts to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will include the power to sell, transfer or otherwise dispose of Retail Certificates and the right to receive the proceeds therefrom, as well as interest and principal distributable with respect thereto.

*Tax Information.* Information allowing beneficial owners of the Retail Certificates to calculate properly the taxable income attributable to the Retail Certificates will be made available by Fannie Mae to Depository Participants and financial intermediaries as required by federal income tax law. Financial intermediaries, in turn, will be obligated to supply such information to individuals and other beneficial owners who are not “exempt recipients.” Beneficial owners should be aware, however, that such information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a Retail Certificate. The Class of Retail Certificates may be issued with “original issue discount” or at a premium for federal income tax purposes. *Prospective investors in the Class of Retail Certificates should be aware that the beneficial owners of Retail Certificates must include in gross income original issue discount, if any, as it accrues under a method that generally results in recognition of some taxable income in advance of receipt of the cash attributable to such income.* Prospective investors in the Class of Retail Certificates also should be aware that beneficial owners of the Retail Certificates should treat any premium, any original issue discount and any market

discount with respect to such Certificates in the same manner as beneficial owners of other “regular interests” in a REMIC. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates” in the REMIC Prospectus. Because the Retail Certificates will not receive payments of principal on a pro rata basis, however, a payment in full of a Retail Certificate may be treated as a prepayment for purposes of the premium, original issue discount and market discount rules. Additional tax consequences affecting beneficial owners of the Retail Certificates are discussed under “Certain Additional Federal Income Tax Consequences—Taxation of Beneficial Owners of the Regular Certificates” herein and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates” in the REMIC Prospectus.

#### *Certain Principal Distribution Considerations*

Because there may be little or no distribution of principal of the Retail Certificates on any particular Distribution Date, *there is no assurance that a Retail Principal Distribution Request will be honored, either in whole or in part, within any particular time after it is submitted.* The likelihood that any particular Retail Principal Distribution Request will be honored within any particular time after submission will also be affected by the aggregate principal balance of the Retail Certificates beneficially owned by persons having priority to right of distribution, either due to their status as Deceased Owners or because of earlier submission of their Retail Principal Distribution Requests. Conversely, the amount of principal available to be distributed on the Retail Certificates on any Distribution Date may exceed the amount necessary to satisfy such Retail Principal Distribution Requests, in which case non-requesting investors may receive distributions of principal in accordance with the random lot procedures referred to herein.

During periods in which interest rates generally are higher than the per annum rate at which interest accrues on the Retail Certificates, a greater number of investors may be expected to submit Retail Principal Distribution Requests. During such periods, however, there may be a concurrent reduction in the rate of prepayments on the related Mortgage Loans, thus reducing the funds available for Retail Principal Distributions. Conversely, Retail Principal Distributions may be greater when prevailing interest rates decline relative to the rates of interest on the related Mortgage Loans. Under such conditions, investors may be less likely to submit Retail Principal Distribution Requests while mortgagors may be more likely to prepay the related Mortgage Loans. Investors whose Retail Certificates are selected for distribution under such conditions may be unable to reinvest the proceeds of such distributions at effective interest rates equal to the specified per annum rate at which interest accrues on the Retail Certificates.

Because the rate of Retail Principal Distributions is dependent upon the rate of principal distributions (including prepayments) on the related Mortgage Loans and the priority sequences of distributions described herein under “Description of the Certificates—Distributions of Principal,” no assurance can be given as to the Distribution Date on which the Retail Certificates will begin to receive principal distributions, as to the rate at which such distributions will continue thereafter or as to the date on which the principal amount of the Retail Certificates will be distributed in full. In addition, it is possible that certain investors in the Retail Certificates may not receive Retail Principal Distributions until the Final Distribution Date for such Class. Any investor who purchases a Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following issuance of the Certificates could result in an actual yield that is lower than such investor’s anticipated yield. See “Description of the Certificates—Distributions of Principal,” “—Yield Tables” and “—Weighted Average Lives of the Certificates” herein.

As described under “Distributions of Principal” herein, the amount of principal allocated on each Distribution Date to the Retail Certificates primarily will depend on the sufficiency of the Group 1 Principal Distribution Amount (as defined herein) to reduce the principal balances of those Classes of Certificates that have higher principal payment priorities than the Class of Retail Certificates to zero. As a result, the amount of principal distributable on the Retail Certificates on any Distribution Date will be sensitive to the level of prepayments of the related Mortgage Loans.

To illustrate the effect of prepayments on the distributions of principal of the Retail Certificates, the following table indicates the approximately aggregate distributions of principal of the Retail Certificates during the periods shown. The following table shows the amounts that would be available for distributions of principal of the Class of Retail Certificates during the periods indicated at various constant percentages of PSA (as defined under “Structuring Assumptions—*Prepayment Assumptions*” herein), based on the allocations of principal described under “Distributions of Principal” herein. The amounts shown have been calculated on the basis of the Pricing Assumptions (as defined herein) (except that with respect to the information set forth below under 0% PSA, it has been assumed that the related Mortgage Loans have remaining terms to maturity of 360 months, and interest rates of 9.5% per annum) and on the assumption that principal distributions on the Retail Certificates are not rounded to integral multiples of \$1,000 and are made on the 18th day of each month in which such distributions are required to be made. **The amounts in the table are hypothetical numbers only, apply to the Class of Retail Certificates taken as a whole, and are presented solely to show the relationship between prepayments and distributions on the Retail Certificates in order to assist investors in analyzing that relationship. Because of the distribution priorities and allocations described above and because investors in the Retail Certificates will receive principal distributions in integral multiples of \$1,000, there is no assurance that any investor will receive a distribution of principal on any Distribution Date. Investors are urged to consult their own financial advisors as to the significance of prepayments in terms of the investors’ financial and investment objectives.**

**Aggregate Retail Principal Distributions**  
**(for illustrative purposes only)**  
**(Amounts in thousands)**

Twelve Consecutive Months Through	PSA Prepayment Assumption				
	0%	100%	205%	275%	500%
May 1999.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
May 2000.....	0	0	0	0	10,000
May 2001.....	0	0	0	0	0
May 2002.....	0	0	0	9,135	0
May 2003.....	0	0	0	865	0
May 2004.....	0	0	0	0	0
May 2005.....	0	0	0	0	0
May 2006.....	0	0	0	0	0
May 2007.....	0	0	0	0	0
May 2008.....	0	0	0	0	0
May 2009.....	0	0	0	0	0
May 2010.....	0	0	0	0	0
May 2011.....	0	0	0	0	0
May 2012.....	0	0	0	0	0
May 2013.....	0	0	0	0	0
May 2014.....	0	0	0	0	0
May 2015.....	0	0	0	0	0
May 2016.....	0	0	0	0	0
May 2017.....	0	0	579	0	0
May 2018.....	0	0	1,416	0	0
May 2019.....	0	0	1,289	0	0
May 2020.....	0	0	1,165	0	0
May 2021.....	0	0	1,047	0	0
May 2022.....	0	0	935	0	0
May 2023.....	0	0	830	0	0
May 2024.....	0	0	732	0	0
May 2025.....	0	0	642	0	0
May 2026.....	0	3,162	560	0	0
May 2027.....	0	3,966	485	0	0
May 2028.....	10,000	2,872	319	0	0
Total* .....	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>

\* Total principal payments may not equal the sums of the respective columns due to rounding.

The foregoing table has been prepared on the basis of assumptions, some or all of which are likely to differ from actual experience. There can be no assurance that the related Mortgage Loans will have the assumed characteristics or will prepay at any of the constant rates shown in the table or at any other particular rate or that the amounts available for distribution of principal of the Retail Certificates will correspond to any of the amounts shown herein. The rates of Retail Principal Distributions for the Retail Certificates will be directly related to the actual amortization and prepayments of the related Mortgage Loans, which will likely include Mortgage Loans that have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed. As a result, the amounts available for distribution of principal of the Retail Certificates are likely to differ from those shown in the table above, even if all the Mortgage Loans prepay at the indicated constant percentages of PSA. In particular, the diverse remaining terms to maturity of the Mortgage Loans could produce lower yields than those produced by Mortgage Loans having the assumed characteristics. In addition, the Mortgage Loans will not prepay at a constant level of PSA until maturity and it is extremely unlikely that all of such Mortgage Loans will prepay at the same rate. The timing of the changes in the rate of prepayments may significantly affect the actual amounts available for distribution of principal to an investor (and may affect the resulting yield to maturity), even if the average rate of principal prepayments is consistent with an investor's expectation. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal

prepayments occurring at a rate slower (or faster) than the rate anticipated by the investor during the period immediately following the issuance of the Retail Certificates will not be equally offset by a subsequent like increase (or decrease) in the rate of principal prepayments. Investors are urged to consult their own financial advisors as to the appropriate prepayment assumption to be used in deciding whether to purchase any Retail Certificates.

The weighted average lives of the Retail Certificates shown in the table referenced under “Decrement Tables” herein apply to such Class taken as a whole; as a result of the distribution priorities and allocations described above, the weighted average lives of the Retail Certificates beneficially owned by individual investors may vary significantly from the weighted average life of the Class as a whole. Although distributions of principal and interest on the Retail Certificates are guaranteed by Fannie Mae as described herein, Fannie Mae can give no assurance as to any particular principal distribution scenario, as to any particular weighted average life for the Retail Certificates or as to the date or dates on which any particular investor will receive distributions of principal. In addition, there is no assurance that procedures of the financial intermediaries or the Depository will not change. Investors in the Retail Certificates should understand that they are assuming all risks and benefits associated with the rate of principal distributions on such Retail Certificates, whether such rate is rapid or slow and with variations in such rate from time to time. Investors in the Retail Certificates should also consider that the effective yields to Holders of the Retail Certificates will be lower than the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 18th day following the end of the related Interest Accrual Period and will not bear interest during such delay.

#### *Investment Determination*

The Retail Certificates may not be an appropriate investment for all prospective investors. The Retail Certificates would not be an appropriate investment for any investor requiring a particular distribution of principal on a specified date or an otherwise predictable stream of principal distributions. There is no assurance that any investor in the Retail Certificates will receive a principal distribution (in integral multiples of \$1,000) on any particular Distribution Date. Any investor who purchases a Retail Certificate at a premium (or a discount) should consider the risk that relatively early (or late) principal distributions following issuance of the Certificates could result in an actual yield that is lower than such investor’s anticipated yield. In addition, although the Dealers intend to make a secondary market in the Retail Certificates, they have no obligation to do so, and any such market making may be discontinued at any time. There is no assurance that such a secondary market will develop, that any such market will continue or that information on any such secondary market will be as readily available as information regarding certain other types of investments. Thus, investors may not be able to sell their Retail Certificates readily or at a price that will enable them to realize their anticipated yield. The price of the Retail Certificates in any such secondary market will be affected by various factors, and the volatility of such price may differ from that evidenced by certain other types of investments. Accordingly, there can be no assurance that the price at which an investor may be able to sell a Retail Certificate will be the same as or higher than the purchase price at which such investor purchased such Certificate; in fact, such price may be lower and, under certain circumstances, substantially lower than the original price for such Retail Certificate.

#### **Combination and Recombination**

*General.* Subject to the rules, regulations and procedures of the Depository, all or a portion of the AB and AC Classes of REMIC Certificates may be exchanged for a proportionate interest in the related RCR Certificates in accordance with the available combination reflected on Schedule 1 hereto. Similarly, all or a portion of the RCR Certificates may be exchanged in accordance with the available combination reflected on Schedule 1, for the related 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 of such Classes, will depend upon any related distributions of principal as well as any exchanges that occur. The 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 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 give 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 combination listed on Schedule 1 is 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. The Fed Book-Entry 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 Fed Book-Entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of a Fed Book-Entry Certificate, and each other financial intermediary in the chain to the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of a Fed Book-Entry Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Fannie Mae and the Federal Reserve Banks will have no direct obligation to a beneficial owner of a Fed Book-Entry Certificate that is not also the Holder of such Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of a Fed Book-Entry Certificate. See "Description of the Certificates—Denominations, Certificate Form" in the REMIC Prospectus.

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

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

*Method of Distribution.* Fannie Mae’s fiscal agent for the Fed Book-Entry Certificates is the Federal Reserve Bank of New York. The Federal Reserve Banks will make distributions on such Certificates on behalf of Fannie Mae on the applicable Distribution Dates by crediting Holders’ accounts at the Federal Reserve Banks.

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

## **The MBS**

The 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 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 MBS. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties and having an original maturity of up to 30 years, in the case of the Group 1 MBS, and up

to 20 years, in the case of the Group 2 MBS. The characteristics of the Group 1 and Group 2 MBS and the related Mortgage Loans as of May 1, 1998 (the “Issue Date”) are expected to be as follows:

**Group 1 MBS**

Aggregate Unpaid Principal Balance .....	\$1,000,000,000
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 .....	357 months
Approximate Weighted Average CAGE .....	3 months

**Group 2 MBS**

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

**Related Mortgage Loans**

Range of WACs .....	6.75% to 9.00%
Range of WAMs .....	180 months to 240 months
Approximate Weighted Average WAM .....	238 months
Approximate Weighted Average CAGE .....	2 months

**The Ginnie Mae Certificates**

The Ginnie Mae Certificates specified below will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the REMIC Prospectus. All of the Ginnie Mae Certificates are Ginnie Mae I Certificates. See “Ginnie Mae and the Ginnie Mae Programs” in the REMIC Prospectus. The characteristics of the Ginnie Mae Certificates and the Mortgage Loans as of the Issue Date are expected to be as follows:

**Ginnie Mae Certificates**

Aggregate Unpaid Principal Balance .....	\$750,000,000
Ginnie Mae Pass-Through Rate .....	7.00%

**Related Mortgage Loans**

WAC .....	7.50%
Range of WARMS .....	241 months to 360 months
Approximate Weighted Average WARM .....	330 months
Approximate Weighted Average WALA .....	30 months

**Final Data Statement**

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, (a) with respect to the 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 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 each of the Group 1 and Group 2 MBS as of the Issue Date and (b) with respect to each Ginnie Mae Certificate, among other things, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturity Mortgage Loan underlying such Ginnie Mae Certificate as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

## Distributions of Interest

### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Fixed Rate	PK, PA, PB, PC, PD, PE, PW, PG, PH, PJ, Z, H, JA, JB, JC, JZ, J, K, L, LA, LB, LZ, UU, M, D, DA, DB and ZA
Floating Rate	FB
Inverse Floating Rate	SB
Accrual	Z, JZ, LZ and ZA
Interest Only	PD, PJ and DB
<b>Group 2 Classes</b>	
Fixed Rate	TB, TE, TL, TN, C, ZB and ZC
Accrual	ZB and ZC
Interest Only	TN
<b>Group 3 Classes</b>	
Fixed Rate	AB, AC, and G
Floating Rate	FE
Inverse Floating Rate	SE
Interest Only	SE
RCR**	E
<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 Class.

*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 (except with respect to the Accrual Classes) in the month after the Settlement Date. Interest to be distributed or, in the case of the Accrual Classes, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

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>
FE and SE 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.

*Accrual Classes.* Interest will accrue on the Accrual Classes at the per annum rate set forth on the cover hereof; however, such interest will not be distributed thereon for so long as such respective Classes remain outstanding. Interest so accrued and unpaid on the Accrual Classes will be added as principal to the respective principal balances thereof on each Distribution Date. Distributions of principal of the Accrual Classes will be made as described herein.

*Notional Classes.* The 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.

*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 (the “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 Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of the Index.

The establishment of the 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 of the FB, SB, FE and SE 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” 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 5.65625% in the case of the FB and SB Classes, and 5.62500% in the case of the FE and SE Classes.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC**	PK†, PA†, PB† and PC†
TAC**	JA†, JB†, JC†, D† and DA†
Scheduled**	PE†, PW†, PG† and PH†
Support	Z, H, JZ, J, K, L, LA, LB, LZ, UU, M, ZA, FB and SB
Accretion Directed	PE, PW, PG, PH, JA, JB, JC, LA, LB, D and DA
Retail	UU
Notional	PD, PJ and DB



**Principal Type\*****Classes****Group 2 Classes**

PAC**	TB†, TE† and TL†
TAC**	C
Support	ZB and ZC
Accretion Directed	C and ZB
Notional	TN

**Group 3 Classes**

Sequential Pay	AB, AC, FE and G
Notional	SE
RCR***	E

**No Payment Residual**

R and RL

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

\*\* The Principal Balance Schedules are set forth herein beginning on page A-1.

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

† The Principal Types for these Classes reflect the Principal Balance Schedules applicable to the Aggregate Groups of which these Classes form a part.

*Principal Distribution Amount*

On each Distribution Date, principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal to be made on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Cash Flow Distribution Amount”) and any interest accrued and added on such Distribution Date to the principal balances of the Z, JZ, LZ and ZA Classes (the “Z Accrual Amount,” “JZ Accrual Amount,” “LZ Accrual Amount” and “ZA Accrual Amount,” respectively, and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”), (ii) the aggregate distributions of principal to be made on the Group 2 MBS in the month of such Distribution Date (the “Group 2 Cash Flow Distribution Amount”) and any interest accrued and added on such Distribution Date to the principal balances of the ZB and ZC Classes (the “ZB Accrual Amount” and “ZC Accrual Amount,” respectively, and, together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”) and (iii) the aggregate distributions of principal to be made on the Ginnie Mae Certificates in the month of such Distribution Date calculated as described in the immediately following paragraph (the “Group 3 Principal Distribution Amount”).

On or about the fifth business day of each month, Fannie Mae will aggregate the amount of principal reported to be receivable on the Ginnie Mae Certificates during such month on the basis of published Ginnie Mae factors for such month. For any Ginnie Mae Certificate for which a factor is not available at such time, Fannie Mae will calculate the amount of scheduled payments of principal distributable in respect of such Ginnie Mae Certificates during such month on the basis of the assumed amortization schedules of the related Mortgage Loans. The amortization schedules will be prepared on the assumptions that: (i) each of the Mortgage Loans underlying a single Ginnie Mae Certificate amortizes on a level installment basis, had an original term to maturity of 360 months, and has a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying such Ginnie Mae Certificate at the origination of such Ginnie Mae Certificate, adjusted to the Issue Date; and (ii) each Mortgage Loan underlying a Ginnie Mae Certificate bears an interest rate of 7.50% per annum. All such amounts, whether reported in Ginnie Mae factors or calculated by Fannie Mae, will be reflected in the REMIC Trust Factors for the Distribution Date in such month and will be distributed to Holders of Certificates of the Group 3 Classes on such Distribution Date, whether or not received. There will also be reflected in such REMIC Trust Factors and distributable as principal on such Distribution Date the excess of (a) the distributions of principal of the Ginnie Mae Certificates received during the month prior to the month of such Distribution Date over (b) the amount of principal calculated and distributable previously in accordance with the Ginnie Mae factors and the assumed distribution schedules specified above.

*Group 1 Principal Distribution Amount*

*Z Accrual Amount*

On each Distribution Date, the Z Accrual Amount will be distributed as principal of the Aggregate Group II (as described below), until the Aggregate Group II Balance (as described below) is reduced to its Scheduled Balance for such Distribution Date, and thereafter will be distributed as principal of the Z Class.

Accretion  
Directed  
Group  
and  
Accrual  
Class

*JZ Accrual Amount*

On each Distribution Date, the JZ Accrual Amount will be distributed as principal of the Aggregate Group IV (as described below), until the Aggregate Group IV Balance (as described below) is reduced to its Targeted Balance for such Distribution Date, and thereafter will be distributed as principal of the JZ Class.

Accretion  
Directed  
Group  
and  
Accrual  
Class

*LZ Accrual Amount*

On each Distribution Date, the LZ Accrual Amount will be distributed, sequentially, as principal of the LA and LB Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter will be distributed as principal of the LZ Class.

Accretion  
Directed  
Classes  
and  
Accrual  
Class

*ZA Accrual Amount*

On each Distribution Date, the ZA Accrual Amount will be distributed as principal of the Aggregate Group III (as described below), until the Aggregate Group III Balance (as described below) is reduced to its Targeted Balance for such Distribution Date, and thereafter will be distributed as principal of the ZA Class.

Accretion  
Directed  
Group  
and  
Accrual  
Class

*Group 1 Cash Flow Distribution Amount*

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

(i) to the Aggregate Group I (as described below), until the Aggregate Group I Balance (as described below) is reduced to its Planned Balance for such Distribution Date;

PAC  
Group

(ii) (a) 64.3455135076% of the remaining amount as follows:

*first*, to the Aggregate Group II, until the Aggregate Group II Balance is reduced to its Scheduled Balance for such Distribution Date;

Scheduled  
Group

*second*, sequentially, to the Z and H Classes, in that order, until the respective principal balances thereof are reduced to zero;

Support  
Classes

*third* (x) 25% of the remaining amount as follows:

1. to the Aggregate Group IV, until the Aggregate Group IV Balance is reduced to its Targeted Balance for such Distribution Date;

TAC  
Group

2. to the JZ Class, until the principal balance thereof is reduced to zero; and

Support  
Class

3. to the Aggregate Group IV, without regard to its Targeted Balance and until the Aggregate Group IV Balance is reduced to zero; and

TAC  
Group

(y) 75% of such remaining amount, sequentially, to the J and K Classes, in that order, until the respective principal balances thereof are reduced to zero;

Support  
Classes

*fourth*, (x) 58.3333333333% of the remaining amount to the L Class, until the principal balance thereof is reduced to zero; and

(y) 41.6666666667% of such remaining amount, sequentially, to the LA, LB and LZ Classes, in that order, until the respective principal balances thereof are reduced to zero;

*fifth*, concurrently, to the UU and M Classes, pro rata (or 42.7899015832% and 57.2100984168%, respectively), until the principal balances thereof are reduced to zero; and

*sixth*, to the Aggregate Group II, without regard to its Scheduled Balance and until the Aggregate Group II Balance is reduced to zero;

} Support  
Classes

} Scheduled  
Group

(b) 35.6544864924% of such remaining amount as follows:

*first*, to the Aggregate Group III, until the Aggregate Group III Balance is reduced to its Targeted Balance for such Distribution Date;

} TAC  
Group

*second*, to the ZA Class, until the principal balance thereof is reduced to zero;

} Support  
Class

*third*, to the Aggregate Group III, without regard to its Targeted Balance and until the Aggregate Group III Balance is reduced to zero; and

} TAC  
Group

*fourth*, concurrently, to the FB and SB Classes, pro rata (or 87.5% and 12.5%, respectively), until the principal balances thereof are reduced to zero; and

} Support  
Classes

(iii) to the Aggregate Group I, without regard to its Planned Balance and until the Aggregate Group I Balance is reduced to zero.

} PAC  
Group

The “Aggregate Group I” consists of the PK, PA, PB and PC Classes, and any distribution of principal of the Aggregate Group I will be applied in the following order of priority:

*first*, concurrently, to the PK and PA Classes, pro rata (or 51.6406225793% and 48.3593774207%, respectively), until the principal balances thereof are reduced to zero; and

*second*, sequentially, to the PB and PC Classes, in that order, until the respective principal balances thereof are reduced to zero.

The “Aggregate Group I Balance” for any Distribution Date is equal to \$631,505,000 minus the sum of all amounts previously applied thereto as specified above.

The “Aggregate Group II” consists of the PE, PW, PG and PH Classes, and any distribution of principal of the Aggregate Group II will be made, concurrently, to the PE, PW, PG and PH Classes, pro rata (or 22.2222222222%, 11.1111111111%, 29.6296296297% and 37.0370370370%, respectively), until the principal balances thereof are reduced to zero.

The “Aggregate Group II Balance” for any Distribution Date is equal to \$135,000,000 minus the sum of all amounts previously applied thereto as specified above.

The “Aggregate Group III” consists of the D and DA Classes, and any distribution of principal of the Aggregate Group III will be made, concurrently, to the D and DA Classes, pro rata (or 50.9642434868% and 49.0357565132%), respectively, until the principal balances thereof are reduced to zero.

The “Aggregate Group III Balance” for any Distribution Date is equal to \$98,108,000 minus the sum of all amounts previously applied thereto as specified above.

The “Aggregate Group IV” consists of the JA, JB and JC Classes, and any distribution of principal of the Aggregate Group IV will be made, sequentially, to the JA, JB and JC Classes, in that order, until the respective principal balances thereof are reduced to zero.

The “Aggregate Group IV Balance” for any Distribution Date is equal to \$4,000,000 minus the sum of all amounts previously applied thereto as specified above.

*Group 2 Principal Distribution Amount*

*ZB Accrual Amount*

On each Distribution Date, the ZB Accrual Amount will be distributed as principal of the C Class until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date, and thereafter will be distributed as principal of the ZB Class. } Accretion Directed Class and Accrual Class

*ZC Accrual Amount*

On each Distribution Date, the ZC Accrual Amount will be distributed as principal of the Classes specified below in the following order of priority:

- (i) to the C Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date;
  - (ii) to the ZB Class, until the principal balance thereof is reduced to zero; and
  - (iii) to the C Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero, and thereafter to the ZC Class.
- } Accretion Directed Classes and Accrual Class

*Group 2 Cash Flow Distribution Amount*

On each Distribution Date, the Group 2 Cash Flow Distribution Amount will be distributed as principal of the Group 2 Classes in the following order of priority:

- (i) to the Aggregate Group V (as described below), until the Aggregate Group V Balance (as described below) is reduced to its Planned Balance for such Distribution Date; } PAC Group
- (ii) to the C Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date; } TAC Class
- (iii) to the ZB Class, until the principal balance thereof is reduced to zero; } Support Class
- (iv) to the C Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero; } TAC Class
- (v) to the ZC Class, until the principal balance thereof is reduced to zero; and } Support Class
- (vi) to the Aggregate Group V, without regard to its Planned Balance and until the Aggregate Group V Balance is reduced to zero. } PAC Group

The “Aggregate Group V” consists of the TB, TE and TL Classes, and any distribution of principal of the Aggregate Group V will be made, sequentially, to the TB, TE and TL Classes, in that order, until the respective principal balances thereof are reduced to zero.

The “Aggregate Group V Balance” for any Distribution Date is equal to \$140,833,000 minus the sum of all amounts previously applied thereto as specified above.

### 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:

- |   |   |                              |
|---|---|------------------------------|
| <p>(i) concurrently, to the AB and FE Classes, in the proportions of 66.6667194765% and 33.3332805235%, respectively, until the principal balance of the AB Class is reduced to zero;</p> <p>(ii) concurrently, to the AC and FE Classes, in the proportions of 66.6667194765% and 33.3332805235%, respectively, until the principal balances thereof are reduced to zero; and</p> <p>(iii) to the G Class, until the principal balance thereof is reduced to zero.</p> | } | Sequential<br>Pay<br>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 following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 MBS, Group 2 MBS and Ginnie Mae Certificates have the original terms to maturity, remaining terms to maturity or WARMs, CAGEs or WALAs, and interest rates as specified herein under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS and the Ginnie Mae Certificates”;
- all payments (including prepayments) on the Mortgage Loans underlying the Ginnie Mae Certificates are distributed on the Certificates in the month in which such payments are received;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the closing date for the sale of the Certificates is May 29, 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.

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

<u>Principal Balance Schedule References</u>	<u>Related Groups and Class</u>	<u>Structuring Ranges and Rates</u>
Planned Balance	Aggregate Group I(1)	Between 100% and 275%
Scheduled Balance	Aggregate Group II(1)	Between 155% and 205%
Targeted Balance	Aggregate Group III(2)	117%
Targeted Balance	Aggregate Group IV(2)	205%
Planned Balance	Aggregate Group V(1)	Between 100% and 250%
Targeted Balance	C	118%

- (1) The Structuring Ranges for these Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.
- (2) The Structuring Rates for these Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.



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

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

<u>Related Groups (3)</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 275%
Aggregate Group II	Between 149% and 205%
Aggregate Group V	Between 100% and 250%

(3) The Initial Effective Ranges for these Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.

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

## **Yield Tables**

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

prices of the Certificates will be as assumed. In addition, there can be no assurance that the 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, in the case of the Group 1 and Group 2 Classes, 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 Index will remain constant.

**The Inverse Floating Rate Classes.** The yields to investors in the Inverse Floating Rate 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 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 applicable table below, it is possible that, under certain Index and prepayment scenarios, investors in the SE Class would not fully recoup their initial investments.

Changes in the 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 for the initial Interest Accrual Period are the 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 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>
SB .....	85.75%
SE .....	5.25%

\* 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 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>205%</u>	<u>275%</u>	<u>500%</u>
3.65625% .....	28.9%	28.9%	29.0%	30.0%	33.5%
5.65625% .....	11.7%	11.7%	11.8%	13.4%	17.2%
7.05000% .....	0.5%	0.6%	0.7%	2.5%	6.3%

#### **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>185%</u>	<u>275%</u>	<u>500%</u>
3.625% .....	82.3%	77.1%	67.7%	57.0%	24.8%
5.625% .....	36.5%	31.8%	23.0%	12.2%	(21.3)%
7.700% .....	*	*	*	*	*

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

**The PD, PJ, DB and TN Classes.** The yields to investors in the PD, PJ, DB and TN Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at

any time. On the basis of the assumptions described below, the yield to maturity on the PD, PJ, DB and TN Classes would be 0% if prepayments of the related Mortgage Loans were to occur at constant rates of approximately 504% PSA, 307% PSA, 223% PSA, and 406% PSA, respectively. If the actual prepayment rates of the related Mortgage Loans were to exceed the applicable levels for as little as one month while equaling such levels for the remaining months, the investors in the PD, PJ, DB and TN Classes, as applicable, would not fully recoup their initial investments.

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

<u>Class</u>	<u>Price*</u>
PD .....	21.250%
PJ .....	19.500%
DB .....	0.375%
TN .....	24.375%

\* 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 PD Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>205%</u>	<u>275%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	22.8%	13.6%	13.6%	13.6%	0.3%

#### **Sensitivity of the PJ Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>205%</u>	<u>275%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	31.6%	28.7%	14.8%	14.8%	7.5%	(35.8)%

#### **Sensitivity of the DB Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>117%</u>	<u>205%</u>	<u>275%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	23.5%	21.4%	18.3%	7.2%	(22.0)%	(75.6)%

#### **Sensitivity of the TN Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>185%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	15.6%	9.8%	9.8%	9.8%	(7.1)%

#### **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 of distributions of principal of the Group 1, Group 2 and Group 3 Classes. The weighted average lives of the Group 1 and Group 2 Classes will also depend on the distribution of principal of certain Classes in accordance with the Principal Balance Schedules. See “Distributions of Principal” herein.

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>
Group 1 MBS	360 months	360 months	9.5%	Group 1
Group 2 MBS	240 months	240 months	9.0%	Group 2
Ginnie Mae Certificates	360 months	360 months	7.5%	Group 3

It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates (except in the case of the mortgage loans underlying the Ginnie Mae Certificates), 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	PK and PA Classes					PB Class					PC Class					PD† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999 . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2000 . . . . .	97	79	79	79	79	100	100	100	100	100	100	100	100	100	100	98	88	88	88	88
May 2001 . . . . .	93	46	46	46	23	100	100	100	100	100	100	100	100	100	100	96	68	68	68	55
May 2002 . . . . .	89	14	14	14	0	100	100	100	100	36	100	100	100	100	100	94	50	50	50	15
May 2003 . . . . .	85	0	0	0	0	100	82	82	82	0	100	100	100	100	84	91	34	34	34	0
May 2004 . . . . .	80	0	0	0	0	100	48	48	48	0	100	100	100	100	58	88	20	20	20	0
May 2005 . . . . .	74	0	0	0	0	100	17	17	17	0	100	100	100	100	40	85	7	7	7	0
May 2006 . . . . .	68	0	0	0	0	100	0	0	0	0	100	93	93	93	27	81	0	0	0	0
May 2007 . . . . .	61	0	0	0	0	100	0	0	0	0	100	76	76	76	19	77	0	0	0	0
May 2008 . . . . .	53	0	0	0	0	100	0	0	0	0	100	62	62	62	13	73	0	0	0	0
May 2009 . . . . .	45	0	0	0	0	100	0	0	0	0	100	51	51	51	9	68	0	0	0	0
May 2010 . . . . .	36	0	0	0	0	100	0	0	0	0	100	41	41	41	6	63	0	0	0	0
May 2011 . . . . .	26	0	0	0	0	100	0	0	0	0	100	34	34	34	4	57	0	0	0	0
May 2012 . . . . .	15	0	0	0	0	100	0	0	0	0	100	27	27	27	3	51	0	0	0	0
May 2013 . . . . .	3	0	0	0	0	100	0	0	0	0	100	22	22	22	2	44	0	0	0	0
May 2014 . . . . .	0	0	0	0	0	88	0	0	0	0	100	18	18	18	1	37	0	0	0	0
May 2015 . . . . .	0	0	0	0	0	71	0	0	0	0	100	14	14	14	1	30	0	0	0	0
May 2016 . . . . .	0	0	0	0	0	52	0	0	0	0	100	11	11	11	1	22	0	0	0	0
May 2017 . . . . .	0	0	0	0	0	32	0	0	0	0	100	9	9	9	*	13	0	0	0	0
May 2018 . . . . .	0	0	0	0	0	9	0	0	0	0	100	7	7	7	*	4	0	0	0	0
May 2019 . . . . .	0	0	0	0	0	0	0	0	0	0	90	5	5	5	*	0	0	0	0	0
May 2020 . . . . .	0	0	0	0	0	0	0	0	0	0	74	4	4	4	*	0	0	0	0	0
May 2021 . . . . .	0	0	0	0	0	0	0	0	0	0	56	3	3	3	*	0	0	0	0	0
May 2022 . . . . .	0	0	0	0	0	0	0	0	0	0	36	2	2	2	*	0	0	0	0	0
May 2023 . . . . .	0	0	0	0	0	0	0	0	0	0	14	2	2	2	*	0	0	0	0	0
May 2024 . . . . .	0	0	0	0	0	0	0	0	0	0	1	1	1	1	*	0	0	0	0	0
May 2025 . . . . .	0	0	0	0	0	0	0	0	0	0	1	1	1	1	*	0	0	0	0	0
May 2026 . . . . .	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*	0	0	0	0	0
May 2027 . . . . .	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*	0	0	0	0	0
May 2028 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	9.8	2.9	2.9	2.9	2.6	18.0	6.0	6.0	6.0	3.9	23.2	12.3	12.3	12.3	7.2	13.2	4.2	4.2	4.2	3.1

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

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

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



Date	PE, PW, PG, PH and PJ† Classes						Z Class						H Class				
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	155%	205%	275%	500%	0%	100%	155%	205%	275%	500%	0%	100%	205%	275%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999 .....	96	85	82	82	82	82	107	107	100	76	43	0	100	100	100	100	0
May 2000 .....	93	79	66	66	66	50	115	115	100	27	0	0	100	100	100	0	0
May 2001 .....	92	77	53	53	53	0	123	123	100	0	0	0	100	100	19	0	0
May 2002 .....	90	75	43	43	43	0	132	132	100	0	0	0	100	100	0	0	0
May 2003 .....	88	73	35	35	25	0	142	142	100	0	0	0	100	100	0	0	0
May 2004 .....	86	72	28	28	12	0	152	152	100	0	0	0	100	100	0	0	0
May 2005 .....	84	69	23	23	4	0	163	163	100	0	0	0	100	100	0	0	0
May 2006 .....	82	67	20	20	1	0	175	175	100	0	0	0	100	100	0	0	0
May 2007 .....	80	65	18	18	*	0	187	187	100	0	0	0	100	100	0	0	0
May 2008 .....	77	60	15	15	*	0	201	201	96	0	0	0	100	100	0	0	0
May 2009 .....	74	53	12	12	*	0	215	215	88	0	0	0	100	100	0	0	0
May 2010 .....	71	44	8	8	*	0	231	231	79	0	0	0	100	100	0	0	0
May 2011 .....	68	34	5	5	*	0	248	248	67	0	0	0	100	100	0	0	0
May 2012 .....	65	23	1	1	*	0	266	266	54	0	0	0	100	100	0	0	0
May 2013 .....	61	11	0	0	*	0	285	285	30	0	0	0	100	100	0	0	0
May 2014 .....	57	0	0	0	*	0	305	294	0	0	0	0	100	100	0	0	0
May 2015 .....	53	0	0	0	*	0	328	247	0	0	0	0	100	100	0	0	0
May 2016 .....	48	0	0	0	*	0	351	199	0	0	0	0	100	100	0	0	0
May 2017 .....	44	0	0	0	*	0	377	151	0	0	0	0	100	100	0	0	0
May 2018 .....	38	0	0	0	*	0	404	104	0	0	0	0	100	100	0	0	0
May 2019 .....	33	0	0	0	*	0	433	57	0	0	0	0	100	100	0	0	0
May 2020 .....	27	0	0	0	*	0	464	12	0	0	0	0	100	100	0	0	0
May 2021 .....	20	0	0	0	*	0	498	0	0	0	0	0	100	6	0	0	0
May 2022 .....	14	0	0	0	*	0	534	0	0	0	0	0	100	0	0	0	0
May 2023 .....	6	0	0	0	*	0	573	0	0	0	0	0	100	0	0	0	0
May 2024 .....	0	0	0	0	*	0	532	0	0	0	0	0	100	0	0	0	0
May 2025 .....	0	0	0	0	*	0	355	0	0	0	0	0	100	0	0	0	0
May 2026 .....	0	0	0	0	*	0	158	0	0	0	0	0	100	0	0	0	0
May 2027 .....	0	0	0	0	*	0	0	0	0	0	0	0	0	0	0	0	0
May 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	16.0	9.4	4.6	4.6	3.4	1.8	27.3	19.0	13.7	1.5	0.9	0.4	28.8	22.7	2.8	1.6	0.8

Date	JA Class					JB Class					JC Class					JZ Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999 .....	93	93	93	93	14	100	100	100	100	100	100	100	100	100	100	107	107	107	107	0
May 2000 .....	85	85	85	0	0	100	100	100	15	0	100	100	100	100	0	115	115	115	0	0
May 2001 .....	77	77	77	0	0	100	100	100	0	0	100	100	100	0	0	123	123	123	0	0
May 2002 .....	68	68	0	0	0	100	100	0	0	0	100	100	56	0	0	132	132	132	0	0
May 2003 .....	58	58	0	0	0	100	100	0	0	0	100	100	0	0	0	142	142	80	0	0
May 2004 .....	48	48	0	0	0	100	100	0	0	0	100	100	0	0	0	152	152	0	0	0
May 2005 .....	37	37	0	0	0	100	100	0	0	0	100	100	0	0	0	163	163	0	0	0
May 2006 .....	25	25	0	0	0	100	100	0	0	0	100	100	0	0	0	175	175	0	0	0
May 2007 .....	13	13	0	0	0	100	100	0	0	0	100	100	0	0	0	187	187	0	0	0
May 2008 .....	0	0	0	0	0	98	98	0	0	0	100	100	0	0	0	201	201	0	0	0
May 2009 .....	0	0	0	0	0	69	69	0	0	0	100	100	0	0	0	215	215	0	0	0
May 2010 .....	0	0	0	0	0	38	38	0	0	0	100	100	0	0	0	231	231	0	0	0
May 2011 .....	0	0	0	0	0	4	4	0	0	0	100	100	0	0	0	248	248	0	0	0
May 2012 .....	0	0	0	0	0	0	0	0	0	0	94	94	0	0	0	266	266	0	0	0
May 2013 .....	0	0	0	0	0	0	0	0	0	0	86	86	0	0	0	285	285	0	0	0
May 2014 .....	0	0	0	0	0	0	0	0	0	0	78	78	0	0	0	305	305	0	0	0
May 2015 .....	0	0	0	0	0	0	0	0	0	0	69	69	0	0	0	328	328	0	0	0
May 2016 .....	0	0	0	0	0	0	0	0	0	0	59	59	0	0	0	351	351	0	0	0
May 2017 .....	0	0	0	0	0	0	0	0	0	0	49	49	0	0	0	377	377	0	0	0
May 2018 .....	0	0	0	0	0	0	0	0	0	0	38	38	0	0	0	404	404	0	0	0
May 2019 .....	0	0	0	0	0	0	0	0	0	0	27	27	0	0	0	433	433	0	0	0
May 2020 .....	0	0	0	0	0	0	0	0	0	0	14	14	0	0	0	464	464	0	0	0
May 2021 .....	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	498	498	0	0	0
May 2022 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	235	0	0	0
May 2023 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	0	0	0
May 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	0	0	0
May 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	0	0	0
May 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	0	0	0
May 2027 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	352	0	0	0	0
May 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	5.5	5.5	2.9	1.8	0.9	11.6	11.6	3.5	2.0	1.1	18.7	18.7	4.1	2.2	1.1	29.1	24.0	5.1	1.8	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.

Date	J Class					K Class					L Class					LA Class					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
May 1999 .....	100	100	100	100	26	100	100	100	100	100	100	100	100	100	100	95	95	95	95	95	
May 2000 .....	100	100	100	3	0	100	100	100	100	100	0	100	100	100	100	0	91	91	91	91	
May 2001 .....	100	100	100	0	0	100	100	100	0	0	100	100	100	7	0	85	85	85	0	0	
May 2002 .....	100	100	9	0	0	100	100	100	0	0	100	100	100	0	0	80	80	80	0	0	
May 2003 .....	100	100	0	0	0	100	100	32	0	0	100	100	100	0	0	74	74	74	0	0	
May 2004 .....	100	100	0	0	0	100	100	0	0	0	100	100	92	0	0	67	67	47	0	0	
May 2005 .....	100	100	0	0	0	100	100	0	0	0	100	100	79	0	0	61	61	8	0	0	
May 2006 .....	100	100	0	0	0	100	100	0	0	0	100	100	73	0	0	53	53	0	0	0	
May 2007 .....	100	100	0	0	0	100	100	0	0	0	100	100	72	0	0	45	45	0	0	0	
May 2008 .....	100	100	0	0	0	100	100	0	0	0	100	100	72	0	0	37	37	0	0	0	
May 2009 .....	100	100	0	0	0	100	100	0	0	0	100	100	72	0	0	28	28	0	0	0	
May 2010 .....	100	100	0	0	0	100	100	0	0	0	100	100	72	0	0	18	18	0	0	0	
May 2011 .....	100	100	0	0	0	100	100	0	0	0	100	100	72	0	0	8	8	0	0	0	
May 2012 .....	100	100	0	0	0	100	100	0	0	0	100	100	72	0	0	0	0	0	0	0	
May 2013 .....	100	100	0	0	0	100	100	0	0	0	100	100	61	0	0	0	0	0	0	0	
May 2014 .....	100	100	0	0	0	100	100	0	0	0	100	100	43	0	0	0	0	0	0	0	
May 2015 .....	100	100	0	0	0	100	100	0	0	0	100	100	26	0	0	0	0	0	0	0	
May 2016 .....	100	100	0	0	0	100	100	0	0	0	100	100	9	0	0	0	0	0	0	0	
May 2017 .....	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	0	0	0	0	0	
May 2018 .....	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	0	0	0	0	0	
May 2019 .....	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	0	0	0	0	0	
May 2020 .....	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	0	0	0	0	0	
May 2021 .....	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	0	0	0	0	0	
May 2022 .....	100	0	0	0	0	100	94	0	0	0	100	100	0	0	0	0	0	0	0	0	
May 2023 .....	100	0	0	0	0	100	0	0	0	0	100	94	0	0	0	0	0	0	0	0	
May 2024 .....	100	0	0	0	0	100	0	0	0	0	100	51	0	0	0	0	0	0	0	0	
May 2025 .....	100	0	0	0	0	100	0	0	0	0	100	9	0	0	0	0	0	0	0	0	
May 2026 .....	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	0	0	0	0	0	
May 2027 .....	41	0	0	0	0	100	0	0	0	0	100	0	0	0	0	0	0	0	0	0	
May 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (years)** .....	29.0	23.5	3.6	1.9	1.0	29.2	24.4	4.8	2.2	1.1	29.4	26.0	13.7	2.7	1.3	7.9	7.9	5.3	2.3	1.2	
Date	LB Class					LZ Class					UU*** and M Classes					D, DA and DB† Classes					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	117%	205%	275%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999 .....	100	100	100	100	100	107	107	107	107	107	100	100	100	100	100	97	89	88	88	88	77
May 2000 .....	100	100	100	100	0	115	115	115	115	0	100	100	100	100	0	95	84	80	78	64	19
May 2001 .....	100	100	100	0	0	123	123	123	27	0	100	100	100	100	0	94	82	76	60	35	0
May 2002 .....	100	100	100	0	0	132	132	132	0	0	100	100	100	9	0	92	81	72	46	15	0
May 2003 .....	100	100	100	0	0	142	142	142	0	0	100	100	100	0	0	91	80	68	36	0	0
May 2004 .....	100	100	100	0	0	152	152	152	0	0	100	100	100	0	0	90	78	65	28	0	0
May 2005 .....	100	100	100	0	0	163	163	163	0	0	100	100	100	0	0	88	77	62	22	0	0
May 2006 .....	100	100	84	0	0	175	175	175	0	0	100	100	100	0	0	86	75	59	19	0	0
May 2007 .....	100	100	73	0	0	187	187	187	0	0	100	100	100	0	0	84	73	57	17	0	0
May 2008 .....	100	100	63	0	0	201	201	201	0	0	100	100	100	0	0	82	69	52	15	0	0
May 2009 .....	100	100	52	0	0	215	215	215	0	0	100	100	100	0	0	80	64	47	13	0	0
May 2010 .....	100	100	41	0	0	231	231	231	0	0	100	100	100	0	0	78	57	40	10	0	0
May 2011 .....	100	100	29	0	0	248	248	248	0	0	100	100	100	0	0	76	50	33	7	0	0
May 2012 .....	96	96	17	0	0	266	266	266	0	0	100	100	100	0	0	73	41	24	5	0	0
May 2013 .....	82	82	0	0	0	285	285	246	0	0	100	100	100	0	0	70	32	16	2	0	0
May 2014 .....	68	68	0	0	0	305	305	172	0	0	100	100	100	0	0	67	22	6	0	0	0
May 2015 .....	52	52	0	0	0	328	328	103	0	0	100	100	100	0	0	64	12	0	0	0	0
May 2016 .....	35	35	0	0	0	351	351	38	0	0	100	100	100	0	0	61	2	0	0	0	0
May 2017 .....	17	17	0	0	0	377	377	0	0	0	100	100	94	0	0	57	0	0	0	0	0
May 2018 .....	0	0	0	0	0	400	400	0	0	0	100	100	80	0	0	53	0	0	0	0	0
May 2019 .....	0	0	0	0	0	400	400	0	0	0	100	100	67	0	0	49	0	0	0	0	0
May 2020 .....	0	0	0	0	0	400	400	0	0	0	100	100	56	0	0	44	0	0	0	0	0
May 2021 .....	0	0	0	0	0	400	400	0	0	0	100	100	45	0	0	39	0	0	0	0	0
May 2022 .....	0	0	0	0	0	400	400	0	0	0	100	100	36	0	0	34	0	0	0	0	0
May 2023 .....	0	0	0	0	0	400	378	0	0	0	100	100	27	0	0	28	0	0	0	0	0
May 2024 .....	0	0	0	0	0	400	204	0	0	0	100	100	20	0	0	12	0	0	0	0	0
May 2025 .....	0	0	0	0	0	400	38	0	0	0	100	100	14	0	0	0	0	0	0	0	0
May 2026 .....	0	0	0	0	0	400	0	0	0	0	100	68	8	0	0	0	0	0	0	0	0
May 2027 .....	0	0	0	0	0	400	0	0	0	0	100	29	3	0	0	0	0	0	0	0	0
May 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	17.0	17.0	11.1	2.7	1.4	29.4	26.0	16.5	2.9	1.5	29.8	28.5	23.0	3.6	1.6	18.4	11.2	9.0	5.0	2.5	1.4

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

\*\*\* The weighted average lives shown in the table for the Class of Retail Certificates apply to such Class as a whole and are not likely to reflect the experience of any investor in such Class of Retail Certificates. Because investors will receive principal distributions subject to the distribution priorities and allocations described under “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions*” herein, the weighted average lives of Retail Class Units will vary among different investors. See “Description of the Certificates—The Retail Certificates—*Certain Principal Distribution Considerations*” herein.

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

Date	ZA Class					FB and SB Classes					TB Class					TE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	205%	275%	500%	0%	100%	205%	275%	500%	0%	100%	185%	250%	500%	0%	100%	185%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999	107	107	66	32	0	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2000	115	115	0	0	0	100	100	100	100	100	96	86	86	86	86	100	100	100	100	100
May 2001	123	123	0	0	0	100	100	100	100	0	90	66	66	66	40	100	100	100	100	100
May 2002	132	132	0	0	0	100	100	100	100	0	83	47	47	47	*	100	100	100	100	100
May 2003	142	142	0	0	0	100	100	100	98	0	76	29	29	29	0	100	100	100	100	27
May 2004	152	152	0	0	0	100	100	100	47	0	69	12	12	12	0	100	100	100	100	0
May 2005	163	163	0	0	0	100	100	100	17	0	60	0	0	0	0	100	88	88	88	0
May 2006	175	175	0	0	0	100	100	100	2	0	51	0	0	0	0	100	47	47	47	0
May 2007	187	187	0	0	0	100	100	100	*	0	41	0	0	0	0	100	13	13	13	0
May 2008	201	201	0	0	0	100	100	100	*	0	30	0	0	0	0	100	0	0	0	0
May 2009	215	215	0	0	0	100	100	100	*	0	19	0	0	0	0	100	0	0	0	0
May 2010	231	231	0	0	0	100	100	100	*	0	5	0	0	0	0	100	0	0	0	0
May 2011	248	248	0	0	0	100	100	100	*	0	0	0	0	0	0	76	0	0	0	0
May 2012	266	266	0	0	0	100	100	100	*	0	0	0	0	0	0	33	0	0	0	0
May 2013	285	285	0	0	0	100	100	100	*	0	0	0	0	0	0	0	0	0	0	0
May 2014	305	305	0	0	0	100	100	98	*	0	0	0	0	0	0	0	0	0	0	0
May 2015	328	328	0	0	0	100	100	86	*	0	0	0	0	0	0	0	0	0	0	0
May 2016	351	351	0	0	0	100	100	75	*	0	0	0	0	0	0	0	0	0	0	0
May 2017	377	315	0	0	0	100	100	64	*	0	0	0	0	0	0	0	0	0	0	0
May 2018	404	267	0	0	0	100	100	55	*	0	0	0	0	0	0	0	0	0	0	0
May 2019	433	221	0	0	0	100	100	46	*	0	0	0	0	0	0	0	0	0	0	0
May 2020	464	175	0	0	0	100	100	38	*	0	0	0	0	0	0	0	0	0	0	0
May 2021	498	130	0	0	0	100	100	31	*	0	0	0	0	0	0	0	0	0	0	0
May 2022	534	87	0	0	0	100	100	24	*	0	0	0	0	0	0	0	0	0	0	0
May 2023	573	46	0	0	0	100	100	19	*	0	0	0	0	0	0	0	0	0	0	0
May 2024	614	5	0	0	0	100	100	14	*	0	0	0	0	0	0	0	0	0	0	0
May 2025	518	0	0	0	0	100	75	9	*	0	0	0	0	0	0	0	0	0	0	0
May 2026	322	0	0	0	0	100	47	5	*	0	0	0	0	0	0	0	0	0	0	0
May 2027	105	0	0	0	0	100	20	2	*	0	0	0	0	0	0	0	0	0	0	0
May 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.0	22.0	1.2	0.8	0.4	29.7	27.9	21.2	6.1	2.5	7.7	3.9	3.9	3.9	2.8	13.6	8.0	8.0	8.0	4.7

Date	TL Class					TN† Class					C Class					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	185%	250%	500%	0%	100%	185%	250%	500%	0%	100%	118%	185%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999	100	100	100	100	100	100	100	100	100	100	92	83	82	82	78	61
May 2000	100	100	100	100	100	97	90	90	90	90	89	78	75	65	52	2
May 2001	100	100	100	100	100	92	75	75	75	56	88	77	70	49	26	0
May 2002	100	100	100	100	100	88	61	61	61	27	87	76	66	37	7	0
May 2003	100	100	100	100	100	83	48	48	48	7	85	74	63	28	0	0
May 2004	100	100	100	100	82	77	35	35	35	0	84	73	60	22	0	0
May 2005	100	100	100	100	55	71	23	23	23	0	82	71	57	17	0	0
May 2006	100	100	100	100	36	64	13	13	13	0	80	69	54	15	0	0
May 2007	100	100	100	100	24	57	3	3	3	0	79	65	50	11	0	0
May 2008	100	88	88	88	16	49	0	0	0	0	77	58	43	7	0	0
May 2009	100	69	69	69	10	40	0	0	0	0	75	50	36	2	0	0
May 2010	100	54	54	54	7	31	0	0	0	0	73	40	27	0	0	0
May 2011	100	41	41	41	4	20	0	0	0	0	70	29	17	0	0	0
May 2012	100	31	31	31	3	9	0	0	0	0	68	18	7	0	0	0
May 2013	90	22	22	22	2	0	0	0	0	0	65	6	0	0	0	0
May 2014	49	16	16	16	1	0	0	0	0	0	62	0	0	0	0	0
May 2015	10	10	10	10	*	0	0	0	0	0	56	0	0	0	0	0
May 2016	6	6	6	6	*	0	0	0	0	0	22	0	0	0	0	0
May 2017	2	2	2	2	*	0	0	0	0	0	0	0	0	0	0	0
May 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.1	12.9	12.9	12.9	7.9	9.3	5.0	5.0	5.0	3.3	13.8	9.2	7.6	3.9	2.1	1.2

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

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

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

Date	ZB Class					ZC Class					AB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	250%	500%	0%	100%	185%	250%	500%	0%	100%	185%	275%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999	107	107	0	0	0	107	107	107	107	107	99	90	84	76	58
May 2000	114	114	0	0	0	114	114	114	114	114	97	81	69	57	29
May 2001	121	121	0	0	0	121	121	121	121	0	96	73	56	40	9
May 2002	130	130	0	0	0	130	130	130	130	0	94	65	45	27	0
May 2003	138	138	0	0	0	138	138	138	88	0	93	57	35	16	0
May 2004	148	148	0	0	0	148	148	148	28	0	91	50	26	6	0
May 2005	157	157	0	0	0	157	157	157	3	0	89	43	18	0	0
May 2006	168	168	0	0	0	168	168	168	*	0	87	37	11	0	0
May 2007	179	179	0	0	0	179	179	179	*	0	85	31	5	0	0
May 2008	191	191	0	0	0	191	191	191	*	0	82	25	0	0	0
May 2009	204	204	0	0	0	204	204	204	*	0	79	20	0	0	0
May 2010	218	218	0	0	0	218	218	197	*	0	77	15	0	0	0
May 2011	232	232	0	0	0	232	232	169	*	0	74	10	0	0	0
May 2012	248	248	0	0	0	248	248	141	*	0	70	6	0	0	0
May 2013	264	264	0	0	0	264	264	113	*	0	67	2	0	0	0
May 2014	282	105	0	0	0	282	282	87	*	0	63	0	0	0	0
May 2015	301	0	0	0	0	301	234	62	*	0	59	0	0	0	0
May 2016	321	0	0	0	0	321	151	38	*	0	54	0	0	0	0
May 2017	0	0	0	0	0	322	68	17	*	0	49	0	0	0	0
May 2018	0	0	0	0	0	0	0	0	0	0	44	0	0	0	0
May 2019	0	0	0	0	0	0	0	0	0	0	39	0	0	0	0
May 2020	0	0	0	0	0	0	0	0	0	0	33	0	0	0	0
May 2021	0	0	0	0	0	0	0	0	0	0	26	0	0	0	0
May 2022	0	0	0	0	0	0	0	0	0	0	19	0	0	0	0
May 2023	0	0	0	0	0	0	0	0	0	0	12	0	0	0	0
May 2024	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0
May 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.8	15.9	0.6	0.4	0.2	19.5	18.1	15.4	5.4	2.2	17.3	6.6	4.0	2.7	1.4

Date	AC Class					E, FE and SE† Classes					G Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	275%	500%	0%	100%	185%	275%	500%	0%	100%	185%	275%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999	100	100	100	100	100	99	92	86	79	63	100	100	100	100	100
May 2000	100	100	100	100	100	98	84	73	62	38	100	100	100	100	100
May 2001	100	100	100	100	100	96	76	62	48	20	100	100	100	100	100
May 2002	100	100	100	100	66	95	69	52	36	8	100	100	100	100	100
May 2003	100	100	100	100	0	94	63	43	26	0	100	100	100	100	99
May 2004	100	100	100	100	0	92	56	35	18	0	100	100	100	100	68
May 2005	100	100	100	91	0	90	50	28	11	0	100	100	100	100	47
May 2006	100	100	100	47	0	88	45	22	6	0	100	100	100	100	32
May 2007	100	100	100	11	0	86	40	17	1	0	100	100	100	100	22
May 2008	100	100	95	0	0	84	35	12	0	0	100	100	100	87	15
May 2009	100	100	61	0	0	82	30	8	0	0	100	100	100	71	10
May 2010	100	100	32	0	0	80	26	4	0	0	100	100	100	57	7
May 2011	100	100	6	0	0	77	22	1	0	0	100	100	100	46	5
May 2012	100	100	0	0	0	74	18	0	0	0	100	100	89	37	3
May 2013	100	100	0	0	0	71	14	0	0	0	100	100	75	29	2
May 2014	100	83	0	0	0	67	10	0	0	0	100	100	64	23	1
May 2015	100	57	0	0	0	64	7	0	0	0	100	100	53	18	1
May 2016	100	31	0	0	0	60	4	0	0	0	100	100	44	14	1
May 2017	100	8	0	0	0	56	1	0	0	0	100	100	36	11	*
May 2018	100	0	0	0	0	51	0	0	0	0	100	90	30	8	*
May 2019	100	0	0	0	0	46	0	0	0	0	100	76	24	6	*
May 2020	100	0	0	0	0	41	0	0	0	0	100	63	18	5	*
May 2021	100	0	0	0	0	35	0	0	0	0	100	50	14	3	*
May 2022	100	0	0	0	0	29	0	0	0	0	100	38	10	2	*
May 2023	100	0	0	0	0	23	0	0	0	0	100	26	7	1	*
May 2024	100	0	0	0	0	16	0	0	0	0	100	15	4	1	*
May 2025	63	0	0	0	0	8	0	0	0	0	100	5	1	*	*
May 2026	0	0	0	0	0	0	0	0	0	0	98	0	0	0	0
May 2027	0	0	0	0	0	0	0	0	0	0	51	0	0	0	0
May 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.2	17.3	11.4	8.0	4.2	18.5	7.9	4.9	3.4	1.8	29.0	23.1	18.2	13.7	7.6

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

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

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

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

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

The R and RL Classes will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R or RL Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Any transferee of an R or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Transferors of an R or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust, and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the R or RL Class that may be required under the Code.

## **CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES**

The following tax discussion, when read in conjunction with the discussion of “Certain Federal Income Tax Consequences” in the REMIC Prospectus, describes the current federal income tax treatment of investors in the Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Certificates.

## **REMIC Elections and Special Tax Attributes**

Elections will be made to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, the 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 Accrual Classes and the SB 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 205% PSA in the case of the Group 1 Classes and 185% PSA in the case of the Group 2 and Group 3 Classes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS or the Ginnie Mae Certificates will prepay at either of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of 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.

Additional tax consequences affecting beneficial owners of Retail Certificates are discussed under “Description of the Certificates—The Retail Certificates—*Retail Principal Distributions—Tax Information*” herein.

## **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 April 20, 1998. 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 Class 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 Class will represent beneficial ownership of the underlying Regular Certificates set forth in Schedule 1. The RCR Certificates will represent beneficial ownership of undivided interests in two underlying Regular Certificates (“Combination RCR Certificates”).

The E Class is a Combination RCR Class.

*Combination RCR Class.* 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 MBS and Ginnie Mae 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, Group 2 or Group 3 Classes in addition to those contemplated as of the date hereof. In such event, the related MBS or Ginnie Mae Certificates, as applicable, will be increased in principal balance, but it is expected that all such additional MBS or Ginnie Mae Certificates, as applicable, will have the same characteristics as described herein under “Description of the Certificates—The MBS” and “—The Ginnie Mae Certificates,” as applicable. The proportion that the original principal balance of each Group 1, Group 2 or Group 3 Class bears to the aggregate original principal balance of all Group 1, Group 2 or Group 3 Classes, respectively, will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedules will be increased in a pro rata amount that corresponds to the increase of the principal balances of the applicable Groups and Class.

## **LEGAL MATTERS**

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

## Principal Balance Schedules

<u>Distribution Date</u>	<u>Aggregate I Planned Balance</u>	<u>Aggregate II Scheduled Balance</u>	<u>Aggregate III Targeted Balance</u>	<u>Aggregate IV Targeted Balance</u>	<u>Aggregate V Planned Balance</u>	<u>C Class Targeted Balance</u>
Initial Balance . . . . .	\$631,505,000.00	\$135,000,000.00	\$98,108,000.00	\$4,000,000.00	\$140,833,000.00	\$51,000,000.00
June 1998 . . . . .	631,505,000.00	133,846,082.25	97,476,573.83	3,994,166.67	140,833,000.00	50,452,346.04
July 1998 . . . . .	631,505,000.00	132,522,879.81	96,773,575.56	3,988,299.31	140,833,000.00	49,863,244.56
August 1998 . . . . .	631,505,000.00	131,030,893.13	95,999,196.06	3,982,397.72	140,833,000.00	49,232,915.53
September 1998 . . . . .	631,505,000.00	129,370,757.25	95,153,669.05	3,976,461.70	140,833,000.00	48,561,604.78
October 1998 . . . . .	631,505,000.00	127,543,241.70	94,237,270.98	3,970,491.06	140,833,000.00	47,849,583.89
November 1998 . . . . .	631,505,000.00	125,549,250.21	93,250,320.95	3,964,485.60	140,833,000.00	47,097,149.99
December 1998 . . . . .	631,505,000.00	123,389,820.23	92,193,180.58	3,958,445.10	140,833,000.00	46,304,625.63
January 1999 . . . . .	631,505,000.00	121,066,122.27	91,066,253.79	3,952,369.36	140,833,000.00	45,472,358.50
February 1999 . . . . .	631,505,000.00	118,579,459.11	89,869,986.61	3,946,258.18	140,833,000.00	44,600,721.26
March 1999 . . . . .	631,505,000.00	115,931,264.78	88,604,866.87	3,940,111.35	140,833,000.00	43,690,111.18
April 1999 . . . . .	631,505,000.00	113,123,103.37	87,271,423.91	3,933,928.67	140,833,000.00	42,740,949.93
May 1999 . . . . .	631,505,000.00	110,156,667.66	85,870,228.22	3,927,709.92	140,833,000.00	41,753,683.22
June 1999 . . . . .	631,505,000.00	107,033,777.63	84,401,891.00	3,921,454.89	140,833,000.00	40,728,780.44
July 1999 . . . . .	631,505,000.00	103,756,378.70	82,867,063.80	3,915,163.38	140,833,000.00	39,666,734.31
August 1999 . . . . .	631,505,000.00	100,326,539.88	81,266,437.93	3,908,835.17	139,877,873.93	39,523,186.55
September 1999 . . . . .	627,603,813.17	99,256,689.89	80,991,692.17	3,902,470.04	138,891,767.31	39,374,529.79
October 1999 . . . . .	623,547,466.51	98,138,738.78	80,707,969.18	3,896,067.78	137,875,114.95	39,220,889.41
November 1999 . . . . .	619,337,681.46	96,974,005.66	80,415,462.64	3,889,628.18	136,828,367.66	39,062,396.40
December 1999 . . . . .	614,976,257.82	95,763,873.60	80,114,375.81	3,883,151.01	135,751,991.91	38,899,187.17
January 2000 . . . . .	610,465,072.48	94,509,787.75	79,804,921.22	3,876,636.05	134,646,469.50	38,731,403.35
February 2000 . . . . .	605,806,078.11	93,213,253.33	79,487,320.45	3,870,083.10	133,512,297.19	38,559,191.65
March 2000 . . . . .	601,001,301.78	91,875,833.46	79,161,803.85	3,863,491.92	132,349,986.37	38,382,703.66
April 2000 . . . . .	596,052,843.52	90,499,147.02	78,828,610.30	3,856,862.29	131,160,062.63	38,202,095.61
May 2000 . . . . .	590,962,874.83	89,084,866.24	78,487,986.84	3,850,193.98	129,943,065.42	38,017,528.18
June 2000 . . . . .	585,733,637.05	87,634,714.32	78,140,188.44	3,843,486.78	128,699,547.58	37,829,166.34
July 2000 . . . . .	580,367,439.79	86,150,462.92	77,785,477.62	3,836,740.45	127,430,074.98	37,637,179.02
August 2000 . . . . .	574,866,659.21	84,633,929.55	77,424,124.18	3,829,954.77	126,135,226.06	37,441,738.98
September 2000 . . . . .	569,393,272.90	83,141,683.30	77,065,846.45	3,823,129.51	124,815,591.39	37,243,022.54
October 2000 . . . . .	563,947,138.98	81,673,474.10	76,710,610.63	3,816,264.43	123,502,433.24	37,046,593.47
November 2000 . . . . .	558,528,116.31	80,229,054.17	76,358,383.13	3,809,359.31	122,195,718.07	36,852,428.65
December 2000 . . . . .	553,136,064.49	78,808,178.02	76,009,130.58	3,802,413.90	120,895,412.50	36,660,505.07
January 2001 . . . . .	547,770,843.82	77,410,602.41	75,662,819.81	3,795,427.98	119,601,483.34	36,470,799.93
February 2001 . . . . .	542,432,315.33	76,036,086.35	75,319,417.85	3,788,401.31	118,313,897.56	36,283,290.54
March 2001 . . . . .	537,120,340.74	74,684,391.07	74,978,891.95	3,781,333.66	117,032,622.32	36,097,954.39
April 2001 . . . . .	531,834,782.52	73,355,279.99	74,641,209.56	3,774,224.77	115,757,624.92	35,914,769.10
May 2001 . . . . .	526,575,503.81	72,048,518.72	74,306,338.31	3,767,074.41	114,488,872.84	35,733,712.45
June 2001 . . . . .	521,342,368.48	70,763,875.05	73,974,246.06	3,759,882.35	113,226,333.74	35,554,762.38
July 2001 . . . . .	516,135,241.08	69,501,118.88	73,644,900.85	3,669,131.05	111,969,975.42	35,377,896.96
August 2001 . . . . .	510,953,986.85	68,260,022.27	73,318,270.91	3,416,533.28	110,719,765.87	35,203,094.41
September 2001 . . . . .	505,798,471.75	67,040,359.36	72,994,324.68	3,170,040.45	109,475,673.23	35,030,333.11
October 2001 . . . . .	500,668,562.41	65,841,906.39	72,673,030.79	2,929,557.00	108,237,665.81	34,859,591.57
November 2001 . . . . .	495,564,126.14	64,664,441.69	72,354,358.05	2,694,988.63	107,005,712.08	34,690,848.44
December 2001 . . . . .	490,485,030.95	63,507,745.61	72,038,275.47	2,466,242.29	105,779,780.68	34,524,082.53
January 2002 . . . . .	485,431,145.50	62,371,600.55	71,724,752.25	2,243,226.16	104,559,840.39	34,359,272.78
February 2002 . . . . .	480,402,339.15	61,255,790.92	71,413,757.76	2,025,849.62	103,345,860.18	34,196,398.25
March 2002 . . . . .	475,398,481.93	60,160,103.15	71,105,261.57	1,814,023.27	102,137,809.15	34,035,438.19
April 2002 . . . . .	470,419,444.51	59,084,325.62	70,799,233.43	1,607,658.88	100,935,656.57	33,876,371.93
May 2002 . . . . .	465,465,098.25	58,028,248.70	70,495,643.28	1,406,669.41	99,739,371.89	33,719,178.98

<u>Distribution Date</u>	<u>Aggregate I Planned Balance</u>	<u>Aggregate II Scheduled Balance</u>	<u>Aggregate III Targeted Balance</u>	<u>Aggregate IV Targeted Balance</u>	<u>Aggregate V Planned Balance</u>	<u>C Class Targeted Balance</u>
June 2002 .....	\$460,535,315.17	\$ 56,991,664.70	\$70,194,461.21	\$1,210,968.96	\$ 98,548,924.68	\$33,563,838.96
July 2002 .....	455,629,967.93	55,974,367.86	69,895,657.53	1,020,472.77	97,364,284.69	33,410,331.63
August 2002 .....	450,748,929.86	54,976,154.32	69,599,202.69	835,097.21	96,185,421.82	33,258,636.90
September 2002 .....	445,892,074.94	53,996,822.14	69,305,067.34	654,759.78	95,012,306.13	33,108,734.78
October 2002 .....	441,059,277.78	53,036,171.24	69,013,222.29	479,379.06	93,844,907.81	32,960,605.45
November 2002 .....	436,250,413.65	52,094,003.42	68,723,638.53	308,874.73	92,683,197.23	32,814,229.19
December 2002 .....	431,465,358.46	51,170,122.32	68,436,287.22	143,167.53	91,527,144.91	32,669,586.41
January 2003 .....	426,703,988.75	50,264,333.40	68,151,139.69	0.00	90,376,721.50	32,526,657.68
February 2003 .....	421,966,181.69	49,376,443.94	67,868,167.42	0.00	89,231,897.83	32,385,423.65
March 2003 .....	417,251,815.10	48,506,263.05	67,587,342.09	0.00	88,092,644.86	32,245,865.13
April 2003 .....	412,560,767.40	47,653,601.57	67,308,635.51	0.00	86,958,933.69	32,107,963.06
May 2003 .....	407,892,917.66	46,818,272.14	67,032,019.68	0.00	85,830,735.60	31,971,698.46
June 2003 .....	403,248,145.56	46,000,089.16	66,757,466.76	0.00	84,708,022.00	31,837,052.53
July 2003 .....	398,626,331.39	45,198,868.74	66,484,949.04	0.00	83,590,764.44	31,704,006.54
August 2003 .....	394,027,356.06	44,414,428.74	66,214,439.01	0.00	82,478,934.62	31,572,541.92
September 2003 .....	389,451,101.11	43,646,588.69	65,945,909.28	0.00	81,372,504.39	31,442,640.21
October 2003 .....	384,897,448.65	42,895,169.84	65,679,332.66	0.00	80,271,445.75	31,314,283.05
November 2003 .....	380,366,281.43	42,159,995.12	65,414,682.07	0.00	79,175,730.83	31,187,452.22
December 2003 .....	375,857,482.78	41,440,889.09	65,151,930.61	0.00	78,085,331.92	31,062,129.61
January 2004 .....	371,370,936.65	40,737,678.00	64,891,051.52	0.00	77,000,221.43	30,938,297.22
February 2004 .....	366,906,527.56	40,050,189.70	64,632,018.20	0.00	75,920,371.93	30,815,937.17
March 2004 .....	362,464,140.64	39,378,253.66	64,374,804.19	0.00	74,845,756.13	30,695,031.70
April 2004 .....	358,043,661.61	38,721,700.97	64,119,383.19	0.00	73,776,346.87	30,575,563.15
May 2004 .....	353,644,976.77	38,080,364.31	63,865,729.03	0.00	72,712,117.13	30,457,514.00
June 2004 .....	349,267,973.00	37,454,077.92	63,613,815.70	0.00	71,653,040.03	30,340,866.79
July 2004 .....	344,912,537.77	36,842,677.60	63,363,617.32	0.00	70,599,088.85	30,225,604.23
August 2004 .....	340,578,559.13	36,246,000.73	63,115,108.17	0.00	69,550,236.98	30,111,709.10
September 2004 .....	336,265,925.69	35,663,886.19	62,868,262.65	0.00	68,506,457.95	29,999,164.30
October 2004 .....	331,974,526.65	35,096,174.39	62,623,055.32	0.00	67,467,725.43	29,887,952.83
November 2004 .....	327,704,251.76	34,542,707.26	62,379,460.85	0.00	66,434,013.24	29,778,057.82
December 2004 .....	323,454,991.34	34,003,328.22	62,137,454.09	0.00	65,405,295.31	29,669,462.48
January 2005 .....	319,226,636.30	33,477,882.15	61,897,009.98	0.00	64,381,545.72	29,562,150.14
February 2005 .....	315,019,078.07	32,966,215.43	61,658,103.63	0.00	63,362,738.67	29,456,104.23
March 2005 .....	310,832,208.66	32,468,175.87	61,420,710.27	0.00	62,348,848.51	29,351,308.27
April 2005 .....	306,665,920.63	31,983,612.75	61,184,805.24	0.00	61,339,849.71	29,247,745.91
May 2005 .....	302,520,107.09	31,512,376.74	60,950,364.05	0.00	60,335,716.88	29,145,400.88
June 2005 .....	298,394,661.70	31,054,319.96	60,717,362.31	0.00	59,336,424.74	29,044,257.02
July 2005 .....	294,289,478.67	30,609,295.92	60,485,775.77	0.00	58,341,948.16	28,944,298.26
August 2005 .....	290,204,452.74	30,177,159.53	60,255,580.31	0.00	57,352,262.13	28,845,508.64
September 2005 .....	286,139,479.20	29,757,767.07	60,026,751.92	0.00	56,367,341.78	28,747,872.30
October 2005 .....	282,094,453.89	29,350,976.20	59,799,266.73	0.00	55,387,162.36	28,651,373.45
November 2005 .....	278,069,273.14	28,956,645.91	59,573,100.99	0.00	54,412,543.72	28,555,151.95
December 2005 .....	274,063,833.88	28,574,636.57	59,348,231.07	0.00	53,452,783.55	28,449,870.03
January 2006 .....	270,078,033.50	28,204,809.85	59,124,633.44	0.00	52,507,668.66	28,335,701.03
February 2006 .....	266,111,769.96	27,847,028.75	58,902,284.73	0.00	51,576,988.85	28,212,815.52
March 2006 .....	262,164,941.74	27,501,157.59	58,681,161.66	0.00	50,660,536.81	28,081,381.39
April 2006 .....	258,237,447.81	27,167,061.97	58,461,241.06	0.00	49,758,108.15	27,941,563.81
May 2006 .....	254,329,187.71	26,844,608.77	58,242,499.91	0.00	48,869,501.31	27,793,525.37
June 2006 .....	250,440,061.45	26,533,666.18	58,024,915.27	0.00	47,994,517.56	27,637,426.02

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July 2006 .....	\$246,569,969.57	\$ 26,234,103.60	\$57,808,464.33	\$ 0.00	\$ 47,132,960.93	\$27,473,423.18
August 2006 .....	242,718,813.12	25,945,791.72	57,593,124.38	0.00	46,284,638.17	27,301,671.72
September 2006.....	238,886,493.66	25,668,602.45	57,378,872.84	0.00	45,449,358.75	27,122,324.05
October 2006 .....	235,072,913.25	25,402,408.95	57,165,687.22	0.00	44,626,934.78	26,935,530.12
November 2006 .....	231,277,974.46	25,147,085.56	56,953,545.15	0.00	43,817,181.00	26,741,437.46
December 2006 .....	227,501,580.36	24,902,507.87	56,742,424.37	0.00	43,019,914.73	26,540,191.21
January 2007 .....	223,747,242.41	24,674,224.13	56,531,016.33	0.00	42,234,955.85	26,331,934.18
February 2007 .....	220,052,056.62	24,438,221.30	56,306,038.38	0.00	41,462,126.75	26,116,806.86
March 2007 .....	216,415,113.16	24,194,747.36	56,067,758.94	0.00	40,701,252.30	25,894,947.47
April 2007.....	212,835,516.00	23,944,045.10	55,816,441.77	0.00	39,952,159.82	25,666,491.95
May 2007 .....	209,312,382.72	23,686,352.24	55,552,346.06	0.00	39,214,679.03	25,431,574.05
June 2007 .....	205,844,844.30	23,421,901.48	55,275,726.50	0.00	38,488,642.06	25,190,325.35
July 2007 .....	202,432,044.91	23,150,920.62	54,986,833.36	0.00	37,773,883.36	24,942,875.24
August 2007 .....	199,073,141.72	22,873,632.66	54,685,912.50	0.00	37,070,239.70	24,689,351.02
September 2007.....	195,767,304.72	22,590,255.86	54,373,205.54	0.00	36,377,550.15	24,429,877.88
October 2007 .....	192,513,716.47	22,301,003.83	54,048,949.82	0.00	35,695,656.00	24,164,578.96
November 2007 .....	189,311,571.98	22,006,085.62	53,713,378.55	0.00	35,024,400.80	23,893,575.37
December 2007 .....	186,160,078.49	21,705,705.82	53,366,720.83	0.00	34,363,630.27	23,616,986.20
January 2008 .....	183,058,455.25	21,400,064.62	53,009,201.72	0.00	33,713,192.27	23,334,928.60
February 2008 .....	180,005,933.43	21,089,357.87	52,641,042.31	0.00	33,072,936.84	23,047,517.74
March 2008 .....	177,001,755.85	20,773,777.21	52,262,459.77	0.00	32,442,716.07	22,754,866.89
April 2008.....	174,045,176.84	20,453,510.12	51,873,667.43	0.00	31,822,384.16	22,457,087.43
May 2008 .....	171,135,462.09	20,128,740.00	51,474,874.83	0.00	31,211,797.34	22,154,288.89
June 2008 .....	168,271,888.43	19,799,646.22	51,066,287.78	0.00	30,610,813.84	21,846,578.94
July 2008 .....	165,453,743.70	19,466,404.25	50,648,108.41	0.00	30,019,293.92	21,534,063.46
August 2008 .....	162,680,326.58	19,129,185.67	50,220,535.24	0.00	29,437,099.75	21,216,846.54
September 2008.....	159,950,946.40	18,788,158.28	49,783,763.22	0.00	28,864,095.47	20,895,030.51
October 2008 .....	157,264,923.00	18,443,486.17	49,337,983.81	0.00	28,300,147.11	20,568,715.99
November 2008 .....	154,621,586.58	18,095,329.76	48,883,385.01	0.00	27,745,122.60	20,238,001.86
December 2008 .....	152,020,277.52	17,743,845.91	48,420,151.43	0.00	27,198,891.69	19,902,985.35
January 2009 .....	149,460,346.25	17,389,187.94	47,948,464.34	0.00	26,661,325.99	19,563,762.01
February 2009 .....	146,941,153.07	17,031,505.72	47,468,501.71	0.00	26,132,298.91	19,220,425.78
March 2009 .....	144,462,068.04	16,670,945.76	46,980,438.27	0.00	25,611,685.63	18,873,068.95
April 2009.....	142,022,470.80	16,307,651.20	46,484,445.59	0.00	25,099,363.09	18,521,782.28
May 2009 .....	139,621,750.43	15,941,761.96	45,980,692.06	0.00	24,595,209.96	18,166,654.92
June 2009 .....	137,259,305.33	15,573,414.74	45,469,343.00	0.00	24,099,106.61	17,807,774.49
July 2009 .....	134,934,543.03	15,202,743.09	44,950,560.71	0.00	23,610,935.10	17,445,227.12
August 2009 .....	132,646,880.13	14,829,877.50	44,424,504.45	0.00	23,130,579.16	17,079,097.41
September 2009.....	130,395,742.09	14,454,945.40	43,891,330.57	0.00	22,657,924.13	16,709,468.49
October 2009 .....	128,180,563.12	14,078,071.29	43,351,192.51	0.00	22,192,857.00	16,336,422.05
November 2009 .....	126,000,786.08	13,699,376.74	42,804,240.84	0.00	21,735,266.32	15,960,038.35
December 2009 .....	123,855,862.29	13,318,980.46	42,250,623.34	0.00	21,285,042.23	15,580,396.23
January 2010 .....	121,745,251.46	12,936,998.36	41,690,485.01	0.00	20,842,076.41	15,197,573.13
February 2010 .....	119,668,421.51	12,553,543.61	41,123,968.13	0.00	20,406,262.08	14,811,645.14
March 2010 .....	117,624,848.50	12,168,726.66	40,551,212.31	0.00	19,977,493.94	14,422,686.99
April 2010.....	115,614,016.47	11,782,655.34	39,972,354.49	0.00	19,555,668.20	14,030,772.07
May 2010 .....	113,635,417.33	11,395,434.86	39,387,529.05	0.00	19,140,682.52	13,635,972.48
June 2010 .....	111,688,550.73	11,007,167.90	38,796,867.79	0.00	18,732,436.03	13,238,359.01
July 2010 .....	109,772,923.97	10,617,954.63	38,200,500.00	0.00	18,330,829.24	12,838,001.18



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August 2010 .....	\$107,888,051.87	\$ 10,227,892.79	\$37,598,552.49	\$ 0.00	\$ 17,935,764.11	\$12,434,967.27
September 2010 .....	106,033,456.63	9,837,077.69	36,991,149.63	0.00	17,547,143.96	12,029,324.30
October 2010 .....	104,208,667.76	9,445,602.30	36,378,413.40	0.00	17,164,873.48	11,621,138.08
November 2010 .....	102,413,221.97	9,053,557.28	35,760,463.41	0.00	16,788,858.72	11,210,473.23
December 2010 .....	100,646,663.01	8,661,031.01	35,137,416.94	0.00	16,419,007.04	10,797,393.18
January 2011 .....	98,908,541.62	8,268,109.66	34,509,388.98	0.00	16,055,227.13	10,381,960.19
February 2011 .....	97,198,415.39	7,874,877.21	33,876,492.29	0.00	15,697,428.96	9,964,235.38
March 2011 .....	95,515,848.68	7,481,415.51	33,238,837.37	0.00	15,345,523.77	9,544,278.73
April 2011 .....	93,860,412.48	7,087,804.30	32,596,532.58	0.00	14,999,424.07	9,122,149.10
May 2011 .....	92,231,684.38	6,694,121.30	31,949,684.10	0.00	14,659,043.60	8,697,904.27
June 2011 .....	90,629,248.39	6,300,442.17	31,298,396.02	0.00	14,324,297.34	8,271,600.92
July 2011 .....	89,052,694.88	5,906,840.62	30,642,770.32	0.00	13,995,101.45	7,843,294.68
August 2011 .....	87,501,620.50	5,513,388.42	29,982,906.95	0.00	13,671,373.29	7,413,040.10
September 2011 .....	85,975,628.05	5,120,155.44	29,318,903.85	0.00	13,353,031.40	6,980,890.73
October 2011 .....	84,474,326.41	4,727,209.68	28,650,856.95	0.00	13,039,995.46	6,546,899.06
November 2011 .....	82,997,330.46	4,334,617.33	27,978,860.25	0.00	12,732,186.32	6,111,116.62
December 2011 .....	81,544,260.94	3,942,442.78	27,303,005.80	0.00	12,429,525.91	5,673,593.91
January 2012 .....	80,114,744.42	3,550,748.67	26,623,383.79	0.00	12,131,937.30	5,234,380.47
February 2012 .....	78,708,413.17	3,159,595.92	25,940,082.51	0.00	11,839,344.66	4,793,524.88
March 2012 .....	77,324,905.08	2,769,043.78	25,253,188.46	0.00	11,551,673.21	4,351,074.77
April 2012 .....	75,963,863.61	2,379,149.83	24,562,786.29	0.00	11,268,849.25	3,907,076.83
May 2012 .....	74,624,937.66	1,989,970.04	23,868,958.90	0.00	10,990,800.13	3,461,576.83
June 2012 .....	73,307,781.51	1,601,558.79	23,171,787.43	0.00	10,717,454.23	3,014,619.65
July 2012 .....	72,012,054.73	1,213,968.92	22,471,351.31	0.00	10,448,740.94	2,566,249.27
August 2012 .....	70,737,422.11	827,251.75	21,767,728.25	0.00	10,184,590.68	2,116,508.77
September 2012 .....	69,483,553.58	441,457.07	21,060,994.33	0.00	9,924,934.84	1,665,440.38
October 2012 .....	68,250,124.12	56,633.27	20,351,223.96	0.00	9,669,705.80	1,213,085.49
November 2012 .....	67,036,813.70	0.00	19,638,489.94	0.00	9,418,836.89	759,484.62
December 2012 .....	65,843,307.20	0.00	18,922,863.48	0.00	9,172,262.41	304,677.47
January 2013 .....	64,669,294.30	0.00	18,204,414.23	0.00	8,929,917.58	0.00
February 2013 .....	63,514,469.48	0.00	17,483,210.30	0.00	8,691,738.56	0.00
March 2013 .....	62,378,531.89	0.00	16,759,318.28	0.00	8,457,662.41	0.00
April 2013 .....	61,261,185.28	0.00	16,032,803.26	0.00	8,227,627.10	0.00
May 2013 .....	60,162,137.96	0.00	15,303,728.86	0.00	8,001,571.46	0.00
June 2013 .....	59,081,102.73	0.00	14,572,157.28	0.00	7,779,435.24	0.00
July 2013 .....	58,017,796.77	0.00	13,838,149.27	0.00	7,561,159.01	0.00
August 2013 .....	56,971,941.62	0.00	13,101,764.18	0.00	7,346,684.21	0.00
September 2013 .....	55,943,263.09	0.00	12,363,060.00	0.00	7,135,953.11	0.00
October 2013 .....	54,931,491.20	0.00	11,622,093.34	0.00	6,928,908.83	0.00
November 2013 .....	53,936,360.13	0.00	10,878,919.50	0.00	6,725,495.27	0.00
December 2013 .....	52,957,608.12	0.00	10,133,592.43	0.00	6,525,657.16	0.00
January 2014 .....	51,994,977.45	0.00	9,386,164.82	0.00	6,329,340.00	0.00
February 2014 .....	51,048,214.37	0.00	8,636,688.07	0.00	6,136,490.10	0.00
March 2014 .....	50,117,069.01	0.00	7,885,212.33	0.00	5,947,054.52	0.00
April 2014 .....	49,201,295.34	0.00	7,131,786.51	0.00	5,760,981.08	0.00
May 2014 .....	48,300,651.15	0.00	6,376,458.31	0.00	5,578,218.37	0.00
June 2014 .....	47,414,897.90	0.00	5,619,274.23	0.00	5,398,715.69	0.00
July 2014 .....	46,543,800.78	0.00	4,860,279.60	0.00	5,222,423.09	0.00
August 2014 .....	45,687,128.54	0.00	4,099,518.59	0.00	5,049,291.32	0.00

<u>Distribution Date</u>	<u>Aggregate I Planned Balance</u>	<u>Aggregate II Scheduled Balance</u>	<u>Aggregate III Targeted Balance</u>	<u>Aggregate IV Targeted Balance</u>	<u>Aggregate V Planned Balance</u>	<u>C Class Targeted Balance</u>
September 2014.....	\$ 44,844,653.53	\$ 0.00	\$ 3,337,034.22	\$ 0.00	\$ 4,879,271.87	\$ 0.00
October 2014 .....	44,016,151.58	0.00	2,572,868.41	0.00	4,712,316.89	0.00
November 2014 .....	43,201,401.98	0.00	1,807,061.94	0.00	4,548,379.24	0.00
December 2014 .....	42,400,187.42	0.00	1,039,654.54	0.00	4,387,412.47	0.00
January 2015 .....	41,612,293.95	0.00	270,684.85	0.00	4,229,370.77	0.00
February 2015 .....	40,837,510.89	0.00	0.00	0.00	4,074,209.01	0.00
March 2015 .....	40,075,630.82	0.00	0.00	0.00	3,921,882.71	0.00
April 2015.....	39,326,449.53	0.00	0.00	0.00	3,772,348.04	0.00
May 2015 .....	38,589,765.94	0.00	0.00	0.00	3,625,561.78	0.00
June 2015 .....	37,865,382.07	0.00	0.00	0.00	3,481,481.34	0.00
July 2015 .....	37,153,103.02	0.00	0.00	0.00	3,340,064.78	0.00
August 2015 .....	36,452,736.88	0.00	0.00	0.00	3,201,270.71	0.00
September 2015.....	35,764,094.68	0.00	0.00	0.00	3,065,058.39	0.00
October 2015 .....	35,086,990.40	0.00	0.00	0.00	2,931,387.63	0.00
November 2015 .....	34,421,240.89	0.00	0.00	0.00	2,800,218.86	0.00
December 2015 .....	33,766,665.80	0.00	0.00	0.00	2,671,513.04	0.00
January 2016 .....	33,123,087.60	0.00	0.00	0.00	2,545,231.75	0.00
February 2016 .....	32,490,331.48	0.00	0.00	0.00	2,421,337.07	0.00
March 2016 .....	31,868,225.33	0.00	0.00	0.00	2,299,791.67	0.00
April 2016.....	31,256,599.73	0.00	0.00	0.00	2,180,558.74	0.00
May 2016 .....	30,655,287.85	0.00	0.00	0.00	2,063,602.03	0.00
June 2016 .....	30,064,125.44	0.00	0.00	0.00	1,948,885.79	0.00
July 2016 .....	29,482,950.81	0.00	0.00	0.00	1,836,374.80	0.00
August 2016 .....	28,911,604.76	0.00	0.00	0.00	1,726,034.35	0.00
September 2016.....	28,349,930.55	0.00	0.00	0.00	1,617,830.25	0.00
October 2016 .....	27,797,773.88	0.00	0.00	0.00	1,511,728.79	0.00
November 2016 .....	27,254,982.82	0.00	0.00	0.00	1,407,696.76	0.00
December 2016 .....	26,721,407.81	0.00	0.00	0.00	1,305,701.43	0.00
January 2017 .....	26,196,901.61	0.00	0.00	0.00	1,205,710.55	0.00
February 2017 .....	25,681,319.24	0.00	0.00	0.00	1,107,692.35	0.00
March 2017 .....	25,174,517.98	0.00	0.00	0.00	1,011,615.50	0.00
April 2017.....	24,676,357.33	0.00	0.00	0.00	917,449.14	0.00
May 2017 .....	24,186,698.96	0.00	0.00	0.00	825,162.88	0.00
June 2017 .....	23,705,406.68	0.00	0.00	0.00	734,726.75	0.00
July 2017 .....	23,232,346.43	0.00	0.00	0.00	646,111.23	0.00
August 2017 .....	22,767,386.22	0.00	0.00	0.00	559,287.22	0.00
September 2017.....	22,310,396.11	0.00	0.00	0.00	474,226.06	0.00
October 2017 .....	21,861,248.17	0.00	0.00	0.00	390,899.52	0.00
November 2017 .....	21,419,816.48	0.00	0.00	0.00	309,279.75	0.00
December 2017 .....	20,985,977.04	0.00	0.00	0.00	229,339.34	0.00
January 2018 .....	20,559,607.82	0.00	0.00	0.00	151,051.27	0.00
February 2018 .....	20,140,588.66	0.00	0.00	0.00	74,388.92	0.00
March 2018 .....	19,728,801.27	0.00	0.00	0.00	0.00	0.00
April 2018.....	19,324,129.21	0.00	0.00	0.00	0.00	0.00
May 2018 .....	18,926,457.85	0.00	0.00	0.00	0.00	0.00
June 2018 .....	18,535,674.32	0.00	0.00	0.00	0.00	0.00
July 2018 .....	18,151,667.55	0.00	0.00	0.00	0.00	0.00
August 2018 .....	17,774,328.17	0.00	0.00	0.00	0.00	0.00
September 2018.....	17,403,548.51	0.00	0.00	0.00	0.00	0.00

<u>Distribution Date</u>	<u>Aggregate I Planned Balance</u>	<u>Aggregate II Scheduled Balance</u>	<u>Aggregate III Targeted Balance</u>	<u>Aggregate IV Targeted Balance</u>	<u>Aggregate V Planned Balance</u>	<u>C Class Targeted Balance</u>
October 2018 .....	\$ 17,039,222.61	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
November 2018 .....	16,681,246.12	0.00	0.00	0.00	0.00	0.00
December 2018 .....	16,329,516.35	0.00	0.00	0.00	0.00	0.00
January 2019 .....	15,983,932.19	0.00	0.00	0.00	0.00	0.00
February 2019 .....	15,644,394.12	0.00	0.00	0.00	0.00	0.00
March 2019 .....	15,310,804.17	0.00	0.00	0.00	0.00	0.00
April 2019 .....	14,983,065.89	0.00	0.00	0.00	0.00	0.00
May 2019 .....	14,661,084.36	0.00	0.00	0.00	0.00	0.00
June 2019 .....	14,344,766.12	0.00	0.00	0.00	0.00	0.00
July 2019 .....	14,034,019.17	0.00	0.00	0.00	0.00	0.00
August 2019 .....	13,728,752.96	0.00	0.00	0.00	0.00	0.00
September 2019 .....	13,428,878.35	0.00	0.00	0.00	0.00	0.00
October 2019 .....	13,134,307.60	0.00	0.00	0.00	0.00	0.00
November 2019 .....	12,844,954.34	0.00	0.00	0.00	0.00	0.00
December 2019 .....	12,560,733.54	0.00	0.00	0.00	0.00	0.00
January 2020 .....	12,281,561.51	0.00	0.00	0.00	0.00	0.00
February 2020 .....	12,007,355.88	0.00	0.00	0.00	0.00	0.00
March 2020 .....	11,738,035.56	0.00	0.00	0.00	0.00	0.00
April 2020 .....	11,473,520.73	0.00	0.00	0.00	0.00	0.00
May 2020 .....	11,213,732.83	0.00	0.00	0.00	0.00	0.00
June 2020 .....	10,958,594.51	0.00	0.00	0.00	0.00	0.00
July 2020 .....	10,708,029.66	0.00	0.00	0.00	0.00	0.00
August 2020 .....	10,461,963.36	0.00	0.00	0.00	0.00	0.00
September 2020 .....	10,220,321.85	0.00	0.00	0.00	0.00	0.00
October 2020 .....	9,983,032.53	0.00	0.00	0.00	0.00	0.00
November 2020 .....	9,750,023.97	0.00	0.00	0.00	0.00	0.00
December 2020 .....	9,521,225.82	0.00	0.00	0.00	0.00	0.00
January 2021 .....	9,296,568.88	0.00	0.00	0.00	0.00	0.00
February 2021 .....	9,075,984.99	0.00	0.00	0.00	0.00	0.00
March 2021 .....	8,859,407.10	0.00	0.00	0.00	0.00	0.00
April 2021 .....	8,646,769.20	0.00	0.00	0.00	0.00	0.00
May 2021 .....	8,438,006.32	0.00	0.00	0.00	0.00	0.00
June 2021 .....	8,233,054.52	0.00	0.00	0.00	0.00	0.00
July 2021 .....	8,031,850.86	0.00	0.00	0.00	0.00	0.00
August 2021 .....	7,834,333.40	0.00	0.00	0.00	0.00	0.00
September 2021 .....	7,640,441.16	0.00	0.00	0.00	0.00	0.00
October 2021 .....	7,450,114.14	0.00	0.00	0.00	0.00	0.00
November 2021 .....	7,263,293.28	0.00	0.00	0.00	0.00	0.00
December 2021 .....	7,079,920.45	0.00	0.00	0.00	0.00	0.00
January 2022 .....	6,899,938.43	0.00	0.00	0.00	0.00	0.00
February 2022 .....	6,723,290.94	0.00	0.00	0.00	0.00	0.00
March 2022 .....	6,549,922.54	0.00	0.00	0.00	0.00	0.00
April 2022 .....	6,379,778.69	0.00	0.00	0.00	0.00	0.00
May 2022 .....	6,212,805.73	0.00	0.00	0.00	0.00	0.00
June 2022 .....	6,048,950.82	0.00	0.00	0.00	0.00	0.00
July 2022 .....	5,888,161.97	0.00	0.00	0.00	0.00	0.00
August 2022 .....	5,730,388.02	0.00	0.00	0.00	0.00	0.00
September 2022 .....	5,575,578.60	0.00	0.00	0.00	0.00	0.00
October 2022 .....	5,423,684.15	0.00	0.00	0.00	0.00	0.00

<u>Distribution Date</u>	<u>Aggregate I Planned Balance</u>	<u>Aggregate II Scheduled Balance</u>	<u>Aggregate III Targeted Balance</u>	<u>Aggregate IV Targeted Balance</u>	<u>Aggregate V Planned Balance</u>	<u>C Class Targeted Balance</u>
November 2022 .....	\$ 5,274,655.91	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
December 2022 .....	5,128,445.86	0.00	0.00	0.00	0.00	0.00
January 2023 .....	4,985,006.79	0.00	0.00	0.00	0.00	0.00
February 2023 .....	4,844,292.19	0.00	0.00	0.00	0.00	0.00
March 2023 .....	4,706,256.31	0.00	0.00	0.00	0.00	0.00
April 2023 .....	4,570,854.14	0.00	0.00	0.00	0.00	0.00
May 2023 .....	4,438,041.37	0.00	0.00	0.00	0.00	0.00
June 2023 .....	4,307,774.39	0.00	0.00	0.00	0.00	0.00
July 2023 .....	4,180,010.31	0.00	0.00	0.00	0.00	0.00
August 2023 .....	4,054,706.88	0.00	0.00	0.00	0.00	0.00
September 2023 .....	3,931,822.57	0.00	0.00	0.00	0.00	0.00
October 2023 .....	3,811,316.47	0.00	0.00	0.00	0.00	0.00
November 2023 .....	3,693,148.36	0.00	0.00	0.00	0.00	0.00
December 2023 .....	3,577,278.64	0.00	0.00	0.00	0.00	0.00
January 2024 .....	3,463,668.33	0.00	0.00	0.00	0.00	0.00
February 2024 .....	3,352,279.11	0.00	0.00	0.00	0.00	0.00
March 2024 .....	3,243,073.23	0.00	0.00	0.00	0.00	0.00
April 2024 .....	3,136,013.58	0.00	0.00	0.00	0.00	0.00
May 2024 .....	3,031,063.62	0.00	0.00	0.00	0.00	0.00
June 2024 .....	2,928,187.39	0.00	0.00	0.00	0.00	0.00
July 2024 .....	2,827,349.53	0.00	0.00	0.00	0.00	0.00
August 2024 .....	2,728,515.23	0.00	0.00	0.00	0.00	0.00
September 2024 .....	2,631,650.24	0.00	0.00	0.00	0.00	0.00
October 2024 .....	2,536,720.86	0.00	0.00	0.00	0.00	0.00
November 2024 .....	2,443,693.92	0.00	0.00	0.00	0.00	0.00
December 2024 .....	2,352,536.81	0.00	0.00	0.00	0.00	0.00
January 2025 .....	2,263,217.41	0.00	0.00	0.00	0.00	0.00
February 2025 .....	2,175,704.14	0.00	0.00	0.00	0.00	0.00
March 2025 .....	2,089,965.92	0.00	0.00	0.00	0.00	0.00
April 2025 .....	2,005,972.17	0.00	0.00	0.00	0.00	0.00
May 2025 .....	1,923,692.79	0.00	0.00	0.00	0.00	0.00
June 2025 .....	1,843,098.18	0.00	0.00	0.00	0.00	0.00
July 2025 .....	1,764,159.22	0.00	0.00	0.00	0.00	0.00
August 2025 .....	1,686,847.25	0.00	0.00	0.00	0.00	0.00
September 2025 .....	1,611,134.06	0.00	0.00	0.00	0.00	0.00
October 2025 .....	1,536,991.92	0.00	0.00	0.00	0.00	0.00
November 2025 .....	1,464,393.54	0.00	0.00	0.00	0.00	0.00
December 2025 .....	1,393,312.06	0.00	0.00	0.00	0.00	0.00
January 2026 .....	1,323,721.06	0.00	0.00	0.00	0.00	0.00
February 2026 .....	1,255,594.55	0.00	0.00	0.00	0.00	0.00
March 2026 .....	1,188,906.96	0.00	0.00	0.00	0.00	0.00
April 2026 .....	1,123,633.14	0.00	0.00	0.00	0.00	0.00
May 2026 .....	1,059,748.33	0.00	0.00	0.00	0.00	0.00
June 2026 .....	997,228.18	0.00	0.00	0.00	0.00	0.00
July 2026 .....	936,048.74	0.00	0.00	0.00	0.00	0.00
August 2026 .....	876,186.45	0.00	0.00	0.00	0.00	0.00
September 2026 .....	817,618.13	0.00	0.00	0.00	0.00	0.00
October 2026 .....	760,320.96	0.00	0.00	0.00	0.00	0.00
November 2026 .....	704,272.52	0.00	0.00	0.00	0.00	0.00

<u>Distribution Date</u>	<u>Aggregate I Planned Balance</u>	<u>Aggregate II Scheduled Balance</u>	<u>Aggregate III Targeted Balance</u>	<u>Aggregate IV Targeted Balance</u>	<u>Aggregate V Planned Balance</u>	<u>C Class Targeted Balance</u>
December 2026 .....	\$ 649,450.73	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
January 2027 .....	595,833.88	0.00	0.00	0.00	0.00	0.00
February 2027 .....	543,400.62	0.00	0.00	0.00	0.00	0.00
March 2027 .....	492,129.94	0.00	0.00	0.00	0.00	0.00
April 2027 .....	442,001.17	0.00	0.00	0.00	0.00	0.00
May 2027 .....	392,993.98	0.00	0.00	0.00	0.00	0.00
June 2027 .....	345,088.39	0.00	0.00	0.00	0.00	0.00
July 2027 .....	298,264.70	0.00	0.00	0.00	0.00	0.00
August 2027 .....	252,503.59	0.00	0.00	0.00	0.00	0.00
September 2027 .....	207,786.01	0.00	0.00	0.00	0.00	0.00
October 2027 .....	164,093.25	0.00	0.00	0.00	0.00	0.00
November 2027 .....	121,406.90	0.00	0.00	0.00	0.00	0.00
December 2027 .....	79,708.84	0.00	0.00	0.00	0.00	0.00
January 2028 .....	38,981.26	0.00	0.00	0.00	0.00	0.00
February 2028 and thereafter .....	0.00	0.00	0.00	0.00	0.00	0.00



Available Recombination ( 1 )

REMIC Certificates		RCR Certificates						
Class	Original Principal Balance	RCR Class	Original Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Maturity Date
Recombination 1 AB AC	\$368,197,000 52,600,000	E	\$420,797,000	6.5%	FIX	SEQ	31359TXT0	May 2026

(1) The 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 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.

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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.

\$1,950,000,000



**FannieMae**

Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 1998-32

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**PROSPECTUS SUPPLEMENT**

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**LEHMAN BROTHERS**

April 6, 1998

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