

\$297,704,592 (Approximate)**FannieMae**

Guaranteed REMIC Pass-Through Certificates Fannie Mae Multifamily REMIC Trust 1998-M3

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae Multifamily REMIC Trust 1998-M3 (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist of certain "fully modified pass-through" mortgage-backed securities (the "Ginnie Mae Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae"). Each of the Ginnie Mae Certificates represents an ownership interest in a multifamily mortgage loan (a "Mortgage Loan") that is insured by the Federal Housing Administration (the "FHA"). The Mortgage Loans are fixed-rate and generally are level-pay and fully amortizing. See "Description of the Ginnie Mae Certificates and the Mortgage Loans" herein. Certain information with respect to the Mortgage Loans and the Mortgaged Properties is set forth on Exhibit A hereto.

The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates (the "Multifamily REMIC Prospectus"), accompanying this Prospectus Supplement. **Fannie Mae will not guarantee the payment to Certificateholders of any prepayment penalties.** See "Description of the Certificates—General—Fannie Mae Guaranty" herein.

Investors should not purchase the Certificates before reading this Prospectus Supplement and the additional Disclosure Documents listed at the bottom of page S-2.

See "Risk Factors" beginning on page S-7 for a discussion of certain risks that should be considered in connection with an investment in the Certificates.

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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. PROSPECTIVE INVESTORS IN ANY CLASS OF CERTIFICATES SHOULD CAREFULLY CONSIDER WHETHER SUCH AN INVESTMENT IS APPROPRIATE FOR THEIR INVESTMENT OBJECTIVES. SEE "DESCRIPTION OF THE CERTIFICATES" HEREIN.

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	Original Class Balance (1)	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date
A	\$ 30,200,000	SEQ/AD	6.55%	FIX	31359RT51	July 2004
B	75,000,000	SEQ/AD	6.45	FIX	31359RT69	August 2013
C	165,500,000	SEQ/AD	6.55	FIX	31359RT77	September 2023
ZA	13,100,000	SEQ/AD	6.55	FIX/Z	31359RT85	June 2027
ZB	13,904,592	SEQ	6.55	FIX/Z	31359RT93	January 2038
IA	222,178,637 (3)	NTL	(4)	WAC/IO	31359RU26	May 2002
IB	150,525,955 (3)	NTL	(4)	WAC/IO	31359RU34	January 2038
R	0	NPR	0	NPR	31359RU42	January 2038
RL	0	NPR	0	NPR	31359RU59	January 2038

(1) Subject to a permitted variance of plus or minus 5%.

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

(3) The IA and IB Classes will be Notional Classes. The IB Class consists of two Notional Components as described herein. The Notional Classes will not have principal balances and will bear interest on their respective notional principal balances. The notional principal balances of the IA and IB 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) The IA and IB Classes will bear interest during each Interest Accrual Period at the variable rate per annum calculated as specified herein. During the initial Interest Accrual Period, the IA and IB Classes will bear interest at the per annum rates of 0.88221% and 0.49247%, respectively. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.

The Certificates are offered by Credit Suisse First Boston Corporation (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates are 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 of 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 Certificates, except for the R and RL Classes, will be available through the book-entry system of The Depository Trust Company on or about February 27, 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, New York, New York, on or about the Settlement Date.

Credit Suisse First Boston

The date of this Prospectus Supplement is February 6, 1998.

(Cover continued from previous page)

The yield to investors in each Class of Certificates will be sensitive in varying degrees to, among other things, the rate of principal payments of the related Mortgage Loans, the actual characteristics of such Mortgage Loans and the purchase price paid for such Class. Accordingly, investors should consider the following risks:

- Subject to the effect of applicable lockouts and mortgage prepayment penalties, the Mortgage Loans may be prepaid by the related borrowers at any time and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time. Depending on other factors present at the time, Mortgage Loans having prepayment penalties may be less likely to prepay than Mortgage Loans that do not have such penalties. In addition, the full principal balance of a Ginnie Mae Certificate may be distributed upon a default of the underlying Mortgage Loan, which could take place during an otherwise applicable lockout or prepayment penalty period.
- 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 a Notional 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 allocation to a Class of any prepayment penalties may be insufficient to offset fully the adverse effects on the anticipated yield that may arise out of the corresponding principal prepayment. Fannie Mae, however, does not guarantee that any prepayment penalties due under any Mortgage Loan will in fact be collected from mortgagors or Ginnie Mae or paid to holders of the Ginnie Mae Certificates and therefore to the Holders of such Classes.
- There will be no reimbursement to investors for any premium paid by such investors, or for any loss in an investor's yield, if such investors receive early payments of principal.

See "Description of the Certificates—Yield Considerations" herein.

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

- The actual final payment of any Class may 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 "Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates" in the Multifamily 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 "Yield Considerations—Reinvestment Risk" in the Multifamily REMIC Prospectus and "Description of the Certificates—Yield Considerations" herein.
- 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 Multifamily 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 a secondary market will develop for the Certificates or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement or the Multifamily REMIC Prospectus. Any representation to the contrary is a criminal offense.

Elections will be made to treat the Lower Tier REMIC and the Trust as a "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—Additional Characteristics of Residual Certificates" and "Certain Federal Income Tax Consequences" in the Multifamily REMIC Prospectus, and "Description of the Certificates—Characteristics of the R and RL Classes" and "Certain Additional Federal Income Tax Consequences" herein.

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 Multifamily REMIC Pass-Through Certificates dated November 1, 1995 (the "Multifamily REMIC Prospectus"); and
- Fannie Mae's Information Statement dated March 31, 1997 and any supplements thereto (the "Information Statement").

The Information Statement is incorporated herein by reference and 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 202-752-7547). The Information Statement may also be obtained from Credit Suisse First Boston Corporation by writing or calling its Prospectus Department at 11 Madison Avenue, New York, New York 10010 (telephone 212-325-2580). Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>General</i>	S-14
Risk Factors	S- 7	<i>Prepayment Provisions</i>	S-15
Yield Considerations	S- 7	<i>The Interest Only Classes</i>	S-15
Reinvestment Risk	S- 7	Weighted Average Lives of the	
Prepayment Considerations and		Certificates	S-16
Risks	S- 7	Decrement Tables	S-17
Description of the Certificates	S- 9	Characteristics of the R and	
General	S- 9	RL Classes	S-24
<i>Structure</i>	S- 9	Description of the Ginnie Mae	
<i>Fannie Mae Guaranty</i>	S- 9	Certificates and the	
<i>Characteristics of Certificates</i>	S- 9	Mortgage Loans	S-24
<i>Authorized Denominations</i>	S-10	General	S-24
<i>Distribution Dates</i>	S-10	FHA Insurance Programs	S-25
<i>Record Date</i>	S-10	<i>Section 221(d)(4) (Low and</i>	
<i>REMIC Trust Factors</i>	S-10	<i>Moderate Income Multifamily</i>	
Book-Entry Procedures	S-10	<i>Housing Mortgage Insurance)</i> ...	S-25
General	S-10	<i>Section 223(a)(7) (Refinancing</i>	
<i>Method of Distribution</i>	S-11	<i>of FHA-Insured Mortgages)</i>	S-26
Distributions of Interest	S-11	<i>Section 223(f) (Purchase or</i>	
<i>Categories of Classes and</i>		<i>Refinancing of Existing Projects)</i>	S-26
<i>Components</i>	S-11	<i>Section 232/223(f) (Mortgage</i>	
General	S-11	<i>Insurance for Nursing Homes</i>	
<i>Interest Accrual Period</i>	S-11	<i>and Other Care Facilities)</i>	S-27
<i>Accrual Classes</i>	S-11	<i>Section 241 (Supplemental</i>	
<i>Components</i>	S-12	<i>Financing and Equity Take Out</i>	
<i>Notional Classes</i>	S-12	<i>Loans)</i>	S-27
<i>Weighted Average Coupon Class</i>		Certain Additional Characteristics of	
<i>and Component</i>	S-12	the Mortgage Loans	S-28
Distributions of Principal	S-12	<i>Lockouts</i>	S-28
<i>Categories of Classes and</i>		<i>Mortgage Prepayment Penalties</i> ...	S-28
<i>Components</i>	S-12	<i>Coinsurance</i>	S-28
<i>Principal Distribution Amount</i>	S-13	Certain Additional Federal Income	
<i>ZA Accrual Amount</i>	S-13	Tax Consequences	S-28
<i>ZB Accrual Amount</i>	S-13	REMIC Elections and Special Tax	
<i>Cash Flow Distribution</i>		Attributes	S-29
<i>Amount</i>	S-13	Taxation of Beneficial Owners of	
Structuring Assumptions	S-14	Regular Certificates	S-29
<i>Pricing Assumptions</i>	S-14	Taxation of Beneficial Owners of	
<i>CPR Assumptions</i>	S-14	Residual Certificates	S-30
Yield Considerations	S-14	Plan of Distribution	S-30
		Legal Matters	S-30
		Exhibit A	A- 1

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.

Certain Characteristics of the Ginnie Mae Certificates and Mortgage Loans (as of February 1, 1998)

The Ginnie Mae Certificates and the Mortgage Loans are expected to have the following characteristics (aggregated on the basis of the applicable FHA insurance programs):

FHA Insurance Program	Approximate Principal Balance as of Issue Date	Number of Ginnie Mae Pools	Percent of Total Balance	Weighted Average Mortgage Loan Interest Rate*	Weighted Average Ginnie Mae Certificate Interest Rate	Weighted Average Original Term to Maturity (in months)	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Period from Issuance (in months)	Weighted Average Remaining Lockout Period (in months)	Weighted Average Term to End of Mortgage Loan Prepayment Penalty Period (in months)
232	\$ 24,375,816	5	8.19%	8.798%	8.452%	422	400	22	57	94
221 (d) (4)	44,638,431	4	14.99	7.794	7.544	477	473	5	106	114
223 (a) (7)	47,751,988	10	16.04	7.701	7.401	403	396	7	81	108
223 (f)	121,617,092	32	40.85	7.545	7.264	408	389	20	50	98
232/223 (f)	36,990,479	10	12.43	7.706	7.445	403	399	5	71	115
241 (f)	22,330,786	4	7.50	7.308	7.058	481	440	41	76	78
	<u>\$297,704,592</u>									

* Unless documentation was obtained indicating otherwise, each mortgage interest rate set forth on Exhibit A assumes such rate is 25 basis points higher than the related Ginnie Mae Certificate interest rate.

In addition, the table contained on Exhibit A hereto sets forth certain information regarding the characteristics of the individual Ginnie Mae Certificates and Mortgage Loans as of February 1, 1998 (the “Issue Date”), including information regarding the applicable FHA program, property location, approximate principal balance, Ginnie Mae Certificate interest rate, mortgage interest rate, maturity date, original and remaining terms to maturity, Ginnie Mae Certificate age and issue date, and additional information regarding prepayment lockout and prepayment penalty periods applicable to the Mortgage Loans. Certain additional information regarding the Ginnie Mae Certificates and the Mortgage Loans may be obtained from Fannie Mae as described under “Description of the Ginnie Mae Certificates and Mortgage Loans—General” herein.

For a description of the characteristics and assumptions on the basis of which certain tabular information herein has been prepared, see “Description of the Certificates—Structuring Assumptions” herein.

Prepayment Penalties

In the event any prepayment penalties are included in the distributions received on the Ginnie Mae Certificates with respect to any Distribution Date, (i) the distribution to be made on the A Class on such Distribution Date will include an amount representing the product of (a) the Prepayment Penalty Percentage for such Class, (b) 25% and (c) the prepayment penalties so received; (ii) the distribution to be made on the B Class on such Distribution Date will include an amount representing the product of (a) the Prepayment Penalty Percentage for such Class, (b) 10% and (c) the prepayment penalties so received; (iii) the distribution to be made on the C Class on such Distribution Date will include an amount representing the product of (a) the Prepayment Penalty Percentage for such Class, (b) 10% and (c) the prepayment penalties so received; and (iv) the distribution to be made on the IB1 Component on such Distribution Date will include an amount representing all remaining prepayment penalties so received.

S-5

Weighted Average Lives (years) *

Class	Lockout**				
	CPR Prepayment Assumption				
	0%	15%	35%	70%	100%
A	3.5	2.2	1.6	1.2	0.8
B	11.4	5.6	4.6	3.9	3.4
C	21.1	10.6	8.2	6.9	6.2
ZA	27.5	15.6	11.6	10.2	9.6
ZB	33.4	21.6	14.5	11.3	10.0
IA	4.2	4.2	4.2	4.2	4.2
IB	21.3	9.8	7.1	5.9	5.2

Class	Extended Protection**				
	CPR Prepayment Assumption				
	0%	15%	35%	70%	100%
A	3.5	3.4	3.4	3.4	3.4
B	11.4	8.4	7.6	6.9	6.3
C	21.1	12.5	10.6	9.7	9.1
ZA	27.5	17.0	12.9	10.8	9.8
ZB	33.4	22.8	15.8	11.9	10.0
IA	4.2	4.2	4.2	4.2	4.2
IB	21.3	12.2	9.8	8.6	7.9

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

** “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

RISK FACTORS

Yield Considerations

The effective yield to Certificateholders in the Trust will depend upon the purchase price of the related Certificates, the rate of principal payments, including prepayments, on the Mortgage Loans, and the actual characteristics of the Mortgage Loans. Generally, if the actual rate of payments on the Mortgage Loans is slower than the rate anticipated by an investor who purchased a Certificate of the A, B, C, ZA or ZB Class at a discount, the actual yield to such investor will be lower than such investor's anticipated yield. If the actual rate of payment on the Mortgage Loans is faster than the rate anticipated by an investor who purchased a Certificate of the IA or IB Class or who purchased a Certificate of the A, B, C, ZA or ZB Class at a premium, the actual yield to such investor will also be lower than such investor's anticipated yield.

The timing of changes in the rate of principal payments (including prepayments) may significantly affect the yield to an investor, even if the average rate of principal prepayments is consistent with such investor's expectations. In general, the earlier the payment of principal, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal payments (including prepayments) occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Settlement Date will not be offset by any subsequent equivalent reduction (or increase) in the rate of principal payments (including prepayments).

The effective yields on the Certificates will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed earlier than the 17th day 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 Certificate after its principal balance has been reduced to zero. As a result of the foregoing, the market values of the Certificates will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

There will be no reimbursement to investors for any premium paid by investors or for any loss in yield if such investors receive early payments of principal.

Reinvestment Risk

Subject to the effect of the applicable prepayment lockout periods and the payment of any applicable prepayment penalties, the Mortgage Loans may be prepaid at any time. In addition, the full principal balance of a Ginnie Mae Certificate may be distributed upon a default of the underlying Mortgage Loan, which could take place during an otherwise applicable lockout or prepayment penalty period. Accordingly, it is not possible to predict the rate at which distributions of principal of the Certificates will be received. Since prevailing interest rates are subject to fluctuation, there can be no assurance that investors in the Certificates will be able to reinvest the distributions thereon at yields equaling or exceeding the yields on the Certificates. It is possible that yields on such reinvestments will be lower, and may be significantly lower, than the yields on the Certificates. Prospective investors in the Certificates should carefully consider the related reinvestment risks in light of other investments that may be available to such investors.

Prepayment Considerations and Risks

The rate of distributions of principal of the A, B, C, ZA and ZB Classes is related directly to the rate of payments of principal of the Mortgage Loans, which may be in the form of scheduled amortization or prepayments (for this purpose, the term "prepayment" includes prepayments and liquidations resulting from default, casualty or condemnation), as well as to the sequential order in which each such Class will receive distributions in respect of principal. Most of the Mortgage Loans

prohibit voluntary prepayments during specified lockout periods. Such lockout periods have remaining lockout terms that range from approximately 6 to 120 months and with a weighted average remaining lockout term of approximately 69 months. Certain of the Mortgage Loans also provide for payment of a mortgage prepayment penalty in connection with prepayments for a period extending beyond the lockout period. Depending on other factors present at the time, Mortgage Loans having prepayment penalties may be less likely to prepay than Mortgage Loans that do not have such penalties. A prepayment penalty, however, would not be paid in the event that a borrower defaults on payment of its Mortgage Loan and the proceeds of liquidation of such Mortgage Loan are insufficient to allow for allocation of an amount thereof to such prepayment penalty. The liquidation proceeds would be applied to the recovery of all principal, interest and liquidation expenses before any application to a prepayment penalty in respect of the related Mortgage Loan. In addition, certain state laws limit the amount of prepayment penalty payable in connection with the prepayment of a Mortgage Loan, and under the laws of a number of states it is unclear whether the imposition of a prepayment penalty in connection with an involuntary prepayment is enforceable. See “Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans” in the Multifamily REMIC Prospectus.

In the event that any prepayment penalties are included in the distributions received on the Ginnie Mae Certificates with respect to any Distribution Date, such amounts will be included in the distributions to be made on certain Classes and on the IB1 Component, as described under “Reference Sheet—Prepayment Penalties” herein. Fannie Mae, however, does not guarantee that any prepayment penalties due under any Mortgage Loan will in fact be collected from mortgagors or Ginnie Mae or paid to holders of the Ginnie Mae Certificates and therefore to applicable Certificateholders. Accordingly, Holders of the applicable Classes will receive them only to the extent actually received by Fannie Mae and, even if collected, allocation thereof to such Holders may be insufficient to offset fully the adverse effects on the anticipated yield thereon arising out of the corresponding payment.

In an environment of declining interest rates, lenders servicing mortgage loans often are asked by borrowers to refinance the mortgage loans through issuance of new loans secured by mortgages on the same properties. The resulting prepayments, if they involve the Mortgage Loans, will result in the distribution to Certificateholders of the principal balances of the prepaid Mortgage Loans.

In general, when the level of prevailing interest rates declines sufficiently relative to the interest rate on fixed-rate mortgage loans, the rate of prepayment is likely to increase, although the prepayment rate is influenced by a number of other factors as well, including general economic conditions. In addition, it is increasingly difficult to generalize as to the degree to which interest rates must decline before significant prepayments are likely to be experienced. Increased borrower sophistication regarding the benefits of refinancing and extensive solicitation by lenders may result in an increase in the rate at which the Mortgage Loans are prepaid due to refinancing. On the other hand, lenders may have originated certain Mortgage Loans at above-market interest rates to provide a means for the payment of certain closing costs or interest rate buydown deposits. Such Mortgage Loans may have been made to borrowers who, for a variety of reasons, may not seek or readily be able to refinance mortgage loans.

Acceleration of mortgage payments as a result of the sale of the related Mortgaged Property is another factor affecting the prepayment rates. Generally, FHA-insured mortgage loans, such as the Mortgage Loans, may with the approval of the FHA be assumed by the transferee of title to the related mortgaged properties.

In addition, multifamily lending is generally viewed as exposing the lender to a greater risk of loss than one- to four-family residential lending. Mortgage Loan defaults may result in distributions of the full principal balance of the related Ginnie Mae Certificate, thereby affecting prepayment rates.

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 Multifamily REMIC Prospectus and the provisions of the Trust Agreement (as defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the respective meanings assigned to such terms in the Multifamily REMIC Prospectus (including the Glossary contained therein) 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 February 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 (subject to a permitted variance of plus or minus 5%) will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R and RL Classes) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC. The assets of the Trust will consist of the Lower Tier Regular Interests, and the Certificates, other than the RL Class, will evidence the entire beneficial ownership interest in the distributions of principal and interest on the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of the Ginnie Mae Certificates (evidencing the entire beneficial ownership interest in the distribution of principal and interest on the Ginnie Mae Certificates). Each Ginnie Mae Certificate represents the entire beneficial ownership interest in a single Mortgage Loan. See “The Ginnie Mae Certificates and Mortgage Loans” herein.

Fannie Mae Guaranty. Pursuant to its guaranty of the Certificates, Fannie Mae will be obligated to distribute to the Holders of Certificates (i) all interest accrued and distributable on the Certificates as provided herein under “Description of the Certificates—Distributions of Interest” and (ii) the Principal Distribution Amount (as defined herein), whether or not sufficient funds are received with respect to the Ginnie Mae Certificates. If Fannie Mae were unable to perform these guaranty obligations, distributions to Certificateholders would consist solely of payments and other recoveries on the Ginnie Mae Certificates. *Fannie Mae will not guarantee the collection or the payment to the Certificateholders of any prepayment penalties.* Accordingly, Certificateholders entitled to receive prepayment penalties will receive them only to the extent actually received in respect of the Ginnie Mae Certificates. The guaranty of Fannie Mae is not backed by the full faith and credit of the United States.

Characteristics of Certificates. The Certificates, other than the R and RL Classes, 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.

See “Description of the Certificates—Book-Entry Procedures” herein.

The R and RL Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to any R or RL Certificates, “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 any 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 any R or RL Certificate of the proceeds of any remaining assets of the Trust and the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of the related Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

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

Distribution Dates. Distributions on the Certificates will be made on the 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. See “Distributions of Interest—General” and “—Interest Accrual Period” and “Distributions of Principal—Principal Distribution Amount” herein.

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 thirteenth 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 in the case of each such Class, when multiplied by the original principal balance of a Certificate of such Class, will be equal to the amount of principal remaining to be distributed with respect to such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date and any interest to be added as principal to the principal balance of any Accrual Class on such Distribution Date. In the event an adjustment to the Trust Factor is necessary with respect to any Distribution Date, Fannie Mae will publish or otherwise make available an adjusted Trust Factor as soon as practicable following any such adjustment.

Book-Entry Procedures

General

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

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

rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

Method of Distribution

Each distribution on the DTC Certificates will be distributed by the Trustee 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 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.

Distributions of Interest

Categories of Classes and Components. For the purpose of payments of interest, the Classes and Components will be categorized as follows:

<u>Interest Type*</u>	<u>Classes and Components</u>
Fixed Rate	A, B, C, IB2, ZA and ZB
Weighted Average Coupon	IA and IB1
Accrual	ZA and ZB
Interest Only	IA, IB1 and IB2
No Payment Residual	R and RL

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

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

For a description of the manner in which any prepayment penalties received on the Ginnie Mae Certificates will be distributed, see "Reference Sheet—Prepayment Penalties" herein.

Interest Accrual Period. Interest to be distributed 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 Period</u>
All interest-bearing Classes	Calendar month preceding the month in which the Distribution Date occurs

See "Description of the Certificates—Yield Considerations" herein.

Accrual Classes. The ZA and ZB Classes will be Accrual Classes. Interest will accrue on the Accrual Classes at the per annum rates as described herein; however, such interest will not be distributed thereon (i) in the case of the ZA Class, until the Distribution Date following the Distribution Date on which the principal balance of the C Class is reduced to zero, and (ii) in the case of the ZB Class, the Distribution Date following the Distribution Date on which the principal balance of the ZA Class is reduced to zero. 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.

Components. For purposes of calculating payments thereon, the IB Class is comprised of multiple payment Components having the designations and original notional principal balances specified herein under “Reference Sheet—Components.” The payment characteristics of the IB Class will reflect a combination of the payment characteristics of its Components. Components are not separately transferable from the related Class of Certificates.

Notional Classes. The IA and IB Classes will be Notional Classes. The IB Class will consist of the IB1 and IB2 Components, which will be Notional Components. The IA Class and the IB1 and IB2 Components will not have principal balances and will bear interest during each Interest Accrual Period at the applicable per annum rates described below on their respective notional principal balances.

During each Interest Accrual Period to and including the Interest Accrual Period in April 2002, the IA Class will bear interest at a rate equal to the excess, if any, of (a) the weighted average of the interest rates of the Ginnie Mae Certificates, weighted on the basis of the principal balances thereof as of the first day of such Interest Accrual Period, over (b) 6.55% per annum (the “Excess Interest Rate”).

The IB1 Component will bear interest during each Interest Accrual Period at a per annum rate equal to the Excess Interest Rate.

The IB2 Component will bear interest during each Interest Accrual Period at the rate of 0.10% per annum.

During the initial Interest Accrual Period, the IA Class and the IB1 Component will bear interest at the per annum rate set forth on the cover hereof. Fannie Mae’s determination of the rate of interest for such Class and Component for each 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.

The notional principal balance of a Notional Class or Component is used for purposes of the determination of interest distributions thereon and does not represent an interest in any principal distributions. Although a Notional Class or Component will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class or Component 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 balance of any Notional Class or Component.

Weighted Average Coupon Class and Component. The IA Class and IB1 Component will bear interest during each Interest Accrual Period at a rate per annum equal to the weighted average rate calculated as described above under “—Notional Classes.” Fannie Mae’s determination of the rate of interest for such Class and Component 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.

Distributions of Principal

Categories of Classes and Components. For the purpose of payments of principal, the Classes and Components will be categorized as follows:

<u>Principal Type*</u>	<u>Classes and Components</u>
Sequential Pay	A, B, C, ZA and ZB
Accretion Directed	A, B, C and ZA
Notional	IA, IB1 and IB2
No Payment Residual	R and RL

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

Principal Distribution Amount

On each Distribution Date, principal will be distributed on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the principal distributions reported by Ginnie Mae to be receivable on the Ginnie Mae Certificates during the month of such Distribution Date and (ii) the amount, if any, of principal distributions received on the Ginnie Mae Certificates during the month of the preceding Distribution Date that were not distributed on the Certificates on such preceding Distribution Date (together with the amount specified in clause (i), the “Cash Flow Distribution Amount”), (iii) any interest accrued and added on such Distribution Date to the principal balance of the ZA Class (the “ZA Accrual Amount”) and (iv) any interest accrued and added on such Distribution Date to the principal balance of the ZB Class (the “ZB Accrual Amount”). See “General—*REMIC Trust Factors*” herein.

Fannie Mae will calculate the amount specified in clause (i) above for each Distribution Date based in part on preliminary Ginnie Mae Certificate factors reported on or about the seventh business day of the month of such Distribution Date. In some months, distributions of principal may be received on the Ginnie Mae Certificates in amounts that exceed the amounts reported in such Ginnie Mae Certificate factors. In such event, Fannie Mae may at its option include such amounts in the distribution of principal to be made on the Certificates on the applicable Distribution Date. Further, in some months, the factors for some Ginnie Mae Certificates may not be reported. In such event, Fannie Mae will calculate the remaining principal balance to which such Ginnie Mae Certificate would be reduced on the basis of assumed amortization schedules. Fannie Mae will create those schedules by using available remaining term to maturity and interest rate information and adjusting such remaining term to maturity to the current month. Such calculations will reflect payment factor information previously reported to Fannie Mae and calculated subsequent scheduled amortization (but not prepayments) on the related Mortgage Loans. Fannie Mae’s determination of the principal payments by the methodology described above will be final.

ZA Accrual Amount

On each Distribution Date, the ZA Accrual Amount, if any, will be distributed, sequentially, as principal of the A, B and C Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the ZA Class. } Accretion
Directed
Classes
and
Accrual
Class

ZB Accrual Amount

On each Distribution Date, the ZB Accrual Amount, if any, will be distributed, sequentially, as principal of the A, B, C and ZA Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the ZB Class. } Accretion
Directed
Classes
and
Accrual
Class

Cash Flow Distribution Amount

On each Distribution Date, the Cash Flow Distribution Amount will be distributed, sequentially, as principal of the A, B, C, ZA and ZB Classes, in that order, until the respective principal balances thereof are reduced to zero. } Sequential
Pay
Classes

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables under “Yield Considerations” and “Decrement Tables” has been prepared on the basis of the actual characteristics of the Ginnie Mae Certificates (as described in Exhibit A hereto) and the following assumptions (the “Pricing Assumptions”):

- (i) the Settlement Date for the Certificates is February 27, 1998;
- (ii) all principal payments (including prepayments) on the Mortgage Loans are distributed on the Certificates on the Distribution Date relating to the month in which such payments are received;
- (iii) the Mortgage Loans prepay at the percentages of CPR specified in the related table, provided that no prepayments occur through the applicable lockout end dates or prepayment penalty end dates, as applicable;
- (iv) distributions on the Certificates are always received on the 17th of the month, whether or not a business day; and
- (v) no prepayment penalties are received on the Ginnie Mae Certificates.

CPR Assumptions. Prepayments on mortgage loans may be measured by a prepayment standard or model. The model used herein is the “Constant Prepayment Rate” or “CPR” model. The CPR model represents an assumed constant rate of prepayment each month, expressed as a per annum percentage of the then outstanding principal balance of the pool of mortgage loans. *CPR does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans underlying the Ginnie Mae Certificates backing the Certificates.* See “—Yield Considerations” and “—Decrement Tables” herein and “Yield Considerations” and “Maturity and Prepayment Considerations and Risks” in the Multifamily REMIC Prospectus.

Yield Considerations

General. The yield to maturity for each Certificate will depend upon the purchase price thereof, the rate of principal payments (including prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties) and the actual characteristics of the Mortgage Loans. There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, 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 expected. An investor should purchase Certificates only after performing an analysis of such Certificates based upon the investor’s own assumptions as to future rates of prepayment. It is not likely that the Mortgage Loans will prepay at the indicated CPR levels until maturity or that all of such Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments may significantly affect the actual yield to maturity to an investor, even if the average rate of principal prepayments is consistent with the expectations of such investor. 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 higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the related Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. For a description of the prepayment provisions of the Mortgage Loans, see Exhibit A hereto.

The effective yields on the interest-bearing Classes will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 17th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest 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 interest-bearing Classes will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

Prepayment Provisions. The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of prepayment premiums and other economic, geographic and social factors. See “Risk Factors—Prepayment Considerations and Risks” herein.

The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the Interest Only Classes to various constant percentages of CPR. 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.

The Interest Only Classes. As indicated in the tables below, the yields to investors in the Interest Only Classes will be sensitive in varying degrees to the rate of principal payments (including principal prepayments) of the related Mortgage Loans. Subject to certain restrictions, the Mortgage Loans may be prepaid prior to their stated maturities.

On the basis of the assumptions described below including the assumption that no prepayment penalties are received, the yield to maturity on the IB Class would be 0% if prepayments were to occur at a constant rate of approximately 36% CPR, assuming no prepayment before the applicable lockout end dates. If the actual prepayment rate of the related Mortgage Loans was to exceed the foregoing level for as little as one month while equaling such level for the remaining months, investors in the IB Class would not fully recoup their initial investment. There can be no assurance that the related Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the applicable Classes will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of such Classes will be as assumed below.

The information set forth in the following tables was prepared on (i) the basis of the Pricing Assumptions and (ii) the assumption that the aggregate purchase prices of the Interest Only Classes (expressed in each case as a percentage of original notional principal balance) will be as follows:

<u>Class</u>	<u>Price*</u>
IA	3.50%
IB	8.25

* 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 IA Class to Prepayments

Lockout*					
CPR Prepayment Assumption					
	0%	15%	35%	70%	100%
Pre-Tax Yields to Maturity . . .	2.4%	2.6%	2.7%	2.7%	2.6%
Extended Protection*					
CPR Prepayment Assumption					
	0%	15%	35%	70%	100%
Pre-Tax Yields to Maturity . . .	2.4%	2.4%	2.4%	2.4%	2.4%

* “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Sensitivity of the IB Class to Prepayments

Lockout*					
CPR Prepayment Assumption					
	0%	15%	35%	70%	100%
Pre-Tax Yields to Maturity . . .	13.2%	6.4%	0.3%	(5.3)%	(9.5)%
Extended Protection*					
CPR Prepayment Assumption					
	0%	15%	35%	70%	100%
Pre-Tax Yields to Maturity . . .	13.2%	9.6%	6.8%	4.3%	2.3%

* “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

A portion of any prepayment penalties actually received will be allocated to the IB1 Component and will increase the yield on the IB Class. However, any such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

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 “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus.

The weighted average lives of the Certificates will depend, in varying degrees, on the rate of payment of principal of the related Mortgage Loans (including the timing of changes in such rate) which, in turn will depend on the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of prepayment penalties and other economic, geographic and social factors.

The interaction of the foregoing factors may have an effect on the Certificates at different times during the lives of the Certificates. Accordingly, no assurance can be given as to the weighted average life of any Class. Further, to the extent the price of a Certificate represents a discount or premium to its respective original principal balance, any variability in the weighted average life of a Certificate in combination with such discount or premium could result in variability in its yield to maturity. For an example of how the weighted average life of a Certificate may be affected at various constant prepayment rates, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of the original principal balances or notional principal balances of the specified Classes that would be outstanding after each of the dates shown at the *constant* percentages of CPR and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, and no representation is made that the Mortgage Loans will prepay at the CPRs shown or at any other constant prepayment rate.

Percent of Original Principal Balances Outstanding for the A Class

Date	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	87	84	79	67	0	87	87	87	87	87
February 2000	74	55	31	0	0	74	74	74	74	74
February 2001	59	26	0	0	0	59	59	59	59	59
February 2002	43	0	0	0	0	43	43	43	43	43
February 2003	26	0	0	0	0	26	26	26	26	26
February 2004	8	0	0	0	0	8	3	0	0	0
February 2005	0	0	0	0	0	0	0	0	0	0
February 2006	0	0	0	0	0	0	0	0	0	0
February 2007	0	0	0	0	0	0	0	0	0	0
February 2008	0	0	0	0	0	0	0	0	0	0
February 2009	0	0	0	0	0	0	0	0	0	0
February 2010	0	0	0	0	0	0	0	0	0	0
February 2011	0	0	0	0	0	0	0	0	0	0
February 2012	0	0	0	0	0	0	0	0	0	0
February 2013	0	0	0	0	0	0	0	0	0	0
February 2014	0	0	0	0	0	0	0	0	0	0
February 2015	0	0	0	0	0	0	0	0	0	0
February 2016	0	0	0	0	0	0	0	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0
February 2034	0	0	0	0	0	0	0	0	0	0
February 2035	0	0	0	0	0	0	0	0	0	0
February 2036	0	0	0	0	0	0	0	0	0	0
February 2037	0	0	0	0	0	0	0	0	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	3.5	2.2	1.6	1.2	0.8	3.5	3.4	3.4	3.4	3.4

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

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Percent of Original Principal Balances Outstanding for the B Class

Date	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	100	100	100	100	99	100	100	100	100	100
February 2000	100	100	100	97	83	100	100	100	100	100
February 2001	100	100	96	81	74	100	100	100	100	100
February 2002	100	96	77	57	37	100	100	100	100	100
February 2003	100	71	33	0	0	100	100	100	100	100
February 2004	100	36	0	0	0	100	100	98	89	40
February 2005	95	1	0	0	0	95	83	67	42	21
February 2006	87	0	0	0	0	87	64	39	9	0
February 2007	78	0	0	0	0	78	40	4	0	0
February 2008	68	0	0	0	0	68	1	0	0	0
February 2009	57	0	0	0	0	57	0	0	0	0
February 2010	46	0	0	0	0	46	0	0	0	0
February 2011	34	0	0	0	0	34	0	0	0	0
February 2012	21	0	0	0	0	21	0	0	0	0
February 2013	7	0	0	0	0	7	0	0	0	0
February 2014	0	0	0	0	0	0	0	0	0	0
February 2015	0	0	0	0	0	0	0	0	0	0
February 2016	0	0	0	0	0	0	0	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0
February 2034	0	0	0	0	0	0	0	0	0	0
February 2035	0	0	0	0	0	0	0	0	0	0
February 2036	0	0	0	0	0	0	0	0	0	0
February 2037	0	0	0	0	0	0	0	0	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.4	5.6	4.6	3.9	3.4	11.4	8.4	7.6	6.9	6.3

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

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Percent of Original Principal Balances Outstanding for the C Class

Date	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	100	100	100	100	100	100	100	100	100	100
February 2000	100	100	100	100	100	100	100	100	100	100
February 2001	100	100	100	100	100	100	100	100	100	100
February 2002	100	100	100	100	100	100	100	100	100	100
February 2003	100	100	100	91	47	100	100	100	100	100
February 2004	100	100	88	56	33	100	100	100	100	100
February 2005	100	100	66	37	31	100	100	100	100	100
February 2006	100	87	51	30	26	100	100	100	100	92
February 2007	100	74	38	22	14	100	100	100	84	66
February 2008	100	59	21	0	0	100	100	71	34	0
February 2009	100	42	0	0	0	100	77	32	0	0
February 2010	100	28	0	0	0	100	56	6	0	0
February 2011	100	15	0	0	0	100	39	0	0	0
February 2012	100	3	0	0	0	100	23	0	0	0
February 2013	100	0	0	0	0	100	10	0	0	0
February 2014	96	0	0	0	0	96	0	0	0	0
February 2015	89	0	0	0	0	89	0	0	0	0
February 2016	81	0	0	0	0	81	0	0	0	0
February 2017	73	0	0	0	0	73	0	0	0	0
February 2018	64	0	0	0	0	64	0	0	0	0
February 2019	54	0	0	0	0	54	0	0	0	0
February 2020	43	0	0	0	0	43	0	0	0	0
February 2021	32	0	0	0	0	32	0	0	0	0
February 2022	21	0	0	0	0	21	0	0	0	0
February 2023	8	0	0	0	0	8	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0
February 2034	0	0	0	0	0	0	0	0	0	0
February 2035	0	0	0	0	0	0	0	0	0	0
February 2036	0	0	0	0	0	0	0	0	0	0
February 2037	0	0	0	0	0	0	0	0	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years)**	21.1	10.6	8.2	6.9	6.2	21.1	12.5	10.6	9.7	9.1

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

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Percent of Original Principal Balances Outstanding for the ZA Class

Date	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	107	107	107	107	107	107	107	107	107	107
February 2000	114	114	114	114	114	114	114	114	114	114
February 2001	122	122	122	122	122	122	122	122	122	122
February 2002	130	130	130	130	130	130	130	130	130	130
February 2003	139	139	139	139	139	139	139	139	139	139
February 2004	148	148	148	148	148	148	148	148	148	148
February 2005	158	158	158	158	158	158	158	158	158	158
February 2006	169	169	169	169	169	169	169	169	169	169
February 2007	180	180	180	180	180	180	180	180	180	180
February 2008	192	192	192	185	0	192	192	192	192	0
February 2009	205	205	204	0	0	205	205	205	26	0
February 2010	219	219	38	0	0	219	219	219	0	0
February 2011	234	234	0	0	0	234	234	89	0	0
February 2012	250	250	0	0	0	250	250	0	0	0
February 2013	266	180	0	0	0	266	266	0	0	0
February 2014	284	82	0	0	0	284	253	0	0	0
February 2015	304	0	0	0	0	304	136	0	0	0
February 2016	324	0	0	0	0	324	33	0	0	0
February 2017	346	0	0	0	0	346	0	0	0	0
February 2018	369	0	0	0	0	369	0	0	0	0
February 2019	394	0	0	0	0	394	0	0	0	0
February 2020	421	0	0	0	0	421	0	0	0	0
February 2021	449	0	0	0	0	449	0	0	0	0
February 2022	480	0	0	0	0	480	0	0	0	0
February 2023	512	0	0	0	0	512	0	0	0	0
February 2024	474	0	0	0	0	474	0	0	0	0
February 2025	332	0	0	0	0	332	0	0	0	0
February 2026	186	0	0	0	0	186	0	0	0	0
February 2027	42	0	0	0	0	42	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0
February 2034	0	0	0	0	0	0	0	0	0	0
February 2035	0	0	0	0	0	0	0	0	0	0
February 2036	0	0	0	0	0	0	0	0	0	0
February 2037	0	0	0	0	0	0	0	0	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years)**	27.5	15.6	11.6	10.2	9.6	27.5	17.0	12.9	10.8	9.8

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

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Percent of Original Principal Balances Outstanding for the ZB Class

CPR Prepayment Assumption										
Date	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	107	107	107	107	107	107	107	107	107	107
February 2000	114	114	114	114	114	114	114	114	114	114
February 2001	122	122	122	122	122	122	122	122	122	122
February 2002	130	130	130	130	130	130	130	130	130	130
February 2003	139	139	139	139	139	139	139	139	139	139
February 2004	148	148	148	148	148	148	148	148	148	148
February 2005	158	158	158	158	158	158	158	158	158	158
February 2006	169	169	169	169	169	169	169	169	169	169
February 2007	180	180	180	180	180	180	180	180	180	180
February 2008	192	192	192	192	119	192	192	192	192	119
February 2009	205	205	205	108	0	205	205	205	205	0
February 2010	219	219	219	32	0	219	219	219	68	0
February 2011	234	234	163	9	0	234	234	234	20	0
February 2012	250	250	104	3	0	250	250	202	6	0
February 2013	266	266	66	1	0	266	266	128	2	0
February 2014	284	284	42	*	0	284	284	81	1	0
February 2015	304	299	27	*	0	304	304	51	*	0
February 2016	324	247	17	*	0	324	324	32	*	0
February 2017	346	203	11	*	0	346	291	20	*	0
February 2018	369	166	7	*	0	369	238	13	*	0
February 2019	394	135	4	*	0	394	193	8	*	0
February 2020	421	109	3	*	0	421	156	5	*	0
February 2021	449	88	2	*	0	449	125	3	*	0
February 2022	480	71	1	*	0	480	100	2	*	0
February 2023	512	56	1	0	0	512	79	1	*	0
February 2024	547	44	*	0	0	547	61	1	0	0
February 2025	583	34	*	0	0	583	47	*	0	0
February 2026	623	27	*	0	0	623	36	*	0	0
February 2027	665	20	*	0	0	665	27	*	0	0
February 2028	612	15	*	0	0	612	20	*	0	0
February 2029	518	11	*	0	0	518	15	*	0	0
February 2030	434	8	*	0	0	434	11	*	0	0
February 2031	343	6	*	0	0	343	7	*	0	0
February 2032	250	4	*	0	0	250	4	*	0	0
February 2033	175	2	*	0	0	175	3	*	0	0
February 2034	131	1	*	0	0	131	2	*	0	0
February 2035	94	1	*	0	0	94	1	*	0	0
February 2036	57	*	*	0	0	57	1	*	0	0
February 2037	22	*	*	0	0	22	*	*	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	33.4	21.6	14.5	11.3	10.0	33.4	22.8	15.8	11.9	10.0

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

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

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Percent of Original Principal Balances Outstanding for the IA Class

Date	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	100	100	100	100	100	100	100	100	100	100
February 2000	100	100	100	100	100	100	100	100	100	100
February 2001	100	100	100	100	100	100	100	100	100	100
February 2002	100	100	100	100	100	100	100	100	100	100
February 2003	0	0	0	0	0	0	0	0	0	0
February 2004	0	0	0	0	0	0	0	0	0	0
February 2005	0	0	0	0	0	0	0	0	0	0
February 2006	0	0	0	0	0	0	0	0	0	0
February 2007	0	0	0	0	0	0	0	0	0	0
February 2008	0	0	0	0	0	0	0	0	0	0
February 2009	0	0	0	0	0	0	0	0	0	0
February 2010	0	0	0	0	0	0	0	0	0	0
February 2011	0	0	0	0	0	0	0	0	0	0
February 2012	0	0	0	0	0	0	0	0	0	0
February 2013	0	0	0	0	0	0	0	0	0	0
February 2014	0	0	0	0	0	0	0	0	0	0
February 2015	0	0	0	0	0	0	0	0	0	0
February 2016	0	0	0	0	0	0	0	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0
February 2034	0	0	0	0	0	0	0	0	0	0
February 2035	0	0	0	0	0	0	0	0	0	0
February 2036	0	0	0	0	0	0	0	0	0	0
February 2037	0	0	0	0	0	0	0	0	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years) **	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2

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

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Percent of Original Principal Balances Outstanding for the IB Class

CPR Prepayment Assumption										
Date	Lockout††					Extended Protection††				
	0%	15%	35%	70%	100%	0%	15%	35%	70%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
February 1999	99	98	97	95	80	99	99	99	99	99
February 2000	97	93	89	79	65	97	97	97	97	97
February 2001	96	89	80	65	58	96	96	96	96	96
February 2002	94	82	62	42	22	94	94	94	94	94
February 2003	240	206	167	125	77	240	240	240	240	240
February 2004	238	172	123	88	62	238	237	234	225	176
February 2005	233	140	101	69	62	233	221	206	180	160
February 2006	227	126	86	63	59	227	204	179	149	131
February 2007	220	114	74	56	47	220	182	146	125	105
February 2008	212	100	57	34	11	212	145	112	72	11
February 2009	204	83	37	10	0	204	121	72	21	0
February 2010	195	70	24	3	0	195	101	46	6	0
February 2011	186	58	15	1	0	186	84	29	2	0
February 2012	176	48	10	*	0	176	70	19	1	0
February 2013	165	40	6	*	0	165	58	12	*	0
February 2014	157	33	4	*	0	157	48	8	*	0
February 2015	152	28	2	*	0	152	40	5	*	0
February 2016	147	23	2	*	0	147	33	3	*	0
February 2017	142	19	1	*	0	142	27	2	*	0
February 2018	136	15	1	*	0	136	22	1	*	0
February 2019	130	12	*	*	0	130	18	1	*	0
February 2020	123	10	*	*	0	123	14	*	*	0
February 2021	116	8	*	*	0	116	12	*	*	0
February 2022	109	7	*	*	0	109	9	*	*	0
February 2023	100	5	*	0	0	100	7	*	0	0
February 2024	92	4	*	0	0	92	6	*	0	0
February 2025	83	3	*	0	0	83	4	*	0	0
February 2026	74	2	*	0	0	74	3	*	0	0
February 2027	65	2	*	0	0	65	3	*	0	0
February 2028	57	1	*	0	0	57	2	*	0	0
February 2029	48	1	*	0	0	48	1	*	0	0
February 2030	40	1	*	0	0	40	1	*	0	0
February 2031	32	1	*	0	0	32	1	*	0	0
February 2032	23	*	*	0	0	23	*	*	0	0
February 2033	16	*	*	0	0	16	*	*	0	0
February 2034	12	*	*	0	0	12	*	*	0	0
February 2035	9	*	*	0	0	9	*	*	0	0
February 2036	5	*	*	0	0	5	*	*	0	0
February 2037	2	*	*	0	0	2	*	*	0	0
February 2038	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years)**	21.3	9.8	7.1	5.9	5.2	21.3	12.2	9.8	8.6	7.9

* 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.

†† “Lockout” assumes no prepayment before the applicable lockout end dates and “Extended Protection” assumes no prepayment before any applicable prepayment penalty end dates.

Characteristics of the R and RL Classes

The R and RL Classes will not have a principal balance 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 Multifamily 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 Multifamily 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.

DESCRIPTION OF THE GINNIE MAE CERTIFICATES AND THE MORTGAGE LOANS

General

The Government National Mortgage Association is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Section 306(g) of Title III of the National Housing Act of 1934, as amended (the “Housing Act”), authorizes Ginnie Mae to guarantee the timely payment of the principal of, and interest on, certificates that are based on and backed by a pool of mortgage loans insured by the Federal Housing Administration (“FHA”) under the Housing Act or Title V of the Housing Act of 1949, or partially guaranteed by the Department of Veterans Affairs under the Servicemen’s Readjustment Act of 1944, as amended, or Chapter 37 of Title 38, United States Code.

Section 306(g) of the Housing Act provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” To meet its obligations under such guaranties, Ginnie Mae is authorized, under Section 306(d) of the Housing Act, to borrow from the United States Treasury with no limitations as to amount.

Each Ginnie Mae Certificate will be a “fully modified pass-through” mortgage-backed security issued and serviced by a mortgage banking company or other financial concern approved by Ginnie Mae as a seller-servicer of loans insured by the FHA.

It is expected that 65 Mortgage Loans will underlie the Ginnie Mae Certificates. The Mortgage Loans are expected to have an aggregate balance of approximately \$297,704,592 (subject to a permitted variance of plus or minus 5%) as of the Issue Date, after giving effect to all payments of principal due on or before that date. The Mortgage Loans are fixed-rate and generally are level-pay and fully amortizing. Each Mortgage Loan is secured by a mortgage, deed of trust or deed to secure debt that creates a first lien on the applicable borrower's fee simple estate in a multifamily property consisting of five or more dwelling units (a "Mortgaged Property").

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the unpaid principal balances of the Mortgage Loans underlying the Ginnie Mae Certificates as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

FHA Insurance Programs

FHA multifamily insurance programs generally are designed to assist private and public mortgagors in obtaining insured financing for the construction, purchase or rehabilitation of rental housing pursuant to the Housing Act. Mortgages are provided by FHA-approved institutions, which include mortgage bankers, commercial banks, savings and loan associations, trust companies, insurance companies, pension funds, state and local housing finance agencies and certain other approved entities.

Mortgages for multifamily projects must not exceed either the statutory dollar amount or loan ratio limitations established by the particular section of the Housing Act under which the mortgage is being insured, except that the FHA may increase the dollar amount limitations by up to 110 percent in certain high cost areas and by up to 140 percent on a project-by-project basis. References herein to estimated values and costs associated with maximum mortgage amounts represent estimates made by the FHA.

Mortgages insured under the programs described below will have such maturities and amortization features as the FHA may approve, provided that generally the minimum mortgage term will be at least ten years and the maximum mortgage term will not exceed the lesser of 40 years and 75 percent of the estimated remaining economic life of the improvements on the mortgaged property.

Tenant eligibility for FHA-insured projects generally is not restricted by income, except for projects as to which rental subsidies are made available with respect to some or all of the units therein or to specified tenants.

The following is a summary of the various FHA insurance programs under which the Mortgage Loans are insured.

Section 221(d)(4) (Low and Moderate Income Multifamily Housing Mortgage Insurance)

Section 221(d)(4) of the Housing Act provides for mortgage insurance to assist private industry in the construction or substantial rehabilitation of rental and cooperative housing for low- and moderate-income families and families that have been displaced as a result of urban renewal, governmental actions or disaster. Nonprofit and profit-motivated sponsors under Section 221(d)(4) may receive a maximum mortgage amount of 90 percent of the estimated value of the project.

The maximum mortgage amounts under Section 221(d)(4) are as follows: (i) the maximum per dwelling unit amount; (ii) in the case of new construction, 90 percent of the estimated replacement cost of the property or project with improvements; (iii) in the case of repair or rehabilitation, the sum of the estimated cost of the repair or rehabilitation of the project plus 90 percent of the estimated value of the property before repair or rehabilitation; and (iv) if the mortgage involves financing of the

purchase of property that has been rehabilitated by a local public agency with federal assistance pursuant to Section 110(c)(8) of the Housing Act of 1949, the lesser of 90 percent of the appraised value of the property at the time the mortgage is approved for insurance and 90 percent of the actual cost of acquisition.

Section 223(a)(7) (Refinancing of FHA-Insured Mortgages)

Section 223(a)(7) permits the FHA to refinance existing mortgage loans under any section or title of the Housing Act. Such refinancing results in prepayment of the existing insured mortgage. The principal amount of the new, refinanced mortgage loan generally is limited to the lesser of the original principal amount of the existing mortgage loan and the unpaid balance of the existing mortgage loan. The maximum amount for loans previously refinanced under Section 223(f) (described below) is based on the amount that can be amortized by 90 percent of the project's net operating income, which amount can be increased to 95 percent if the borrower is a nonprofit organization.

The term of a new mortgage loan insured under Section 223(a)(7) may not exceed the unexpired term of the existing mortgage loan, except that it may have a term of up to twelve years in excess of the unexpired term of the existing mortgage loan if the FHA determines that such extended term will inure to the benefit of the insurance fund under which the mortgage loan is insured, taking into consideration the outstanding insurance liability under the existing insured loan and the remaining economic life of the related property.

Section 223(f) (Purchase or Refinancing of Existing Projects)

Section 223(f) provides for federal insurance of mortgage loans originated by FHA-approved lenders in connection with the purchase or refinancing of existing multifamily housing complexes that do not require substantial rehabilitation. The principal objective of the Section 223(f) program is to permit the refinancing of mortgages to provide for a lower debt service in order to preserve an adequate supply of affordable rental housing. Such projects may have been financed originally with conventional or FHA-insured mortgages.

To be eligible for insurance under Section 223(f), a project must have rental income sufficient to pay operating expenses and annual debt service, and must have a reserve fund for replacements or provide an operating deficit fund on terms approved by the FHA. The cost of repairs, replacements and improvements may not exceed the greater of 15 percent of the property's value after the improvements and \$6,500 per dwelling unit (adjusted for high-cost areas); and no more than one major building component may be replaced. The project must have been completed at least three years prior to the application for mortgage insurance, and its remaining economic life must be at least ten years.

If the project is to be acquired by the mortgagor and financed in part with the insured mortgage, the maximum mortgage loan amount under Section 223(f) is 85 percent of the cost of acquisition as determined by the FHA (90 percent of such amount for a cooperative multifamily project and for projects financed with state or local assistance or located in older, declining urban areas that meet certain eligibility requirements). If, on the other hand, the property is to be refinanced without a change in ownership, then the maximum mortgage loan amount may not exceed: (a) for rental projects, the greater of 70 percent of the estimated value of the property and the cost of refinancing the existing indebtedness and (b) for cooperative projects, the cost of refinancing the existing indebtedness. In addition to the above limitations, a mortgage loan insured under Section 223(f) may not have a principal amount in excess of the lesser of 85 percent of the estimated value of the project and the statutory per dwelling unit amount.

Section 232/223(f) (Mortgage Insurance for Nursing Homes and Other Care Facilities)

Section 232 provides for federal insurance of private construction mortgage loans to finance new or rehabilitated nursing homes, intermediate care facilities, board and care homes, assisted living for the frail elderly or allowable combinations thereof, including equipment to be used in their operation. Section 232 also provides for supplemental loans to finance the purchase and installation of fire safety equipment in these facilities. However, these loans are governed by different restrictions and limitations than those set forth below for the actual facilities.

The maximum mortgage amount that is insurable under Section 232 for new construction and substantial rehabilitation is, for profit-motivated mortgagors, 90 percent of the estimated value of the project, including the equipment to be used in the operation, when the proposed improvements are completed and the equipment is installed, and 95 percent of such value for private nonprofit mortgagors.

A mortgage executed in connection with the purchase or refinancing of existing projects under Section 232 pursuant to Section 223(f) of the Housing Act must have a principal amount no greater than 85 percent for a profit-motivated mortgagor (90 percent for a private nonprofit mortgagor) of the estimated value of the project, including major equipment and any repairs and improvements. Such mortgage also may not exceed the amount that could be amortized by 85 percent for profit-motivated mortgagors (90 percent for nonprofit) of the net projected project income available for payment of debt service. If the project is to be refinanced by the insured mortgage without a change in ownership, the maximum mortgage may not exceed the cost to refinance the existing indebtedness, as determined by the FHA. If the mortgage insured pursuant to Section 223(f) is to be used in part to finance the acquisition of the project by the mortgagor, in addition to the above-mentioned limits, the maximum loan amount is 85 percent of the cost of acquisition for profit-motivated mortgagors and 90 percent for nonprofit mortgagors.

Section 241 (Supplemental Financing and Equity Take Out Loans)

Section 241 provides for FHA insurance to finance property improvements, energy-conserving improvements or additions to any FHA-insured multifamily loan. Pursuant to legislation enacted in 1987, Section 241(f) provides, as a specific element of a “plan of action” approved by the FHA, insurance for second mortgage financing and for loans to facilitate the take out of accumulated equity. The overall purpose of the Section 241 loan program is to provide a project with a means to remain competitive, extend its economic life and finance the replacement of obsolete equipment without the refinancing of the existing mortgage.

Supplemental loans that are insured under Section 241 may be in an amount of up to 90 percent of the value of improvements, additions or equipment financed by the loan; provided that such amount, when added to any outstanding balance of the mortgage covering the project, may not exceed the maximum mortgage amount insurable under the section or title pursuant to which the mortgage covering such project is insured. For supplemental loans relating to the purchase and installation of energy conserving improvements on a property not previously insured by the FHA, the maximum insurable amount is the least of (a) the cost of the improvements, (b) an amount which can be supported by residual income, as determined by FHA, and (c) an amount which when added to the existing indebtedness does not exceed the estimate of the value of the project after installation of the energy-conserving improvements.

An equity loan insured under Section 241(f) may not exceed 90 percent of the owner’s equity in the project, nor may it exceed an amount which, when added to the existing indebtedness on the property, can be supported by 90 percent of the projected net operating income of the project. An equity loan made to an owner who agrees to extend the low-income affordability restrictions on the related housing pursuant to a plan of action may not exceed an amount equal to the amount of rehabilitation costs required by the plan and the lesser of (i) 70 percent of the preservation equity in the project and (ii) an amount determined to be supported by the project on the basis of an

eight percent return on the extension preservation equity, assuming normal debt service coverages. Such an equity loan must also provide for the lender to deposit ten percent of the loan in an escrow account for five years.

An acquisition loan insured under Section 241(f) may not exceed the amount of rehabilitation costs as determined under an approved plan of action and related charges, plus 95 percent of the transfer preservation equity of the project. If the purchaser is a qualified priority purchaser as defined under FHA regulations, the loan may include any expenses associated with obtaining the loan implementing the plan of action, as approved by the FHA. Acquisition loans have a term of 40 years.

Certain Additional Characteristics of the Mortgage Loans

Lockouts. Except as described below, most of the Mortgage Loans have provisions that prohibit voluntary prepayment for a number of years following origination (“lockout provisions”). Such lockout periods have remaining lockout terms that range from approximately 6 to 120 months and with a weighted average remaining lockout term of approximately 69 months. In the case of mortgage loans insured under Section 232, full or partial prepayments by nonprofit mortgagors cannot be effected without prior written consent from the FHA. The enforceability of these lockout provisions under certain state laws is unclear.

Mortgage Prepayment Penalties. Certain of the Mortgage Loans have a period (a “prepayment penalty period”) during which voluntary and involuntary prepayments (except for prepayments resulting from condemnation or casualty losses) must be accompanied by a mortgage prepayment penalty equal to a specified percentage of the principal amount of the Mortgage Loan being prepaid. The prepayment penalty period extends beyond the termination of the lockout provision. Exhibit A to this Prospectus Supplement sets forth, for each Mortgage Loan, a description of the related mortgage prepayment penalty and the period during which the mortgage prepayment penalty applies as well as the last month of any applicable lockout provision.

Notwithstanding the foregoing, the Mortgage Loans must include a provision which allows the FHA to override any lockout and/or prepayment penalty provisions when the Mortgage Loan is in default if the FHA determines that it is in the best interest of the federal government to allow the mortgagor to refinance or partially prepay the Mortgage Loan without restrictions or penalties and thereby avoid or mitigate an FHA insurance claim.

Coinsurance. Certain of the Mortgage Loans may be federally insured under FHA coinsurance programs that provide for the retention by the mortgage lender of a portion of the mortgage insurance risk that otherwise would be assumed by FHA under the applicable FHA insurance program. As part of such coinsurance programs, FHA delegates to mortgage lenders approved by FHA for participation in such coinsurance programs certain underwriting functions generally performed by FHA. Accordingly, there can be no assurance that such mortgage loans were underwritten in conformity with FHA underwriting guidelines applicable to mortgage loans that were solely federally insured or that the default risk with respect to coinsured mortgage loans is comparable to that of FHA-insured mortgage loans generally. As a result, there can be no assurance as to the likelihood of future default or as to the rate of prepayment on the coinsured Mortgage Loans underlying the Ginnie Mae Certificates.

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 Multifamily 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. Arnold & Porter, special tax counsel to Fannie Mae, will deliver its opinion to Fannie Mae that, assuming compliance with the Trust Agreement, the Lower Tier REMIC and the Trust will qualify as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. The Small Business Job Protection Act of 1996 repeals the bad debt reserve method of accounting for mutual savings banks and domestic building and loan associations for tax years beginning after December 31, 1995. As a result, section 593(d) of the Code is no longer applicable to treat the Certificates as “qualifying real property loans.” See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes and Accrual Classes will be, and certain other Classes of Certificates may be, issued with original issue discount 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 is described below. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Ginnie Mae Certificates will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Life” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the Multifamily REMIC Prospectus.

The Prepayment Assumption will be applied on a loan-by-loan basis. The Prepayment Assumption that will be used for the Mortgage Loans will be 0% CPR until the prepayment penalty end date for each such Mortgage Loan and 35% CPR thereafter. The prepayment penalty end dates for the Mortgage Loans are provided on Exhibit A herein. Because the prepayment penalty end date for each Mortgage Loan is not the same, during the period beginning on the earliest prepayment penalty end date of the Mortgage Loans and ending on the last prepayment penalty end date of the Mortgage Loans, the effective Prepayment Assumption will increase, from 0% CPR to 35% CPR, in proportion to the percentage of Mortgage Loan prepayment penalty end dates that have passed. Such increase in the effective Prepayment Assumption will result in an acceleration in the rate of accrual of original issue discount with respect to the Certificates as each Mortgage Loan reaches its prepayment penalty end date.

The Taxpayer Relief Act of 1997 adds provisions to the Code that require the recognition of gain upon the “constructive sale of an appreciated financial position.” These provisions do not apply to Classes of Certificates other than the Notional Classes. Investors in the Notional Classes should consult their own tax advisors with respect to the possible application of these provisions.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R Class nor the RL Class will have significant value. Special rules regarding the treatment of “excess inclusions” by certain thrift institutions no longer apply because of the amendment of sections 593 and 860E of the Code by the Small Business Job Protection Act of 1996. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the Multifamily REMIC Prospectus.

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 6.95% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the Multifamily REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

The Taxpayer Relief Act of 1997 adds provisions to the Code that will apply to an “electing large partnership.” If an electing large partnership holds an R or RL Certificate, all interests in the electing large partnership are treated as held by disqualified organizations for purposes of the tax imposed upon a pass-through entity by section 860E(e) of the Code. An exception to this tax, otherwise available to a pass-through entity that is furnished certain affidavits by record holders of interests in the entity and that does not know such affidavits are false, is not available to an electing large partnership.

PLAN OF DISTRIBUTION

The Dealer will receive the Certificates in exchange for the 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.

LEGAL MATTERS

Certain legal matters will be passed upon for Fannie Mae by Brown & Wood LLP; and an opinion with respect to certain tax matters will be delivered to Fannie Mae by Arnold & Porter, Washington, D.C. Certain legal matters will also be passed upon for the Dealer by Brown & Wood LLP.

Exhibit A

Ginnie Mae Certificates and Mortgage Loans

Ginnie Mae Pool Number	FHA Program†	City	State	Approximate Principal Balance as of Issue Date	Mortgage Interest Rate****	Ginnie Mae Certificate Interest Rate	Maturity Date	Ginnie Mae Original Term to Maturity (mos.)	Ginnie Mae Remaining Term to Maturity (mos.)	Ginnie Mae Certificate Age (mos.)	Ginnie Mae Issue Date	Lockout End Date**	Prepayment Penalty End Date**	Lockout / Prepayment Penalty Code***	Remaining Lockout Term	Remaining Prepayment Penalty Term
301000	223(f)	Lowell	MA	\$ 558,903	7.375%	7.125%	July 2028	420	365	55	July 1993	September 1998	September 2003	(3)	6	66
405092	241(f)	Vista	CA	644,237	8.500	8.250	November 2035	480	453	27	November 1995	November 2000	November 2005	(3)	32	92
453792	223(f)	Philadelphia	PA	720,244	7.250	7.000	December 2032	420	418	2	December 1997	January 2008	January 2008	(1)	118	118
436941	223(f)	Seattle	WA	743,245	8.125	7.875	December 2022	312	298	14	December 1996	January 2007	January 2007	(1)	106	106
442594	223(f)	Chesterfield County	VA	768,575	7.750	7.500	October 2032	421*	416*	5*	September 1997	December 2007	December 2007	(1)	117	117
421057	223(f)	El Centro	CA	906,747	7.750	7.500	September 2027	361*	355*	6*	August 1997	October 2007	October 2007	(1)	115	115
416251	223(f)	Greenville	TX	999,012	7.250	7.000	December 2032	421*	418*	3*	November 1997	December 2002	December 2007	(3)	57	117
444472	223(f)	Hartford	CT	1,021,194	7.625	7.375	March 2020	271*	265*	6*	August 1997	November 2007	November 2007	(1)	116	116
416086	223(f)	Houston	TX	1,044,068	8.500	8.250	December 2031	420	406	14	December 1996	December 1999	December 2004	(3)	21	81
421076	223(f)	Tucson	AZ	1,151,566	7.625	7.000	January 2028	362*	360*	2*	December 1997	February 2003	February 2008	(3)	59	119
421049	232/223(f)	Laurens	SC	1,166,776	7.500	7.250	October 2032	421*	416*	5*	September 1997	November 2002	November 2007	(3)	56	116
441767	223(f)	Baltimore	MD	1,229,607	7.750	7.500	September 2032	420	415	5	September 1997	September 2002	September 2005	(4)	54	90
421060	223(f)	El Centro	CA	1,229,607	7.750	7.500	September 2032	421*	415*	6*	August 1997	October 2007	October 2007	(1)	115	115
430321	223(f)	Lebanon	OH	1,367,457	7.625	7.250	October 2032	420	416	4	October 1997	October 2002	October 2007	(3)	55	115
383396	223(f)	Orchard Park	NY	1,393,471	7.250	7.000	January 2033	420	419	1	January 1998	January 2001	January 2004	(2)	34	70
421058	223(f)	San Diego	CA	1,567,013	7.750	7.500	September 2032	421*	415*	6*	August 1997	October 2007	October 2007	(1)	115	115
414364	241(f)	Peoria	IL	1,596,679	8.000	7.750	September 2037	480	475	5	September 1997	May 2007	May 2007	(1)	110	110
430322	232/223(f)	Massillon	OH	1,778,245	7.750	7.500	January 2033	421*	419*	2*	December 1997	February 2003	February 2008	(3)	59	119
442606	223/223(f)	Belvidere	IL	2,048,370	7.450	7.200	November 2032	421*	417*	4*	October 1997	November 2002	November 2007	(3)	56	116
372753	223(f)	Houston	TX	2,155,255	8.500	8.250	December 2031	420	406	14	December 1996	November 2006	November 2006	(1)	104	104
391973	223(f)	Arlington	TX	2,173,230	9.250	9.000	December 2030	432*	394*	38*	December 1994	February 2000	February 2005	(3)	23	83
421059	223(f)	El Centro	CA	2,332,013	7.750	7.500	September 2032	421*	415*	6*	August 1997	October 2007	October 2007	(1)	115	115
453791	223(f)	Richmond	VA	2,343,829	7.100	6.850	January 2033	421*	419*	2*	December 1997	January 2007	January 2007	(1)	106	106
451668	232/223(f)	Tulsa	OK	2,409,823	7.250	7.000	January 2031	396	395	1	January 1998	February 2003	February 2008	(3)	59	119
424896	223(f)	Hemet	CA	2,426,966	7.250	7.000	October 2032	421	416	5	September 1997	October 2007	October 2007	(1)	115	115
442601	232/223(f)	Anaheim	CA	2,550,818	7.500	7.250	October 2032	420	416	4	October 1997	October 2002	October 2007	(3)	55	115
430584	223(a)7	Philadelphia	PA	2,667,223	7.950	7.650	September 2032	421*	415*	6*	August 1997	October 2002	October 2007	(3)	55	115
419429	232	Wilmington	NC	2,724,406	8.250	8.000	November 2037	479	477	2	December 1997	August 2002	August 2007	(3)	53	113
421032	232/223(f)	Fitzgerald	GA	2,774,065	8.375	8.125	March 2020	276	265	11	March 1997	April 2007	April 2007	(1)	109	109
424897	223(a)7	Garland	TX	3,060,661	7.750	7.500	October 2032	420	416	4	October 1997	October 2007	October 2007	(1)	115	115
373435	223(f)	Phoenix	AZ	3,148,486	8.110	7.710	June 2027	358	352	6	August 1997	June 2002	June 2007	(3)	51	111
450965	223(f)	Union Springs	AL	3,203,019	7.500	7.250	October 2032	421*	416*	5*	September 1997	October 2002	October 2007	(3)	55	115
457679	232/223(f)	Cumming	GA	3,222,764	7.500	7.125	November 2027	361*	357*	4*	October 1997	December 2002	December 2007	(3)	57	117
421019	223(a)7	Tucson	AZ	3,320,114	7.875	7.625	November 2026	360	345	15	November 1996	November 2001	November 2006	(3)	44	104
453073	223(a)7	Minneapolis	MN	3,441,122	7.250	7.000	October 2026	348*	344*	4*	October 1997	November 2007	November 2007	(1)	116	116
373436	223(a)7	Las Vegas	NV	3,702,571	7.620	7.220	February 2026	338	336	2	December 1997	November 2002	November 2007	(3)	56	116
453555	223(f)	Westminster	MD	3,740,530	7.000	6.750	December 2032	420	418	2	December 1997	December 2002	December 2007	(3)	57	117
416707	241(f)	Harbor City	CA	4,311,179	8.000	7.750	December 2035	481*	454*	27*	November 1995	December 2005	December 2005	(1)	93	93
429031	223(a)7	Providence	RI	4,327,945	7.600	7.350	September 2037	480	475	5	September 1997	October 2007	October 2007	(1)	115	115
358853	223(f)	Syracuse	NY	4,365,031	7.625	7.375	September 2028	420	367	53	September 1993	September 1998	September 2003	(3)	6	66
429026	232/223(f)	Indianapolis	IN	4,919,502	8.150	7.900	September 2032	421*	415*	6*	August 1997	September 2002	September 2007	(3)	54	114
338925	232	Medway	MA	4,929,930	8.300	7.800	September 2037	477	475	2	December 1997	May 2007	May 2007	(1)	110	110
389428	223(f)	Canton Township	MI	5,071,272	7.250	6.875	October 2032	420	416	4	October 1997	October 2002	October 2007	(3)	55	115
271926	232	Baltimore	MD	5,439,777	9.310	8.860	April 2034	468	434	34	April 1995	May 1999	May 2004	(3)	14	74
429317	223(f)	Knoxville	TN	5,445,944	7.375	7.000	November 2032	420	417	3	November 1997	November 2002	November 2007	(3)	56	116
364418	232	Clay	NY	5,535,559	8.900	8.650	October 2025	361	332	29	September 1995	October 2002	October 2005	(2)	55	91
414225	223(f)	Gardner	MA	5,539,942	8.500	8.000	May 2037	475	471	4	October 1997	April 2002	April 2007	(3)	49	109
364417	232	Hamburg	NY	5,746,145	8.900	8.650	October 2025	361	332	29	September 1995	October 2002	October 2005	(2)	55	91
422978	223(a)7	Silver Spring	MD	5,762,115	8.500	7.950	November 2031	420	405	15	November 1996	December 2006	December 2006	(1)	105	105
302763	221(d)4	Boise	ID	5,910,599	8.250	8.000	January 2036	473	455	18	August 1996	August 2001	August 2006	(3)	41	101
422977	223(a)7	Silver Spring	MD	6,032,339	8.200	7.950	November 2031	420	405	15	November 1996	December 2006	December 2006	(1)	105	105
430115	223(f)	Fort Wayne	IN	6,277,760	8.500	8.250	October 2026	359	344	15	November 1996	October 2001	October 2006	(3)	43	103
355539	223(f)	Ridgefield Park	NJ	6,307,483	7.375	7.125	January 2029	420	371	49	January 1994	December 2003	December 2003	(1)	69	69
429037	232/223(f)	Wickenburg	AZ	6,822,106	8.000	7.750	November 2032	421*	417*	4*	October 1997	December 2007	December 2007	(1)	117	117
461839	223(a)7	Portland	OR	6,828,642	7.350	7.000	January 2038	480	479	1	January 1998	February 2003	February 2008	(3)	59	119
451648	223(f)	Long Beach	CA	7,099,884	7.450	7.200	October 2032	420	416	4	October 1997	November 2002	November 2007	(3)	56	116
401591	223(a)7	Omaha	NE	8,609,257	7.200	6.950	June 2025	331	328	3	November 1997	November 2002	November 2005	(2)	56	92
453167	232/223(f)	Chicago	IL	9,298,011	7.375	7.125	October 2032	420	416	4	October 1997	October 2002	October 2007	(3)	55	115
439850	223(f)	Riverdale	GA	9,515,362	7.750	7.500	October 2032	326	308	18	August 1996	September 2001	September 2006	(3)	42	102
415662	221(d)4	Beaufort County	SC	9,906,423	7.250	7.000	April 2037	477	470	7	July 1997	August 2007	August 2007	(1)	113	113
416252	221(d)4	San Antonio	TX	11,337,317	8.100	7.850	August 2037	475	474	1	January 1998	September 2007	September 2007	(1)	114	114
450960	223(f)	Ft Lauderdale	FL	13,452,364	7.100	6.850	August 2032	420	414	6	August 1997	July 2002	July 2007	(3)	52	112

Ginnie Mae Pool Number	FHA Program†	City	State	Approximate Principal Balance as of Issue Date	Mortgage Interest Rate****	Ginnie Mae Certificate Interest Rate	Maturity Date	Ginnie Mae Original Term to Maturity (mos.)	Ginnie Mae Remaining Term to Maturity (mos.)	Ginnie Mae Certificate Age (mos.)	Ginnie Mae Issue Date	Lockout End Date**	Prepayment Penalty End Date**	Lockout / Prepayment Penalty Code***	Remaining Lockout Term	Remaining Prepayment Penalty Term
365633	241(f)	San Jose	CA	\$ 15,778,690	7.000%	6.750%	January 2034	480	431	49	January 1994	January 2004	January 2004	(1)	70	70
428621	221(d)4	Austin	TX	17,484,092	7.750	7.500	December 2037	479	478	1	January 1998	March 2008	March 2008	(1)	120	120
286111	223(f)	Portland	OR	22,318,014	7.125	6.875	January 2029	421*	371*	50*	December 1993	January 1999	January 2004	(3)	10	70
Total Weighted Average				<u>\$297,704,592</u>	<u>7.712%</u>	<u>7.432%</u>		<u>423</u>	<u>408</u>	<u>15</u>					<u>69</u>	<u>103</u>

† Certain of the units included in the Mortgaged Properties may receive project-based Section 8 rent subsidies from HUD.

* The distribution which occurred on the first distribution date with respect to the related Ginnie Mae Certificate consisted solely of interest.

** Assumes prepayments are permitted as of the lockout end date and no prepayment penalties are imposed as of the prepayment penalty end date. Calculated based on publicly available information. Lockout End Dates and Prepayment Penalty End Dates may be earlier or later in certain cases. As described herein, the FHA may override any lockout and/or prepayment penalty provision when the related mortgage loan is in default if the FHA determines that it is in the best interest of the federal government to permit a refinancing or partial prepayment without restrictions or penalties.

*** *Lockout/Prepayment Penalty Codes:*

- (1) Lockout before the lockout end date; thereafter no prepayment penalty is imposed.
- (2) Lockout before the lockout end date; thereafter prepayment penalty of 3% of the prepaid amount until the twelfth mortgage loan payment date beyond the lockout end date disclosed above, declining thereafter by 1% annually.
- (3) Lockout before the lockout end date; thereafter prepayment penalty of 5% of the prepaid amount until the twelfth mortgage loan payment date beyond the lockout end date disclosed above, declining thereafter by 1% annually.
- (4) Lockout before the lockout end date; thereafter prepayment penalty of 5% of the prepaid amount until the twelfth mortgage loan payment date beyond the lockout end date disclosed above, declining thereafter by 2% annually.

**** Unless documentation was obtained indicating otherwise, each mortgage interest rate set forth on Exhibit A assumes such rate is 25 basis points higher than the related Ginnie Mae Certificate interest rate.

NOTE:

The information with respect to the Ginnie Mae Certificates and the Mortgage Loans set forth on this Exhibit A has been collected and summarized by Credit Suisse First Boston Corporation and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy.

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, the Multifamily REMIC Prospectus and the Information Statement 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.

\$297,704,592
(Approximate)



**Guaranteed
REMIC Pass-Through
Certificates**

**Fannie Mae Multifamily
REMIC Trust 1998-M3**

PROSPECTUS SUPPLEMENT



February 6, 1998

TABLE OF CONTENTS

	<u>Page</u>
PROSPECTUS SUPPLEMENT	
Table of Contents	S- 3
Reference Sheet	S- 4
Risk Factors	S- 7
Description of the Certificates	S- 9
Description of the Ginnie Mae Certificates and the Mortgage Loans	S-24
Certain Additional Federal Income Tax Consequences	S-28
Plan of Distribution	S-30
Legal Matters	S-30
Exhibit A	A- 1
MULTIFAMILY REMIC PROSPECTUS	
Prospectus Supplement	2
Summary of Prospectus	3
The Series Trust	10
Yield Considerations	11
Maturity and Prepayment Considerations and Risks	15
Purchase Program	18
Description of the Certificates	19
The Trust Agreement	30
Certain Federal Income Tax Consequences	35
Legal Investment Considerations	45
Legal Opinion	45
ERISA Considerations	45
Glossary	47