

\$500,000,000



FannieMae

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1998-72

The Certificates

We, the Federal National Mortgage Association ("Fannie Mae"), will issue the classes of certificates listed in the chart on this page.

Payments to Certificateholders

We will make monthly payments on the certificates. You, the investor, will receive

- interest accrued on the balance of your certificate (except in the case of an accrual class), and
- principal to the extent available for payment on your class.

We may pay principal at rates which vary from time to time. We may not pay principal to certain classes for long periods of time.

The Fannie Mae Guaranty

We will guarantee that required payments of principal and interest on the certificates are distributed to investors on time.

The Trust and its Assets

The trust will indirectly own Fannie Mae MBS.

The mortgage loans underlying the Fannie Mae MBS are first lien, single-family, fixed-rate loans.

Class	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PA	\$300,000,000	SCH	6.50%	FIX	31359U6R1	January 2029
PB	50,000,000	PAC	5.40	FIX	31359U6S9	January 2029
CB	95,000,000	SEG(TAC)/SCH	6.25	FIX	31359U6T7	January 2029
PI	12,115,384(1)	NTL	6.50	FIX/IO	31359U6U4	January 2029
FA	33,312,500	SEG(TAC)/SUP	(2)	FLT	31359U6V2	January 2029
SA	7,687,500	SEG(TAC)/SUP	(2)	INV	31359U6W0	January 2029
ZA	6,000,000	SUP	6.50	FIX/Z	31359U6X8	December 2027
ZB	5,000,000	SUP	6.50	FIX/Z	31359U6Y6	August 2028
ZC	3,000,000	SUP	6.50	FIX/Z	31359U6Z3	January 2029
R	0	NPR	0	NPR	31359U7A7	January 2029
RL	0	NPR	0	NPR	31359U7B5	January 2029

(1) Notional balance. This class is an interest only class.

(2) Based on LIBOR.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be December 30, 1998.

Carefully consider the risk factors starting on page S-7 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

You should read the REMIC prospectus as well as this prospectus supplement.

The certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

The certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

NOMURA SECURITIES INTERNATIONAL, INC.

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AVAILABLE INFORMATION

You should purchase the certificates only if you have read and understand this prospectus supplement and the following documents (the “Disclosure Documents”):

- our Prospectus for Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1998 (the “MBS Prospectus”); and
- our Information Statement dated March 31, 1998 and its supplements (the “Information Statement”).

You can obtain the Disclosure Documents by writing or calling us at:

Fannie Mae
MBS Helpline
3900 Wisconsin Avenue, N.W., Area 2H-3S
Washington, D.C. 20016
(telephone 1-800-237-8627 or 202-752-6547).

Most of the Disclosure Documents, together with the class factors, are available on our website located at <http://www.fanniemae.com>.

You can also obtain the Disclosure Documents by writing or calling the dealer at:

Nomura Securities International, Inc.
Prospectus Department
Two World Financial Center
Street Level Mail Room
New York, New York 10281-1198
(telephone 212-667-9607).

REFERENCE SHEET

This reference sheet is not a summary of the transaction and does not contain complete information about the certificates. You should purchase the certificates only after reading this prospectus supplement and each of the additional disclosure documents listed on page S-3.

Assumed Characteristics of the Mortgage Loans underlying the MBS in the Trust (as of December 1, 1998)

<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$300,000,000	360	358	2	7.00%
150,000,000	360	358	2	7.08%
50,000,000	360	357	2	6.80%

The actual remaining terms to maturity, calculated loan ages and interest rates of most of the mortgage loans will differ from the weighted averages shown above, perhaps significantly.

Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account payments in the same month). We publish the class factors on or shortly after the 11th day of each month.

Settlement Date

We expect to issue the certificates on December 30, 1998.

Distribution Dates

We will make payments on the classes of certificates on the 25th day of each calendar month, or on the next business day if such day is not a business day.

Book-Entry and Physical Certificates

We issue book-entry certificates through the U.S. Federal Reserve Banks, which will electronically track ownership of the certificates and payments on them. We will issue physical certificates in registered, certificated form.

We will issue the classes of certificates in the following forms:

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes other than the R and RL Classes	R and RL Classes

Interest Rates

During each interest accrual period, the fixed rate classes will accrue interest at the applicable annual interest rates listed on the cover.

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, these

classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<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>
FA	6.57375%	8.00%	0.95%	LIBOR + 95 basis points
SA	6.18041%	30.55%	0.00%	$30.55\% - (4.333333 \times \text{LIBOR})$

(1) We will establish LIBOR on the basis of the “BBA Method.”

Notional Class

A notional class will not receive any principal. Its notional principal balance is the balance used to calculate accrued interest. The notional principal balance will equal the percentage of the outstanding balance specified below immediately before the related distribution date:

<u>Class</u>	
PI	16.9230769231% of the PB Class 3.8461538462% of the CB Class

Distributions of Principal

Principal Distribution Amount

Accrual Amount

1. To the Aggregate Group to its Targeted Balance.
2. To the ZA and ZB Classes, in that order, to zero.
3. Thereafter to the ZC Class.

Cash Flow Distribution Amount

1. To the PA Class to its Scheduled Balance.
2. To the PB Class to its Planned Balance.
3. To the Aggregate Group to its Targeted Balance.
4. To the ZA, ZB and ZC Classes, in that order, to zero.
5. To the Aggregate Group to zero.
6. To the PB Class to zero.
7. To the PA Class to zero.

For a description of the Aggregate Group, see “Description of the Certificates—Distributions of Principal” in this prospectus supplement.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>50%</u>	<u>65%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>500%</u>
PA	16.9	9.3	9.3	9.3	10.1	8.9	5.1

<u>Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>500%</u>	
PB		24.8	2.5	2.5	2.5	2.1
ZA		28.5	23.6	0.8	0.5	0.2
ZB		29.2	26.0	1.6	1.1	0.5
ZC		29.8	28.6	2.1	1.4	0.6

<u>Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>160%</u>	<u>200%</u>	<u>250%</u>	<u>500%</u>
CB	19.7	10.7	4.4	4.4	4.4	3.7	1.8
PI	23.3	5.0	3.1	3.1	3.1	2.9	2.0

<u>Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>150%</u>	<u>160%</u>	<u>200%</u>	<u>250%</u>	<u>500%</u>
FA and SA	27.6	21.1	13.0	11.0	12.8	5.5	2.4	1.1

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

ADDITIONAL RISK FACTORS

The rate of principal payments on the certificates will be affected by payments on the underlying mortgage loans. The rate that you receive principal payments on the certificates will be sensitive to the rate of principal payments on the mortgage loans underlying the MBS, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

- at the prepayment rates we assumed, or
- at a constant prepayment rate until maturity.

Yields may be lower than expected due to unexpected rate of principal payments. The actual yield on your certificates probably will be lower than you expect:

- if you bought your certificates at a premium and principal payments are faster than you expected, or
- if you bought your certificates at a discount and principal payments are slower than you expected.

Furthermore, in the case of interest only certificates and certificates purchased at a premium, you could lose money on your investment if prepayments occur at a rapid rate.

You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates.

Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans. We have assumed that the mortgage loans underlying the MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

Level of floating rate index affects yields on certain certificates. The yield on any floating rate or inverse floating rate certificate will be affected by the level of its interest rate index. If the level of the index differs from the level you expect, then your actual yield may be lower than you expect.

Delay classes have lower yields and market values. Since certain classes do not receive interest immediately following each interest accrual period, these classes have lower yields and lower market values than they would if there were no such delay.

Reinvestment of certificate payments may not achieve same yields as certificates. The rate of principal payments of the certificates is uncertain. You may be unable to reinvest the payments on the certificates at the same yields provided by the certificates.

Unpredictable timing of last payment affects yields on certificates. The actual final payment of your class is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page. If you assumed the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

Some investors may be unable to buy certain classes. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should get legal advice to determine whether you may purchase the certificates.

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

DESCRIPTION OF THE CERTIFICATES

The material under this heading summarizes certain features of the Certificates. You will find additional information about the Certificates in the other sections of this Prospectus Supplement, as well as in the additional Disclosure Documents and the Trust Agreement. If we use a capitalized term in this Prospectus Supplement without defining it, you will find the definition of such term in the applicable Disclosure Documents or in the Trust Agreement.

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of December 1, 1998 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates” or “Classes”) pursuant to the Trust Agreement.

The Trust and the Lower Tier REMIC each will constitute a “real estate mortgage investment conduit” (“REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

- The Certificates (except the R and RL Classes) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.
- The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be the “regular interests” in the Lower Tier REMIC.
- The RL Class will be the “residual interest” in the Lower Tier REMIC.

The assets of the Trust will consist of the Lower Tier Regular Interests. The assets of the Lower Tier REMIC will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”).

Each MBS represents a beneficial ownership interest in a pool (each, a “Pool”) of first lien, single-family, fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described herein.

Fannie Mae Guaranty. We guarantee that we will distribute to Certificateholders:

- required installments of principal and interest on the Certificates on time, and
- the principal balance of each Class of Certificates no later than its Final Distribution Date, whether or not we have received sufficient payments on the MBS.

In addition, we guarantee that we will distribute to each holder of an MBS:

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and
- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

Characteristics of Certificates. We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold 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.

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in

New York, New York. State Street Bank and Trust Company in Boston, Massachusetts (“State Street”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the R or RL Certificate and may require payment to cover any tax or other governmental charge. See also “Characteristics of the R and RL Classes”.

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, and the Holder of the RL Class will receive the proceeds of any remaining assets of the Lower Tier REMIC, in each case only by presenting and surrendering the related Certificate at the office of the Paying Agent. State Street will be the initial Paying Agent.

Authorized Denominations. We will issue the Certificates, other than the R and RL Certificates, in minimum denominations of \$1,000 and whole dollar increments. We will issue the R and RL Classes as single Certificates with no principal balances.

Distribution Date. We will make monthly payments on the 25th day of each month (or, if the 25th is not a business day, on the first business day after the 25th). We refer to such date as the “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

Record Date. On each Distribution Date, we will make each monthly payment on the Certificates to Holders of record on the last day of the preceding month.

Class Factors. On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of that Class, the product will equal the current principal balance (or notional principal balance) of that Certificate after taking into account payments on the Distribution Date in the same month (as well as any addition to principal in the case of an Accrual Class).

Optional Termination. We will not terminate the Lower Tier REMIC or the Trust by exercising our right to repurchase the Mortgage Loans underlying any MBS unless:

- only one Mortgage Loan remains in the related Pool, or
- the principal balance of the Pool is less than one percent of its original level.

See “Description of Certificates—Termination” in the MBS Prospectus.

The MBS

The following table contains certain information about the MBS. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown 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, beginning in the month after we issue 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. These Mortgage Loans will have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the MBS and the related Mortgage Loans as of December 1, 1998 (the “Issue Date”) to be as follows:

Aggregate Unpaid Principal Balance	\$500,000,000
MBS Pass-Through Rate	6.50%
Related Mortgage Loans	
Range of WACs (per annum percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months
Approximate Weighted Average CAGE	2 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including 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 the MBS. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 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 us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	PA, PB, CB, PI, ZA, ZB and ZC
Accrual	ZA, ZB and ZC
Floating Rate	FA
Inverse Floating Rate	SA
Interest Only	PI
No Payment Residual	R and RL

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

General. We will pay interest on the interest-bearing Certificates at the applicable annual interest rates shown on the cover or described in this prospectus supplement. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid (or added to principal, in the case of the Accrual Classes) on each Certificate on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to such Distribution Date. For a description of the Accrual Classes, see “Accrual Classes.”

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Classes of interest-bearing Certificates (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

Accrual Classes. The ZA, ZB and ZC Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates listed on the cover. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued and unpaid on each Accrual Class on any Distribution Date will be added as principal to its principal balance. We will pay principal on the Accrual Classes as described under “Distributions of Principal” below.

Notional Class. The Notional Class will not have a principal balance. During each Interest Accrual Period, the Notional Class will bear interest on its notional principal balance at its interest rate. The notional principal balance of the Notional Class will be calculated as indicated under “Reference Sheet—Notional Class.”

We use the notional principal balance of the Notional Class to determine interest payments on that Class. Although the Notional Class will not have a principal balance and will not be entitled to any principal payments, we will publish a class factor for that Class. References in this prospectus supplement to the principal balances of the Certificates generally shall refer also to the notional principal balance of the Notional Class.

Floating Rate and Inverse Floating Rate Classes. During each Interest Accrual Period, the Floating Rate and Inverse Floating Rate Classes will bear interest at rates determined as described under “Reference Sheet—Interest Rates.”

Changes in the specified interest rate index (the “Index”) will affect the yields with respect to these Classes. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of the Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the Index occurs.

Our establishment of each Index value and our determination of the interest rate for each applicable Class for the related Interest Accrual Period will be final and binding in the absence of manifest error. You may obtain each such interest rate by telephoning us at 1-800-237-8627 or 202-752-6547.

Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR 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*.”

If we are unable to so calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.62375%.

Distributions of Principal

Categories of Classes and Group

For the purpose of principal payments, the Classes and Group fall into the following categories:

<u>Principal Type*</u>	<u>Classes and Group</u>
Scheduled	PA
PAC	PB
Notional	PI
Segment (TAC) /Scheduled	CB
Segment (TAC) /Support	FA and SA
Support	ZA, ZB and ZC
Accretion Directed	CB, FA, SA, ZA and ZB
No Payment Residual	R and RL

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

Principal Distribution Amount

On the Distribution Date in each month, we will pay principal on the Certificates in an aggregate amount (the “Principal Distribution Amount”) equal to the principal then paid on the MBS (the “Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the ZA, ZB and ZC Classes (collectively, the “Accrual Amount”).

Accrual Amount

On each Distribution Date, we will pay the Accrual Amount as principal to the Group and Classes specified below in the following priority:

- (i) to the Aggregate Group (as described below), until the Aggregate Group Balance (as described below) is reduced to its Targeted Balance for such Distribution Date; and
- (ii) sequentially, to the ZA and ZB Classes, in that order, until their principal balances are reduced to zero; and
- (iii) thereafter to the ZC Class.

} Accretion
Directed
Group
and
Accrual
Classes

Cash Flow Distribution Amount

On each Distribution Date, we will pay the Cash Flow Distribution Amount as principal of the Classes and Group specified below in the following priority:

- (i) to the PA Class, until its principal balance is reduced to its Scheduled Balance for such Distribution Date;
- (ii) to the PB Class, until its principal balance is reduced to its Planned Balance for such Distribution Date;
- (iii) to the Aggregate Group, until the Aggregate Group Balance is reduced to its Targeted Balance for such Distribution Date;
- (iv) sequentially, to the ZA, ZB and ZC Classes, until their principal balances are reduced to zero;

} Scheduled
Class

} PAC
Class

} TAC
Group

} Support
Classes

- (v) to the Aggregate Group, without regard to its Targeted Balance and until the Aggregate Group Balance is reduced to zero; } TAC Group
- (vi) to the PB Class, without regard to its Planned Balance and until its principal balance is reduced to zero; and } PAC Class
- (vii) to the PA Class, without regard to its Scheduled Balance and until its principal balance is reduced to zero. } Scheduled Class

The “Aggregate Group” consists of the CB, FA and SA Classes. We will apply payments of principal of the Aggregate Group as follows:

first, to the CB Class, until its principal balance is reduced to its Scheduled Balance for such Distribution Date;

second, concurrently, to the FA and SA Classes, pro rata (or 81.25% and 18.75%, respectively), until their principal balances are reduced to zero; and

third, to the CB Class, without regard to its Scheduled Balance and until its principal balance is reduced to zero.

The “Aggregate Group Balance” for any Distribution Date is equal to \$136,000,000 minus the sum of all principal amounts previously applied to it as specified above.

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the MBS in the Trust”;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables; and
- the settlement date for the sale of the Certificates is December 30, 1998.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here 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 Rate. The Principal Balance Schedules are found beginning on page A-1. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and

the assumption that the Mortgage Loans will prepay within the applicable ranges or at the applicable rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Group (1)</u>	<u>Structuring Ranges and Rate</u>
Scheduled Balances	PA	Between 50% and 65%
Planned Balances	PB	Between 100% and 250%
Scheduled Balances	CB	Between 145% and 160%
Targeted Balances	Aggregate Group	150%

(1) The Structuring Rate for the Aggregate Group is associated with the Aggregate Group Balance but not with the individual balances of the related Classes.

We cannot assure you that the balance of any Class or Group listed above will conform on any Distribution Date to the specified balance in the Principal Balance Schedules. As a result, we cannot assure you that payments of principal of any Class or Group listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules. We will distribute any excess of principal payments over the amount needed to reduce a Class or Group to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class or Group to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Range, principal distributions may be insufficient to reduce the applicable Class to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans, which may include recently originated Mortgage Loans, the Classes and Group specified above may not be reduced to their scheduled balances, even if prepayments occur within the applicable Structuring Ranges or at the applicable rate specified above.

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

<u>Classes</u>	<u>Initial Effective Ranges</u>
PA	Between 50% and 65%
PB	Between 100% and 300%
CB	Between 145% and 168%

The actual Effective Ranges at any time will be based upon the actual characteristics of the Mortgage Loans at that 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 are likely to differ from the Initial Effective Ranges. As a result, the applicable Classes might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges (particularly if such rate were at the lower or higher end of such ranges). In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the 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 Classes will be supported in part by the Support Classes. When the Support Classes are retired, any outstanding PAC or Scheduled Class may no longer have an Effective Range and will be more sensitive to prepayments.

Yield Tables

General. The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. We calculated the yields set forth in the tables 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 values 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.

These calculations do not take into account variations in the interest rates at which you could reinvest distributions on the Certificates. Accordingly, these calculations do not illustrate the return on any investment in the Certificates when such reinvestment rates are taken into account.

We cannot assure you that

- the pre-tax yields on the applicable Certificates will correspond to any of the pre-tax yields shown here, or
- the aggregate purchase prices of the applicable Certificates will be as assumed.

In addition, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

- the Mortgage Loans will prepay at a constant PSA rate until maturity,
- all of such Mortgage Loans will prepay at the same rate, or
- the level of the Index will remain constant.

The Interest Only Class. The yield to investors in the PI Class will be very sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the specified Class would be 0% if prepayments of the Mortgage Loans were to occur at a constant rate of 457% PSA. If the actual prepayment rates of the related Mortgage Loans were to exceed the applicable level for as little as one month while equaling such level for the remaining months, the investors in the Interest Only Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
PI.....	13.25%

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

Sensitivity of the PI Class to Prepayments

	PSA Prepayment Assumption					
	50%	100%	145%	200%	250%	500%
Pre-Tax Yields to Maturity	48.4%	29.8%	21.6%	21.6%	19.2%	(4.3)%

The Inverse Floating Rate Class. The yield to investors in the SA Class will be sensitive to the rate of principal payments, including prepayments, of the Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time without penalty.

Changes in the Index may not correspond to 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 while the level of the Index increased.

The information shown in the yield table has been prepared on the basis of the Pricing Assumptions and the assumptions that

- the interest rate for the Inverse Floating Rate Class for the initial Interest Accrual Period is the rate listed in the table under “Reference Sheet—Interest Rates” and for each following Interest Accrual Period will be based on the specified level of the Index, and
- the aggregate purchase price of such Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
SA	93.00%

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

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

LIBOR	PSA Prepayment Assumption							
	50%	100%	145%	150%	160%	200%	250%	500%
3.62375%	16.3%	16.4%	16.5%	16.6%	16.6%	17.3%	18.7%	21.9%
5.62375%	6.8%	6.9%	7.1%	7.2%	7.1%	7.9%	9.5%	12.9%
7.05000%	0.3%	0.3%	0.6%	0.7%	0.6%	1.4%	3.1%	6.6%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- 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,
- summing the results, and
- 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 Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including

- the timing of changes in such rate of principal payments,
- the priority sequence of distributions of principal of the Certificates, and
- in the case of certain Classes, the payment of principal of the applicable Classes in accordance with the Principal Balance Schedules.

See “Distributions of Principal” herein.

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their 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 date 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. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have original and remaining terms to maturity of 360 months and bear interest at an annual rate of 9.0%.

It is unlikely that

- all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed, or
- the underlying Mortgage Loans will prepay at any *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. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	PA Class							PB Class					CB Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption						
	0%	50%	65%	100%	200%	250%	500%	0%	100%	200%	250%	500%	0%	100%	145%	160%	200%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1999	100	100	100	100	100	100	100	97	83	83	83	83	98	95	91	91	91	91	91
December 2000	99	95	95	95	95	95	95	97	64	64	64	64	97	94	80	80	80	80	42
December 2001	97	88	88	88	88	88	82	97	38	38	38	0	95	92	68	68	68	68	0
December 2002	96	81	81	81	81	81	57	97	15	15	15	0	94	91	57	57	57	47	0
December 2003	94	75	75	75	75	75	39	97	0	0	0	0	93	87	45	45	45	25	0
December 2004	92	69	69	69	69	69	27	97	0	0	0	0	92	77	29	29	29	2	0
December 2005	90	63	63	63	63	58	19	97	0	0	0	0	90	67	15	15	15	0	0
December 2006	88	57	57	57	57	48	13	97	0	0	0	0	89	59	4	4	4	0	0
December 2007	86	51	51	51	51	40	9	97	0	0	0	0	87	52	0	0	0	0	0
December 2008	83	45	45	45	45	34	6	97	0	0	0	0	85	46	0	0	0	0	0
December 2009	81	39	39	39	39	28	4	97	0	0	0	0	83	41	0	0	0	0	0
December 2010	78	33	33	33	33	23	3	97	0	0	0	0	81	37	0	0	0	0	0
December 2011	74	28	28	28	29	19	2	97	0	0	0	0	79	34	0	0	0	0	0
December 2012	71	22	22	22	24	16	1	97	0	0	0	0	77	32	0	0	0	0	0
December 2013	67	16	16	17	21	13	1	97	0	0	0	0	74	29	0	0	0	0	0
December 2014	62	11	11	12	17	10	1	97	0	0	0	0	72	26	0	0	0	0	0
December 2015	57	6	6	7	15	8	*	97	0	0	0	0	69	24	0	0	0	0	0
December 2016	52	*	*	2	12	7	*	97	0	0	0	0	66	21	0	0	0	0	0
December 2017	46	0	0	0	10	5	*	97	0	0	0	0	63	11	0	0	0	0	0
December 2018	40	0	0	0	8	4	*	97	0	0	0	0	59	0	0	0	0	0	0
December 2019	33	0	0	0	7	3	*	97	0	0	0	0	56	0	0	0	0	0	0
December 2020	26	0	0	0	5	3	*	97	0	0	0	0	52	0	0	0	0	0	0
December 2021	18	0	0	0	4	2	*	97	0	0	0	0	48	0	0	0	0	0	0
December 2022	9	0	0	0	3	2	*	97	0	0	0	0	43	0	0	0	0	0	0
December 2023	0	0	0	0	2	1	*	90	0	0	0	0	39	0	0	0	0	0	0
December 2024	0	0	0	0	2	1	*	26	0	0	0	0	34	0	0	0	0	0	0
December 2025	0	0	0	0	1	1	*	0	0	0	0	0	5	0	0	0	0	0	0
December 2026	0	0	0	0	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0
December 2027	0	0	0	0	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
December 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.9	9.3	9.3	9.3	10.1	8.9	5.1	24.8	2.5	2.5	2.5	2.1	19.7	10.7	4.4	4.4	4.4	3.7	1.8

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

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

Date	PI† Class							FA and SA Classes								ZA Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption								PSA Prepayment Assumption				
	0%	100%	145%	160%	200%	250%	500%	0%	100%	145%	150%	160%	200%	250%	500%	0%	100%	200%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1999	97	87	85	85	85	85	85	100	100	100	99	99	99	99	63	107	107	36	0	0
December 2000	97	73	69	69	69	69	57	100	100	100	97	97	97	69	0	114	114	0	0	0
December 2001	96	54	47	47	47	47	0	100	100	100	94	94	74	16	0	121	121	0	0	0
December 2002	96	38	28	28	28	25	0	100	100	100	91	91	54	0	0	130	130	0	0	0
December 2003	95	26	14	14	14	7	0	100	100	100	90	90	40	0	0	138	138	0	0	0
December 2004	95	23	9	9	9	1	0	100	100	100	88	88	31	0	0	148	148	0	0	0
December 2005	95	20	4	4	4	0	0	100	100	100	88	88	27	0	0	157	157	0	0	0
December 2006	94	18	1	1	1	0	0	100	100	99	86	87	26	0	0	168	168	0	0	0
December 2007	94	16	0	0	0	0	0	100	100	87	73	75	17	0	0	179	179	0	0	0
December 2008	93	14	0	0	0	0	0	100	100	70	57	61	6	0	0	191	191	0	0	0
December 2009	93	13	0	0	0	0	0	100	100	58	45	51	1	0	0	204	204	0	0	0
December 2010	92	11	0	0	0	0	0	100	100	49	36	45	1	0	0	218	218	0	0	0
December 2011	91	10	0	0	0	0	0	100	100	44	31	43	1	0	0	232	232	0	0	0
December 2012	91	10	0	0	0	0	0	100	100	38	26	40	1	0	0	248	248	0	0	0
December 2013	90	9	0	0	0	0	0	100	100	33	20	37	1	0	0	264	264	0	0	0
December 2014	89	8	0	0	0	0	0	100	100	27	14	33	1	0	0	282	282	0	0	0
December 2015	88	7	0	0	0	0	0	100	100	20	7	30	1	0	0	301	301	0	0	0
December 2016	87	6	0	0	0	0	0	100	100	13	1	26	1	0	0	321	321	0	0	0
December 2017	86	3	0	0	0	0	0	100	100	6	0	22	1	0	0	343	343	0	0	0
December 2018	85	0	0	0	0	0	0	100	89	0	0	18	1	0	0	366	366	0	0	0
December 2019	84	0	0	0	0	0	0	100	53	0	0	13	1	0	0	390	390	0	0	0
December 2020	83	0	0	0	0	0	0	100	18	0	0	0	1	0	0	416	416	0	0	0
December 2021	82	0	0	0	0	0	0	100	0	0	0	0	1	0	0	444	337	0	0	0
December 2022	81	0	0	0	0	0	0	100	0	0	0	0	1	0	0	474	138	0	0	0
December 2023	75	0	0	0	0	0	0	100	0	0	0	0	1	0	0	506	0	0	0	0
December 2024	28	0	0	0	0	0	0	100	0	0	0	0	1	0	0	539	0	0	0	0
December 2025	2	0	0	0	0	0	0	100	0	0	0	0	1	0	0	576	0	0	0	0
December 2026	0	0	0	0	0	0	0	5	0	0	0	0	1	0	0	614	0	0	0	0
December 2027	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
December 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)**	23.3	5.0	3.1	3.1	3.1	2.9	2.0	27.6	21.1	13.0	11.0	12.8	5.5	2.4	1.1	28.5	23.6	0.8	0.5	0.2

Date	ZB Class					ZC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	200%	250%	500%	0%	100%	200%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
December 1999	107	107	107	65	0	107	107	107	107	0
December 2000	114	114	0	0	0	114	114	77	0	0
December 2001	121	121	0	0	0	121	121	0	0	0
December 2002	130	130	0	0	0	130	130	0	0	0
December 2003	138	138	0	0	0	138	138	0	0	0
December 2004	148	148	0	0	0	148	148	0	0	0
December 2005	157	157	0	0	0	157	157	0	0	0
December 2006	168	168	0	0	0	168	168	0	0	0
December 2007	179	179	0	0	0	179	179	0	0	0
December 2008	191	191	0	0	0	191	191	0	0	0
December 2009	204	204	0	0	0	204	204	0	0	0
December 2010	218	218	0	0	0	218	218	0	0	0
December 2011	232	232	0	0	0	232	232	0	0	0
December 2012	248	248	0	0	0	248	248	0	0	0
December 2013	264	264	0	0	0	264	264	0	0	0
December 2014	282	282	0	0	0	282	282	0	0	0
December 2015	301	301	0	0	0	301	301	0	0	0
December 2016	321	321	0	0	0	321	321	0	0	0
December 2017	343	343	0	0	0	343	343	0	0	0
December 2018	366	366	0	0	0	366	366	0	0	0
December 2019	390	390	0	0	0	390	390	0	0	0
December 2020	416	416	0	0	0	416	416	0	0	0
December 2021	444	444	0	0	0	444	444	0	0	0
December 2022	474	474	0	0	0	474	474	0	0	0
December 2023	506	440	0	0	0	506	506	0	0	0
December 2024	539	249	0	0	0	539	539	0	0	0
December 2025	576	66	0	0	0	576	576	0	0	0
December 2026	614	0	0	0	0	614	430	0	0	0
December 2027	527	0	0	0	0	655	189	0	0	0
December 2028	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.2	26.0	1.6	1.1	0.5	29.8	28.6	2.1	1.4	0.6

** 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. If any assets of the Trust remain after the principal balances of all Classes are reduced to zero, we will pay the Holder of the R Class the proceeds from those assets. If any assets of the Lower Tier REMIC remain after the principal balances of the Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. Fannie Mae does not expect that any material assets will remain in either case.

The R and RL Classes will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R or RL Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R or RL Certificate to any person that is not a “U.S. Person” without our written consent. Treasury Department regulations (the “Regulations”) provide that 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, we will be obligated to provide to these Holders (i) information 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 Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following tax discussion supplements the discussion under the caption “Certain Federal Income Tax Consequences” in the REMIC Prospectus. When read together, the two discussions describe the current federal income tax treatment of beneficial owners of Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

REMIC Elections and Special Tax Attributes

We will elect 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.

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan

associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Class and the Accrual Classes will be issued with original issue discount (“OID”), and certain other Classes of Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

The Prepayment Assumption that will be used in determining the rate of accrual of OID will be 200% PSA. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount—*Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 6.17% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Nomura Securities International, Inc. (the “Dealer”) in exchange for the MBS. 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 these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Certificates in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class bears to the aggregate original principal balance of all Classes will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

Principal Balance Schedules

<u>Distribution Date</u>	<u>Aggregate Group Targeted Balance</u>	<u>CB Class Scheduled Balance</u>	<u>PA Class Scheduled Balance</u>	<u>PB Class Planned Balance</u>
Initial Balance	\$136,000,000.00	\$95,000,000.00	\$300,000,000.00	\$50,000,000.00
January 1999	135,132,602.54	94,145,194.35	300,000,000.00	50,000,000.00
February 1999	134,137,372.76	93,166,750.07	300,000,000.00	50,000,000.00
March 1999	133,014,614.27	92,064,960.24	300,000,000.00	50,000,000.00
April 1999	131,764,728.62	90,840,209.50	300,000,000.00	50,000,000.00
May 1999	130,388,215.25	89,492,974.07	300,000,000.00	50,000,000.00
June 1999	129,976,881.63	89,115,031.85	300,000,000.00	48,908,789.77
July 1999	129,524,341.67	88,699,960.85	300,000,000.00	47,733,450.14
August 1999	129,030,967.50	88,248,091.01	300,000,000.00	46,474,400.89
September 1999	128,497,184.30	87,759,799.05	300,000,000.00	45,132,105.38
October 1999	127,923,469.95	87,235,508.20	300,000,000.00	43,707,070.28
November 1999	127,310,354.53	86,675,687.70	300,000,000.00	42,199,845.28
December 1999	126,658,419.74	86,080,852.38	298,983,675.99	41,627,346.85
January 2000	125,968,298.26	85,451,562.04	297,925,101.18	41,016,136.60
February 2000	125,240,673.03	84,788,420.82	296,824,493.82	40,366,673.09
March 2000	124,476,276.35	84,092,076.50	295,682,083.25	39,679,445.38
April 2000	123,675,889.06	83,363,219.68	294,498,109.78	38,954,972.62
May 2000	122,840,339.48	82,602,582.92	293,272,824.69	38,193,803.64
June 2000	121,970,502.34	81,810,939.85	292,006,490.08	37,396,516.49
July 2000	121,067,297.67	80,989,104.10	290,699,378.78	36,563,717.99
August 2000	120,131,689.51	80,137,928.28	289,351,774.31	35,696,043.19
September 2000	119,164,684.62	79,258,302.84	287,963,970.74	34,794,154.83
October 2000	118,167,331.10	78,351,154.85	286,536,272.58	33,858,742.80
November 2000	117,140,716.93	77,417,446.72	285,068,994.69	32,890,523.49
December 2000	116,085,968.44	76,458,174.94	283,562,462.17	31,890,239.21
January 2001	115,004,248.69	75,474,368.64	282,017,010.24	30,858,657.54
February 2001	113,896,755.86	74,467,088.15	280,432,984.10	29,796,570.60
March 2001	112,764,721.48	73,437,423.57	278,810,738.83	28,704,794.39
April 2001	111,609,408.68	72,386,493.15	277,150,639.23	27,584,168.06
May 2001	110,470,622.37	71,350,138.16	275,493,212.16	26,474,872.82
June 2001	109,348,187.68	70,328,207.34	273,838,445.78	25,376,848.30
July 2001	108,241,931.27	69,320,550.75	272,186,328.29	24,290,034.44
August 2001	107,151,681.32	68,327,019.68	270,536,847.88	23,214,371.57
September 2001	106,077,267.51	67,347,466.73	268,889,992.78	22,149,800.35
October 2001	105,018,521.03	66,381,745.73	267,245,751.21	21,096,261.82
November 2001	103,975,274.55	65,429,711.75	265,604,111.42	20,053,697.35
December 2001	102,947,362.17	64,491,221.10	263,965,061.66	19,022,048.65
January 2002	101,934,619.50	63,566,131.32	262,328,590.20	18,001,257.81
February 2002	100,936,883.55	62,654,301.16	260,694,685.31	16,991,267.24
March 2002	99,953,992.78	61,755,590.55	259,063,335.30	15,992,019.70
April 2002	98,985,787.07	60,869,860.65	257,434,528.47	15,003,458.29
May 2002	98,032,107.69	59,996,973.77	255,808,253.14	14,025,526.46
June 2002	97,092,797.32	59,136,793.41	254,184,497.64	13,058,167.98
July 2002	96,167,700.01	58,289,184.21	252,563,250.30	12,101,326.97
August 2002	95,256,661.18	57,454,012.00	250,944,499.50	11,154,947.89
September 2002	94,359,527.61	56,631,143.73	249,328,233.59	10,218,975.52
October 2002	93,476,147.44	55,820,447.47	247,714,440.95	9,293,354.98
November 2002	92,606,370.11	55,021,792.43	246,103,109.98	8,378,031.71
December 2002	91,750,046.42	54,235,048.94	244,494,229.08	7,472,951.49
January 2003	90,907,028.46	53,460,088.42	242,887,786.67	6,578,060.43
February 2003	90,077,169.61	52,696,783.39	241,283,771.17	5,693,304.95

<u>Distribution Date</u>	<u>Aggregate Group Targeted Balance</u>	<u>CB Class Scheduled Balance</u>	<u>PA Class Scheduled Balance</u>	<u>PB Class Planned Balance</u>
March 2003	\$ 89,260,324.57	\$51,945,007.45	\$239,682,171.01	\$ 4,818,631.80
April 2003	88,456,349.28	51,204,635.30	238,082,974.66	3,953,988.05
May 2003	87,665,100.98	50,475,542.68	236,486,170.57	3,099,321.10
June 2003	86,886,438.15	49,757,606.39	234,891,747.22	2,254,578.65
July 2003	86,120,220.50	49,050,704.31	233,299,693.08	1,419,708.73
August 2003	85,366,309.00	48,354,715.31	231,709,996.66	594,659.69
September 2003	84,403,946.01	47,448,899.52	230,122,646.46	0.00
October 2003	82,868,673.54	45,968,816.52	228,537,630.99	0.00
November 2003	81,354,965.16	44,508,957.24	226,954,938.80	0.00
December 2003	79,862,636.23	43,069,154.23	225,374,558.41	0.00
January 2004	78,391,503.63	41,649,241.37	223,796,478.37	0.00
February 2004	76,941,385.67	40,249,053.81	222,220,687.25	0.00
March 2004	75,512,102.16	38,868,427.98	220,647,173.62	0.00
April 2004	74,103,474.35	37,507,201.62	219,075,926.06	0.00
May 2004	72,715,324.93	36,165,213.69	217,506,933.15	0.00
June 2004	71,347,478.03	34,842,304.43	215,940,183.51	0.00
July 2004	69,999,759.17	33,538,315.32	214,375,665.74	0.00
August 2004	68,671,995.31	32,253,089.07	212,813,368.47	0.00
September 2004	67,364,014.79	30,986,469.62	211,253,280.34	0.00
October 2004	66,075,647.33	29,738,302.14	209,695,389.97	0.00
November 2004	64,806,724.03	28,508,432.97	208,139,686.03	0.00
December 2004	63,557,077.34	27,296,709.69	206,586,157.17	0.00
January 2005	62,326,541.09	26,102,981.04	205,034,792.08	0.00
February 2005	61,114,950.42	24,927,096.94	203,485,579.42	0.00
March 2005	59,922,141.81	23,768,908.50	201,938,507.89	0.00
April 2005	58,747,953.06	22,628,267.98	200,393,566.20	0.00
May 2005	57,592,223.29	21,505,028.77	198,850,743.05	0.00
June 2005	56,454,792.89	20,399,045.44	197,310,027.16	0.00
July 2005	55,335,503.57	19,310,173.68	195,771,407.25	0.00
August 2005	54,234,198.29	18,238,270.28	194,234,872.07	0.00
September 2005	53,150,721.30	17,183,193.19	192,700,410.37	0.00
October 2005	52,084,918.09	16,144,801.44	191,168,010.89	0.00
November 2005	51,036,635.40	15,122,955.17	189,637,662.40	0.00
December 2005	50,005,721.21	14,117,515.59	188,109,353.67	0.00
January 2006	48,992,024.73	13,128,345.03	186,583,073.49	0.00
February 2006	47,995,396.38	12,159,396.23	185,058,810.64	0.00
March 2006	47,015,687.80	11,212,567.64	183,536,553.92	0.00
April 2006	46,052,751.81	10,287,644.38	182,016,292.14	0.00
May 2006	45,106,442.43	9,384,413.68	180,498,014.12	0.00
June 2006	44,176,614.85	8,502,664.83	178,981,708.67	0.00
July 2006	43,263,125.45	7,642,189.18	177,467,364.63	0.00
August 2006	42,365,831.73	6,802,780.08	175,954,970.84	0.00
September 2006	41,484,592.39	5,984,232.91	174,444,516.15	0.00
October 2006	40,619,267.23	5,186,345.04	172,935,989.40	0.00
November 2006	39,769,717.19	4,408,915.81	171,429,379.46	0.00
December 2006	38,935,804.36	3,651,746.52	169,924,675.21	0.00
January 2007	38,117,391.92	2,914,640.39	168,421,865.52	0.00
February 2007	37,314,344.15	2,197,402.58	166,920,939.28	0.00
March 2007	36,526,526.44	1,499,840.14	165,421,885.37	0.00
April 2007	35,753,805.26	821,762.00	163,924,692.71	0.00
May 2007	34,996,048.16	162,978.96	162,429,350.19	0.00

<u>Distribution Date</u>	<u>Aggregate Group Targeted Balance</u>	<u>CB Class Scheduled Balance</u>	<u>PA Class Scheduled Balance</u>	<u>PB Class Planned Balance</u>
June 2007	\$ 34,253,123.77	\$ 0.00	\$160,935,846.74	\$ 0.00
July 2007	33,524,901.76	0.00	159,444,171.27	0.00
August 2007	32,811,252.86	0.00	157,954,312.71	0.00
September 2007	32,112,048.86	0.00	156,466,260.01	0.00
October 2007	31,427,162.57	0.00	154,980,002.09	0.00
November 2007	30,756,467.83	0.00	153,495,527.91	0.00
December 2007	30,099,839.49	0.00	152,012,826.43	0.00
January 2008	29,457,153.43	0.00	150,531,886.61	0.00
February 2008	28,828,286.53	0.00	149,052,697.42	0.00
March 2008	28,213,116.64	0.00	147,575,247.83	0.00
April 2008	27,611,522.62	0.00	146,099,526.82	0.00
May 2008	27,023,384.31	0.00	144,625,523.39	0.00
June 2008	26,448,582.50	0.00	143,153,226.52	0.00
July 2008	25,886,998.96	0.00	141,682,625.22	0.00
August 2008	25,338,516.42	0.00	140,213,708.49	0.00
September 2008	24,803,018.54	0.00	138,746,465.35	0.00
October 2008	24,280,389.92	0.00	137,280,884.80	0.00
November 2008	23,770,516.10	0.00	135,816,955.88	0.00
December 2008	23,273,283.56	0.00	134,354,667.61	0.00
January 2009	22,788,579.66	0.00	132,894,009.03	0.00
February 2009	22,316,292.70	0.00	131,434,969.18	0.00
March 2009	21,856,311.86	0.00	129,977,537.09	0.00
April 2009	21,408,527.24	0.00	128,521,701.83	0.00
May 2009	20,972,829.80	0.00	127,067,452.45	0.00
June 2009	20,549,111.40	0.00	125,614,778.00	0.00
July 2009	20,137,264.77	0.00	124,163,667.55	0.00
August 2009	19,737,183.50	0.00	122,714,110.18	0.00
September 2009	19,348,762.04	0.00	121,266,094.96	0.00
October 2009	18,971,895.69	0.00	119,819,610.96	0.00
November 2009	18,606,480.60	0.00	118,374,647.28	0.00
December 2009	18,252,413.75	0.00	116,931,193.00	0.00
January 2010	17,909,592.97	0.00	115,489,237.21	0.00
February 2010	17,577,916.89	0.00	114,048,769.01	0.00
March 2010	17,257,284.98	0.00	112,609,777.51	0.00
April 2010	16,947,597.50	0.00	111,172,251.81	0.00
May 2010	16,648,755.53	0.00	109,736,181.02	0.00
June 2010	16,360,660.95	0.00	108,301,554.25	0.00
July 2010	16,083,216.41	0.00	106,868,360.63	0.00
August 2010	15,816,325.36	0.00	105,436,589.28	0.00
September 2010	15,559,892.04	0.00	104,006,229.31	0.00
October 2010	15,313,821.44	0.00	102,577,269.87	0.00
November 2010	15,078,019.32	0.00	101,149,700.08	0.00
December 2010	14,852,392.21	0.00	99,723,509.08	0.00
January 2011	14,636,847.39	0.00	98,298,686.01	0.00
February 2011	14,431,292.89	0.00	96,875,220.01	0.00
March 2011	14,235,637.46	0.00	95,453,100.24	0.00
April 2011	14,049,790.60	0.00	94,032,315.83	0.00
May 2011	13,873,662.56	0.00	92,612,855.95	0.00
June 2011	13,704,062.46	0.00	91,194,709.74	0.00
July 2011	13,533,543.70	0.00	89,777,866.37	0.00
August 2011	13,362,101.29	0.00	88,362,315.00	0.00

<u>Distribution Date</u>	<u>Aggregate Group Targeted Balance</u>	<u>CB Class Scheduled Balance</u>	<u>PA Class Scheduled Balance</u>	<u>PB Class Planned Balance</u>
September 2011.....	\$ 13,189,730.24	\$ 0.00	\$ 86,948,044.79	\$ 0.00
October 2011	13,016,425.51	0.00	85,535,044.91	0.00
November 2011	12,842,182.04	0.00	84,123,304.53	0.00
December 2011	12,666,994.76	0.00	82,712,812.82	0.00
January 2012	12,490,858.55	0.00	81,303,558.95	0.00
February 2012	12,313,768.26	0.00	79,895,532.10	0.00
March 2012	12,135,718.74	0.00	78,488,721.44	0.00
April 2012.....	11,956,704.78	0.00	77,083,116.16	0.00
May 2012	11,776,721.16	0.00	75,678,705.45	0.00
June 2012	11,595,762.63	0.00	74,275,478.48	0.00
July 2012	11,413,823.91	0.00	72,873,424.43	0.00
August 2012	11,230,899.69	0.00	71,472,532.51	0.00
September 2012.....	11,046,984.62	0.00	70,072,791.89	0.00
October 2012	10,862,073.36	0.00	68,674,191.77	0.00
November 2012	10,676,160.48	0.00	67,276,721.34	0.00
December 2012	10,489,240.58	0.00	65,880,369.80	0.00
January 2013	10,301,308.20	0.00	64,485,126.33	0.00
February 2013	10,112,357.85	0.00	63,090,980.14	0.00
March 2013	9,922,384.02	0.00	61,697,920.42	0.00
April 2013.....	9,731,381.17	0.00	60,305,936.38	0.00
May 2013	9,539,343.71	0.00	58,915,017.20	0.00
June 2013	9,346,266.05	0.00	57,525,152.10	0.00
July 2013	9,152,142.56	0.00	56,136,330.26	0.00
August 2013	8,956,967.56	0.00	54,748,540.90	0.00
September 2013.....	8,760,735.37	0.00	53,361,773.21	0.00
October 2013	8,563,440.25	0.00	51,976,016.40	0.00
November 2013	8,365,076.45	0.00	50,592,609.20	0.00
December 2013	8,165,638.18	0.00	49,212,090.00	0.00
January 2014	7,965,119.62	0.00	47,834,445.01	0.00
February 2014	7,763,514.91	0.00	46,459,660.46	0.00
March 2014	7,560,818.18	0.00	45,087,722.61	0.00
April 2014.....	7,357,023.51	0.00	43,718,617.78	0.00
May 2014	7,152,124.95	0.00	42,352,332.30	0.00
June 2014	6,946,116.53	0.00	40,988,852.54	0.00
July 2014	6,738,992.22	0.00	39,628,164.92	0.00
August 2014	6,530,745.99	0.00	38,270,255.88	0.00
September 2014.....	6,321,371.77	0.00	36,915,111.90	0.00
October 2014	6,110,863.43	0.00	35,562,719.48	0.00
November 2014	5,899,214.84	0.00	34,213,065.17	0.00
December 2014	5,686,419.81	0.00	32,866,135.54	0.00
January 2015	5,472,472.15	0.00	31,521,917.21	0.00
February 2015	5,257,365.61	0.00	30,180,396.83	0.00
March 2015	5,041,093.90	0.00	28,841,561.07	0.00
April 2015.....	4,823,650.73	0.00	27,505,396.63	0.00
May 2015	4,605,029.73	0.00	26,171,890.28	0.00
June 2015	4,385,224.54	0.00	24,841,028.77	0.00
July 2015	4,164,228.74	0.00	23,512,798.93	0.00
August 2015	3,942,035.87	0.00	22,187,187.59	0.00
September 2015.....	3,718,639.47	0.00	20,864,181.63	0.00
October 2015	3,494,032.99	0.00	19,543,767.95	0.00
November 2015	3,268,209.90	0.00	18,225,933.49	0.00

<u>Distribution Date</u>	<u>Aggregate Group Targeted Balance</u>	<u>CB Class Scheduled Balance</u>	<u>PA Class Scheduled Balance</u>	<u>PB Class Planned Balance</u>
December 2015	\$ 3,041,163.61	\$ 0.00	\$ 16,910,665.22	\$ 0.00
January 2016	2,812,887.47	0.00	15,597,950.15	0.00
February 2016	2,583,374.84	0.00	14,287,775.31	0.00
March 2016	2,352,619.02	0.00	12,980,127.76	0.00
April 2016	2,120,613.27	0.00	11,674,994.61	0.00
May 2016	1,887,350.83	0.00	10,372,362.97	0.00
June 2016	1,652,824.87	0.00	9,072,220.01	0.00
July 2016	1,417,028.57	0.00	7,774,552.93	0.00
August 2016	1,179,955.04	0.00	6,479,348.93	0.00
September 2016	941,597.36	0.00	5,186,595.28	0.00
October 2016	701,948.58	0.00	3,896,279.25	0.00
November 2016	461,001.70	0.00	2,608,388.16	0.00
December 2016	218,749.69	0.00	1,322,909.36	0.00
January 2017	0.00	0.00	39,830.22	0.00
February 2017 and thereafter	0.00	0.00	0.00	0.00

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in this Prospectus Supplement and the additional Disclosure Documents. You must not rely on any unauthorized information or representation. This Prospectus Supplement and the additional Disclosure Documents do not constitute an offer or solicitation with regard to the Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this Prospectus Supplement and the additional Disclosure Documents at any time, no one implies that the information contained herein or therein is correct after the date hereof or thereof.

The Securities and Exchange Commission has not approved or disapproved the Certificates or determined if this Prospectus Supplement is truthful and complete. Any representation to the contrary is a criminal offense.

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\$500,000,000



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1998-72**

PROSPECTUS SUPPLEMENT

NOMURA SECURITIES INTERNATIONAL, INC.

December 7, 1998
