

\$604,553,391



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2006-78**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The MD, P, SM, TS, IM, ME, BD, CA and CG Classes are the RCR classes, as further described in this prospectus supplement.

<i>Class</i>	<i>Group</i>	<i>Original Class Balance</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
FM	1	\$ 49,405,933	TAC/AD	(1)	FLT	31396KCS9	August 2036
M	1	29,209,000	PAC/AD	6.0%	FIX	31396KCT7	August 2036
MA(2)	1	117,080,000	PAC	5.5	FIX	31396KCU4	December 2030
MB(2)	1	45,446,000	PAC	5.5	FIX	31396KCV2	July 2034
MC(2)	1	10,701,000	PAC	5.5	FIX	31396KCW0	April 2035
MI(2)	1	21,946,000(3)	NTL	5.5	FIX/IO	31396KCX8	August 2036
MO	1	8,735,584	SUP	(4)	PO	31396KCY6	August 2036
MT(2)	1	2,475,296	TAC/AD	(1)	INV	31396KCZ3	August 2036
MZ	1	100,000	TAC/AD	(1)	FLT/Z	31396KDA7	August 2036
OM(2)	1	21,946,000	PAC	(4)	PO	31396KDB5	August 2036
SO(2)	1	3,126,691	TAC/AD	(4)	PO	31396KDC3	August 2036
ST(2)	1	4,950,593	TAC/AD	(1)	INV	31396KDD1	August 2036
TM(2)	1	1,823,903	TAC/AD	(1)	INV	31396KDE9	August 2036
ZM	1	5,000,000	SUP	6.0	FIX/Z	31396KDF6	August 2036
AV(2)	2	13,022,000	SEQ/AD	6.5	FIX	31396KDG4	May 2017
BC	2	131,294,000	SEQ	6.5	FIX	31396KDH2	January 2034
BV(2)	2	12,714,000	SEQ/AD	6.5	FIX	31396KDJ8	June 2023
BZ(2)	2	13,028,802	SEQ	6.5	FIX/Z	31396KDK5	August 2036
CB(2)	3	13,854,589	SEQ	4.5	FIX	31396KDL3	August 2021
CD(2)	3	96,687,000	SEQ	4.5	FIX	31396KDM1	October 2018
CE(2)	3	23,953,000	SEQ	4.5	FIX	31396KDN9	September 2020
R		0	NPR	0	NPR	31396KDP4	August 2036
RL		0	NPR	0	NPR	31396KDQ2	August 2036

(1) Based on LIBOR.

(2) Exchangeable classes.

(3) Notional balance. This class is an interest only class. See page S-7 for a description of how its notional balance is calculated.

(4) Principal only classes.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be July 28, 2006.

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	<i>BZ Accrual Amount</i>	S-19
INCORPORATION BY REFERENCE ...	S- 3	<i>Group 2 Cash Flow Distribution</i> <i>Amount</i>	S-19
RECENT DEVELOPMENTS	S- 4	<i>Group 3 Principal Distribution Amount</i> ..	S-19
REFERENCE SHEET	S- 6	STRUCTURING ASSUMPTIONS	S-19
ADDITIONAL RISK FACTORS	S-10	<i>Pricing Assumptions</i>	S-19
DESCRIPTION OF THE		<i>Prepayment Assumptions</i>	S-19
CERTIFICATES	S-11	<i>Structuring Ranges and Rate</i>	S-19
GENERAL	S-11	<i>Initial Effective Ranges</i>	S-20
<i>Structure</i>	S-11	YIELD TABLES	S-21
<i>Fannie Mae Guaranty</i>	S-12	<i>General</i>	S-21
<i>Characteristics of Certificates</i>	S-12	<i>The Fixed Rate Interest Only Classes</i> ...	S-21
<i>Authorized Denominations</i>	S-13	<i>The Principal Only Classes</i>	S-22
<i>Distribution Dates</i>	S-13	<i>The Inverse Floating Rate Classes</i>	S-23
<i>Record Date</i>	S-13	WEIGHTED AVERAGE LIVES OF THE	
<i>Class Factors</i>	S-13	CERTIFICATES	S-24
<i>No Optional Termination</i>	S-13	DECREMENT TABLES	S-25
COMBINATION AND RECOMBINATION	S-13	CHARACTERISTICS OF THE R AND	
<i>General</i>	S-13	RL CLASSES	S-30
<i>Procedures</i>	S-13	CERTAIN ADDITIONAL FEDERAL	
<i>Additional Considerations</i>	S-14	INCOME TAX CONSEQUENCES	S-31
THE MBS	S-14	U.S. TREASURY CIRCULAR 230 NOTICE ...	S-31
FINAL DATA STATEMENT	S-15	REMIC ELECTIONS AND SPECIAL TAX	
DISTRIBUTIONS OF INTEREST	S-15	ATTRIBUTES	S-31
<i>Categories of Classes</i>	S-15	TAXATION OF BENEFICIAL OWNERS OF	
<i>General</i>	S-15	REGULAR CERTIFICATES	S-32
<i>Interest Accrual Periods</i>	S-16	TAXATION OF BENEFICIAL OWNERS OF	
<i>Accrual Classes</i>	S-16	RESIDUAL CERTIFICATES	S-32
<i>Notional Classes</i>	S-16	TAXATION OF BENEFICIAL OWNERS OF	
<i>Floating Rate and Inverse Floating Rate</i> <i>Classes</i>	S-16	RCR CERTIFICATES	S-32
CALCULATION OF LIBOR	S-17	<i>General</i>	S-32
DISTRIBUTIONS OF PRINCIPAL	S-17	<i>Strip RCR Classes</i>	S-33
<i>Categories of Classes</i>	S-17	<i>Combination RCR Classes</i>	S-34
<i>Principal Distribution Amount</i>	S-17	<i>Exchanges</i>	S-34
<i>Group 1 Principal Distribution Amount</i> ..	S-18	TAX RETURN DISCLOSURE REQUIREMENTS ..	S-34
<i>MZ Accrual Amount</i>	S-18	PLAN OF DISTRIBUTION	S-35
<i>Group 1 Cash Flow Distribution</i> <i>Amount</i>	S-18	<i>General</i>	S-35
<i>ZM Accrual Amount and Remaining</i> <i>Group 1 Cash Flow Distribution</i> <i>Amount</i>	S-18	<i>Increase in Certificates</i>	S-35
<i>Group 2 Principal Distribution Amount</i> ..	S-19	LEGAL MATTERS	S-35
		SCHEDULE 1	A- 1
		PRINCIPAL BALANCE SCHEDULES ..	B- 1

AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated January 1, 2006 (the “MBS Prospectus”); and
- any information incorporated by reference in this prospectus supplement as discussed below under the heading “Incorporation by Reference.”

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

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

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at www.fanniemae.com.

You also can obtain copies of the REMIC Prospectus or the MBS Prospectus by writing or calling the dealer at:

Bear Stearns & Co. Inc.
c/o ADP Financial Services
Prospectus Department
1155 Long Island Avenue
Edgewood, New York 11717
(telephone 631-254-7106).

INCORPORATION BY REFERENCE

In this prospectus supplement, we are incorporating by reference the MBS Prospectus described above. In addition, we are incorporating by reference the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in this prospectus supplement, the REMIC Prospectus, the MBS Prospectus and any applicable supplements or amendments.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission (“SEC”):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (“Form 10-K”);
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since the end of the fiscal year covered by the Form 10-K until the date of this prospectus supplement, excluding any information “furnished” to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this prospectus supplement and prior to the completion of the offering of the certificates, excluding any information we “furnish” to the SEC on Form 8-K.

Any information incorporated by reference in this prospectus supplement is deemed to be modified or superseded for purposes of this prospectus supplement to the extent information contained or incorporated by reference in this prospectus supplement modifies or supersedes such information. In such case, the information will constitute a part of this prospectus supplement only as so modified or superseded.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can obtain copies of the periodic reports we file with the SEC without charge by calling or writing our Office of Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016, telephone: (202) 752-7115. The periodic and current reports that we file with the SEC are also available on our Web site. Information appearing on our Web site is not incorporated in this prospectus supplement except as specifically stated in this prospectus supplement.

In addition, you may read our SEC filings and other information about Fannie Mae at the offices of the New York Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange. Our SEC filings are also available at the SEC's Web site at www.sec.gov. We are providing the address of the SEC's Web site solely for the information of prospective investors. Information appearing on the SEC's Web site is not incorporated in this prospectus supplement except as specifically stated in this prospectus supplement.

RECENT DEVELOPMENTS

Our safety and soundness regulator, the Office of Federal Housing Enterprise Oversight ("OFHEO"), announced in July 2003 that it was conducting a special examination of our accounting policies and practices, and in September 2004 issued a preliminary report of its findings to date. OFHEO subsequently identified additional accounting and internal control issues in February 2005, and issued its Report of the Special Examination of Fannie Mae (the "OFHEO Report") on May 23, 2006.

On December 22, 2004, we reported that the Audit Committee of our Board of Directors (the "Board") had determined that our previously filed interim and audited financial statements and the independent auditor's reports thereon for the period from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared using accounting principles that did not comply with U.S. generally accepted accounting principles ("GAAP"). We have subsequently initiated an extensive restatement and re-audit of our financial statements with our new independent auditor, Deloitte & Touche LLP. We anticipate that the impact of the restatement will be material to Fannie Mae's financial statements for many, if not all, of the periods involved.

Our Board and management have initiated numerous internal and external reviews of our accounting processes and controls, our financial reporting processes, and our application of GAAP. See "Risk Factors—There are numerous ongoing internal reviews and external investigations of Fannie Mae" in the MBS Prospectus. One of these external investigations was conducted by the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss"), under the direction of former U.S. Senator Warren Rudman. On February 23, 2006, the Paul Weiss report to the Special Committee of the Board was publicly released, and included numerous findings about Fannie Mae's accounting policies, practices and systems, compensation practices, corporate governance, and internal controls. On February 24, 2006, we filed a Form 8-K with the U.S. Securities and Exchange Commission (the "SEC") that includes the Paul Weiss report.

The OFHEO Report presents OFHEO's findings about Fannie Mae's corporate culture, executive compensation programs, accounting policies and internal controls, internal and external auditors, senior management, and the Board. In conjunction with the release of the OFHEO Report, Fannie Mae entered into settlement agreements with both OFHEO and the SEC on May 23, 2006. The settlement agreements require Fannie Mae to pay civil penalties totaling \$400 million. In addition, the

settlement agreement with OFHEO requires Fannie Mae to undertake certain remedial actions within a specified time frame to address the recommendations contained in the OFHEO Report, including an undertaking by Fannie Mae not to increase its “mortgage portfolio” assets except as permitted by a plan to be submitted by Fannie Mae for approval by OFHEO. The settlement agreements constitute comprehensive settlements between Fannie Mae and both OFHEO and the SEC relating to the activities of Fannie Mae during the time period in question. Investigations into our accounting policies and practices and our financial reporting continue with the U.S. Attorney’s Office for the District of Columbia. Please refer to our Form 8-K filed with the SEC on May 30, 2006 for further information about the OFHEO Report and the settlement agreements. A complete copy of the OFHEO Report is available on OFHEO’s website at www.ofheo.gov.

We have not filed Quarterly Reports on Form 10-Q for the third quarter of 2004, the first, second and third quarters of 2005, or the first quarter of 2006, nor have we filed our Annual Reports on Form 10-K for the years ended December 31, 2004 or December 31, 2005. As we most recently reported in the Current Report on Form 8-K filed with the SEC on June 15, 2006, we currently estimate that we will complete our financial restatement by the end of 2006. See “Risk Factors—There is a lack of financial information about us available in the market” in the MBS Prospectus.

Forms 8-K that we file with the SEC prior to the completion of the offering of the certificates are incorporated by reference in this prospectus supplement. This means that we are disclosing information to you by referring you to those documents. You should refer to “Incorporation by Reference” above for further details on the information that we incorporate by reference in this prospectus supplement and where to find it.

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of July 1, 2006)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$300,000,000	360	334	22	5.930%
Group 2 MBS	\$170,058,802	360	359	1	7.000%
Group 3 MBS	\$134,494,589	180	140	40	4.935%

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

Class Factors

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

Settlement Date

We expect to issue the certificates on July 28, 2006.

Distribution Dates

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

Book-Entry and Physical Certificates

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

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

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

Exchanging Certificates Through Combination and Recombination

If you own certain certificates, you will be able to exchange them for a proportionate interest in the related RCR certificates as shown on Schedule 1. We will issue the RCR certificates upon such exchange. You can exchange your certificates by notifying us and paying an exchange fee. We use the principal and interest of the certificates exchanged to pay principal and interest on the related RCR certificates. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates.

Interest Rates

During each interest accrual period, the fixed rate classes will bear interest at the applicable annual interest rates listed on the cover of this prospectus supplement or on Schedule 1.

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, the floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FM	5.99063%	7.50000%	0.65%	LIBOR + 65 basis points
MT	10.00000%	10.00000%	0.00%	130.00001% - (20 × LIBOR)
MZ	5.99063%	7.50000%	0.65%	LIBOR + 65 basis points
ST	6.59370%	60.00000%	0.00%	60% - (10 × LIBOR)
TM	9.50000%	9.50000%	0.00%	185.92857% - (27.14286 × LIBOR)
SM	6.03748%	27.40000%	0.00%	27.4% - (4 × LIBOR)
TS	4.04130%	36.77419%	0.00%	36.77419% - (6.12903 × LIBOR)

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

We will apply interest payments from exchanged REMIC certificates to the corresponding RCR certificates, on a pro rata basis, following any exchange.

Notional Classes

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

<u>Class</u>	
IM	9.0909090909% of the MA Class
MI	100% of the OM Class

Distributions of Principal

Group 1 Principal Distribution Amount

MZ Accrual Amount

To the FM Class to zero, and thereafter to the MZ Class.

Group 1 Cash Flow Distribution Amount

- To Aggregate Group I to its Planned Balance.
- 8.3333339693% of the remaining amount to the MO Class to zero.

ZM Accrual Amount and Remaining Group 1 Cash Flow Distribution Amount

1. To the M Class to its Planned Balance.
2. To Aggregate Group II to its Targeted Balance.
3. To the ZM Class to zero.
4. To Aggregate Group II to zero.
5. To the M Class to zero.
6. To Aggregate Group I to zero.

For a description of Aggregate Groups I and II, see “Description of the Certificates—Distributions of Principal—*Group 1 Principal Distribution Amount*” in this prospectus supplement.

Group 2 Principal Distribution Amount

BZ Accrual Amount

To the AV and BV Classes, in that order, to zero, and thereafter to the BZ Class.

Group 2 Cash Flow Distribution Amount

To the BC, AV, BV and BZ Classes, in that order, to zero.

Group 3 Principal Distribution Amount

To the CD, CE and CB Classes, in that order, to zero.

We will apply principal payments from exchanged REMIC certificates to the corresponding RCR certificates, on a pro rata basis, following any exchange.

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
FM	27.3	18.0	14.5	10.3	9.8	9.6	1.7	0.7
M	19.6	10.2	4.0	4.0	4.0	4.0	3.1	1.4
MA, IM and ME	12.5	3.0	3.0	3.0	3.0	3.0	3.0	2.1
MB	21.7	8.0	8.0	8.0	8.0	8.0	8.0	4.7
MC	23.6	11.0	11.0	11.0	11.0	11.0	11.0	6.5
MI, OM and MD	24.6	15.7	15.7	15.7	15.7	15.7	15.7	9.7
MO	27.8	17.8	13.4	10.4	10.0	7.5	2.1	0.9
MT, SO, ST, TM, SM and TS	27.4	18.0	14.6	10.4	9.9	9.8	1.7	0.7
MZ	28.8	23.0	21.0	19.1	18.8	27.3	4.1	1.3
ZM	29.4	25.3	24.1	22.8	22.6	0.6	0.2	0.1
P	16.6	6.0	6.0	6.0	6.0	6.0	6.0	3.8

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>280%</u>	<u>350%</u>	<u>500%</u>
AV	6.0	6.0	5.8	5.3	4.4
BC	18.8	8.1	3.9	3.3	2.6
BV	14.0	14.0	9.7	8.3	6.3
BZ	28.8	23.3	15.0	12.8	9.6
BD	28.8	23.3	13.1	10.9	7.9

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>350%</u>	<u>500%</u>
CB	14.5	10.8	10.6	8.5	6.9
CD	6.9	3.4	3.0	1.7	1.2
CE	13.1	8.6	8.1	5.2	3.9
CA	8.2	4.4	4.0	2.4	1.7
CG	13.6	9.4	9.0	6.4	5.0

* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement.

ADDITIONAL RISK FACTORS

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

- at any of the prepayment rates we assumed in this prospectus supplement, or
- at any constant prepayment rate until maturity.

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

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

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

Recent hurricanes in the Gulf Coast region may present risk of increased mortgage loan prepayments. In August and September 2005, Hurricane Katrina and Hurricane Rita and related events caused catastrophic damage to extensive areas along the Gulf Coast of the United States, including portions of coastal and inland Alabama, Florida, Louisiana, Mississippi and Texas. Hundreds of thousands of people have been displaced and interruptions in the regional economy have been significant. Although the long-term effects are unclear, these events could lead to a general economic downturn in the Gulf Coast region, including job losses and declines in real estate values. Accordingly, defaults on any mortgage loans in the affected areas may increase, in turn resulting in early payments of

principal of the certificates backed by those mortgage loans. Additionally, casualty losses on mortgage properties with hurricane or flood damage may result in early payment of principal of the related certificates.

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

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

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

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

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

Unpredictable timing of last payment affects yields on certificates. The actual final payment of your class is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page of this pro-

spectus supplement. If you assume that the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

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

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

Terrorist activities and related military and political actions by the U.S. government could cause reductions in investor confidence and substantial market volatility in real estate and securities markets. It is impossible to predict the extent to which terrorist activities may occur or, if they do occur, the extent of the effect on the certificates. Moreover, it is uncertain what effects any past or future terrorist activities or any related military or political actions on the part of the United States government and others will have on the United States and world financial markets, local, regional and national economies, real estate markets across the United States, or particular business sectors, including those affecting the performance of mortgage loan borrowers. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, defaults on the mortgage loans could increase, causing early payments of principal to you and, regardless of the performance of the underlying mortgage loans, the liquidity and market value of the certificates may be impaired.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of July 1, 2006 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

The assets of the Trust will consist of the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS” and “Group 3 MBS” and, together, the “MBS”).

Each MBS represents a beneficial ownership interest in a pool of first lien, one- to four-family (“single-family”), fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described in this prospectus supplement.

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

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

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

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

Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus, “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus.

Characteristics of Certificates. We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. U.S. Bank National Association (“US Bank”) in Boston, Massachusetts will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the R or RL Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R and RL Classes” below.

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

Authorized Denominations. We will issue the Certificates in the following denominations:

<u>Classes</u>	<u>Denominations</u>
The Principal Only, Interest Only and Inverse Floating Rate Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

We will issue the R and RL Classes as single Certificates with no principal balances.

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

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

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

No Optional Termination. We have no option to effect an early termination of the Lower Tier REMIC or the Trust. Further, we will not repurchase the Mortgage Loans underlying any MBS in a “clean-up call.” See “Description of the Certificates—Termination” in the MBS Prospectus.

Combination and Recombination

General. You are permitted to exchange all or a portion of the MA, MB, MC, MI, MT, OM, SO, ST, TM, AV, BV, BZ, CB, CD and CE Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

Holders of RCR Certificates will be the beneficial owners of a proportionate interest in the related REMIC Certificates and will receive a proportionate share of the distributions on the related REMIC Certificates.

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. REMIC Certificates and RCR Certificates may be exchanged only in the proportions shown on Schedule 1.

Procedures. If a Certificateholder wishes to exchange Certificates, the Certificateholder must notify our Structured Transactions Department through one of our “REMIC Dealer Group” dealers in writing or by telefax no later than two business days before the proposed exchange date. The exchange date can be any business day other than the first or last business day of the month subject to our approval. The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. After receiving the Holder’s notice, we will telephone the dealer with delivery and wire payment instructions. Notice becomes irrevocable on the second business day before the proposed exchange date.

In connection with each exchange, the Holder must pay us a fee equal to 1/32 of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be exchanged. In no event, however, will our fee be less than \$2,000.

We will make the first distribution on a REMIC Certificate or an RCR Certificate received in an exchange transaction on the Distribution Date in the following month. We will make that distribution to the Holder of record as of the close of business on the last day of the month of the exchange.

Additional Considerations. The characteristics of RCR Certificates will reflect the characteristics of the REMIC Certificates used to form those RCR Certificates. You should also consider a number of factors that will limit a Certificateholder’s ability to exchange REMIC Certificates for RCR Certificates or vice versa:

- At the time of the proposed exchange, a Certificateholder must own Certificates of the related Class or Classes in the proportions necessary to make the desired exchange.
- A Certificateholder that does not own the Certificates may be unable to obtain the necessary REMIC Certificates or RCR Certificates.
- If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange.
- The Certificateholder of needed Certificates may refuse to sell them at a reasonable price (or any price) or may be unable to sell them.
- Certain Certificates may have been purchased and placed into other financial structures and thus be unavailable.
- Principal distributions will decrease the amounts available for exchange over time.
- Only the combinations listed on Schedule 1 are permitted.

The MBS

The following table contains certain information about the MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years in the case of the Group 1 and Group 2 MBS, and up to 15 years in the case of the Group 3 MBS. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

We expect the characteristics of the MBS and the related Mortgage Loans as of the Issue Date to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$300,000,000
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	334 months
Approximate Weighted Average WALA (weighted average loan age)	22 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$170,058,802
MBS Pass-Through Rate	6.50%
Range of WACs (annual percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	359 months
Approximate Weighted Average WALA	1 month

Group 3 MBS

Aggregate Unpaid Principal Balance	\$134,494,589
MBS Pass-Through Rate	4.50%
Range of WACs (annual percentages)	4.75% to 7.00%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM	140 months
Approximate Weighted Average WALA	40 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.com.

Distributions of Interest*Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	M, MA, MB, MC, MI and ZM
Floating Rate	FM and MZ
Inverse Floating Rate	MT, ST and TM
Interest Only	MI
Principal Only	MO, OM and SO
Accrual	MZ and ZM
RCR**	MD, P, SM, TS, IM and ME
Group 2 Classes	
Fixed Rate	AV, BC, BV and BZ
Accrual	BZ
RCR**	BD
Group 3 Classes	
Fixed Rate	CB, CD, and CE
RCR**	CA and CG
No Payment Residual	R and RL

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

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

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed

360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

We will apply interest payments from exchanged REMIC Certificates to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All Floating Rate and Inverse Floating Rate Classes (collectively, the “No-Delay Classes”)	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors—*Delay classes have lower yields and market values*” in this prospectus supplement.

The Dealer will treat the MO and OM Classes as Delay Classes, and the SO Class as a No-Delay Class, for the sole purpose of facilitating trading.

Accrual Classes. The MZ, ZM and BZ Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates specified on the cover or described in this prospectus supplement. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on the Accrual Classes will be added as principal to their respective principal balances on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

Notional Classes. The Notional Classes will not have principal balances. During each Interest Accrual Period, the Notional Classes will bear interest on their notional principal balances at their applicable interest rates. The notional principal balances of the Notional Classes will be calculated as specified under “Reference Sheet—Notional Classes” in this prospectus supplement.

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

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

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

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

Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of the “BBA Method,” as described in the REMIC Prospectus under “Description of Certificates—Indexes for Floating Rate Classes and Inverse Floating Rate Classes—LIBOR.”

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.34063%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
PAC	M, MA, MB, MC and OM
TAC	FM, MT, MZ, SO, ST and TM
Support	MO and ZM
Accretion Directed	FM, M, MT, MZ, SO, ST and TM
Notional	MI
RCR**	MD, P, SM, TS, IM and ME
Group 2 Classes	
Sequential Pay	AV, BC, BV and BZ
Accretion Directed	AV and BV
RCR**	BD
Group 3 Classes	
Sequential Pay	CB, CD and CE
RCR**	CA and CG
No Payment Residual	R and RL

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

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

Principal Distribution Amount

On the Distribution Date in each month, we will pay principal on the Certificates in an Aggregate amount (the “Principal Distribution Amount”) equal to the sum of

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the MZ and ZM Classes (the “MZ Accrual Amount” and “ZM Accrual Amount,” respectively, and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to principal balance of the BZ Class (the “BZ Accrual Amount,” and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”), and
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

MZ Accrual Amount

On each Distribution Date, we will pay the MZ Accrual Amount as principal of the FM Class, until its principal balance is reduced to zero. Thereafter, we will pay the MZ Accrual Amount as principal of the MZ Class. } Accretion Directed Class and Accrual Class

Group 1 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 1 Cash Flow Distribution Amount as principal of the Group 1 Classes specified below in the following priority:

(i) to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date; and } PAC Group

(ii) 8.3333339693% of the remaining amount to the MO Class until its principal balance is reduced to zero. } Support Class

ZM Accrual Amount and Remaining Group 1 Cash Flow Distribution Amount

On each Distribution Date, we will pay the ZM Accrual Amount, together with the Group 1 Cash Flow Distribution Amount remaining after giving effect to the distributions specified above under “—Group 1 Cash Flow Distribution Amount,” as principal of the Group 1 Classes in the following priority:

(i) to the M Class, until its principal balance is reduced to its Planned Balance for that Distribution Date; } PAC Class

(ii) to Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Targeted Balance for that Distribution Date; } TAC Group

(iii) to the ZM Class, until its principal balance is reduced to zero; } Support Class

(iv) to Aggregate Group II, without regard to its Targeted Balance and until the Aggregate II Balance is reduced to zero; } TAC Group

(v) to the M Class, without regard to its Planned Balance and until its principal balance is reduced to zero; and } PAC Class and Group

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

“Aggregate Group I” consists of the MA, MB, MC and OM Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, sequentially, to the MA, MB, MC and OM Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate I Balance” is equal to the aggregate principal balance of the Classes in Aggregate Group I.

“Aggregate Group II” consists of the FM, MZ, TM, MT, SO and ST Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II as follows:

(a) 80.0000003232% of that amount, sequentially, to the FM and MZ Classes, in that order, until their principal balances are reduced to zero, and

(b) 19.9999996768% of that amount, concurrently, to the MT, SO, ST and TM Classes, pro rata (or 19.9999951521%, 25.2631624024%, 39.9999983841% and 14.7368440614%, respectively,), until their principal balances are reduced to zero.

The “Aggregate II Balance” is equal to the aggregate principal balance of the Classes in Aggregate Group II. For determining principal balances on a Distribution Date, the Aggregate II Balance will include any increase in the principal balance of the MZ Class on that date.

Group 2 Principal Distribution Amount

BZ Accrual Amount

On each Distribution Date, we will pay the BZ Accrual Amount, sequentially, as principal of the AV and BV Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the BZ Accrual Amount as principal of the BZ Class. } Accretion Directed Classes and Accrual Class

Group 2 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 2 Cash Flow Distribution Amount, sequentially, as principal of the BC, AV, BV and BZ Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, sequentially, as principal of the CD, CE and CB Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

We will apply principal payments from exchanged REMIC Certificates to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables;
- the settlement date for the sale of the Certificates is July 28, 2006; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this prospectus supplement with respect to all Classes and Principal Balances Schedules is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other *constant* rate.

Structuring Ranges and Rate. The Principal Balance Schedules are found beginning on page B-1 of this prospectus supplement. The Principal Balance Schedules have been prepared on the basis of the

Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at a constant PSA rate within the applicable Structuring Ranges or at the applicable PSA rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Groups (1) and Class</u>	<u>Structuring Ranges and Rate</u>
Planned Balances	Aggregate Group I	Between 100% and 300% PSA
Planned Balance	M Class	Between 135% and 200% PSA
Targeted Balances	Aggregate Group II	169% PSA

(1) The Structuring Range and Rate for the Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.

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

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

<u>Group and Class</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 300% PSA
M	Between 134% and 200% PSA

The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics are likely to differ from the Initial Effective Ranges. As a result, the applicable Group and Class might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges. This is so particularly if the rate were at the lower or higher end of this range. In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Group and Class to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.

The stability in principal payment of the Classes specified below will be supported by the corresponding supporting Classes as indicated in the following table:

<u>Classes</u>	<u>Supporting Classes</u>
Group 1	
Aggregate Group I	M, TAC and Support
M	TAC and Support

When the supporting Classes are retired, the Classes they support, if still outstanding, may no longer have Effective Ranges and will be more sensitive to prepayments.

Yield Tables

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

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present values of the assumed streams of cash flows to equal the assumed aggregate purchase prices of those Classes, and
- converting the monthly rates to corporate bond equivalent rates.

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

We cannot assure you that

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

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

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

The Fixed Rate Interest Only Classes. **The yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the Fixed Rate Interest Only Classes would be 0% if prepayments of the related Mortgage Loans were to occur at the constant rates shown in the table below:**

<u>Class</u>	<u>% PSA</u>
MI	545% PSA
IM	384% PSA

For either Fixed Rate Interest Only Class, if the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling that level for the remaining months, the investors in the applicable Class would lose money on their initial investments.

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Fixed Rate Interest Only Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
MI	47.983926%
IM	14.215262%

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

Sensitivity of the MI Class to Prepayments

	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	8.9%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	1.9%

Sensitivity of the IM Class to Prepayments

	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	22.5%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	(15.4)%

The Principal Only Classes. **The Principal Only Classes will not bear interest. As indicated in the tables below, a low rate of principal payments (including prepayments) on the related Mortgage Loans will have a negative effect on the yields to investors in the Principal Only Classes.**

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Principal Only Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price</u>
MO	64.614583%
OM	45.935112%
SO	61.351852%

Sensitivity of the MO Class to Prepayments

	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.0%	2.5%	3.6%	4.9%	5.2%	7.5%	25.4%	63.4%

Sensitivity of the OM Class to Prepayments

	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	4.7%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	8.4%

Sensitivity of the SO Class to Prepayments

	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.2%	2.7%	3.4%	5.2%	5.6%	6.1%	33.5%	92.0%

The Inverse Floating Rate Classes. The yields on the Inverse Floating Rate Classes will be sensitive in varying degrees to the rate of principal payments, including prepayments, of the related Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time without penalty. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from pool to pool. As illustrated in the applicable table below, it is possible that investors in the TM Class would lose money on their initial investments under certain Index and prepayment scenarios.

Changes in the Index may not correspond to changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur while the level of the Index increased.

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” in this prospectus supplement and for each following Interest Accrual Period will be based on the specified level of the Index, and
- the aggregate purchase prices of those Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
MT	99.865027%
ST	86.918326%
TM	104.032145%
SM	85.718171%
TS	77.021625%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
6.00%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.4%
6.25%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.4%	5.8%
6.50%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.5%	1.3%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>165%</u>	<u>169%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
1.34063%	57.8%	57.8%	57.9%	58.8%	59.0%	59.4%	64.2%	76.2%
3.34063%	32.0%	32.1%	32.2%	33.0%	33.2%	33.6%	39.4%	52.4%
5.34063%	8.0%	8.1%	8.3%	8.9%	9.0%	9.2%	16.1%	29.9%
6.00000%	0.7%	0.8%	1.0%	1.4%	1.5%	1.6%	8.8%	22.8%

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

LIBOR	PSA Prepayment Assumption							
	50%	100%	135%	165%	169%	200%	300%	500%
6.500%	9.2%	9.2%	9.2%	9.0%	9.0%	8.9%	7.1%	3.6%
6.675%	4.5%	4.5%	4.4%	4.3%	4.3%	4.3%	2.6%	(0.6)%
6.850%	(0.1)%	(0.2)%	(0.2)%	(0.3)%	(0.3)%	(0.3)%	(1.9)%	(4.7)%

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

LIBOR	PSA Prepayment Assumption							
	50%	100%	135%	165%	169%	200%	300%	500%
1.34063%	26.8%	26.8%	27.0%	27.9%	28.0%	28.5%	35.2%	49.8%
3.34063%	16.9%	17.0%	17.2%	18.0%	18.1%	18.5%	25.7%	40.7%
5.34063%	7.5%	7.6%	7.8%	8.5%	8.6%	8.8%	16.5%	31.7%
6.85000%	0.7%	0.9%	1.1%	1.6%	1.7%	1.7%	9.7%	25.1%

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

LIBOR	PSA Prepayment Assumption							
	50%	100%	135%	165%	169%	200%	300%	500%
1.34063%	39.1%	39.1%	39.3%	41.2%	41.5%	42.4%	54.0%	81.3%
3.34063%	21.9%	22.0%	22.4%	23.9%	24.2%	25.0%	37.5%	64.9%
5.34063%	6.0%	6.3%	6.6%	7.7%	7.9%	8.2%	21.7%	49.1%
6.00000%	1.2%	1.5%	1.8%	2.7%	2.8%	3.0%	16.7%	44.1%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of the 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 the Certificate referred to in clause (a).

For a description of the factors which may influence the weighted average life of a Certificate, see “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, Group 2 and Group 3 Classes, and

- in the case of the Group 1 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their original principal balances, variability in the weighted average lives of those Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various constant prepayment rates, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates, and the corresponding weighted average lives of those Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	8.00%
Group 2 MBS	360 months	360 months	9.00%
Group 3 MBS	180 months	180 months	7.00%

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, WALAs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates, even if the weighted average remaining terms to maturity and the weighted average loan ages of the Mortgage Loans are identical to the weighted averages specified in the Pricing Assumptions. This is the case because pools of loans with identical weighted averages are nonetheless likely to reflect differing dispersions of the related characteristics.

Percent of Original Principal Balances Outstanding

Date	FM Class								M Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	135%	165%	169%	200%	300%	500%	0%	100%	135%	165%	169%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	100	100	99	92	91	91	68	19	99	99	82	82	82	82	82	82
July 2008	100	100	99	85	83	79	36	0	98	98	66	66	66	66	66	66
July 2009	100	100	98	80	77	69	14	0	97	97	52	52	52	52	52	52
July 2010	100	100	98	75	73	61	*	0	95	95	41	41	41	41	41	41
July 2011	100	100	97	72	69	56	0	0	94	94	33	33	33	33	17	0
July 2012	100	100	96	70	66	53	0	0	93	93	27	27	27	27	4	0
July 2013	100	100	96	68	64	52	0	0	91	91	22	22	22	22	*	0
July 2014	100	100	95	67	63	51	0	0	89	86	16	16	16	16	*	0
July 2015	100	100	93	65	62	51	0	0	88	76	8	8	8	8	*	0
July 2016	100	100	90	62	59	51	0	0	86	62	0	0	0	0	*	0
July 2017	100	100	82	56	52	46	0	0	84	45	0	0	0	0	*	0
July 2018	100	100	74	48	45	41	0	0	82	26	0	0	0	0	*	0
July 2019	100	100	65	41	38	37	0	0	80	5	0	0	0	0	*	0
July 2020	100	92	56	34	31	32	0	0	78	0	0	0	0	0	*	0
July 2021	100	81	48	26	24	28	0	0	75	0	0	0	0	0	*	0
July 2022	100	70	39	19	17	24	0	0	73	0	0	0	0	0	*	0
July 2023	100	60	30	13	11	20	0	0	70	0	0	0	0	0	*	0
July 2024	100	49	22	6	4	17	0	0	67	0	0	0	0	0	*	0
July 2025	100	38	14	*	0	14	0	0	64	0	0	0	0	0	*	0
July 2026	100	28	7	0	0	11	0	0	60	0	0	0	0	0	*	0
July 2027	99	18	0	0	0	9	0	0	57	0	0	0	0	0	*	0
July 2028	99	8	0	0	0	7	0	0	53	0	0	0	0	0	*	0
July 2029	99	0	0	0	0	5	0	0	49	0	0	0	0	0	*	0
July 2030	99	0	0	0	0	3	0	0	45	0	0	0	0	0	*	0
July 2031	99	0	0	0	0	2	0	0	41	0	0	0	0	0	*	0
July 2032	94	0	0	0	0	1	0	0	0	0	0	0	0	0	*	0
July 2033	62	0	0	0	0	0	0	0	0	0	0	0	0	0	*	0
July 2034	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.3	18.0	14.5	10.3	9.8	9.6	1.7	0.7	19.6	10.2	4.0	4.0	4.0	4.0	3.1	1.4

Date	MA, IM† and ME Classes								MB Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	135%	165%	169%	200%	300%	500%	0%	100%	135%	165%	169%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	98	82	82	82	82	82	82	82	100	100	100	100	100	100	100	100
July 2008	96	64	64	64	64	64	64	59	100	100	100	100	100	100	100	100
July 2009	93	48	48	48	48	48	48	20	100	100	100	100	100	100	100	100
July 2010	90	32	32	32	32	32	32	0	100	100	100	100	100	100	100	81
July 2011	87	17	17	17	17	17	17	0	100	100	100	100	100	100	100	33
July 2012	84	3	3	3	3	3	3	0	100	100	100	100	100	100	100	*
July 2013	81	0	0	0	0	0	0	0	100	75	75	75	75	75	75	0
July 2014	77	0	0	0	0	0	0	0	100	46	46	46	46	46	46	0
July 2015	73	0	0	0	0	0	0	0	100	22	22	22	22	22	22	0
July 2016	69	0	0	0	0	0	0	0	100	3	3	3	3	3	3	0
July 2017	64	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2018	59	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2019	53	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2020	47	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2021	41	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2022	33	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2023	26	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2024	17	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2025	8	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
July 2026	0	0	0	0	0	0	0	0	97	0	0	0	0	0	0	0
July 2027	0	0	0	0	0	0	0	0	70	0	0	0	0	0	0	0
July 2028	0	0	0	0	0	0	0	0	40	0	0	0	0	0	0	0
July 2029	0	0	0	0	0	0	0	0	8	0	0	0	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.5	3.0	3.0	3.0	3.0	3.0	3.0	2.1	21.7	8.0	8.0	8.0	8.0	8.0	8.0	4.7

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

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

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

Date	MC Class								MI†, OM and MD Classes							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	135%	165%	169%	200%	300%	500%	0%	100%	135%	165%	169%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2008	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2009	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2010	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2011	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2012	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2013	100	100	100	100	100	100	100	4	100	100	100	100	100	100	100	100
July 2014	100	100	100	100	100	100	100	0	100	100	100	100	100	100	100	70
July 2015	100	100	100	100	100	100	100	0	100	100	100	100	100	100	100	47
July 2016	100	100	100	100	100	100	100	0	100	100	100	100	100	100	100	32
July 2017	100	46	46	46	46	46	46	0	100	100	100	100	100	100	100	22
July 2018	100	0	0	0	0	0	0	0	100	97	97	97	97	97	97	15
July 2019	100	0	0	0	0	0	0	0	100	76	76	76	76	76	76	10
July 2020	100	0	0	0	0	0	0	0	100	60	60	60	60	60	60	7
July 2021	100	0	0	0	0	0	0	0	100	47	47	47	47	47	47	4
July 2022	100	0	0	0	0	0	0	0	100	36	36	36	36	36	36	3
July 2023	100	0	0	0	0	0	0	0	100	28	28	28	28	28	28	2
July 2024	100	0	0	0	0	0	0	0	100	21	21	21	21	21	21	1
July 2025	100	0	0	0	0	0	0	0	100	16	16	16	16	16	16	1
July 2026	100	0	0	0	0	0	0	0	100	12	12	12	12	12	12	1
July 2027	100	0	0	0	0	0	0	0	100	9	9	9	9	9	9	*
July 2028	100	0	0	0	0	0	0	0	100	6	6	6	6	6	6	*
July 2029	100	0	0	0	0	0	0	0	100	4	4	4	4	4	4	*
July 2030	0	0	0	0	0	0	0	0	94	3	3	3	3	3	3	*
July 2031	0	0	0	0	0	0	0	0	17	2	2	2	2	2	2	*
July 2032	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	*
July 2033	0	0	0	0	0	0	0	0	*	*	*	*	*	*	*	*
July 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.6	11.0	11.0	11.0	11.0	11.0	11.0	6.5	24.6	15.7	15.7	15.7	15.7	15.7	15.7	9.7

Date	MO Class								MT, SO, ST, TM, SM and TS Classes							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	135%	165%	169%	200%	300%	500%	0%	100%	135%	165%	169%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	100	100	95	90	89	84	69	37	100	100	100	92	91	91	68	19
July 2008	100	100	90	81	80	71	43	0	100	100	99	85	84	79	36	0
July 2009	100	100	85	74	72	60	25	0	100	100	98	80	77	69	15	0
July 2010	100	100	82	68	66	52	13	0	100	100	98	76	73	61	1	0
July 2011	100	100	80	64	62	46	5	0	100	100	97	72	69	56	0	0
July 2012	100	100	78	60	58	42	1	0	100	100	97	70	66	53	0	0
July 2013	100	100	76	58	56	40	*	0	100	100	96	68	65	52	0	0
July 2014	100	99	75	56	54	38	*	0	100	100	95	67	63	51	0	0
July 2015	100	97	72	53	51	36	*	0	100	100	93	65	62	51	0	0
July 2016	100	93	68	50	48	33	*	0	100	100	90	63	59	51	0	0
July 2017	100	88	63	46	44	30	*	0	100	100	83	56	53	46	0	0
July 2018	100	83	59	42	40	27	*	0	100	100	74	49	46	41	0	0
July 2019	100	77	54	38	36	24	*	0	100	100	66	41	38	37	0	0
July 2020	100	71	49	34	32	21	*	0	100	92	57	34	31	32	0	0
July 2021	100	65	44	30	28	18	*	0	100	81	48	27	24	28	0	0
July 2022	100	59	39	26	25	16	*	0	100	71	39	20	18	24	0	0
July 2023	100	53	34	23	22	13	*	0	100	60	31	13	11	21	0	0
July 2024	100	47	30	20	19	11	*	0	100	49	23	7	5	18	0	0
July 2025	100	41	26	17	16	9	*	0	100	39	15	1	0	15	0	0
July 2026	100	36	22	14	13	8	*	0	100	29	7	0	0	12	0	0
July 2027	100	30	18	11	11	6	*	0	100	19	0	0	0	10	0	0
July 2028	100	25	15	9	9	5	*	0	100	9	0	0	0	8	0	0
July 2029	100	20	12	7	7	4	*	0	100	0	0	0	0	6	0	0
July 2030	100	16	9	5	5	3	*	0	100	0	0	0	0	4	0	0
July 2031	100	11	6	4	3	2	*	0	100	0	0	0	0	3	0	0
July 2032	86	7	4	2	2	1	*	0	95	0	0	0	0	2	0	0
July 2033	67	3	2	1	1	*	*	0	63	0	0	0	0	1	0	0
July 2034	46	0	0	0	0	0	0	0	29	0	0	0	0	0	0	0
July 2035	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.8	17.8	13.4	10.4	10.0	7.5	2.1	0.9	27.4	18.0	14.6	10.4	9.9	9.8	1.7	0.7

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.
** Determined as specified under “—Weighted Average Lives of the Certificates” above.
† In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Date	MZ Class								ZM Class								
	PSA Prepayment Assumption								PSA Prepayment Assumption								
	0%	100%	135%	165%	169%	200%	300%	500%	0%	100%	135%	165%	169%	200%	300%	500%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
July 2007	106	106	106	106	106	106	106	106	106	106	106	106	106	106	13	0	0
July 2008	113	113	113	113	113	113	113	113	113	113	113	113	113	113	0	0	0
July 2009	120	120	120	120	120	120	120	120	120	120	120	120	120	120	0	0	0
July 2010	127	127	127	127	127	127	127	127	127	127	127	127	127	127	0	0	0
July 2011	135	135	135	135	135	135	135	0	0	135	135	135	135	135	0	0	0
July 2012	143	143	143	143	143	143	143	0	0	143	143	143	143	143	0	0	0
July 2013	152	152	152	152	152	152	152	0	0	152	152	152	152	152	0	0	0
July 2014	161	161	161	161	161	161	161	0	0	161	161	161	161	161	0	0	0
July 2015	171	171	171	171	171	171	171	0	0	171	171	171	171	171	0	0	0
July 2016	182	182	182	182	182	182	182	0	0	182	182	182	182	182	0	0	0
July 2017	193	193	193	193	193	193	193	0	0	193	193	193	193	193	0	0	0
July 2018	205	205	205	205	205	205	205	0	0	205	205	205	205	205	0	0	0
July 2019	217	217	217	217	217	217	217	0	0	218	218	218	218	218	0	0	0
July 2020	231	231	231	231	231	231	231	0	0	231	231	231	231	231	0	0	0
July 2021	245	245	245	245	245	245	245	0	0	245	245	245	245	245	0	0	0
July 2022	260	260	260	260	260	260	260	0	0	261	261	261	261	261	0	0	0
July 2023	276	276	276	276	276	276	276	0	0	277	277	277	277	277	0	0	0
July 2024	293	293	293	293	293	293	293	0	0	294	294	294	294	294	0	0	0
July 2025	311	311	311	311	0	311	0	0	312	312	312	312	302	0	0	0	
July 2026	330	330	330	0	0	330	0	0	331	331	331	268	252	0	0	0	
July 2027	351	351	0	0	0	351	0	0	351	351	351	220	206	0	0	0	
July 2028	372	372	0	0	0	372	0	0	373	373	286	177	165	0	0	0	
July 2029	395	0	0	0	0	395	0	0	396	392	227	137	128	0	0	0	
July 2030	420	0	0	0	0	420	0	0	421	303	171	102	95	0	0	0	
July 2031	445	0	0	0	0	445	0	0	446	217	121	71	66	0	0	0	
July 2032	473	0	0	0	0	473	0	0	474	137	74	43	40	0	0	0	
July 2033	502	0	0	0	0	358	0	0	503	60	32	18	17	0	0	0	
July 2034	533	0	0	0	0	0	0	0	534	0	0	0	0	0	0	0	
July 2035	0	0	0	0	0	0	0	0	464	0	0	0	0	0	0	0	
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (years)**	28.8	23.0	21.0	19.1	18.8	27.3	4.1	1.3	29.4	25.3	24.1	22.8	22.6	0.6	0.2	0.1	

Date	P Class								AV Class					BC Class				
	PSA Prepayment Assumption								PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	135%	165%	169%	200%	300%	500%	0%	100%	280%	350%	500%	0%	100%	280%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	99	89	89	89	89	89	89	89	93	93	93	93	93	99	97	93	92	89
July 2008	97	79	79	79	79	79	79	75	86	86	86	86	86	98	90	79	74	65
July 2009	96	69	69	69	69	69	69	52	79	79	79	79	79	97	82	60	52	36
July 2010	94	59	59	59	59	59	59	36	70	70	70	70	70	96	74	44	34	16
July 2011	92	50	50	50	50	50	50	24	62	62	62	62	62	95	66	31	20	2
July 2012	91	42	42	42	42	42	42	17	52	52	52	52	0	93	59	20	9	0
July 2013	88	34	34	34	34	34	34	11	43	43	43	43	0	92	53	11	*	0
July 2014	86	27	27	27	27	27	27	8	32	32	32	0	0	90	46	3	0	0
July 2015	84	22	22	22	22	22	22	5	21	21	0	0	0	88	40	0	0	0
July 2016	81	17	17	17	17	17	17	4	9	9	0	0	0	86	35	0	0	0
July 2017	78	14	14	14	14	14	14	2	0	0	0	0	0	84	29	0	0	0
July 2018	75	11	11	11	11	11	11	2	0	0	0	0	0	82	24	0	0	0
July 2019	72	9	9	9	9	9	9	1	0	0	0	0	0	79	20	0	0	0
July 2020	68	7	7	7	7	7	7	1	0	0	0	0	0	76	15	0	0	0
July 2021	64	5	5	5	5	5	5	*	0	0	0	0	0	73	11	0	0	0
July 2022	60	4	4	4	4	4	4	*	0	0	0	0	0	70	7	0	0	0
July 2023	55	3	3	3	3	3	3	*	0	0	0	0	0	66	3	0	0	0
July 2024	50	2	2	2	2	2	2	*	0	0	0	0	0	62	0	0	0	0
July 2025	45	2	2	2	2	2	2	*	0	0	0	0	0	58	0	0	0	0
July 2026	39	1	1	1	1	1	1	*	0	0	0	0	0	53	0	0	0	0
July 2027	33	1	1	1	1	1	1	*	0	0	0	0	0	47	0	0	0	0
July 2028	26	1	1	1	1	1	1	*	0	0	0	0	0	42	0	0	0	0
July 2029	19	1	1	1	1	1	1	*	0	0	0	0	0	35	0	0	0	0
July 2030	11	*	*	*	*	*	*	*	0	0	0	0	0	28	0	0	0	0
July 2031	2	*	*	*	*	*	*	*	0	0	0	0	0	21	0	0	0	0
July 2032	*	*	*	*	*	*	*	*	0	0	0	0	0	12	0	0	0	0
July 2033	*	*	*	*	*	*	*	*	0	0	0	0	0	3	0	0	0	0
July 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.6	6.0	6.0	6.0	6.0	6.0	6.0	3.8	6.0	6.0	5.8	5.3	4.4	18.8	8.1	3.9	3.3	2.6

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

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

Date	BV Class					BZ Class					BD Class					CB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	280%	350%	500%	0%	100%	280%	350%	500%	0%	100%	280%	350%	500%	0%	100%	135%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	100	100	100	100	100	107	107	107	107	107	100	100	100	100	100	100	100	100	100	100
July 2008	100	100	100	100	100	114	114	114	114	114	100	100	100	100	100	100	100	100	100	100
July 2009	100	100	100	100	100	121	121	121	121	121	100	100	100	100	100	100	100	100	100	100
July 2010	100	100	100	100	100	130	130	130	130	130	100	100	100	100	100	100	100	100	100	100
July 2011	100	100	100	100	100	138	138	138	138	138	100	100	100	100	100	100	100	100	100	100
July 2012	100	100	100	100	73	148	148	148	148	148	100	100	100	100	73	100	100	100	100	64
July 2013	100	100	100	100	0	157	157	157	157	150	100	100	100	100	51	100	100	100	88	38
July 2014	100	100	100	67	0	168	168	168	168	103	100	100	100	79	35	100	100	100	56	21
July 2015	100	100	94	2	0	179	179	179	179	71	100	100	91	61	24	100	100	100	33	11
July 2016	100	100	30	0	0	191	191	191	140	49	100	100	74	47	16	100	94	75	17	5
July 2017	96	96	0	0	0	204	204	179	108	33	100	100	60	36	11	100	36	28	5	1
July 2018	82	82	0	0	0	218	218	145	83	23	100	100	49	28	8	100	0	0	0	0
July 2019	67	67	0	0	0	232	232	117	64	15	100	100	39	21	5	100	0	0	0	0
July 2020	51	51	0	0	0	248	248	94	49	10	100	100	32	16	3	100	0	0	0	0
July 2021	34	34	0	0	0	264	264	76	37	7	100	100	25	12	2	0	0	0	0	0
July 2022	16	16	0	0	0	282	282	60	28	5	100	100	20	9	2	0	0	0	0	0
July 2023	0	0	0	0	0	298	298	48	21	3	100	100	16	7	1	0	0	0	0	0
July 2024	0	0	0	0	0	298	296	38	16	2	100	100	13	5	1	0	0	0	0	0
July 2025	0	0	0	0	0	298	263	30	12	1	100	88	10	4	*	0	0	0	0	0
July 2026	0	0	0	0	0	298	232	23	9	1	100	78	8	3	*	0	0	0	0	0
July 2027	0	0	0	0	0	298	202	18	6	1	100	68	6	2	*	0	0	0	0	0
July 2028	0	0	0	0	0	298	174	14	5	*	100	58	5	2	*	0	0	0	0	0
July 2029	0	0	0	0	0	298	148	10	3	*	100	50	3	1	*	0	0	0	0	0
July 2030	0	0	0	0	0	298	123	8	2	*	100	41	3	1	*	0	0	0	0	0
July 2031	0	0	0	0	0	298	99	5	2	*	100	33	2	1	*	0	0	0	0	0
July 2032	0	0	0	0	0	298	77	4	1	*	100	26	1	*	*	0	0	0	0	0
July 2033	0	0	0	0	0	298	55	2	1	*	100	19	1	*	*	0	0	0	0	0
July 2034	0	0	0	0	0	230	35	1	*	*	77	12	*	*	*	0	0	0	0	0
July 2035	0	0	0	0	0	120	16	1	*	*	40	6	*	*	*	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.0	14.0	9.7	8.3	6.3	28.8	23.3	15.0	12.8	9.6	28.8	23.3	13.1	10.9	7.9	14.5	10.8	10.6	8.5	6.9

Date	CD Class					CE Class					CA Class					CG Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	135%	350%	500%	0%	100%	135%	350%	500%	0%	100%	135%	350%	500%	0%	100%	135%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2007	95	83	80	64	52	100	100	100	100	100	96	86	84	71	61	100	100	100	100	100
July 2008	89	67	63	36	20	100	100	100	100	100	91	74	70	49	36	100	100	100	100	100
July 2009	82	53	47	15	0	100	100	100	100	95	86	62	57	32	19	100	100	100	100	97
July 2010	76	39	32	0	0	100	100	100	100	39	81	51	46	20	8	100	100	100	100	61
July 2011	69	26	19	0	0	100	100	100	53	3	75	41	35	10	1	100	100	100	70	38
July 2012	61	14	8	0	0	100	100	100	18	0	69	31	26	4	0	100	100	100	48	23
July 2013	53	3	0	0	0	100	100	88	0	0	62	22	18	0	0	100	100	93	32	14
July 2014	44	0	0	0	0	100	72	50	0	0	55	14	10	0	0	100	82	68	20	8
July 2015	34	0	0	0	0	100	33	16	0	0	47	7	3	0	0	100	57	47	12	4
July 2016	24	0	0	0	0	100	0	0	0	0	39	0	0	0	0	100	35	28	6	2
July 2017	13	0	0	0	0	100	0	0	0	0	30	0	0	0	0	100	13	10	2	1
July 2018	1	0	0	0	0	100	0	0	0	0	21	0	0	0	0	100	0	0	0	0
July 2019	0	0	0	0	0	55	0	0	0	0	11	0	0	0	0	71	0	0	0	0
July 2020	0	0	0	0	0	*	0	0	0	0	*	0	0	0	0	37	0	0	0	0
July 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.9	3.4	3.0	1.7	1.2	13.1	8.6	8.1	5.2	3.9	8.2	4.4	4.0	2.4	1.7	13.6	9.4	9.0	6.4	5.0

* 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” above.

Characteristics of the R and RL Classes

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

A Residual Certificate will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of a Residual Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of a Residual Certificate to any person that is not a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. Any transferee of a Residual Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 (or, if applicable, a Form W-8ECI) on which the transferee provides its taxpayer identification number. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate and that, if the transferee is a partnership for U.S. federal income tax purposes, each person or entity that holds an interest (directly, or indirectly through a pass-through entity) in the partnership is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. In addition, the transferee must receive an affidavit containing these same representations from any new transferee. Transferors of a Residual Certificate should consult with their own tax advisors for further information regarding such transfers.

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” 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. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”).

As discussed under the caption “Special Characteristics of Residual Certificates” in the REMIC Prospectus, the Regulations presume that a transferor does not have improper knowledge if two conditions are met. The Treasury Department has amended the Regulations to provide additional requirements that a transferor must satisfy to avail itself of the safe harbor regarding the presumed lack of improper knowledge. For transfers occurring on or after August 19, 2002, a transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the REMIC Prospectus, both (i) the transferee represents that it will not cause income from the Residual Certificate to be attributed to a foreign permanent establishment or fixed base of the transferee or another taxpayer and (ii) the transfer satisfies either the “asset test” or the “formula test.” The representation described in (i) will be included in the affidavit discussed above. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus.

A transfer satisfies the asset test if (i) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer), (ii) the transferee is an “eligible corporation” and the transferee agrees in writing that any subsequent transfer of the Residual Certificate will be to an eligible corporation and will comply with the safe harbor and satisfy the asset test, and (iii) the facts and circumstances known to the transferor do not reasonably indicate that the

taxes associated with the Residual Certificate will not be paid. A transfer satisfies the formula test if the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The Regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following tax discussion supplements the discussion under the caption “Certain Federal Income Tax Consequences” in the REMIC Prospectus. When read together, the two discussions describe the current federal income tax treatment of beneficial owners of Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

U.S. Treasury Circular 230 Notice

The tax discussions contained in the REMIC Prospectus (including the sections entitled “Certain Federal Income Tax Consequences” and “ERISA Considerations”) and this prospectus supplement were not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties. These discussions were written to support the promotion or marketing of the transactions or matters addressed in this prospectus supplement. You should seek advice based on your particular circumstances from an independent tax advisor.

REMIC Elections and Special Tax Attributes

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

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

The Prepayment Assumptions that will be used in determining the rate of accrual of OID will be as follows:

<u>Group</u>	<u>Prepayment Assumption</u>
1	165% PSA
2	280% PSA
3	135% PSA

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

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 6.21% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

The Treasury Department recently issued Regulations providing that, to clearly reflect income, an inducement fee paid to a transferee of a noneconomic residual interest in a REMIC must be included in income over a period that is reasonably related to the period during which the applicable REMIC is expected to generate taxable income or net loss allocable to the transferee. The Regulations set forth two safe harbor methods under which a taxpayer’s accounting for the inducement fee will be considered to clearly reflect income for these purposes. In addition, under the Regulations an inducement fee shall be treated as income from sources within the United States. The Regulations, which are effective for taxable years ending on or after May 11, 2004, contain additional details regarding their application. You should consult your own tax advisor regarding the application of the Regulations to the transfer of a Residual Certificate.

Taxation of Beneficial Owners of RCR Certificates

General. The RCR Classes will be created, sold and administered pursuant to an arrangement that will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. The REMIC Certificates that are exchanged for RCR Certificates (including any exchanges effective on the Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an ownership interest in those REMIC Certificates. For a general discussion of the federal income tax treatment of beneficial owners of REMIC Certificates, see “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

The RCR Classes will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. The ownership interest represented by RCR Certificates will be one of two types. A Certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying REMIC Certificates. A Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

The IM and ME Classes are Strip RCR Classes. The other RCR Classes are Combination RCR Classes.

Strip RCR Classes. The tax consequences to a beneficial owner of a Strip RCR Certificate will be determined under section 1286 of the Code, except as discussed below. Under section 1286, a beneficial owner of a Strip RCR Certificate will be treated as owning “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying REMIC Certificates. If a Strip RCR Certificate entitles the holder to payments of principal and interest on an underlying REMIC Certificate, the IRS could contend that the Strip RCR Certificate should be treated (i) as an interest in the underlying REMIC Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on the underlying REMIC Certificate, and (ii) with respect to the remainder, as an installment obligation consisting of “stripped bonds” to the extent of its share of principal payments or “stripped coupons” to the extent of its share of interest payments. For purposes of information reporting, however, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument, regardless of whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

Under section 1286, the beneficial owner of a Strip RCR Certificate must treat the Strip RCR Certificate as a debt instrument originally issued on the date the owner acquires it and as having OID equal to the excess, if any, of its “stated redemption price at maturity” over the price paid by the owner to acquire it. The stated redemption price at maturity for a Strip RCR Certificate is determined in the same manner as described with respect to Regular Certificates under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus.

If a Strip RCR Certificate has OID, the beneficial owner must include the OID in its ordinary income for federal income tax purposes as the OID accrues, which may be prior to the receipt of the cash attributable to that income. Although the matter is not entirely clear, a beneficial owner should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price. For a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time the Strip RCR Certificate is acquired or would be the original Prepayment Assumption for the underlying REMIC Certificates. For purposes of information reporting, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption. You should consult your own tax advisors regarding the proper method for accruing OID on a Strip RCR Certificate.

The rules of section 1286 of the Code also apply if (i) a beneficial owner of REMIC Certificates exchanges them for Strip RCR Certificates, (ii) the beneficial owner sells some, but not all, of the Strip RCR Certificates, and (iii) the combination of retained Strip RCR Certificates cannot be exchanged for the related REMIC Certificates. As of the date of such a sale, the beneficial owner must allocate its basis in the REMIC Certificates between the part of the REMIC Certificates underlying the Strip RCR Certificates sold and the part of the REMIC Certificates underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats

the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to the retained Certificates, and the beneficial owner must then accrue any OID with respect to the retained Certificates as described above. Section 1286 does not apply, however, if a beneficial owner exchanges REMIC Certificates for the related RCR Certificates and retains all the RCR Certificates, see “—*Exchanges*” below.

Upon the sale of a Strip RCR Certificate, a beneficial owner will realize gain or loss on the sale in an amount equal to the difference between the amount realized and its adjusted basis in the Certificate. The owner’s adjusted basis generally is equal to the owner’s cost of the Certificate (or portion of the cost of REMIC Certificates allocable to the RCR Certificate), increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium. If the beneficial owner holds the Certificate as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Sales and Other Dispositions of Regular Certificates*” in the REMIC Prospectus.

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under “—*Taxation of Beneficial Owners of RCR Certificates—Exchanges*”) a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case section 1286 would not apply. If a beneficial owner acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for REMIC Certificates, see “—*Exchanges*” below.

Combination RCR Classes. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. Except in the case of a beneficial owner that acquires a Combination RCR Certificate in an exchange described under “—*Exchanges*” below, a beneficial owner of a Combination RCR Certificate must allocate its cost to acquire that Certificate among the underlying REMIC Certificates in proportion to their relative fair market values at the time of acquisition. Such an owner should account for its ownership interest in each underlying REMIC Certificate as described under “—*Taxation of Beneficial Owners of Regular Certificates*” above and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, the owner must allocate the sale proceeds among the underlying REMIC Certificates in proportion to their relative fair market values at the time of sale.

Exchanges. If a beneficial owner exchanges one or more REMIC Certificates for the related RCR Certificate or Certificates in the manner described under “Description of the Certificates—Combination and Recombination” in this prospectus supplement, the exchange will not be taxable. Likewise, if a beneficial owner exchanges one or more RCR Certificates for the related REMIC Certificate or Certificates in the manner described in that discussion, the exchange will not be a taxable exchange. In each of these cases, the beneficial owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Certificates (or the same interest in the related REMIC Certificate) that it owned immediately prior to the exchange.

Tax Return Disclosure Requirements

Treasury Department Regulations that are directed at “tax shelters” could be read to apply to transactions generally not considered to be tax shelters. These Regulations require that taxpayers that participate in a “reportable transaction” disclose such transaction on their tax returns by attaching IRS Form 8886 and retain information related to the transaction. A transaction may be a “reportable transaction” based upon any of several indicia, one or more of which may be present with respect to

the Certificates. You should consult your own tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Bear, Stearns & Co. Inc. (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Group 1, 2 or 3 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2 or 3 Class bears to the aggregate original principal balance of all Group 1, 2 or 3 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. Stroock & Stroock & Lavan LLP will provide legal representation for the Dealer.

Available Recombinations (1) (2)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Classes	Original Principal or Notional Principal Balance	Interest Rate	Interest Type(3)	Principal Type(3)	CUSIP Number	Final Distribution Date
Recombination 1								
MI	\$ 21,946,000(4)	MD	\$ 21,946,000	5.5%	FIX	PAC	31396KDS8	August 2036
OM	21,946,000							
Recombination 2								
MA	117,080,000	P	195,173,000	5.5	FIX	PAC	31396KDU3	August 2036
MB	45,446,000							
MC	10,701,000							
MI	21,946,000(4)							
OM	21,946,000							
Recombination 3								
TM	1,823,903	SM	12,376,483	(5)	INV	TAC/AD	31396KDV1	August 2036
MT	2,475,296							
SO	3,126,691							
ST	4,950,593							
Recombination 4								
SO	3,126,691	TS	8,077,284	(5)	INV	TAC/AD	31396KDW9	August 2036
ST	4,950,593							
Recombination 5								
MA	117,080,000	IM	10,643,636(4)	5.5	FIX/IO	NTL	31396KDR0	December 2030
		ME	117,080,000	5.0	FIX	PAC	31396KDT6	December 2030
Recombination 6								
AV	13,022,000	BD (6)	38,764,802	6.5	FIX	SEQ/AD	31396KDX7	August 2036
BV	12,714,000							
BZ	13,028,802							
Recombination 7								
CD	96,687,000	CA	120,640,000	4.5	FIX	SEQ	31396KDY5	September 2020
CE	23,953,000							
Recombination 8								
CE	23,953,000	CG	37,807,589	4.5	FIX	SEQ	31396KDZ2	August 2021
CB	13,854,589							

(1) REMIC Certificates and RCR Certificates in Recombinations 1, 3, 4 and 5 may be exchanged only in the proportions shown in this Schedule 1. In any exchange under Recombination 2, 6, 7 or 8, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal or notional principal balances of the related REMIC Classes at the time of exchange.

(2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See "Description of the Certificates—General—Authorized Denominations" in this prospectus supplement.

(3) See "Description of Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" in this prospectus supplement.

(4) Notional balances. These Classes are Interest Only Classes. See page S-7 for a description of how their notional balances are calculated.

(5) For a description of these interest rates, see "Description of the Certificates—Distributions of Interest" in this prospectus supplement.

(6) Principal payments on the REMIC Certificates in Recombination 6 from the BZ Accrual Amount will be paid as interest on the related RCR Certificates and thus will not reduce the principal balances of those RCR Certificates.

Principal Balance Schedules

Aggregate Group I Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$195,173,000.00	October 2010	\$111,127,836.91	January 2015	\$ 47,660,990.31
August 2006	193,645,460.92	November 2010	109,667,382.67	February 2015	46,770,913.61
September 2006	192,071,621.99	December 2010	108,214,518.89	March 2015	45,896,686.01
October 2006	190,452,174.77	January 2011	106,769,206.51	April 2015	45,038,033.12
November 2006	188,787,833.45	February 2011	105,331,406.67	May 2015	44,194,685.24
December 2006	187,079,334.28	March 2011	103,901,080.72	June 2015	43,366,377.24
January 2007	185,327,435.09	April 2011	102,478,190.20	July 2015	42,552,848.49
February 2007	183,532,914.67	May 2011	101,062,696.86	August 2015	41,753,842.83
March 2007	181,696,572.24	June 2011	99,654,562.63	September 2015	40,969,108.42
April 2007	179,869,754.25	July 2011	98,253,749.65	October 2015	40,198,397.75
May 2007	178,052,411.71	August 2011	96,860,220.24	November 2015	39,441,467.50
June 2007	176,244,495.87	September 2011	95,473,936.94	December 2015	38,698,078.48
July 2007	174,445,958.22	October 2011	94,094,862.44	January 2016	37,967,995.61
August 2007	172,656,750.51	November 2011	92,722,959.66	February 2016	37,250,987.80
September 2007	170,876,824.75	December 2011	91,358,191.71	March 2016	36,546,827.88
October 2007	169,106,133.18	January 2012	90,000,521.86	April 2016	35,855,292.58
November 2007	167,344,628.28	February 2012	88,649,913.59	May 2016	35,176,162.43
December 2007	165,592,262.80	March 2012	87,306,330.56	June 2016	34,509,221.70
January 2008	163,848,989.71	April 2012	85,969,736.64	July 2016	33,854,258.33
February 2008	162,114,762.22	May 2012	84,640,095.85	August 2016	33,211,063.90
March 2008	160,389,533.81	June 2012	83,317,372.41	September 2016	32,579,433.52
April 2008	158,673,258.17	July 2012	82,001,530.74	October 2016	31,959,165.81
May 2008	156,965,889.23	August 2012	80,692,535.42	November 2016	31,350,062.85
June 2008	155,267,381.18	September 2012	79,390,351.23	December 2016	30,751,930.06
July 2008	153,577,688.42	October 2012	78,094,943.10	January 2017	30,164,576.21
August 2008	151,896,765.59	November 2012	76,806,276.19	February 2017	29,587,813.32
September 2008	150,224,567.58	December 2012	75,524,315.80	March 2017	29,021,456.65
October 2008	148,561,049.50	January 2013	74,249,027.41	April 2017	28,465,324.59
November 2008	146,906,166.68	February 2013	72,980,376.71	May 2017	27,919,238.63
December 2008	145,259,874.70	March 2013	71,718,329.53	June 2017	27,383,023.35
January 2009	143,622,129.35	April 2013	70,462,851.89	July 2017	26,856,506.30
February 2009	141,992,886.67	May 2013	69,213,909.99	August 2017	26,339,517.98
March 2009	140,372,102.90	June 2013	67,971,470.19	September 2017	25,831,891.80
April 2009	138,759,734.52	July 2013	66,735,499.05	October 2017	25,333,464.02
May 2009	137,155,738.24	August 2013	65,507,392.73	November 2017	24,844,073.70
June 2009	135,560,070.98	September 2013	64,300,970.30	December 2017	24,363,562.66
July 2009	133,972,689.87	October 2013	63,115,858.33	January 2018	23,891,775.43
August 2009	132,393,552.30	November 2013	61,951,689.71	February 2018	23,428,559.19
September 2009	130,822,615.85	December 2013	60,808,103.56	March 2018	22,973,763.76
October 2009	129,259,838.31	January 2014	59,684,745.13	April 2018	22,527,241.52
November 2009	127,705,177.71	February 2014	58,581,265.66	May 2018	22,088,847.39
December 2009	126,158,592.29	March 2014	57,497,322.33	June 2018	21,658,438.76
January 2010	124,620,040.49	April 2014	56,432,578.12	July 2018	21,235,875.48
February 2010	123,089,480.99	May 2014	55,386,701.75	August 2018	20,821,019.81
March 2010	121,566,872.65	June 2014	54,359,367.54	September 2018	20,413,736.37
April 2010	120,052,174.58	July 2014	53,350,255.35	October 2018	20,013,892.09
May 2010	118,545,346.06	August 2014	52,359,050.48	November 2018	19,621,356.20
June 2010	117,046,346.61	September 2014	51,385,443.56	December 2018	19,236,000.18
July 2010	115,555,135.94	October 2014	50,429,130.50	January 2019	18,857,697.69
August 2010	114,071,673.98	November 2014	49,489,812.34	February 2019	18,486,324.60
September 2010	112,595,920.86	December 2014	48,567,195.23	March 2019	18,121,758.88

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
April 2019	\$ 17,763,880.62	September 2023	\$ 5,861,028.35	February 2028	\$ 1,610,747.54
May 2019	17,412,571.96	October 2023	5,732,486.27	March 2028	1,566,803.16
June 2019	17,067,717.08	November 2023	5,606,426.38	April 2028	1,523,781.64
July 2019	16,729,202.13	December 2023	5,482,803.67	May 2028	1,481,665.51
August 2019	16,396,915.24	January 2024	5,361,573.90	June 2028	1,440,437.62
September 2019	16,070,746.47	February 2024	5,242,693.59	July 2028	1,400,081.11
October 2019	15,750,587.74	March 2024	5,126,120.05	August 2028	1,360,579.45
November 2019	15,436,332.88	April 2024	5,011,811.32	September 2028	1,321,916.38
December 2019	15,127,877.51	May 2024	4,899,726.18	October 2028	1,284,075.96
January 2020	14,825,119.06	June 2024	4,789,824.15	November 2028	1,247,042.51
February 2020	14,527,956.74	July 2024	4,682,065.42	December 2028	1,210,800.64
March 2020	14,236,291.48	August 2024	4,576,410.93	January 2029	1,175,335.26
April 2020	13,950,025.94	September 2024	4,472,822.26	February 2029	1,140,631.51
May 2020	13,669,064.43	October 2024	4,371,261.69	March 2029	1,106,674.84
June 2020	13,393,312.95	November 2024	4,271,692.17	April 2029	1,073,450.93
July 2020	13,122,679.08	December 2024	4,174,077.28	May 2029	1,040,945.74
August 2020	12,857,072.04	January 2025	4,078,381.24	June 2029	1,009,145.47
September 2020	12,596,402.58	February 2025	3,984,568.93	July 2029	978,036.59
October 2020	12,340,583.01	March 2025	3,892,605.81	August 2029	947,605.79
November 2020	12,089,527.16	April 2025	3,802,457.98	September 2029	917,840.01
December 2020	11,843,150.34	May 2025	3,714,092.12	October 2029	888,726.42
January 2021	11,601,369.33	June 2025	3,627,475.50	November 2029	860,252.45
February 2021	11,364,102.35	July 2025	3,542,575.97	December 2029	832,405.73
March 2021	11,131,269.03	August 2025	3,459,361.94	January 2030	805,174.12
April 2021	10,902,790.39	September 2025	3,377,802.39	February 2030	778,545.70
May 2021	10,678,588.83	October 2025	3,297,866.84	March 2030	752,508.78
June 2021	10,458,588.08	November 2025	3,219,525.35	April 2030	727,051.87
July 2021	10,242,713.21	December 2025	3,142,748.50	May 2030	702,163.68
August 2021	10,030,890.56	January 2026	3,067,507.42	June 2030	677,833.16
September 2021	9,823,047.77	February 2026	2,993,773.71	July 2030	654,049.41
October 2021	9,619,113.73	March 2026	2,921,519.50	August 2030	630,801.78
November 2021	9,419,018.56	April 2026	2,850,717.40	September 2030	608,079.78
December 2021	9,222,693.60	May 2026	2,781,340.52	October 2030	585,873.13
January 2022	9,030,071.38	June 2026	2,713,362.44	November 2030	564,171.72
February 2022	8,841,085.58	July 2026	2,646,757.20	December 2030	542,965.65
March 2022	8,655,671.07	August 2026	2,581,499.30	January 2031	522,245.18
April 2022	8,473,763.82	September 2026	2,517,563.72	February 2031	502,000.76
May 2022	8,295,300.93	October 2026	2,454,925.84	March 2031	482,222.99
June 2022	8,120,220.59	November 2026	2,393,561.52	April 2031	462,902.69
July 2022	7,948,462.06	December 2026	2,333,447.02	May 2031	444,030.81
August 2022	7,779,965.67	January 2027	2,274,559.03	June 2031	425,598.47
September 2022	7,614,672.77	February 2027	2,216,874.67	July 2031	407,596.97
October 2022	7,452,525.75	March 2027	2,160,371.45	August 2031	390,017.75
November 2022	7,293,467.98	April 2027	2,105,027.27	September 2031	372,852.43
December 2022	7,137,443.85	May 2027	2,050,820.46	October 2031	356,092.77
January 2023	6,984,398.69	June 2027	1,997,729.71	November 2031	339,730.68
February 2023	6,834,278.79	July 2027	1,945,734.08	December 2031	323,758.22
March 2023	6,687,031.39	August 2027	1,894,813.04	January 2032	308,167.60
April 2023	6,542,604.63	September 2027	1,844,946.39	February 2032	292,951.19
May 2023	6,400,947.58	October 2027	1,796,114.32	March 2032	278,101.46
June 2023	6,262,010.18	November 2027	1,748,297.34	April 2032	263,611.07
July 2023	6,125,743.24	December 2027	1,701,476.35	May 2032	249,472.77
August 2023	5,992,098.46	January 2028	1,655,632.56	June 2032	235,679.47

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
July 2032	\$ 222,224.21	March 2033	\$ 125,957.43	November 2033	\$ 47,706.03
August 2032	209,100.15	April 2033	115,251.72	December 2033	39,048.75
September 2032	196,300.59	May 2033	104,821.15	January 2034	30,624.18
October 2032	183,818.94	June 2033	94,660.07	February 2034	22,427.47
November 2032	171,648.74	July 2033	84,762.91	March 2034	14,453.84
December 2032	159,783.66	August 2033	75,124.23	April 2034	6,698.61
January 2033	148,217.46	September 2033	65,738.67	May 2034 and thereafter	0.00
February 2033	136,944.05	October 2033	56,600.99		

Aggregate Group II Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$61,882,416.00	November 2009	\$46,846,698.11	March 2013	\$40,273,118.57
August 2006	61,474,819.59	December 2009	46,593,679.59	April 2013	40,185,051.08
September 2006	61,055,008.08	January 2010	46,346,084.22	May 2013	40,099,931.67
October 2006	60,623,532.44	February 2010	46,103,835.59	June 2013	40,017,711.73
November 2006	60,180,961.67	March 2010	45,866,858.16	July 2013	39,938,343.21
December 2006	59,727,881.82	April 2010	45,635,077.23	August 2013	39,861,778.60
January 2007	59,264,895.02	May 2010	45,408,418.90	September 2013	39,787,970.93
February 2007	58,792,618.40	June 2010	45,186,810.12	October 2013	39,716,873.76
March 2007	58,311,683.08	July 2010	44,970,178.64	November 2013	39,648,441.21
April 2007	57,839,229.60	August 2010	44,758,453.01	December 2013	39,582,627.91
May 2007	57,375,148.09	September 2010	44,551,562.59	January 2014	39,519,388.98
June 2007	56,919,329.89	October 2010	44,349,437.51	February 2014	39,458,680.11
July 2007	56,471,667.50	November 2010	44,152,008.68	March 2014	39,400,457.47
August 2007	56,032,054.59	December 2010	43,959,207.78	April 2014	39,344,677.71
September 2007	55,600,385.98	January 2011	43,770,967.27	May 2014	39,287,738.79
October 2007	55,176,557.65	February 2011	43,587,220.35	June 2014	39,228,602.18
November 2007	54,760,466.68	March 2011	43,407,900.96	July 2014	39,167,309.89
December 2007	54,352,011.29	April 2011	43,232,943.78	August 2014	39,103,903.23
January 2008	53,951,090.82	May 2011	43,062,284.24	September 2014	39,038,422.89
February 2008	53,557,605.68	June 2011	42,895,858.47	October 2014	38,970,908.91
March 2008	53,171,457.37	July 2011	42,733,603.34	November 2014	38,901,400.71
April 2008	52,792,548.49	August 2011	42,575,456.39	December 2014	38,829,937.06
May 2008	52,420,782.66	September 2011	42,421,355.91	January 2015	38,756,556.13
June 2008	52,056,064.59	October 2011	42,271,240.84	February 2015	38,681,295.50
July 2008	51,698,300.02	November 2011	42,125,050.83	March 2015	38,604,192.12
August 2008	51,347,395.70	December 2011	41,982,726.21	April 2015	38,525,282.36
September 2008	51,003,259.44	January 2012	41,844,207.96	May 2015	38,444,602.01
October 2008	50,665,800.03	February 2012	41,709,437.75	June 2015	38,362,186.29
November 2008	50,334,927.26	March 2012	41,578,357.90	July 2015	38,278,069.84
December 2008	50,010,551.91	April 2012	41,450,911.36	August 2015	38,192,286.73
January 2009	49,692,585.77	May 2012	41,327,041.76	September 2015	38,104,870.50
February 2009	49,380,941.55	June 2012	41,206,693.34	October 2015	38,015,854.14
March 2009	49,075,532.95	July 2012	41,089,810.98	November 2015	37,925,270.08
April 2009	48,776,274.61	August 2012	40,976,340.19	December 2015	37,833,150.23
May 2009	48,483,082.11	September 2012	40,866,227.08	January 2016	37,739,525.99
June 2009	48,195,871.96	October 2012	40,759,418.38	February 2016	37,644,428.23
July 2009	47,914,561.58	November 2012	40,655,861.43	March 2016	37,547,887.29
August 2009	47,639,069.33	December 2012	40,555,504.15	April 2016	37,449,933.05
September 2009	47,369,314.43	January 2013	40,458,295.09	May 2016	37,350,594.84
October 2009	47,105,217.02	February 2013	40,364,183.33	June 2016	37,094,056.49

Aggregate Group II (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
July 2016	\$36,757,266.30	August 2019	\$23,412,791.26	August 2022	\$10,613,747.16
August 2016	36,418,175.49	September 2019	23,045,387.66	September 2022	10,275,803.57
September 2016	36,076,890.27	October 2019	22,678,316.90	October 2022	9,939,007.61
October 2016	35,733,514.32	November 2019	22,311,617.98	November 2022	9,603,368.51
November 2016	35,388,148.93	December 2019	21,945,328.72	December 2022	9,268,894.93
December 2016	35,040,892.97	January 2020	21,579,485.79	January 2023	8,935,595.06
January 2017	34,691,842.97	February 2020	21,214,124.77	February 2023	8,603,476.52
February 2017	34,341,093.16	March 2020	20,849,280.11	March 2023	8,272,546.47
March 2017	33,988,735.53	April 2020	20,484,985.20	April 2023	7,942,811.54
April 2017	33,634,859.83	May 2020	20,121,272.37	May 2023	7,614,277.90
May 2017	33,279,553.67	June 2020	19,758,172.93	June 2023	7,286,951.25
June 2017	32,922,902.51	July 2020	19,395,717.17	July 2023	6,960,836.83
July 2017	32,564,989.74	August 2020	19,033,934.38	August 2023	6,635,939.43
August 2017	32,205,896.70	September 2020	18,672,852.92	September 2023	6,312,263.39
September 2017	31,845,702.70	October 2020	18,312,500.15	October 2023	5,989,812.63
October 2017	31,484,485.12	November 2020	17,952,902.54	November 2023	5,668,590.67
November 2017	31,122,319.38	December 2020	17,594,085.63	December 2023	5,348,600.58
December 2017	30,759,279.04	January 2021	17,236,074.08	January 2024	5,029,845.08
January 2018	30,395,435.77	February 2021	16,878,891.68	February 2024	4,712,326.46
February 2018	30,030,859.44	March 2021	16,522,561.36	March 2024	4,396,046.64
March 2018	29,665,618.15	April 2021	16,167,105.21	April 2024	4,081,007.18
April 2018	29,299,778.22	May 2021	15,812,544.51	May 2024	3,767,209.28
May 2018	28,933,404.29	June 2021	15,458,899.74	June 2024	3,454,653.76
June 2018	28,566,559.30	July 2021	15,106,190.59	July 2024	3,143,341.11
July 2018	28,199,304.53	August 2021	14,754,435.98	August 2024	2,833,271.49
August 2018	27,831,699.69	September 2021	14,403,654.11	September 2024	2,524,444.72
September 2018	27,463,802.87	October 2021	14,053,862.40	October 2024	2,216,860.30
October 2018	27,095,670.61	November 2021	13,705,077.57	November 2024	1,910,517.42
November 2018	26,727,357.96	December 2021	13,357,315.66	December 2024	1,605,414.96
December 2018	26,358,918.44	January 2022	13,010,591.99	January 2025	1,301,551.50
January 2019	25,990,404.14	February 2022	12,664,921.22	February 2025	998,925.35
February 2019	25,621,865.70	March 2022	12,320,317.35	March 2025	697,534.50
March 2019	25,253,352.37	April 2022	11,976,793.73	April 2025	397,376.69
April 2019	24,884,912.03	May 2022	11,634,363.10	May 2025	98,449.38
May 2019	24,516,591.18	June 2022	11,293,037.55	June 2025 and thereafter	0.00
June 2019	24,148,435.04	July 2022	10,952,828.60		
July 2019	23,780,487.52				

M Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$29,209,000.00	June 2007	\$24,399,372.13	May 2008	\$19,902,057.68
August 2006	28,821,211.72	July 2007	23,957,590.51	June 2008	19,531,356.54
September 2006	28,420,323.31	August 2007	23,522,587.48	July 2008	19,166,748.67
October 2006	28,006,783.45	September 2007	23,094,298.09	August 2008	18,808,174.86
November 2006	27,581,056.03	October 2007	22,672,657.96	September 2008	18,455,576.37
December 2006	27,143,619.55	November 2007	22,257,603.20	October 2008	18,108,894.98
January 2007	26,694,966.48	December 2007	21,849,070.48	November 2008	17,768,072.94
February 2007	26,235,602.56	January 2008	21,446,997.01	December 2008	17,433,053.00
March 2007	25,766,046.18	February 2008	21,051,320.50	January 2009	17,103,778.36
April 2007	25,303,533.65	March 2008	20,661,979.18	February 2009	16,780,192.74
May 2007	24,847,997.83	April 2008	20,278,911.82	March 2009	16,462,240.29

M Class (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
April 2009	\$16,149,865.67	October 2011	\$ 9,115,954.05	March 2014	\$ 5,452,286.81
May 2009	15,843,013.98	November 2011	8,951,431.77	April 2014	5,284,071.52
June 2009	15,541,630.78	December 2011	8,790,942.89	May 2014	5,110,709.00
July 2009	15,245,662.11	January 2012	8,634,445.64	June 2014	4,933,432.54
August 2009	14,955,054.44	February 2012	8,481,898.59	July 2014	4,752,390.75
September 2009	14,669,754.72	March 2012	8,333,260.69	August 2014	4,567,728.86
October 2009	14,389,710.31	April 2012	8,188,491.22	September 2014	4,379,588.72
November 2009	14,114,869.05	May 2012	8,047,549.83	October 2014	4,188,108.93
December 2009	13,845,179.19	June 2012	7,910,396.51	November 2014	3,993,424.87
January 2010	13,580,589.46	July 2012	7,776,991.59	December 2014	3,795,668.75
February 2010	13,321,048.97	August 2012	7,647,295.74	January 2015	3,594,969.70
March 2010	13,066,507.31	September 2012	7,521,269.99	February 2015	3,391,453.83
April 2010	12,816,914.46	October 2012	7,398,875.69	March 2015	3,185,244.26
May 2010	12,572,220.84	November 2012	7,280,074.51	April 2015	2,976,461.22
June 2010	12,332,377.30	December 2012	7,164,828.47	May 2015	2,765,222.07
July 2010	12,097,335.09	January 2013	7,053,099.93	June 2015	2,551,641.38
August 2010	11,867,045.87	February 2013	6,944,851.55	July 2015	2,335,830.99
September 2010	11,641,461.73	March 2013	6,840,046.32	August 2015	2,117,900.03
October 2010	11,420,535.16	April 2013	6,738,647.57	September 2015	1,897,955.03
November 2010	11,204,219.05	May 2013	6,640,618.92	October 2015	1,676,099.90
December 2010	10,992,466.69	June 2013	6,545,924.32	November 2015	1,452,436.06
January 2011	10,785,231.77	July 2013	6,454,528.04	December 2015	1,227,062.43
February 2011	10,582,468.37	August 2013	6,365,084.30	January 2016	1,000,075.50
March 2011	10,384,130.98	September 2013	6,264,860.15	February 2016	771,569.39
April 2011	10,190,174.45	October 2013	6,154,132.90	March 2016	541,635.89
May 2011	10,000,554.04	November 2013	6,033,174.50	April 2016	310,364.51
June 2011	9,815,225.37	December 2013	5,902,251.67	May 2016	77,842.50
July 2011	9,634,144.47	January 2014	5,761,625.95	June 2016 and thereafter	0.00
August 2011	9,457,267.71	February 2014	5,611,553.83		
September 2011	9,284,551.86				

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

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

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	S- 2
Available Information	S- 3
Incorporation by Reference	S- 3
Recent Developments	S- 4
Reference Sheet	S- 6
Additional Risk Factors	S-10
Description of the Certificates	S-11
Certain Additional Federal Income Tax Consequences	S-31
Plan of Distribution	S-35
Legal Matters	S-35
Schedule 1	A- 1
Principal Balance Schedules	B- 1

\$604,553,391



**Guaranteed
REMIC Pass-Through
Certificates
Fannie Mae REMIC Trust 2006-78**

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

June 28, 2006
