

\$193,862,000 (Approximate)



Guaranteed REMIC Pass-Through Certificates Fannie Mae Multifamily REMIC Trust 2006-M2

Carefully consider the risk factors starting on page S-9 of this prospectus supplement and on page 12 of the Multifamily REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

You should read the Multifamily 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.

The Certificates

We, the Federal National Mortgage Association (Fannie Mae), will issue the classes of certificates listed in the chart on this page. These classes are being offered by this prospectus supplement and the related prospectus. In addition, one class of subordinate certificates will be issued but that class is not offered hereby.

Payments to Certificateholders

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

- interest accrued on the stated or notional balance of your certificate and
- principal to the extent available for payment on your certificate and, in any event, in full by the final distribution date.

We will pay principal at rates that may vary from time to time. We may not pay principal on 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 available for distribution to investors on time. **We will not guarantee that any prepayment premiums or yield maintenance charges will be available for distribution to investors.**

The Trust and its Assets

The trust assets will be divided into two groups.

- Group 1 will consist of first lien, fully amortizing and balloon, fixed-rate, multifamily mortgage loans, including low-income tax credit loans.
- Group 2 will consist of first lien, fully amortizing and balloon, adjustable-rate, multifamily mortgage loans, including low-income tax credit loans.

| Class | Group | Original Class Balance(1) | Principal Type | Interest Rate | Interest Type | CUSIP Number | Final Distribution Date |
|------------|---------|---------------------------|----------------|---------------|---------------|--------------|-------------------------|
| A-1F | 1 | \$ 11,895,000 | SR/SEQ | 4.847%(2) | FIX/AFC | 31396PGP0 | July 2012 |
| A-2F | 1 | 44,399,000 | SR/SEQ | 5.259(2) | FIX/AFC | 31396PGQ8 | May 2020 |
| A-3F | 1 | 38,459,000 | SR/SEQ | 5.345(2) | FIX/AFC | 31396PGR6 | September 2031 |
| A-1A | 2 | 25,340,000 | SR/SEQ | 4.855(2) | FIX/AFC | 31396PGS4 | August 2016 |
| A-2A | 2 | 73,769,000 | SR/SEQ | 5.271(2) | FIX/AFC | 31396PGT2 | October 2032 |
| IO | 1 and 2 | 202,997,840(3) | NTL | (4) | WAC/IO | 31396PGU9 | February 2036 |
| R | | 0 | NPR | 0 | NPR | 31396PGW5 | February 2036 |
| RM . . . | | 0 | NPR | 0 | NPR | 31394V7L8 | February 2036 |
| RL | | 0 | NPR | 0 | NPR | 31396PGX3 | February 2036 |

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

(2) Subject to the limitations described in this prospectus supplement.

(3) Notional balance. This class is an interest only class. See page S-8 for a description of how its notional balance is calculated.

(4) The IO Class will bear interest during each interest accrual period at the variable rate described in this prospectus supplement. During the initial interest accrual period, the IO Class is expected to bear interest at an annual rate of approximately 1.57002%.

The dealer will offer the classes of certificates listed above from time to time in negotiated transactions at varying prices to be determined at the time of sale. We expect the settlement date to be December 28, 2006. See “Plan of Distribution” in this prospectus supplement.

Citigroup

October 25, 2006

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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 Guaranteed Multifamily REMIC Pass-Through Certificates dated January 1, 1999 (the “Multifamily REMIC Prospectus”); and
- any information incorporated by reference in this prospectus supplement as discussed below under the heading “Incorporation by Reference.”

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

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

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

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

Citigroup Global Markets Inc.
Prospectus Department
Brooklyn Army Terminal
140 58th Street, Suite 8-G
Brooklyn, New York 11220
(telephone 718-765-6732).

INCORPORATION BY REFERENCE

In this prospectus supplement, 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 Multifamily REMIC Prospectus and any applicable supplements or amendments.

You should purchase the certificates only if you have read and understood the Multifamily REMIC Prospectus, this prospectus supplement and the documents listed below.

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

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2004 (the “2004 10-K”), which includes consolidated financial statements for 2004 and restatement of previously issued financial information for 2002, 2003, and the first two quarters of 2004;
- 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 2004 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 after the date of this prospectus supplement and before 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 that 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 internet 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 subsequently initiated an extensive restatement and re-audit of our financial statements with our new independent auditor, Deloitte & Touche LLP.

On December 6, 2006, we filed our 2004 10-K, which includes consolidated financial statements for 2004 and a restatement of previously issued financial information for 2002, 2003, and the first two quarters of 2004. Restatement adjustments relating to periods prior to January 1, 2002 are presented in our 2004 10-K as adjustments to retained earnings as of December 31, 2001.

Our Board and management initiated numerous internal and external reviews of our accounting processes and controls, our financial reporting processes, and our application of GAAP, including an external investigation 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. 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.

On July 20, 2006, the Federal Reserve Board implemented revisions to its payment systems risk policy requiring all government sponsored enterprises, including Fannie Mae, to fully fund their accounts with the Federal Reserve Banks before making payments to debt and mortgage-backed securities investors. Fannie Mae complied with this policy by entering into various funding agreements with market participants. In connection with this policy change, Fannie Mae also entered into a new fiscal agency agreement with the Federal Reserve Bank of New York. In addition, Fannie Mae, as trustee for its mortgage-backed securities, invests collections on mortgage loans underlying our mortgage-backed securities in highly rated financial instruments, which may include Fannie Mae’s senior debt securities or other debt securities if certain rating requirements are satisfied.

On August 24, 2006, we announced that we had been advised by the United States Attorney's Office for the District of Columbia that it was discontinuing its investigation of Fannie Mae's accounting policies and practices, and did not plan to file charges against Fannie Mae. Please refer to our Form 8-K filed with the SEC on August 24, 2006 for further information.

We filed our 2004 10-K with the SEC on December 6, 2006. We have not filed Quarterly Reports on Form 10-Q for the first, second and third quarters of 2005 or the first, second and third quarters of 2006, nor have we filed our Annual Report on Form 10-K for the year ended December 31, 2005. See "Additional Risk Factors—*There is a lack of current financial information about Fannie Mae available in the market*" in this prospectus supplement.

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.

The Mortgage Loans

For a description of the mortgage loans, see “Description of the Mortgage Loans” in this prospectus supplement.

Exhibit A contains additional information about the mortgage loans as of December 1, 2006, including information about prepayment premiums and yield maintenance charges.

The Certificates

The classes described below represent the entire senior ownership interest in the trust.

Six classes of senior certificates having the following designations will be issued and guaranteed by Fannie Mae:

- | | | | |
|--|---------------------------------|-------------------------|---------------------------------|
| <ul style="list-style-type: none">• A-1F• A-2F• A-3F | } Group 1 Senior Classes | } Senior Classes | |
| <ul style="list-style-type: none">• A-1A• A-2A | | | } Group 2 Senior Classes |
| <ul style="list-style-type: none">• IO | | | |

Three classes of residual certificates having the following designations also will be issued and guaranteed by Fannie Mae:

- | | |
|---|---------------------------|
| <ul style="list-style-type: none">• R• RM• RL | } Residual Classes |
|---|---------------------------|

In addition, one class of subordinate certificates having the following designation will be issued, but **not** guaranteed, by Fannie Mae:

- | | |
|---|----------------------------|
| <ul style="list-style-type: none">• B | } Subordinate Class |
|---|----------------------------|

Only the senior certificates and the residual certificates are being offered by this prospectus supplement and the related prospectus. On the settlement date, we also will issue the subordinate certificates and, at the direction of the seller, deliver them to or on behalf of the dealer, which may sell them at any time thereafter in limited private offerings. We have included in this prospectus supplement certain information about the subordinate certificates solely to help you understand the certificates being offered hereby.

Lockout Periods and Prepayment Premiums

The mortgage loans generally prohibit voluntary prepayments during specified lockout periods. Certain of the mortgage loans provide for the payment of prepayment premiums and yield maintenance charges during specified periods after the issue date. If we receive any prepayment fees, we will allocate them to the senior classes as described in this prospectus supplement.

Class Factors

The class factors are numbers that, when multiplied by the initial balance of a certificate, can be used to calculate the current balance of that certificate (after taking into account payments in the same month). We publish the class factors on or shortly after the 23rd day of each month.

Settlement Date

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

Distribution Dates

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

Book-Entry and Physical Certificates

We issue book-entry certificates through The Depository Trust Company, 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:

DTC Book-Entry

All Senior Classes

Physical

R, RM and RL Classes

Interest Rates

The certificates will bear interest at the annual interest rates described in this prospectus supplement.

Notional Class

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

IO 100% of the aggregate principal balance of the mortgage loans

Distributions of Principal

Group 1 Principal Distribution Amount

To the A-1F, A-2F and A-3F Classes, in that order, until their principal balances are reduced to zero.

Group 2 Principal Distribution Amount

To the A-1A and A-2A Classes, in that order, until their principal balances are reduced to zero.

Weighted Average Lives (years) *

| <u>Classes</u> | <u>CPR Prepayment Assumption**</u> | | | | | <u>First Reset Prepayment Assumption***</u> |
|----------------|------------------------------------|------------|------------|------------|-------------|---|
| | <u>0%</u> | <u>25%</u> | <u>50%</u> | <u>75%</u> | <u>100%</u> | |
| A-1F | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| A-2F | 10.0 | 10.0 | 10.0 | 10.0 | 9.9 | 10.0 |
| A-3F | 16.3 | 16.3 | 16.3 | 16.3 | 16.2 | 15.2 |
| A-1A | 5.4 | 2.6 | 1.7 | 1.2 | 0.7 | 3.1 |
| A-2A | 18.0 | 16.2 | 15.3 | 14.4 | 11.2 | 9.6 |
| IO | 13.9 | 12.9 | 12.4 | 12.0 | 10.7 | 10.3 |

* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement. See “Additional Risk Factors” and “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges” in this prospectus supplement.

** Assumes no prepayment during any applicable Call Protection Term.

*** See “Description of the Certificates—Structuring Assumptions—Prepayment Assumptions” 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 mortgage loans.

The mortgage loans provide for the payment of prepayment premiums. Most of the prepayment premiums are in the form of yield maintenance charges. Subject to any applicable yield maintenance charges or other prepayment premiums, the mortgage loans may be prepaid at any time. Therefore, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

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

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

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

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

Defaults will increase the risk of prepayment. Lending on multifamily properties is generally viewed as being subject to a greater risk of loss than single family lending. If a borrower defaults on its mortgage loan, the effect would generally be the same as a prepayment even if it occurs during a lockout period and no prepayment fee would be received.

We have only limited information with respect to the trust assets. We have only limited information with respect to the mortgage loans, the mortgaged properties (their operating revenues and expenses and values) and the mortgages. Generally neither current audited financial statements nor recent appraisals are available for the mortgaged properties.

In addition, we generally do not have information regarding which mortgage loans receive Section 8 assistance payments. Section 8 of the United States Housing Act of 1937, as amended, authorizes the payment by the federal government of rental subsidies to owners of qualified multifamily rental properties. Through Section 8 Project-Based Assistance, HUD subsidizes the difference between the tenants' contribution based on a percentage of their income and the contract rents for the units. HUD pays the subsidies either directly to the owner or through public housing agencies. Multifamily properties that have benefited from federal rent subsidy programs may suffer as contracts expire or those programs are restructured and cut back and may therefore have a substantially increased risk of default.

Certain states have a high concentration of mortgaged properties. As of the issue date, the states with relatively high concentrations of mortgaged properties in each loan group (by principal balance as of the issue date) are as follows:

- Loan Group 1: California (69.73%), Florida (14.66%) and Nevada (11.52%)
- Loan Group 2: California (90.98%) and Nevada (8.82%).

If economic conditions worsen, a natural disaster occurs or the real estate markets in the areas with the heaviest concentrations of mortgage loans should experience an overall decline in property values, the rates of delinquencies, foreclosures, bankruptcies and realized losses on the mortgage loans probably will increase and may increase substantially.

Prepayment premiums and yield maintenance charges may reduce the prepayment rate of the related mortgage loans. The mortgage loans provide for the payment of prepayment premiums as described in Exhibit A and Exhibit B of this prospectus supplement. In most cases, this includes a yield maintenance charge. We will allocate to certificateholders any prepayment premiums and yield maintenance charges that are actually paid to the master servicer and delivered to the trust.

Allocation of prepayment premiums and yield maintenance charges to certain classes may not offset the adverse effect of the corresponding prepayments on yields. If we receive any prepayment fees, we will include them in the distributions to be made on the certificates. We do not, however, guarantee that borrowers will in fact pay any prepayment premiums and yield maintenance charges or that we will receive them if paid. Accordingly, holders of the certificates will receive prepayment premiums and yield maintenance charges only to the extent we receive them. Moreover, even if we distribute prepayment premiums and yield maintenance charges to the holders of the certificates, the additional amounts may not offset the reductions in yield caused by the corresponding prepayments.

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

Loan characteristics affect weighted average lives and yields on the certificates. Slight variations in mortgage loan characteristics could affect the weighted average lives and yields of the certificates.

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

Unpredictable timing of last payment affects yields on certificates. The actual final payment on each class of certificates is likely to occur earlier, and could occur much earlier, than the maturity date of the latest maturing mortgage loan in the trust. If you assume the actual final payment will occur on that date, your yield may be lower than you expect.

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

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 authori-

ties, may be unable to buy certain classes of certificates. You should get legal advice to determine whether you may purchase the certificates.

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. A market for resale of the certificates may not 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.

There is a lack of current financial information about us available in the market. We have announced that previously filed interim and audited financial statements for the periods from January 2001 through the second quarter of 2004 should no longer be relied upon because they were prepared applying accounting prac-

tices that did not comply with GAAP. On December 6, 2006, we filed our 2004 10-K, which includes consolidated financial statements for 2004 and a restatement of previously issued financial information for 2002, 2003 and the first two quarters of 2004.

At this time, it is not known when we will be releasing additional audited financial information for subsequent periods. You should be aware that because current financial information about us may not be available to the public for a substantial period of time, you will be unable to ascertain the accurate financial status of Fannie Mae for the foreseeable future.

There are numerous potential legislative and regulatory developments and proposals that

may significantly affect us. The U.S. Congress has been considering various bills in the House of Representatives and Senate that address our business and regulatory environment. These draft bills address various issues, including our regulatory structure, capital standards, potential receivership, scope of business activities, affordable housing goals, portfolio composition, and expanded oversight of our officers and directors. We cannot predict whether any legislation will be approved by Congress and signed into law by the President and, if so, the final form and effective date of such legislation. We also cannot predict the effect, if any, that any potential legislation or regulatory developments would have on our credit ratings or on our business.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae Multifamily REMIC Trust specified on the cover (the “Trust”) and two separate trusts (the “Lower Tier REMIC” and “Middle Tier REMIC”) pursuant to a trust agreement dated as of December 1, 2006 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates” or “Classes”), as well as one subordinate, non-guaranteed class (the “Subordinate Class” or “B Class”), pursuant to the Trust Agreement.

The Trust, the Middle Tier REMIC 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 following chart contains information about the assets, the “regular interests” and the “residual interests” of each REMIC.

| <u>REMIC Designation</u> | <u>Assets</u> | <u>Regular Interests</u> | <u>Residual Interests</u> |
|-----------------------------|-------------------------------|--|---------------------------|
| Lower Tier REMIC | Mortgage Loans | Interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) | RL |
| Middle Tier REMIC | Lower Tier Regular Interests | Interests in the Middle Tier REMIC other than the RM Class (the “Middle Tier Regular Interests”) | RM |
| Trust | Middle Tier Regular Interests | The Certificates, other than the RL, RM and R Classes, and the B Class | R |

In particular, the assets of the Lower Tier REMIC will consist of approximately \$202,997,840 aggregate principal balance of mortgage loans (the “Mortgage Loans”) having the characteristics described under the heading “Description of the Mortgage Loans” in this prospectus supplement. As described in this prospectus, the Mortgage Loans are divided into two groups (each, a “Loan Group” and, together, the “Loan Groups”).

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

| <u>Classes</u> | <u>Denominations</u> |
|---|--|
| The IO Class | \$100,000 minimum plus whole dollar increments |
| The A-1F, A-2F, A-3F, A-1A and A-2A Classes | \$1,000 minimum plus whole dollar increments |

We will issue the R, RM and RL Classes as a single Certificate (the “Combined Residual Certificate”) with no principal balance.

Fannie Mae Guaranty. We guarantee that the following amounts will be available for distribution 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 related Mortgage Loans.

Our guarantee is not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus.

We will not guarantee that any prepayment premiums or yield maintenance charges will be collected or be available for distribution to Certificateholders. Accordingly, Certificateholders entitled to receive prepayment premiums and yield maintenance charges will receive them only to the extent they are actually received by the Trust.

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

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

Class Factors. On or shortly after the 23rd calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original balance (or notional balance) of a Certificate of that Class, the product will equal the current balance (or notional balance) of that Certificate after taking into account distributions on the Distribution Date in the same month.

Book-Entry Procedures and Physical Certificates

Characteristics of Certificates. We will issue the Certificates (except the R, RM and RL Classes) in book-entry form on the book-entry system of The Depository Trust Company (“DTC”). Entities whose names appear on the book-entry records of The Depository Trust Company 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.

Book-Entry Certificates. The Certificates issued in book-entry form on the book-entry system of DTC (“DTC Certificates”) will be registered at all times in the name of the nominee of The

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

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

Method of Distribution. Each distribution on the DTC Certificates will be distributed to the Depository in immediately available funds. The Depository will be responsible for crediting the amount of such distributions to the accounts of the Depository Participants entitled thereto, in accordance with the Depository’s normal procedures. Each Depository Participant and each financial intermediary will be responsible for disbursing such distributions to the beneficial owners of the DTC Certificates that it represents. Accordingly, the beneficial owners may experience some delay in their receipt of distributions.

Physical Certificates. The holder of the Combined Residual Certificate will have the right to exchange the Combined Residual Certificate for three separate residual certificates (each, a “Separate Residual Certificate”) relating to each of the R, RM and RL Classes. We will issue the Combined or any Separate Residual Certificate (a “Residual Certificate”) in fully registered, certificated form. The “Holder” or “Certificateholder” of a Residual Certificate is its registered owner. A Residual 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 in Boston, Massachusetts (“U.S. Bank”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of a Residual Certificate and may require payment to cover any tax or other governmental charge. See also “Characteristics of the R, RM and RL Classes.”

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, the Holder of the RM Class will receive the proceeds of any remaining assets of the Middle Tier REMIC, 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. U.S. Bank will be the initial Paying Agent.

Distributions of Interest

Definitions. We define certain capitalized terms used in this section under the heading “—Certain Definitions Applicable to Distributions on the Certificates” below.

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 Senior Classes | |
| Fixed Rate | A-1F, A-2F and A-3F |
| Available Funds | A-1F, A-2F and A-3F |
| Group 2 Senior Classes | |
| Fixed Rate | A-1A and A-2A |
| Available Funds | A-1A and A-2A |
| Group 1 and Group 2 Senior Class | |
| Weighted Average Coupon | IO |
| Interest Only | IO |
| No Payment Residual | R, RM and RL |

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

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

Our determination of the rate of interest for each Senior Class for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. You may obtain such rate of interest by telephoning us at 1-800-237-8627.

Interest to be paid on each Certificate on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date.

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

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

See “Additional Risk Factors” in this prospectus supplement.

Notional Class. The Notional Class will not have a principal balance. During each Interest Accrual Period, the Notional Class will bear interest on its notional principal balance at the applicable interest rate.

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

The A-1F, A-2F and A-3F Classes. On each Distribution Date, we will pay interest on each of the A-1F, A-2F and A-3F Classes at an annual rate equal to the *lesser* of

- the fixed rate of interest specified for that Class on the cover of this prospectus supplement,
- and*
- the Net WAC of the Group 1 Loans for that Distribution Date;

provided, however, that if a Senior Collateral Deficiency Condition (defined below) is in effect with respect to Loan Group 1 for any Distribution Date, the annual rates at which interest accrues on the A-1F, A-2F and A-3F Classes will in no event exceed the Adjusted WAC Calculation Rate (defined below) for that date.

The A-1A and A-2A Classes. On each Distribution Date, we will pay interest on each of the A-1A and A-2A Classes at an annual rate equal to the *lesser* of

- the fixed rate of interest specified for that Class on the cover of this prospectus supplement,
- and*
- the Net WAC of the Group 2 Loans for that Distribution Date;

provided, however, that if a Senior Collateral Deficiency Condition is in effect with respect to Loan Group 2 for any Distribution Date, the annual rates at which interest accrues on the A-1A and A-2A Classes will in no event exceed the Adjusted WAC Calculation Rate for that date.

The IO Class. On each Distribution Date through the Distribution Date on which the principal balances of all other the Senior Classes have been reduced to zero, we will pay interest on the IO Class at an annual rate equal to the *excess*, if any, of

- the Net WAC of all of the Mortgage Loans for that Distribution Date
- over*
- the weighted average of the interest rates of the A-1F, A-2F, A-3F, A-1A, A-2A and B Classes for that Distribution Date, weighted on the basis of their principal balances for that Distribution Date (before giving effect to distributions made on that Distribution Date).

As a result of the foregoing, no interest will be paid to Holders of the IO Class on any Distribution Date following the Distribution Date on which the principal balances of all the other Senior Classes are reduced to zero.

Interest with respect to the B Class will be calculated during each Interest Accrual Period at an annual rate equal to the *lesser* of

- the weighted average of the Net WAC of the Group 1 Loans and Group 2 Loans for the related Distribution Date, weighted on the basis of the respective Group 1 and Group 2 Subordinate Calculation Balances for that date (before giving effect to any distributions or Realized Losses to be made or allocated on that date), and
- the Net WAC for all Mortgage Loans in both Loan Groups for the related Distribution Date.

The “Group 1 Subordinate Calculation Balance” and “Group 2 Subordinate Calculation Balance” for any Distribution Date will be equal to the *excess, if any*, of

- the aggregate Stated Principal Balance of the Group 1 Loans or Group 2 Loans, as applicable, at the end of the second preceding Due Period,

over

- the aggregate principal balance of the Senior Class or Classes (other than the IO Class) with respect to the related Loan Group for such Distribution Date (before giving effect to any distributions or Realized Losses to be made or allocated on that date).

Distributions of Principal

Definitions. We define certain capitalized terms used in this section under the heading “—Certain Definitions Applicable to Distributions on the Certificates” below.

Categories of Classes

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

| <u>Principal Type*</u> | <u>Classes</u> |
|----------------------------------|------------------------|
| Group 1 Classes | |
| Senior**/Sequential Pay | A-1F, A-2F and A-3F |
| Group 2 Classes | |
| Senior**/Sequential Pay | A-1A and A-2A |
| Group 1 and Group 2 Class | |
| Notional | IO |
| No Payment Residual | R, RM and RL |

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

** The “SR” or “Senior” designation refers to a class included in a group of classes that receive a specified senior percentage of available principal funds from designated trust assets, with such funds being applied to that group of classes in the order and priority specified before being applied to any subordinate class.

Principal Distribution Amount

We will make principal payments on the Senior Classes as specified below.

Group 1 Principal Distribution Amount

On each Distribution Date, we will pay 100% of the Group 1 Principal Distribution Amount, sequentially, as principal of the A-1F, A-2F and A-3F Classes, in that order, until their principal balances are reduced to zero. } Senior / Sequential Classes

Group 2 Principal Distribution Amount

On each Distribution Date, we will pay 100% of the Group 2 Principal Distribution Amount, sequentially, as principal of the A-1A and A-2A Classes, in that order, until their principal balances are reduced to zero. } Senior / Sequential Classes

Certain Definitions Relating to Payments on the Certificates

Adjusted WAC Calculation Rate—For any Distribution Date with respect to which a Senior Collateral Deficiency Condition is in effect, an annual rate equal to the weighted average of the Net WAC of each of the Loan Groups, (x) in the case of the Loan Group with respect to which the Senior Collateral Deficiency is in effect, weighted on the basis of its aggregate Stated Principal Balance at the end of the second preceding Due Period, and (y) in the case of the other Loan Group, on the basis of the Senior Collateral Deficiency for that Distribution Date.

Bankruptcy Code—The federal bankruptcy code, Title 11 of the United States Code, Section 101 et seq., and the related rules and regulations promulgated thereunder.

Debt Service Reduction—A court-ordered reduction in the scheduled monthly payment for any Mortgage Loan, issued by a court of competent jurisdiction in a proceeding under the Bankruptcy Code. After the court's final, non-appealable decision, we shall deem each Realized Loss associated with a Debt Service Reduction to be incurred on each Distribution Date, based upon the reduced payments received during the related Due Period on that Mortgage Loan.

Deficient Valuation—For any Mortgage Loan, a valuation of the related Mortgaged Property in an amount less than the then outstanding principal balance of that loan, issued by a court of competent jurisdiction in a proceeding under the Bankruptcy Code. We will not determine the Deficient Valuation or apply it as a Realized Loss until the court renders a final, non-appealable decision with respect to the valuation.

Due Date—For any Mortgage Loan, the day of each calendar month on which the scheduled monthly payment is due.

Due Period—For any Distribution Date, the period beginning on the second day of the month immediately preceding the month in which that Distribution Date occurs and ending on the first day of the month in which that Distribution Date occurs.

Foreclosure Surplus—With respect to a Liquidated Loan for any Distribution Date, the excess of

- net liquidation proceeds (*i.e.*, after giving effect to payment of unreimbursed liquidation expenses and other unscheduled collections of principal)

over

- the Stated Principal Balance of that Liquidated Loan.

Group 1 Principal Distribution Amount

or

Group 2 Principal Distribution Amount—For any Distribution Date and the related Loan Group, the sum of the following amounts:

- (i) all monthly payments of scheduled principal due on each Mortgage Loan during the related Due Period, *plus*
- (ii) the principal portion of the purchase price of each Mortgage Loan that Citibank, N.A. repurchases with respect to that Distribution Date, *plus*
- (iii) any insurance proceeds or net liquidation proceeds received during the related Due Period that are allocable to recoveries of principal of each Mortgage Loan that is not yet a Liquidated Loan, *plus*
- (iv) for each Mortgage Loan that became a Liquidated Loan during the related Due Period, the Stated Principal Balance of that Mortgage Loan to the extent recovered, *plus*
- (v) any partial or full principal prepayment that we receive during the related Prepayment Period from a borrower in respect of each Mortgage Loan, *plus*
- (vi) any Subsequent Recoveries and Foreclosure Surplus with respect to each Mortgage Loan received during the related Due Period, *plus*
- (vii) beginning on the Subordinate Class Termination Date, the *excess* of the amount of Realized Losses allocated to the related Loan Group for that Distribution Date *over* any amount payable under clause (vi) above.

In addition, on any Distribution Date with respect to which the aggregate principal balance of the Group 2 Senior Classes has been reduced to zero while the Group 1 Senior Classes remain outstanding, the Group 2 Principal Distribution Amount will be included in the calculation of the Group 1 Principal Distribution Amount. Similarly, on any Distribution Date with respect to which the aggregate principal balance of the Group 1 Senior Classes has been reduced to zero while the Group 2 Senior Classes remain outstanding, the Group 1 Principal Distribution Amount will be included in the calculation of the Group 2 Principal Distribution Amount.

Liquidated Loan—Any defaulted Mortgage Loan as to which the Master Servicer has determined that all recoverable liquidation proceeds and insurance proceeds have been received.

Net Coupon—For any Mortgage Loan and Distribution Date, the *excess* of the related Mortgage Rate in effect on the first day of the month preceding the month in which that Distribution Date occurs *over* 0.328925%.

Net WAC—For either or both of the Loan Groups and any Distribution Date, the weighted average of the Net Coupons of the related Mortgage Loans, weighted on the basis of the Stated Principal Balances of those Mortgage Loans as of the first day of the month immediately preceding the month in which that Distribution Date occurs.

Prepayment Period—For any Distribution Date, the prior calendar month.

Realized Loss—In general:

- as to any Liquidated Loan, its Stated Principal Balance as of the date of liquidation minus the principal portion of net liquidation proceeds (*i.e.* after giving effect to payment of unreimbursed liquidation expenses in connection with the Mortgage Loan) realized on it,
- for each Mortgage Loan that has received a Deficient Valuation, the *excess*, if any, of the Stated Principal Balance of the Mortgage Loan immediately before the Deficient Valuation *over* the outstanding principal balance of the Mortgage Loan as reduced by the Deficient Valuation, and

- for each Mortgage Loan that has received a Debt Service Reduction, the reduction in monthly principal attributable to the court-ordered reduction of the monthly mortgage payment, calculated on a month-to-month basis.

Senior Collateral Deficiency Amount — For any Distribution Date and Loan Group with respect to which a Senior Collateral Deficiency Condition is in effect, the *excess*, if any, of

- the aggregate principal balance of the related Senior Classes (other than the IO Class) for that date (before giving effect to any distributions or Realized Losses to be made or allocated on that date)

over

- the aggregate Stated Principal Balance of the related Loan Group at the end of the second preceding Due Period.

Senior Collateral Deficiency Condition — For any Distribution Date, a Senior Collateral Deficiency Condition will be in effect with respect to a Loan Group if the aggregate principal balance of the related Senior Classes other than the IO Class (before giving effect to any distributions or Realized Losses to be made or allocated on that date) exceeds the aggregate Stated Principal Balance of the related Loan Group at the end of the second preceding Due Period.

Stated Principal Balance—For any Mortgage Loan and any Due Date, the unpaid principal balance of that loan as of that date, after giving effect to

- the payment of principal due on that Due Date, whether or not paid by the related borrower,
- prepayments of principal received through the last day of the related Prepayment Period and
- liquidation proceeds received in the prior calendar month.

Subordinate Termination Date—The Distribution Date on which the principal balance of the Subordinate Clause is reduced to zero.

Subsequent Recoveries—With respect to a Liquidated Loan for any Distribution Date, the amount of unexpected recoveries, net of any expenses reimbursable to the related Servicer, with respect to that loan that resulted in a Realized Loss prior to the receipt of such recoveries.

Realized Losses

Before each Distribution Date, we will determine the aggregate amount of Realized Losses with respect to each Loan Group that were incurred at any time following the Issue Date through the end of the related Due Period and not previously allocated. All Realized Losses, whether with respect to Loan Group 1 or Loan Group 2, will be allocated to, and therefore reduce, the principal balance of the Subordinate Class, until its principal balance is reduced to zero. Thereafter, on any Distribution Date when a Realized Loss occurs with respect to a Loan Group, the amount of the Realized Loss will be included in the calculation of the Group 1 Principal Distribution Amount or Group 2 Principal Distribution Amount, as applicable, for that Distribution Date.

Allocation of Prepayment Premiums and Yield Maintenance Charges

If a borrower is required to pay a prepayment premium or yield maintenance charge in connection with the prepayment of a Mortgage Loan and we receive any such amounts, we will include them in the distributions on the related Senior Classes on the Distribution Date occurring in the month following their actual receipt by Fannie Mae. Such included amounts will be allocated as follows:

- in the case of Loan Group 1:
 - for so long as any of the related Senior Classes (other than the IO Class) remain outstanding, 75% to the IO Class and 25% to the related Senior Class or Classes entitled to

payment of principal on that Distribution Date (if applicable, in proportion to the amounts of principal payable on that date), and

- thereafter 100% to the IO Class; and
- in the case of Loan Group 2:
 - for so long as any of the related Senior Classes (other than the IO Class) remain outstanding, 75% to the IO Class and 25% to the related Senior Class or Classes entitled to payment of principal on that Distribution Date (if applicable, in proportion to the amounts of principal payable on that date), and
 - thereafter 100% to the IO Class.

Notwithstanding the foregoing, no such amounts will be paid to Holders of the IO Class on any Distribution Date following the Distribution Date on which the principal balances of all the other Senior Classes are reduced to zero.

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, we have prepared the information in the tables in this Prospectus Supplement based on the actual characteristics of the Mortgage Loans (as described in Exhibit A) and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- scheduled interest and principal payments on the Mortgage Loans are made monthly in the amounts set forth on Exhibit A;
- we distribute all payments (including prepayments) on the Mortgage Loans on the Distribution Date relating to the month in which we receive them;
- the Mortgage Loans prepay at the percentages of CPR specified in the related tables (assuming that no prepayment occurs during any applicable Call Protection Term) or, where specified, the Group 2 Loans prepay based on the First Reset Payment Assumption;
- no effect is given to the expiration of HAP contracts that may exist with the respect to the Mortgage Loans in determining the likelihood of prepayments or defaults;
- we do not receive any prepayment premiums or yield maintenance charges on the Mortgage Loans;
- there are no repurchases of Mortgage Loans and no one exercises the right to terminate the Lower Tier REMIC and the Trust as described under “The Trust Agreement—Termination” and “The Sales and Servicing Agreement—Termination” in this prospectus supplement;
- the index value used in calculating the Mortgage Rates of the Group 2 Loans is 4.60%;
- all distributions on the Certificates occur on the 25th of the month, whether or not a business day; and
- the settlement date for the sale of the Certificates is December 28, 2006.

Prepayment Assumptions. We may simulate prepayments (voluntary or involuntary) on mortgage loans by using a prepayment standard or model. In this prospectus supplement the model we have used is the “Constant Prepayment Rate” (“CPR”) model. The CPR model represents an assumed constant rate of voluntary prepayment applied after any lockout periods in the case of the Group 1 Loans and any “open periods” within lockout periods in the case of the Group 2 Loans, expressed as an annual percentage of the then-outstanding principal balance of the pool of mortgage loans a per annum percentage. An additional model used in this prospectus supplement with respect to the Group 2 Loans is the First Reset Prepayment Assumption. This assumes a 0% CPR rate for each Group 2 Loan until the “Next Rate Change Date” for the loan on which date it will be prepaid in full.

Neither CPR nor the First Reset Prepayment Assumption purports to be an historical description of the prepayment and default experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment and default of any pool of mortgage loans, including the Mortgage Loans. See “—Yield Considerations,” “—Yield Tables” and “—Decrement Tables” below and “Description of the Certificates—Prepayment Models” in the Multifamily REMIC Prospectus.

We prepared the tables in this prospectus supplement on the basis of the indicated percentages of CPR and the First Reset Prepayment Assumption. It is highly unlikely that prepayments will occur on such basis or at any other particular level of CPR or the First Reset Prepayment Assumption, or at any other constant rate.

Yield Considerations

General. The yield to maturity for each Certificate will depend upon its purchase price, the rate of principal payments on the Mortgage Loans (including prepayments resulting from liquidations of Mortgage Loans due to defaults and casualties or condemnations affecting the Mortgaged Properties) and the actual characteristics of the Mortgage Loans. We cannot assure you that the Mortgage Loans will prepay at any of the rates we have assumed or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as expected. You should purchase Certificates only after performing your own analysis based upon your own assumptions as to future rates of prepayment. We believe it is not likely that the Mortgage Loans will prepay at the indicated percentages of CPR until maturity or at the First Reset Prepayment Assumption or that all the Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments, or in the Net Coupons of the Mortgage Loans (insofar as the interest rate of your Certificates is based thereon), may significantly affect your actual yield to maturity, even if the average rate of principal prepayments or the average weighted average Net Coupon of the Mortgage Loans is consistent with your expectations. In general, the earlier the payment of principal of the Mortgage Loans, or change in the level of the weighted average Net Coupon of the Mortgage Loans, the greater the effect on your yield to maturity. As a result, if the rate of prepayments or the level of the weighted average Net Coupon of the Mortgage Loans is higher (or lower) than the rate or level that you anticipated during any particular period, the effect on your yield will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments or the level of the weighted average Net Coupon of the Mortgage Loans. For a description of the prepayment provisions of the Mortgage Loans and the Net Coupons of the Mortgage Loans, see Exhibit A and Exhibit B to this prospectus supplement.

The effective yields on the interest-bearing Senior Classes will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. As a result of the foregoing, the market values of the interest-bearing Senior Classes will be lower than would have been the case if there were no such delay. No interest will be paid on any Class after its principal balance has been reduced to zero. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

Prepayment Provisions. The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of prepayment premiums and yield maintenance charges and other economic, geographic and social factors.

We will allocate any prepayment premiums and yield maintenance charges actually received to the Senior Classes as described above under “—Allocation of Prepayment Premiums and Yield Maintenance Charges.” However, any such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

Yield Table

General. The table below illustrates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Class to various constant percentages of CPR and to the First Reset Payment Assumption. We calculated the yields set forth in the table by

- determining the monthly discount rates that, when applied to the assumed stream of cash flows to be paid on the applicable Class, would cause the discounted present value of that assumed stream of cash flows to equal the assumed aggregate purchase price of that Class, and
- converting such monthly rates to corporate bond equivalent rates.

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

We cannot assure you that

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

It is unlikely that

- the Mortgage Loans will prepay at a constant percentage of CPR until maturity or at the First Reset Payment Assumption, or
- all of the Mortgage Loans will prepay at the same rate.

***The IO Class.* The yield to investors in the IO Class will be sensitive to the rate of principal payments, including prepayments, of the Mortgage Loans.**

We cannot assure you that:

- the Mortgage Loans will prepay at any of the assumed rates in this prospectus supplement or at any other particular rate;
- the pre-tax yield on the IO Class will correspond to any of the pre-tax yields shown in this prospectus; or
- the aggregate purchase price of the IO Class will be the price assumed below.

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

| <u>Class</u> | <u>Price*</u> |
|--------------|---------------|
| IO..... | 7.375% |

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

Sensitivity of the IO Class to Prepayments to Maturity

| | CPR Prepayment Assumption* | | | | | First Reset Prepayment Assumption |
|----------------------|----------------------------|-------|-------|-------|-------|---|
| | 0% | 25% | 50% | 75% | 100% | |
| Pre-Tax Yields | 16.8% | 15.3% | 14.6% | 14.0% | 12.7% | 13.8% |

* Assumes no prepayment during any applicable Call Protection Term.

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by:

- (a) multiplying the amount of the principal receipts (or reduction, if any, of the notional balance) of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,
- (b) summing the results and
- (c) dividing the sum by the aggregate amount of the principal receipts (or reduction, if any, of the notional balance) of such Certificate referred to in clause (a).

For a list of factors which may influence the weighted average life of a Certificate, see “Additional Risk Factors” in this prospectus supplement and “Risk Factors—Prepayment Considerations” and “Weighted Average Lives and Final Distribution Dates” in the Multifamily REMIC Prospectus.

The weighted average lives of the Certificates will be influenced by the rate at which principal payments are made on the Mortgage Loans, including scheduled payments, principal prepayments, liquidations due to default, casualty and condemnation, purchases of Mortgage Loans due to any breaches of Citibank, N.A.’s representations and warranties, prepayments resulting from the sale of defaulted Mortgage Loans and payments made pursuant to our guaranty. The interaction of the above factors may result in differing principal prepayment speeds on the Classes of Certificates. Accordingly, we cannot give any assurance as to the weighted average lives of the Certificates.

Decrement Tables

The following tables indicate the percentages of the original principal balances or notional balances of the Classes of Certificates that would be outstanding after each of the dates shown at the indicated constant percentages of CPR or at the First Reset Prepayment Assumption and the corresponding weighted average lives of those Classes. We prepared the tables on the basis of the Pricing Assumptions. It is unlikely, however, that all of the Mortgage Loans will prepay at any constant level of CPR or at the First Reset Prepayment Assumption.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal payments than indicated in the tables at the specified constant percentages of CPR or at the First Reset Prepayment Assumption. This would be the case even if the weighted average maturities of the Mortgage Loans are identical to the weighted average maturities specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

| Date | A-1F Class | | | | | | A-2F Class | | | | | | A-3F Class | | | | | |
|---------------------------------|----------------------------|-----|-----|-----|------|-----------------------------------|----------------------------|------|------|------|------|-----------------------------------|----------------------------|------|------|------|------|-----------------------------------|
| | CPR Prepayment Assumption† | | | | | First Reset Prepayment Assumption | CPR Prepayment Assumption† | | | | | First Reset Prepayment Assumption | CPR Prepayment Assumption† | | | | | First Reset Prepayment Assumption |
| | 0% | 25% | 50% | 75% | 100% | | 0% | 25% | 50% | 75% | 100% | | 0% | 25% | 50% | 75% | 100% | |
| Initial Percent | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2007 | 85 | 85 | 85 | 85 | 85 | 85 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2008 | 69 | 69 | 69 | 69 | 69 | 69 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2009 | 51 | 51 | 51 | 51 | 51 | 51 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2010 | 32 | 32 | 32 | 32 | 32 | 32 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2011 | 12 | 12 | 12 | 12 | 12 | 12 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2012 | 0 | 0 | 0 | 0 | 0 | 0 | 95 | 95 | 95 | 95 | 95 | 95 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 81 | 81 | 81 | 81 | 81 | 81 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 75 | 75 | 75 | 75 | 75 | 75 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2015 | 0 | 0 | 0 | 0 | 0 | 0 | 55 | 55 | 55 | 55 | 55 | 55 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 48 | 48 | 48 | 48 | 48 | 48 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 41 | 41 | 41 | 41 | 41 | 41 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 33 | 33 | 33 | 33 | 33 | 33 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 21 | 21 | 20 | 2 | 22 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58 | 58 | 58 | 57 | 57 | 51 |
| December 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48 | 48 | 48 | 48 | 48 | 36 |
| December 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 | 38 | 38 | 38 | 35 | 26 |
| December 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28 | 28 | 28 | 28 | 28 | 16 |
| December 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25 | 25 | 25 | 25 | 25 | 13 |
| December 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 22 | 22 | 22 | 22 | 10 |
| December 2026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18 | 18 | 18 | 18 | 18 | 6 |
| December 2027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 14 | 14 | 14 | 14 | 2 |
| December 2028 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 10 | 10 | 10 | 10 | 0 |
| December 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 4 | 0 |
| December 2030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 0 | 0 |
| December 2031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2032 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2033 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2034 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2035 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2036 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Weighted Average Life (years)** | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 10.0 | 10.0 | 10.0 | 10.0 | 9.9 | 10.0 | 16.3 | 16.3 | 16.3 | 16.3 | 16.2 | 15.2 |

| Date | A-1A Class | | | | | First Reset Prepayment Assumption | A-2A Class | | | | | First Reset Prepayment Assumption |
|--|--------------------------------|-----|-----|-----|------|---|--------------------------------|------|------|------|------|---|
| | CPR Prepayment Assumption † | | | | | | CPR Prepayment Assumption † | | | | | |
| | 0% | 25% | 50% | 75% | 100% | | 0% | 25% | 50% | 75% | 100% | |
| Initial Percent | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2007 | 92 | 76 | 59 | 41 | 24 | 88 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2008 | 84 | 56 | 36 | 23 | 18 | 80 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2009 | 76 | 39 | 20 | 11 | 3 | 62 | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2010 | 66 | 25 | 7 | 0 | 0 | 24 | 100 | 100 | 100 | 100 | 95 | 100 |
| December 2011 | 56 | 12 | 0 | 0 | 0 | 1 | 100 | 100 | 99 | 97 | 93 | 100 |
| December 2012 | 45 | 0 | 0 | 0 | 0 | 0 | 100 | 100 | 96 | 93 | 86 | 86 |
| December 2013 | 34 | 0 | 0 | 0 | 0 | 0 | 100 | 96 | 92 | 89 | 77 | 73 |
| December 2014 | 22 | 0 | 0 | 0 | 0 | 0 | 100 | 92 | 88 | 85 | 68 | 64 |
| December 2015 | 9 | 0 | 0 | 0 | 0 | 0 | 100 | 88 | 85 | 82 | 66 | 59 |
| December 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 98 | 85 | 81 | 78 | 64 | 50 |
| December 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 93 | 80 | 77 | 74 | 59 | 38 |
| December 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 87 | 74 | 70 | 66 | 46 | 27 |
| December 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 81 | 69 | 63 | 57 | 24 | 10 |
| December 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 75 | 61 | 54 | 45 | 18 | 0 |
| December 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 56 | 48 | 40 | 15 | 0 |
| December 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 64 | 50 | 43 | 36 | 13 | 0 |
| December 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 58 | 45 | 39 | 33 | 12 | 0 |
| December 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 51 | 40 | 34 | 29 | 10 | 0 |
| December 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 44 | 35 | 30 | 25 | 8 | 0 |
| December 2026 | 0 | 0 | 0 | 0 | 0 | 0 | 37 | 29 | 25 | 21 | 6 | 0 |
| December 2027 | 0 | 0 | 0 | 0 | 0 | 0 | 31 | 24 | 20 | 17 | 4 | 0 |
| December 2028 | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 18 | 15 | 12 | 2 | 0 |
| December 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 18 | 12 | 10 | 8 | 0 | 0 |
| December 2030 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 7 | 6 | 4 | 0 | 0 |
| December 2031 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 2 | 1 | 0 | 0 | 0 |
| December 2032 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2033 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2034 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2035 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| December 2036 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Weighted Average Life (years)** | 5.4 | 2.6 | 1.7 | 1.2 | 0.7 | 3.1 | 18.0 | 16.2 | 15.3 | 14.4 | 11.2 | 9.6 |

† Assumes no prepayment during any applicable Call Protection Term.

* Indicates an outstanding principal 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.

Percent of Original Notional Balances Outstanding

| | IO Class | | | | | |
|---|----------------------------|------|------|------|------|-----------------------------------|
| | CPR Prepayment Assumption† | | | | | First Reset Prepayment Assumption |
| Date | 0% | 25% | 50% | 75% | 100% | |
| Initial Percent | 100 | 100 | 100 | 100 | 100 | 100 |
| December 2007 | 98 | 96 | 94 | 92 | 90 | 98 |
| December 2008 | 96 | 93 | 90 | 89 | 88 | 96 |
| December 2009 | 94 | 90 | 87 | 86 | 85 | 92 |
| December 2010 | 92 | 87 | 84 | 83 | 82 | 87 |
| December 2011 | 89 | 84 | 82 | 81 | 80 | 82 |
| December 2012 | 86 | 80 | 79 | 78 | 75 | 75 |
| December 2013 | 82 | 76 | 75 | 74 | 69 | 68 |
| December 2014 | 79 | 73 | 72 | 70 | 64 | 63 |
| December 2015 | 73 | 68 | 66 | 65 | 59 | 57 |
| December 2016 | 70 | 65 | 64 | 62 | 57 | 52 |
| December 2017 | 66 | 62 | 60 | 59 | 54 | 46 |
| December 2018 | 62 | 58 | 56 | 55 | 47 | 41 |
| December 2019 | 58 | 53 | 51 | 48 | 33 | 32 |
| December 2020 | 43 | 38 | 35 | 32 | 22 | 14 |
| December 2021 | 39 | 34 | 31 | 28 | 19 | 11 |
| December 2022 | 35 | 30 | 27 | 25 | 16 | 9 |
| December 2023 | 31 | 26 | 24 | 22 | 14 | 8 |
| December 2024 | 28 | 24 | 22 | 20 | 13 | 7 |
| December 2025 | 25 | 21 | 20 | 18 | 12 | 6 |
| December 2026 | 22 | 19 | 17 | 16 | 10 | 6 |
| December 2027 | 18 | 16 | 15 | 13 | 9 | 5 |
| December 2028 | 15 | 13 | 12 | 11 | 7 | 4 |
| December 2029 | 12 | 10 | 9 | 8 | 5 | 3 |
| December 2030 | 9 | 7 | 7 | 6 | 4 | 2 |
| December 2031 | 6 | 5 | 5 | 4 | 3 | 2 |
| December 2032 | 4 | 3 | 3 | 3 | 2 | 2 |
| December 2033 | 2 | 2 | 2 | 2 | 1 | 1 |
| December 2034 | 1 | 1 | 1 | 1 | 1 | 1 |
| December 2035 | * | * | * | * | * | 0 |
| December 2036 | 0 | 0 | 0 | 0 | 0 | 0 |
| Weighted Average Life (years)** | 13.9 | 12.9 | 12.4 | 12.0 | 10.7 | 10.3 |

† Assumes no prepayment during any applicable Call Protection Term.

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

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

Characteristics of the R, RM and RL Classes

The R, RM 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 Middle Tier REMIC remain after the principal balances of the Middle Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RM Class. 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. We do not expect that any such assets will remain in any of those cases.

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 Multifamily 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 and the additional representation discussed below 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, RM 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 Multifamily 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. A transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the Multifamily 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 Multifamily 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, the Holder of the RM Class will be considered to be the holder of the “residual interest” in the Middle Tier REMIC, and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the Multifamily 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, RM or RL Class that may be required under the Code.

THE TRUST AGREEMENT

We summarize below certain provisions of the Trust Agreement not discussed elsewhere in this prospectus supplement. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement. These summaries are, by definition, not complete. If there is ever a conflict between the information in this prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

Transfer of Mortgage Loans to the Lower Tier REMIC

The Trust Agreement will contain a mortgage loan schedule (the “Mortgage Loan Schedule”) that will identify the Mortgage Loans that are being transferred to the Lower Tier REMIC. As Trustee, we will hold, on behalf of the Certificateholders, the original Mortgage Notes endorsed to Fannie Mae as Trustee.

Distributions on Mortgage Loans; Deposits in the Certificate Account

We will deposit or credit to one or more accounts (collectively, the “Certificate Account”) an amount equal to the sum of the amounts collected as principal and interest on the Mortgage Loans by the Master Service.

Any amounts deposited into the Certificate Account on a Distribution Date will be available to pay (i) interest accrued and distributable on the Certificates on that date and (ii) principal of the Certificates reflected in the class factors. We will not include any reinvestment earnings on amounts in the Certificate Account when we calculate payments to Certificateholders.

The Trust Agreement permits us, as Trustee, to maintain the Certificate Account in one of two ways:

- as a trust account with an eligible depository institution (which account also may contain other funds that we hold in a trust capacity), or
- as part of our general assets (with appropriate credit entries to the related trust).

We are required to hold all Certificate Account funds for the benefit of the Certificateholders. In the case of Certificate Funds held as part of our general assets, however, if a liquidation, reorganization or similar proceeding involving our assets were to occur, it is not clear what law would be applicable. As a result, we cannot be certain about the Certificateholders’ rights to those funds in the event of a proceeding of this type.

Reports to Certificateholders

We will publish a class factor for each Class of Certificates on or shortly after the 23rd calendar day of each month. If you multiply the class factor for a Certificate by the original principal balance or notional balance of the Certificate, you will obtain the current principal balance or notional balance of that Certificate, after giving effect to the principal payment to be made on the following Distribution Date.

After the end of each calendar year, we will furnish to each person who was a Certificateholder at any time during that year a statement containing any information required by the Internal Revenue Service.

We or an agent that we engage will make all the necessary numerical calculations.

Certain Matters Regarding Fannie Mae

We may not resign from our duties under the Trust Agreement unless a change in law requires it. Even then, our resignation would not become effective until a successor has assumed our duties under the Trust Agreement. In no event, however, would any successor take over our guaranty obligations.

Even if our other duties under the Trust Agreement should terminate, we would still be obligated under that guaranty. In the event that we are unable to fulfill our continuing guaranty obligations, the Trust Agreement may be modified to provide for monthly distributions to be made from then-available Mortgage Loan payments and other recoveries in a manner similar to practices and procedures followed in the servicing of whole loans for institutional investors. See “—Rights Upon Event of Default” below.

We are not liable under the Trust Agreement to the Trust or to Certificateholders for our errors in judgment or for anything we do, or do not do, in good faith. This also applies to our directors, officers, employees and agents. Nevertheless, neither we nor they will be protected from liability if it results from willful misfeasance, bad faith or gross negligence or as a result of a willful disregard of duties.

The Trust Agreement also provides that we are free to refuse involvement in any legal action that we think will expose us to expense or liability unless the action is related to our duties under the Trust Agreement. On the other hand, we may decide to participate in legal actions if we think our participation would be in the interests of the Certificateholders. In this case, we will pay our legal expenses and costs.

If we merge or consolidate with another corporation, the successor corporation will be our successor under the Trust Agreement.

Events of Default

Any of the following will be considered an “Event of Default” under the Trust Agreement:

- if we fail to pay Holders of any Senior Class any required amount and our failure continues uncorrected for 15 days after Holders of at least 5% of that Class have given us written notice;
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after Holders of at least 25% of any Class of Senior Certificates have given us written notice; or
- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Rights upon Event of Default

If one of the Events of Default under the Trust Agreement has occurred and continues uncorrected, Certificateholders who own at least 25% of any Class of Senior Certificates have the right to terminate, in writing, all of our obligations under the Trust Agreement. These obligations include our duties as trustee as well as in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders also may appoint, in writing, a successor to assume all of our terminated obligations. This successor will take legal title to the Mortgage Loans and other assets of the Trust.

Amendment

We may amend the Trust Agreement, generally without obtaining the consent of Certificateholders, for any of the following purposes:

- to correct an error;
- to eliminate any inconsistency with other provisions of the Trust Agreement or this prospectus supplement and the Multifamily REMIC Prospectus;
- to cure an ambiguity or supplement a provision that is not inconsistent with other provisions of the Trust Agreement or this prospectus supplement and the Multifamily REMIC Prospectus; or
- to modify the Trust Agreement to maintain the legal status of the Upper Tier REMIC, the Middle Tier REMIC or the Lower Tier REMIC as a REMIC.

If Certificateholders who own at least 66% of each Class give their consent, we may amend the Trust Agreement to eliminate, change or add to its terms or to waive our compliance with any of those terms. Nevertheless, unless each Certificateholder consents, no amendment may

- reduce or delay the funds that we must pay on any Certificate,
- terminate or modify our guaranty obligations,
- significantly change any permitted activity of the Trust,
- reduce the percentage of Certificateholders whose consent may be required or
- materially adversely affect the rights of the Holders of the R, RM and RL Classes.

Termination

The Trust Agreement will terminate when the last Mortgage Loan remaining in the Lower Tier REMIC has been paid off or liquidated, and the proceeds of that loan have been paid to Certificateholders. In no event will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the persons named in the Trust Agreement. We will notify each affected Certificateholder in writing of the termination of the Trust Agreement, and will make the final payment to each person entitled to it.

THE SALE AND SERVICING AGREEMENT

We, as purchaser, CCD Mortgage Securities, Inc., a Delaware corporation wholly owned by Citibank, N.A., as seller (the “Seller”), and Citibank, N.A., as master servicer and as special servicer (the “Master Servicer” or “Special Servicer”), are parties to a Sale and Servicing Agreement dated as of December 1, 2006 (the “Sale and Servicing Agreement”), pursuant to which we acquired the Mortgage Loans from the Seller and, pursuant to our powers under the Trust Agreement, we engaged the Master Servicer, as our independent contractor, to administer the Mortgage Loans and to monitor servicing of the Mortgage Loans.

The Sale and Servicing Agreement is a contract solely between us and the other named parties. The Certificateholders do not have any claims, rights, obligations, duties or liabilities with respect to the Sale and Servicing Agreement or such other parties except to the limited extent described in this prospectus supplement.

General

The Sale and Servicing Agreement sets forth the standards and the detailed procedures to be followed by, and rights and obligations of, the Master Servicer and Special Servicer with respect to servicing and administering the Mortgage Loans on our behalf.

Master Servicer

Citibank, N.A., a national banking association, in its capacity as Master Servicer, will be responsible for the master servicing and administration of the Mortgage Loans pursuant to the Sale and Servicing Agreement. Citibank, N.A. and its merged institutions have been an approved Fannie Mae primary servicer for more than 15 years. During 2006, the total CMBS portfolio serviced by Citibank, N.A.’s Commercial Business Group/Commercial Loan Servicing Department was as much as five billion dollars. The Commercial Business Group/Commercial Loan Servicing Department’s current total servicing portfolio, which includes servicing for private investors, CMBS portfolios, and the Commercial Business Group’s Commercial Real Estate Group and Citibank Community Development owned-portfolios exceeds \$12 billion.

Special Servicer

Citibank, N.A., in its capacity as Special Servicer, will be responsible for servicing the Specially Serviced Mortgage Loans and the REO Properties.

Authority of Master Servicer and Special Servicer

The Master Servicer and the Special Servicer will have full power and authority to service the Mortgage Loans and the Specially Serviced Mortgage Loans in accordance with the provisions of our Negotiated Transactions Guide (as modified by the Sale and Servicing Agreement).

Subordinate Directing Holder

Under the Sale and Servicing Agreement, any beneficial owner of at least 51% of the B Class is the “Subordinate Directing Holder.”

Until the principal balance of the B Class is less than or equal to 1% of the Issue Date Pool Balance, the Subordinate Directing Holder (if other than Citibank, N.A. or the Seller) shall be entitled to terminate the rights and obligations of the Special Servicer under the Sale and Servicing Agreement, with cause, upon ten business days’ notice to the Special Servicer, the Master Servicer and Fannie Mae, and to appoint itself or a third party as a successor Special Servicer. On and after the time the Special Servicer resigns or receives a notice of termination, the Subordinate Directing Holder (if other than Citibank, N.A., the Seller or an affiliate of either of them) will have the right (except during a final control period or except if the Special Servicer was terminated because of a Special Servicer event of default and the Subordinate Directing Holder or an affiliate was acting as Special Servicer), to act as, or appoint and direct, a qualified successor Special Servicer. The eligibility requirements for a Special Servicer are set forth in the Negotiated Transactions Guide. If (i) there is no Subordinate Directing Holder or (ii) following the removal of the Special Servicer for any reason, a new Special Servicer is not chosen within 30 days, then we will appoint a qualified Special Servicer. If we do not appoint a Special Servicer within a reasonable amount of time after the resignation or termination of the Special Servicer (and, if applicable, after the 30-day period in clause (ii)), we may assume the role of Special Servicer. If there is no Subordinate Directing Holder, we shall have the rights of the Subordinate Directing Holder.

Advances

General

Subject to the Negotiated Transactions Guide (as modified by the Sale and Servicing Agreement), the Master Servicer is required to make delinquency advances, servicing advances and monthly guaranty fee advances.

Delinquency Advances

The Master Servicer is generally obligated to make delinquency advances with respect to each Mortgage Loan on each Distribution Date in an amount equal to the *excess* of

- the scheduled monthly payment on that Mortgage Loan
over
- the portion of the aggregate remittance received in respect of that Mortgage Loan (net of any portion thereof allocable to pay related unpaid master servicing fees and Fannie Mae guaranty fees and to reimburse related advances).

Servicing Advances

The Master Servicer is also required to cover certain servicing and administrative expenses (servicing advances) with respect to the Mortgage Loans; *provided, however*, that the Master Servicer will not make any particular servicing advance if and to the extent that (i) the Master Servicer determines, in its good faith and reasonable judgment, that such servicing advance, if made, would not be recovered from the related Mortgage Loan and (ii) the failure to make such servicing

advance would not adversely affect the ability to recover the full amount of the related Mortgage Loan; and *provided, further*, that the Master Servicer shall not be required to make any servicing advance that the Master Servicer determines, in its reasonable and good faith judgment, would, if made, be nonrecoverable from collections as described in “—*Recoverability of Advances*” below.

Recoverability of Advances

The Master Servicer is entitled to reimburse itself with payments from the Mortgage Loans for unreimbursed delinquency advances and servicing advances.

Representations and Warranties; Repurchases

In connection with the sale of the Mortgage Loans to us under the Sale and Servicing Agreement, Citibank, N.A., as prior holder of the Mortgage Loans, will make certain generally customary representations and warranties to the Seller, which the Seller will assign to us. In the Trust Agreement, we will assign to the Trust for the benefit of the Certificateholders all of the representations and warranties given with respect to the Mortgage Loans. In addition, the Trustee will have the right to enforce directly against Citibank, N.A. the remedies set forth in the Sale and Servicing Agreement with respect to a breach of the representations and warranties. The representations and warranties in the Sale and Servicing Agreement will continue in effect throughout the term of the Sale and Servicing Agreement. Following the discovery of a breach of any of the representations and warranties that is determined to affect materially and adversely the value of a Mortgage Loan, the Trustee may (but is not obligated to) require Citibank, N.A. to purchase the affected Mortgage Loan from the Lower Tier REMIC at the applicable purchase price.

Amendment

The Sale and Servicing Agreement will not be amended, changed or modified, in whole or in part, and provisions of the Sale and Servicing Agreement will not be waived, except by an instrument in writing signed by us and by any other party to the Sale and Servicing Agreement materially and adversely affected thereby, or their respective successors or assigns, or otherwise as expressly provided therein and subject to the terms of the Trust Agreement, without unanimous Certificateholder consent if the amendment would be a significant change in permitted activities. We will be permitted to obtain, at the sole cost and expense of the Trust, and rely upon an opinion of counsel in making the determination as to: (i) whether the amendment materially and adversely affects a party to the Sale and Servicing Agreement, thereby requiring an instrument signed in writing by us and any other party to the Sale and Servicing Agreement affected thereby; and/or (ii) whether any such amendment would be a significant change in permitted activities, thereby requiring unanimous Certificateholder consent.

DESCRIPTION OF THE MORTGAGE LOANS

General

The Lower Tier REMIC will consist of 103 Mortgage Loans with an aggregate Issue Date Balance of approximately \$202,997,840 as of December 1, 2006 (the “Issue Date Pool Balance”), subject to a permitted variance of plus or minus 5%. The “Issue Date Balance” of each Mortgage Loan is equal to its actual unpaid principal balance as of December 1, 2006, after application of all payments of principal due on or before that date, whether or not received. The Mortgage Loans will be sold by the Seller.

The Seller collected and summarized the information with respect to the Mortgage Loans included in this prospectus supplement and provided it to us. We did not independently verify the information and, therefore, do not warrant its truth or accuracy.

Special Features

Most of the Mortgage Loans have special features that distinguish them from standard multifamily loans. These special features include the type of multifamily mortgaged property securing the Mortgage Loan, the income level of the tenants, or the type of loan that may be secured by the related mortgaged property.

Multifamily Affordable Housing Loans and Low-Income Housing Tax Credit Loans

A “multifamily affordable housing loan” is a multifamily loan secured by mortgaged property encumbered by a regulatory agreement or recorded restriction that limits rents, imposes income restrictions on tenants or places other restrictions on the use of the property. While governmental entities generally impose these restrictions, borrowers sometimes voluntarily record these restrictions in an attempt to preserve multifamily affordable housing in the future. Multifamily affordable housing loans include but are not limited to loans on mortgaged properties that receive the Low-Income Housing Tax Credit (“LIHTC”) under section 42 of the Internal Revenue Code of 1986, as amended from time to time, and the U.S. Treasury regulations promulgated under that code (the “Code”).

Section 42 provides LIHTC for owners of residential rental properties that meet the definition of “qualified low-income housing project” where the owner has received a tax credit allocation from the state or local allocating agency. (LIHTC may also be claimed without an allocation where 50% or more of the aggregate basis in the land and buildings are financed by proceeds of tax-exempt bonds that are subject to the volume cap under section 146 of the Code.) The total amount of tax credits the owner is entitled to receive is based upon the percentage of total units made available to qualified tenants.

For a property to qualify under section 42, the owner of the property securing the loan must make an irrevocable election of one of the following options:

- (i) at least 20% of all units must be rented to tenants with households earning 50% or less of the annual HUD median income for that area (as adjusted for family size), or
- (ii) at least 40% of all units must be rented to tenants with households earning 60% or less of the annual HUD median income for that area (as adjusted for family size).

Median income is determined by the U.S. Department of Housing and Urban Development, or HUD, for each metropolitan area or county in the United States and is adjusted annually.

In addition, section 42 requires that gross rent for each unit not exceed 30% of the restricted income described in clauses (i) or (ii) above as elected by the project owner. The gross rent charged for a unit must take into account an allowance for utilities. If utilities are paid by the tenant, the maximum allowable tax credit rent is reduced according to utility allowances, as provided in Treasury regulations.

Under the tax credit provisions, a property owner must comply with the tenant income restrictions and rental restrictions over a 15-year compliance period. Moreover, section 42(h) (6) of the Code requires agreements governing the property to have an “extended use period” that has the effect of extending the income and rental restrictions for an additional period (typically 15 years).

If a tax credit mortgaged property is acquired through foreclosure or deed-in-lieu of foreclosure, section 42 generally requires the holder of the related mortgage to permit all tenants in low-income units to continue to occupy the units at rental levels in compliance with the restrictions set forth in that section for three years after the acquisition. In addition, certain of the regulatory agreements may survive foreclosure or deed-in-lieu of foreclosure.

If a tax credit mortgaged property does not maintain compliance with the tax credit restrictions on tenant income or rental rates, the owners of the tax credit project may lose the tax credits related to the period of the noncompliance and face the partial recapture of previously taken tax credits. This could lead to an event of default under the mortgage, acceleration of the mortgage loan and the early prepayment of the related certificates.

Many tax credit properties also benefit from other federal, state or local subsidies which may impose additional encumbrances and restrictions that may differ from those required by section 42.

Certain of the Mortgage Loans are multifamily affordable housing loans secured by properties that are not financed with tax credits and do not comply with section 42. These properties usually receive other subsidies from federal, state or local agencies or organizations. However, the properties may have no subsidy but the borrower may decide to forgo charging market rents in an effort to keep the properties affordable. Encumbrances and restrictions on these properties may differ from those required by section 42.

We make no representation as to whether certificates backed by multifamily affordable housing mortgage loans will receive positive consideration in a banking institution's examination under the Community Reinvestment Act of 1977 (the CRA). An investor must make its own determination as to whether a certificate of a particular issue meets the CRA objectives of the investor or meets other objectives relevant to that investor.

The Section 8 Program

Project-based Section 8 rent subsidies are paid by HUD to owners of certain types of low income multifamily housing properties on behalf of eligible tenants. Tenant eligibility is determined based upon family income and size, as well as the median income for the area. The subsidy paid by HUD is based on the difference between the rent charged to the tenant (which rent is established by HUD, as set forth below) and the tenant's ability to pay. The payment of subsidies to a particular project owner is made pursuant to a Housing Assistance Payment contract (a "HAP Contract") between the owner of the project and HUD or between the owner and a local public housing authority ("PHA"), depending on which entity is administering the HAP Contract. Loss of the federal assistance may have an adverse effect on the ability of the borrower to make timely payments on the loan.

Section 8 assistance may be either tenant-based or project-based. Tenant-based assistance involves subsidy payments made to a PHA on behalf of eligible tenants which the PHA pays to the project owner. "Project-Based Assistance" differs from tenant-based assistance in that subsidies not linked to particular tenants are paid to the owner directly from HUD. Generally, housing projects qualified for Project-Based Assistance provide that the tenants therein spend, in general, at least approximately 30% of their gross monthly income on rent and have household income below approximately 80% of the median income level for their geographic area. HUD can set the basic income limits higher or lower than 80%, based on the prevailing level of construction costs or unusually high or low incomes. There are, however, overall restrictions on the number of assisted tenants whose households are not classified as "very low income" households. "Very-low income" for a family of four is defined as 50% of area median income, and the percentage is adjusted for family size.

In some cases, the ability of a project owner to meet its payment obligations under an FHA-insured mortgage loan may be dependent upon its ability to obtain further subsidies to replace the expiring Project Based Assistance. Because the remaining term to maturity of an affected Mortgage Loan may be longer than the remaining term of any related HAP Contract, and because there is no assurance that HUD will extend the term of any particular HAP Contract upon its expiration, it is possible that the expiration of a HAP Contract with respect to a particular Mortgaged Property could result in an unscheduled recovery of principal due to a full or partial FHA-insurance claim or prepayment with respect to the related Mortgage Loan, notwithstanding any prepayment lockout otherwise applicable thereto. See "Yield Considerations" herein.

Moreover, before a technical default occurs, HUD may seek to reduce the financial risk to the FHA Insurance Fund by restructuring the project's debt so that the affordable nature of the housing is preserved and the involuntary displacement of tenants is minimized.

HUD's authority to renew expiring project-based HAP Contracts and to restructure the underlying debt comes from reform legislation enacted as part of the Multifamily Assisted Housing Reform

and Affordability Act (the “1997 Act”). Under the 1997 Act, HUD was authorized to renew expiring HAP Contracts at above-market rents through fiscal year 1998; currently, however, renewals are generally required at rent levels that do not exceed comparable market rents.

The 1997 Act provides for HUD to enter into agreements with “participating administrative entities” such as state housing finance agencies to implement mortgage restructuring and rental assistance sufficiency plans to restructure multifamily mortgages. A variety of restructuring tools are permitted under the 1997 Act, including a full or partial FHA-insurance claim, refinancing of the existing debt through new FHA multifamily mortgage insurance, re-insurance or other types of Federal or State credit enhancement or risk-sharing arrangements.

Historically, there have been differing default and prepayment rate experiences between loans receiving Section 8 rent subsidies and insured under certain sections of the Housing Act and those insured under the same sections but not receiving Section 8 rent subsidies. These default and prepayment rates may or may not be affected by subsequent Congressional legislation which may or may not affect projects whose Project-Based Assistance expires during the term of the FHA-insured mortgage.

Information with respect to expiring HAP Contracts is available through HUD’s Section 8 Renewal Help Desk at (202) 275-9200 or via email at sec—8 expiring—contracts@hud.gov.

Certain Additional Characteristics of the Group 2 Loans

The Index

For an initial period of time, the interest rate for certain of the Group 2 Loans is fixed. After this period, the interest rate varies to respond to changes in the index used to calculate the Mortgage Rate for each Group 2 Loan specified on Exhibit A to this prospectus supplement. The lookback period used in connection with each Mortgage Rate change date (as defined below) is set forth in the related Mortgage Loan documents. In the event that the index is no longer available or is otherwise not published, we will select the alternative index specified in the related mortgage note, or if no alternative index is specified, we will select an alternative published index.

Mortgage Rate Change Dates

The initial fixed-rate period of scheduled payments on each of the Group 2 Loans lasts for the period set forth in the related Mortgage Loan document. After this initial period, the Mortgage Rate is reset on the date set forth in the related Mortgage Loan document (each, a “Mortgage Rate change date”). See the Exhibit A for additional information regarding the next Mortgage Rate change date of each Group 2 Loan under the heading “Next Rate Change Date.”

Calculation of Mortgage Rate

The Mortgage Rate on each Group 2 Loan will be adjusted on each interest rate change date, subject to any caps that may be specified on Exhibit A under the headings “Gross Cap” and “Gross Floor,” to equal (i) the applicable index value plus (ii) a specified percentage amount (the “gross margin”) that the lender set when the loan was originated. Each gross margin is specified on Exhibit A to this prospectus supplement.

Certain Additional Characteristics of the Group 1 and Group 2 Mortgage Loans

Mortgage Rates; Calculations of Interest

The Group 1 Loans bear interest at rates (each, a “Mortgage Rate”) that will remain fixed for their remaining terms, and the Group 2 Loans bear interest at adjustable rates. All the Mortgage Loans accrue interest on the basis of a 360-day year consisting of twelve 30-day months.

Due Dates

Except with respect to Lender Loan Nos. 107002330 and 101000124, all of the Mortgage Loans have Due Dates (that is, the dates upon which the related monthly payments first become due) that occur on the 1st day of each month. The due date with respect to Lender Loan No. 107002330 is the 15th day of each month and the due date with respect to Lender Loan No. 101000124 is the 23rd day of each month.

Amortization

Certain of the Mortgage Loans require a monthly payment in an amount sufficient either (i) to pay all interest accruing on the loan, or (ii) to pay all interest accruing on the loan and to amortize its outstanding principal balance over the period that is set forth in or calculable from the terms of that loan (the “original amortization term”). If the original amortization term for a Mortgage Loan is longer than its original term-to-maturity (indicating that the loan is not fully amortizing), all unpaid principal will be payable as a balloon payment due on the stated maturity date of the loan together with accrued interest. Certain of the Mortgage Loans are fully-amortizing over their remaining terms to stated maturity.

To find the term over which each Mortgage Loan is scheduled to amortize, you should consult the Exhibit A to this prospectus supplement under the heading “Original Amort Term (mos.).”

Level Payments

All the Mortgage Loans provide for level monthly payments except as discussed above and shown on Exhibit A.

“Due-on-Sale” Provisions

In general, the Mortgages Loans contain “due-on-sale” clauses restricting sale or other transfer of the related Mortgaged Property. To the extent a Mortgage Loan is subject to a Regulatory Agreement, any transfer of the related Mortgaged Property is subject to HUD review and approval under the terms of HUD’s Regulatory Agreement with the owner, which is incorporated by reference into the mortgage.

Prepayment Restrictions and Description of Prepayment Premiums

Other than with respect to Lender Loan No. 101000124, which contains a prepayment premium provision that expired prior to the Issue Date, each of the Group 1 Loans and the Group 2 Loans, as identified on Exhibit A to this prospectus supplement under the heading “Loan Prepayment Premium Structure,” provide for the payment of a prepayment premium. As so identified, the Mortgage Loans contain a provision that permits the holder to charge the borrower a premium as more specifically described on Exhibit B to this prospectus supplement if the borrower prepays the related Mortgage Loan. In addition, the Mortgage Loans so identified on Exhibit A to this prospectus supplement have an open period in which the borrower is permitted to prepay the related loan without the payment of an otherwise applicable prepayment premium during one or more intermittent open periods during and/or at the end of the term of the loan. Exhibit A to this prospectus supplement provides, under the heading “Remaining Call Protection Term (Months)”: (a) the number of months for which the related prepayment premium still applies and (b) the number of months for which any open period or periods may apply. With respect to those Mortgage Loans having the Loan designation “LO(0)/Open (360)” under the heading “Loan Prepayment Premium Structure” on Exhibit A to this prospectus supplement, you should also refer to the related “Prepayment Code” as described on Exhibit B. Exhibit A also provides the last month of any applicable lockout provision.

Leasehold Interests

Fourteen Mortgaged Properties, securing Mortgage Loans representing approximately 20.671% of the aggregate Issue Date Pool Balance, are secured by a first mortgage lien on a leasehold interest

under a ground lease on the related Mortgaged Property, but not by any mortgage lien on the corresponding fee interest. In addition, one Mortgaged Property, securing a Mortgage Loan representing approximately 0.444% of the aggregate Issue Date Pool Balance, is secured by a first mortgage lien on both a fee parcel and a leasehold interest in the related Mortgaged Property. Leasehold Mortgage Loans are subject to certain risks not associated with Mortgage Loans secured by a lien on the fee estate of the borrower. The most significant of these risks is that if the related borrower's leasehold was to be terminated upon a lease default, the lender would lose its security in the leasehold interest. In certain instances, the related ground lease requires the lessor to give the lender notice of the borrower's defaults under the ground lease and an opportunity to cure them, permits the leasehold interest to be assigned to the lender or the purchaser at a foreclosure sale, in some cases only upon the consent of the lessor, and contains certain other protective provisions typically included in a "mortgageable" ground lease. Some of the ground leases securing the Mortgaged Properties may provide that the ground rent payable under the related ground lease increases during the term of the Mortgage Loan. These increases may adversely affect the cash flow and net income of the related borrower.

Subordinate Debt

If a borrower (or its constituent members) also has one or more other outstanding loans on the same Mortgaged Property (even if they are subordinated or mezzanine loans), the Mortgage Loan is subjected to additional risk. Certain of the Mortgage Loans have existing subordinated debt that is payable only from residual excess cash flow. Lender Loan No. 108099434 has existing "hard" subordinate debt that may be subject to the terms of an intercreditor agreement. The borrower may have difficulty servicing and repaying multiple loans. The existence of another loan generally will also make it more difficult for the borrower to obtain refinancing of the Mortgage Loan and may thereby jeopardize repayment of the Mortgage Loan. Moreover, the need to service additional debt may reduce the cash flow available to the borrower to operate and maintain the Mortgaged Property.

In this regard, the Mortgage Loans generally prohibit borrowers from incurring any additional debt secured by their mortgaged property without the consent of the lender. No investigations, searches or inquiries to determine the existence or status of any subordinate secured financing with respect to any of the Mortgaged Properties have been made at any time since origination of the related Mortgage Loan. We cannot assure you that any of the borrowers have complied with the restrictions on indebtedness in the related Mortgage Loan documents.

Property Insurance May Not Be Sufficient

All of the Mortgage Loans require the related borrower to maintain property insurance. However, the Mortgaged Properties may suffer casualty losses due to risks that were not covered by insurance or for which insurance coverage is inadequate. For example, certain of the Mortgage Loans may have insurance coverage that specifically excludes coverage for losses due to mold, certain acts of nature, terrorism activities or other comparable conditions or events. In addition, approximately 80.59% of the Mortgaged Properties (by aggregate principal balance), are located in California which has historically been at greater risk regarding acts of nature (such as earthquakes, floods and mud slides) than other states. The Mortgage Loans generally do not expressly require borrowers to maintain insurance coverage for earthquakes or floods and we cannot assure you that borrowers will attempt or be able to obtain adequate insurance against such risks. Moreover, if reconstruction or any major repairs are required, changes in laws may materially affect a borrower's ability to effect any reconstruction or major repairs or may materially increase the costs of the reconstruction or repairs. Certain Mortgage Loans are secured by improvements for which coverage for acts of terrorism have been waived, are not required or are required only if certain conditions (such as availability at reasonable rates or maximum cost limits) are satisfied.

The various forms of insurance maintained with respect to any of the Mortgaged Properties, including casualty insurance, environmental insurance and earthquake insurance, may be provided

under a blanket insurance policy. That blanket insurance policy will also cover other real properties, some of which may not secure Mortgage Loans in the Trust. As a result of total limits under any of those blanket policies, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to a Mortgage Property securing one of the Mortgage Loans in the Trust.

With respect to certain of the Mortgage Loans, the related Mortgage Loan documents generally provide that the borrowers are required to maintain comprehensive all-risk casualty insurance but may not specify the nature of the specific risks required to be covered by such insurance policies. With respect to certain Mortgage Loans in the Trust, borrowers are not required to maintain any terrorism insurance coverage either as part of their “all-risk” policy or under a stand-alone policy.

Even if the Mortgage Loan documents specify that the related borrower must maintain all-risk casualty insurance or other insurance that covers acts of terrorism, the borrower may fail to maintain such insurance and the Master Servicer may not enforce such default or cause the borrower to obtain such insurance if the Master Servicer has determined, based on inquiry consistent with the servicing standards, that either (a) such insurance is not available at any rate or (b) such insurance is not available at commercially reasonable rates and that such hazards are not at the time commonly insured against for properties similar to the related Mortgaged Property and located in or around the region in which the related Mortgaged Property is located. Additionally, if a borrower fails to maintain such insurance, the Master Servicer will not be required to maintain such terrorism insurance coverage if the Master Servicer determines, in accordance with the servicing standards, that such insurance is not available for the reasons set forth in (a) or (b) of the preceding sentence. Furthermore, at the time existing insurance policies are subject to renewal, there is no assurance that terrorism insurance coverage will be available and covered under the new policies or, if covered, whether such coverage will be adequate. Most insurance policies covering real estate properties such as the Mortgaged Properties are subject to renewal on an annual basis. If such coverage is not currently in effect, is not adequate or is ultimately not continued with respect to some of the Mortgaged Properties and one of those properties suffers a casualty loss as a result of a terrorist act, then the resulting casualty loss could result in a Realized Loss. We cannot assure you that all of the Mortgaged Properties will be insured against the risks of terrorism and similar acts.

Additional Mortgage Loan Information

The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Issue Date. The figures in the columns “Aggregate Issue Date Balance” in the tables below are based on the Issue Date Balances of the related Mortgage Assets. The sum of any column in the following tables, or in the table set forth in Exhibit A hereto, may not equal the indicated total due to rounding.

Following the issuance of the Certificates, we will make available in electronic form certain data specific to the Certificates and certain information with respect to the Mortgage Loans, in each case as of the Issue Date, including information set forth on Exhibit A and will make available certain other information relating to the Mortgage Loans and the Mortgaged Properties. To obtain this information in electronic form, call Fannie Mae at 1-800-752-6440 or 202-752-6000.

Issue Date Balances

LOAN GROUP 1 (Fixed)

| <u>Range of Issue Date Balances (\$)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|--|-------------------------------------|---|---|
| 1-1,000,000 | 3 | \$ 2,099,509.40 | 2.12% |
| 1,000,001-2,000,000 | 12 | 19,890,673.58 | 20.05 |
| 2,000,001-3,000,000 | 3 | 7,786,730.42 | 7.85 |
| 3,000,001-4,000,000 | 3 | 11,438,148.89 | 11.53 |
| 4,000,001-5,000,000 | 3 | 13,162,454.72 | 13.27 |
| 5,000,001-6,000,000 | 1 | 5,790,895.84 | 5.84 |
| 6,000,001-7,000,000 | 1 | 6,095,648.47 | 6.14 |
| 8,000,001-9,000,000 | 1 | 8,278,916.21 | 8.34 |
| 11,000,001-12,000,000 | 1 | 11,499,163.22 | 11.59 |
| 13,000,001-14,000,000 | <u>1</u> | <u>13,175,848.07</u> | <u>13.28</u> |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>Range of Issue Date Balances (\$)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 2 Issue Date Balance</u> |
|--|-------------------------------------|---|---|
| 1-1,000,000 | 36 | \$ 18,109,806.35 | 17.45% |
| 1,000,001-2,000,000 | 17 | 24,228,898.91 | 23.35 |
| 2,000,001-3,000,000 | 16 | 38,719,810.41 | 37.31 |
| 3,000,001-4,000,000 | 4 | 14,029,677.24 | 13.52 |
| 8,000,001-9,000,000 | <u>1</u> | <u>8,691,658.72</u> | <u>8.38</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

Mortgage Rates as of the Issue Date

LOAN GROUP 1 (Fixed)

| <u>Range of Mortgage Rates (%)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|------------------------------------|-------------------------------------|---|---|
| 6.000-6.500 | 3 | \$16,991,294.19 | 17.13% |
| 6.501-7.000 | 14 | 31,177,336.43 | 31.42 |
| 7.001-7.500 | 8 | 26,376,715.02 | 26.58 |
| 7.501-8.000 | 3 | 20,020,986.11 | 20.18 |
| 8.001-8.500 | <u>1</u> | <u>4,651,657.07</u> | <u>4.69</u> |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>Range of Mortgage Rates (%)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 2 Issue Date Balance</u> |
|--------------------------------------|-------------------------------------|---|---|
| 5.500-6.000 | 1 | \$ 206,751.04 | 0.20% |
| 6.001-6.500 | 4 | 4,832,419.47 | 4.66 |
| 6.501-7.000 | 21 | 32,899,491.11 | 31.70 |
| 7.001-7.500 | 24 | 41,855,660.06 | 40.33 |
| 7.501-8.000 | 16 | 14,441,680.82 | 13.92 |
| 8.001-8.500 | 7 | 8,891,089.04 | 8.57 |
| Greater than 8.500 | <u>1</u> | <u>652,760.09</u> | <u>0.63</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

Net Coupons as of the Issue Date

LOAN GROUP 1 (Fixed)

| <u>Range of Net Coupons (%)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|-----------------------------------|-------------------------------------|---|---|
| 5.500-6.000 | 2 | \$14,102,071.14 | 14.21% |
| 6.001-6.500 | 6 | 9,344,479.91 | 9.42 |
| 6.501-7.000 | 16 | 49,423,936.86 | 49.81 |
| 7.001-7.500 | 3 | 15,904,948.00 | 16.03 |
| 7.501-8.000 | <u>2</u> | <u>10,442,552.91</u> | <u>10.52</u> |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>Range of Net Coupons (%)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 2 Issue Date Balance</u> |
|-----------------------------------|-------------------------------------|---|---|
| 5.000-5.500 | 1 | \$ 206,751.04 | 0.20% |
| 5.501-6.000 | 1 | 1,643,590.93 | 1.58 |
| 6.001-6.500 | 8 | 11,332,414.93 | 10.92 |
| 6.501-7.000 | 33 | 55,808,104.93 | 53.78 |
| 7.001-7.500 | 18 | 18,344,245.58 | 17.68 |
| 7.501-8.000 | 11 | 13,101,127.97 | 12.62 |
| Greater than 8.000 | <u>2</u> | <u>3,343,616.25</u> | <u>3.22</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

Original Term to Maturity (in months)

LOAN GROUP 1 (Fixed)

| <u>Range of Months</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|---------------------------------|-------------------------------------|---|---|
| Less than or equal to 179 | 5 | \$14,788,938.07 | 14.91% |
| 180-240 | 19 | 57,914,559.70 | 58.37 |
| 241-360 | <u>5</u> | <u>26,514,491.05</u> | <u>26.72</u> |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>Range of Months</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 2 Issue Date Balance</u> |
|---------------------------------|-------------------------------------|---|---|
| Less than or equal to 240 | 4 | 5,016,912.73 | 4.83% |
| 241-360 | 69 | 97,253,263.24 | 93.71 |
| Over 360 | <u>1</u> | <u>1,509,675.66</u> | <u>1.45</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

Remaining Term to Maturity (in months)

LOAN GROUP 1 (Fixed)

| <u>Range of Months</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|---------------------------------|-------------------------------------|---|---|
| Less than or equal to 240 | 24 | \$72,703,497.77 | 73.28% |
| 241-360 | <u>5</u> | <u>26,514,491.05</u> | <u>26.72</u> |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>Range of Months</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 2 Issue Date Balance</u> |
|---------------------------------|-------------------------------------|---|---|
| Less than or equal to 240 | 23 | \$ 19,129,783.21 | 18.43% |
| 241-360 | <u>51</u> | <u>84,650,068.42</u> | <u>81.57</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

Mortgage Loans by State

LOAN GROUP 1 (Fixed)

| <u>State</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|--------------------|-------------------------------------|---|---|
| California | 19 | \$69,180,836.87 | 69.73% |
| Florida | 3 | 14,540,889.46 | 14.66 |
| Maryland | 1 | 928,978.38 | 0.94 |
| Nevada | 3 | 11,433,030.34 | 11.52 |
| South Dakota | 3 | 3,134,253.77 | 3.16 |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>State</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 2 Issue Date Balance</u> |
|------------------|-------------------------------------|---|---|
| California | 67 | \$ 94,422,860.16 | 90.98% |
| Nevada | 6 | 9,150,240.43 | 8.82 |
| New York | <u>1</u> | <u>206,751.04</u> | <u>0.20</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

The following table sets forth the debt service coverage ratios as of the dates set forth under the heading “Year DSCR” on Exhibit A to this prospectus supplement for the 103 Mortgage Loans to the extent they have been reported to us by the Seller. We calculated the debt service coverage ratios by estimating net operating income with respect to each related Mortgaged Property, in most cases from reported information available on the most recent statement of profit and loss (or when such profit and loss statements were not available in connection with newly originated Mortgage Loans, the related HUD underwriting forms or financial statements provided by the borrower), and dividing such estimated net operating income by an estimate of annual debt service obtained by multiplying the monthly payment of principal and interest on the related Mortgage Loan by 12. We did not take into account mortgage loans subordinate to the Mortgage Loans in any calculation of debt service coverage

ratios. We have not made any independent verification of such information and, therefore, do not warrant its truth or accuracy and shall not be responsible therefor.

DSCR's for Mortgage Loans

LOAN GROUP 1 (Fixed)

| <u>Range of DSCRs (%)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Aggregate Loan Group 1 Issue Date Balance</u> |
|--------------------------------------|-------------------------------------|---|---|
| 1.000 to 1.249 | 18 | \$63,362,167.94 | 63.86% |
| 1.250 to 1.499 | 7 | 27,542,391.24 | 27.76 |
| 1.500 to 1.749 | 0 | 0.00 | 0.00 |
| 1.750 to 1.999 | 2 | 3,458,590.80 | 3.49 |
| Greater than or equal to 2.000 | <u>2</u> | <u>4,854,838.84</u> | <u>4.89</u> |
| Total | <u>29</u> | <u>\$99,217,988.82</u> | <u>100.00%</u> |

LOAN GROUP 2 (Adjustable)

| <u>Range of DSCRs (%)</u> | <u>Number of Mortgage Loans</u> | <u>Aggregate Issue Date Balance</u> | <u>Percent of Loan Group 2 Mortgage Asset Issue Date Balance</u> |
|--------------------------------------|-------------------------------------|---|--|
| 1.000 to 1.249 | 23 | \$ 29,803,901.14 | 28.72% |
| 1.250 to 1.499 | 18 | 27,959,110.92 | 26.94 |
| 1.500 to 1.749 | 16 | 23,241,818.37 | 22.40 |
| 1.750 to 1.999 | 7 | 12,747,787.89 | 12.28 |
| Greater than or equal to 2.000 | <u>10</u> | <u>10,027,233.31</u> | <u>9.66</u> |
| Total | <u>74</u> | <u>\$103,779,851.63</u> | <u>100.00%</u> |

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 Multifamily 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 Multifamily 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 Multifamily REMIC Prospectus 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, the Middle Tier REMIC and the Trust as REMICs for federal income tax purposes. Qualification as a REMIC requires ongoing compliance with certain conditions. Our special tax counsel, Arnold & Porter LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, each of the Lower Tier REMIC, the Middle Tier REMIC and the Trust will be treated as a REMIC for federal income tax purposes. The Certificates, other than the R, RM and RL Classes, and the B Class will be designated as “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Middle Tier Regular Interests will be designated as the “regular interests,” and the RM Class will be designated as the “residual interest,” in the Middle Tier REMIC. 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, the Middle Tier REMIC and the Trust will qualify as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R, RM and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

The First Reset Prepayment Assumption will be used in determining the rate of accrual of OID and applied on a loan-by-loan basis. 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 Multifamily REMIC Prospectus. Those dates for the Mortgage Loans are provided on Exhibit A herein. We do not represent the Mortgage Loans will prepay at the rate reflected in the First Reset Prepayment Assumption or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of the Certificates—Weighted Average Lives and Final Distribution Dates” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Effective generally for Residual Certificates first held on or after August 1, 2006, Temporary Regulations issued by the Treasury Department have modified the general rule that the taxable income of the Trust (or the Middle Tier REMIC or Lower Tier REMIC) is not includible in the income of a foreign person (or, if excess inclusions, subject to withholding tax) until paid or distributed. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the Multifamily REMIC Prospectus. Under the Temporary Regulations, the amount of taxable income allocable to a foreign partner in a domestic partnership that is the beneficial owner of a Residual Certificate must be taken into account by the foreign partner on the last day of the partnership’s taxable year, except to the extent that some or all of that amount is required to be taken into account at an earlier time as a result of a distribution to the foreign partner or a disposition of the foreign partner’s indirect interest in the Residual Certificate. Similar rules apply to excess inclusions

allocable to a foreign person that holds an interest in a real estate investment trust, regulated investment company, common trust fund or certain cooperatives.

For purposes of determining the portion of the taxable income of the Trust (or the Middle Tier REMIC or Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used will be 120% of the “federal long-term rate.” The rate will be published on or about November 20, 2006. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the Multifamily REMIC Prospectus.

The Treasury Department has 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. You should consult your own tax advisor regarding the application of the Regulations to the transfer of a Residual Certificate.

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

We will acquire the Mortgage Loans from the Seller in exchange for the Certificates and the B Class pursuant to the Sale and Servicing Agreement. Citigroup Global Markets Inc. (the “Dealer”), which will acquire the Certificates from the Seller, 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.

The Seller will initially retain the B Class.

LEGAL MATTERS

Sidley Austin LLP and, with respect to federal income tax matters, Arnold & Porter LLP will provide legal representation for Fannie Mae. Cleary Gottlieb Steen & Hamilton LLP will provide legal representation for the Dealer.

Exhibit A

The information set forth in this Exhibit A has been collected and summarized by the Seller and Citibank, N.A. and provided to Fannie Mae. Fannie Mae has not independently verified the accuracy of the all of the data. In addition, certain of the information in this Exhibit A was collected by Citibank, N.A. at the time the Mortgage Loans were originated and has not been updated. You must make your own determination as to the usefulness of the data contained in this Exhibit A in making your investment decision.

Group 1 Loans (Fixed Rate)
As of December 1, 2006

| Loan Number | Property City | Property State | Mortgage Type | Loan Balance as of Issue Date | Principal & Interest Payment | Net Coupon | Gross Coupon | First Payment Due Date | Maturity Date | Original Amort Term (mos.) | Remaining Term to Maturity or Balloon (mos.) | Original Loan Term (mos.) | Loan Age (mos.) | Remaining Amort Term (mos.) |
|-------------|----------------|----------------|---------------|-------------------------------|------------------------------|------------|--------------|------------------------|---------------|----------------------------|--|---------------------------|-----------------|-----------------------------|
| 101002005 | SAN FRANCISCO | CA | Fixed Balloon | 4,006,443.19 | 40,573.17 | 6.721075 | 7.05 | 07/01/2004 | 05/01/2019 | 180 | 149 | 179 | 30 | 150 |
| 101002012 | SAN FRANCISCO | CA | Fixed | 1,221,232.34 | 8,219.33 | 6.571075 | 6.90 | 01/01/2005 | 12/01/2034 | 360 | 336 | 360 | 24 | 336 |
| 101002013 | SAN FRANCISCO | CA | Fixed | 3,620,138.21 | 35,211.79 | 6.571075 | 6.90 | 01/01/2005 | 12/01/2019 | 180 | 156 | 180 | 24 | 156 |
| 101002015 | SAN FRANCISCO | CA | Fixed | 13,175,848.07 | 95,229.21 | 7.421075 | 7.75 | 01/01/2006 | 12/01/2035 | 360 | 348 | 360 | 12 | 348 |
| 101002022 | ADELANTO | CA | Fixed Balloon | 1,537,413.34 | 10,458.46 | 6.671075 | 7.00 | 12/01/2004 | 11/01/2022 | 360 | 191 | 216 | 25 | 335 |
| 101002023 | PORTERVILLE | CA | Fixed Balloon | 1,572,269.51 | 10,644.84 | 6.671075 | 7.00 | 05/01/2005 | 04/01/2023 | 360 | 196 | 216 | 20 | 340 |
| 101002030 | LAS VEGAS | NV | Fixed Balloon | 3,892,150.22 | 27,080.05 | 6.971075 | 7.30 | 07/01/2005 | 06/01/2020 | 360 | 162 | 180 | 18 | 342 |
| 101002038 | RICHMOND | CA | Fixed Balloon | 8,278,916.21 | 55,335.84 | 6.591075 | 6.92 | 01/01/2006 | 12/01/2020 | 360 | 168 | 180 | 12 | 348 |
| 101002041 | MURRIETA | CA | Fixed Balloon | 1,956,499.64 | 12,697.52 | 6.301075 | 6.63 | 11/01/2005 | 10/01/2020 | 360 | 166 | 180 | 14 | 346 |
| 101002042 | RICHMOND | CA | Fixed Balloon | 3,925,860.46 | 26,296.86 | 6.581075 | 6.91 | 07/01/2005 | 07/01/2015 | 360 | 103 | 121 | 18 | 342 |
| 101002049 | PARLIER | CA | Fixed Balloon | 2,294,599.45 | 15,720.99 | 6.821075 | 7.15 | 08/01/2005 | 07/01/2023 | 360 | 199 | 216 | 17 | 343 |
| 101002053 | SAN FRANCISCO | CA | Fixed Balloon | 4,504,354.46 | 30,335.07 | 6.821075 | 7.02 | 01/01/2006 | 12/01/2020 | 360 | 168 | 180 | 12 | 348 |
| 101003019 | ST. PETERSBURG | FL | Fixed Balloon | 11,499,163.22 | 72,320.95 | 5.921075 | 6.25 | 04/01/2005 | 03/01/2020 | 360 | 159 | 180 | 21 | 339 |
| 101003029 | FT. PIERCE | FL | Fixed Balloon | 1,987,484.04 | 13,508.14 | 6.821075 | 7.15 | 06/01/2006 | 05/01/2021 | 360 | 173 | 180 | 7 | 353 |
| 101004034 | HARRISBURG | SD | Fixed Balloon | 584,479.49 | 4,214.56 | 6.421075 | 6.75 | 07/01/2004 | 06/01/2021 | 300 | 174 | 204 | 30 | 270 |
| 101004036 | TEA | SD | Fixed Balloon | 586,051.53 | 4,214.56 | 6.421075 | 6.75 | 09/01/2004 | 08/01/2021 | 300 | 176 | 204 | 28 | 272 |
| 101009016 | BETHESDA | MD | Fixed Balloon | 928,978.38 | 7,280.05 | 6.521075 | 6.85 | 02/01/2006 | 01/01/2021 | 240 | 169 | 180 | 11 | 229 |
| 101009079 | HOMESTEAD | FL | Fixed Balloon | 1,054,242.20 | 9,441.61 | 7.421075 | 7.75 | 04/01/1998 | 03/01/2013 | 300 | 75 | 180 | 105 | 195 |
| 101009128 | SAN FRANCISCO | CA | Fixed | 5,790,895.84 | 44,989.77 | 7.521075 | 7.85 | 08/01/2000 | 07/01/2030 | 360 | 283 | 360 | 77 | 283 |
| 101009158 | BREA | CA | Fixed | 1,674,857.73 | 12,802.61 | 7.121075 | 7.45 | 07/01/1999 | 06/01/2029 | 360 | 270 | 360 | 90 | 270 |
| 101009160 | RENO | NV | Fixed | 4,651,657.07 | 37,200.78 | 7.871075 | 8.20 | 08/01/2000 | 07/01/2030 | 360 | 283 | 360 | 77 | 283 |
| 107002330 | SIoux FALLS | SD | Fixed Balloon | 1,963,722.75 | 12,340.21 | 6.421075 | 6.75 | 06/15/2005 | 05/15/2022 | 420 | 186 | 204 | 18 | 402 |
| 107004625 | RICHMOND | CA | Fixed Balloon | 1,854,376.02 | 14,639.58 | 6.591075 | 6.92 | 01/01/2006 | 12/01/2020 | 240 | 168 | 180 | 12 | 228 |
| 107004781 | SAN FRANCISCO | CA | Fixed | 1,782,895.10 | 16,589.00 | 6.581075 | 6.91 | 01/01/2006 | 12/01/2020 | 180 | 168 | 180 | 12 | 168 |
| 107004799 | SAN FRANCISCO | CA | Fixed | 6,095,648.47 | 57,691.99 | 6.871075 | 7.20 | 01/01/2006 | 12/01/2020 | 180 | 168 | 180 | 12 | 168 |
| 108079998 | INGLEWOOD | CA | Fixed Balloon | 1,921,177.46 | 13,398.81 | 6.891075 | 7.22 | 08/01/2004 | 07/01/2019 | 360 | 151 | 180 | 29 | 331 |
| 108198739 | RENO | NV | Fixed Balloon | 2,889,223.05 | 18,962.04 | 6.171075 | 6.50 | 12/01/2003 | 11/01/2013 | 360 | 83 | 120 | 37 | 323 |
| 108307472 | SAN PABLO | CA | Fixed Balloon | 1,364,503.45 | 8,969.36 | 6.371075 | 6.70 | 05/01/2005 | 07/01/2012 | 360 | 67 | 87 | 20 | 340 |
| 108402182 | SAN JOSE | CA | Fixed Balloon | 2,602,907.92 | 16,333.83 | 5.951075 | 6.28 | 09/01/2005 | 08/01/2015 | 360 | 104 | 120 | 16 | 344 |

**Group 1 Loans (Fixed Rate) —Continued
As of December 1, 2006**

| Loan Number | Property City | Property State | Property Type | Year Built | LTV | Year LTV | DSCR | Year DSCR | Occupancy % | Occupancy Year | Tax Credit % | Remaining Call Protection (mos.) | Loan Prepayment Premium Structure | Prepayment Premium Code* |
|-------------|----------------|----------------|---------------|------------|-----|----------|------|-----------|-------------|----------------|--------------|----------------------------------|-------------------------------------|--------------------------|
| 101002005 | SAN FRANCISCO | CA | LIHTC | 1925 | 55% | 2006 | 1.26 | 2005 | 92 | 2006 | 9% | 145 | LO(0)/Greater1%UPBO+YM(175)/Open(4) | A |
| 101002012 | SAN FRANCISCO | CA | LIHTC | 1926 | 60% | 2006 | 1.14 | 2006 | 99 | 2006 | 9% | 332 | LO(0)/Greater1%UPBO+YM(356)/Open(4) | A |
| 101002013 | SAN FRANCISCO | CA | LIHTC | 1926 | 60% | 2006 | 1.14 | 2006 | 99 | 2006 | 9% | 152 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 101002015 | SAN FRANCISCO | CA | LIHTC | NAV | 72% | 2006 | 1.11 | 2006 | 99 | 2006 | 9% | 344 | LO(0)/Greater1%UPBO+YM(356)/Open(4) | A |
| 101002022 | ADELANTO | CA | LIHTC | 2004 | 65% | 2006 | 1.39 | 2006 | 95 | 2006 | 9% | 186 | LO(0)/Greater1%UPBO+YM(211)/Open(5) | A |
| 101002023 | PORTERVILLE | CA | LIHTC | 2004 | 75% | 2006 | 1.47 | 2006 | 95 | 2006 | 9% | 191 | LO(0)/Greater1%UPBO+YM(211)/Open(5) | A |
| 101002030 | LAS VEGAS | NV | LIHTC | 2005 | 83% | 2006 | 1.29 | 2006 | 98 | 2006 | 9% | 158 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 101002038 | RICHMOND | CA | LIHTC | 1970 | 67% | 2006 | 1.19 | 2006 | 92 | 2006 | 9% | 166 | LO(0)/YM(178)/Open(2) | A |
| 101002041 | MURRIETA | CA | LIHTC | 2005 | 85% | 2006 | 1.10 | 2006 | 95 | 2006 | 9% | 162 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 101002042 | RICHMOND | CA | Multifamily | 1977 | 60% | 2006 | 2.13 | 2005 | 93 | 2006 | N/A | 99 | LO(0)/Greater1%UPBO+YM(117)/Open(4) | A |
| 101002049 | PARLIER | CA | LIHTC | 2005 | 60% | 2006 | 1.48 | 2006 | 91 | 2006 | 9% | 194 | LO(0)/Greater1%UPBO+YM(211)/Open(5) | A |
| 101002053 | SAN FRANCISCO | CA | LIHTC | 1983 | 68% | 2006 | 1.13 | 2006 | 97 | 2006 | 9% | 164 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 101003019 | ST. PETERSBURG | FL | LIHTC | 2004 | 83% | 2006 | 1.42 | 2006 | 95 | 2006 | 9% | 155 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | B |
| 101003029 | FT. PIERCE | FL | LIHTC | 2004 | 53% | 2006 | 1.15 | 2004 | 95 | 2004 | 9% | 169 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | B |
| 101004034 | HARRISBURG | SD | LIHTC | 2003 | 62% | 2006 | 1.10 | 2006 | 87 | 2006 | 9% | 173 | LO(0)/5%(60)/3%(60)/1%(83)/Open(1) | I |
| 101004036 | TEA | SD | LIHTC | 2004 | 62% | 2006 | 1.10 | 2006 | 92 | 2006 | 9% | 175 | LO(0)/5%(60)/3%(60)/1%(83)/Open(1) | I |
| 101009016 | BETHESDA | MD | Multifamily | 1998 | 18% | 2006 | 2.80 | 2006 | 92 | 2006 | N/A | 165 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 101009079 | HOMESTEAD | FL | LIHTC | 1996 | 29% | 2006 | 1.10 | 2004 | 97 | 2005 | 9% | 73 | LO(0)/Greater1%UPBO+YM(178)/Open(2) | D |
| 101009128 | SAN FRANCISCO | CA | LIHTC | 1993 | 65% | 2006 | 1.23 | 2005 | 97 | 2005 | 9% | 279 | LO(0)/Greater1%UPBO+YM(356)/Open(4) | A |
| 101009158 | BREA | CA | LIHTC | 1924 | 73% | 2006 | 1.44 | 2005 | 98 | 2005 | 9% | 266 | LO(0)/Greater1%UPBO+YM(356)/Open(4) | A |
| 101009160 | RENO | NV | LIHTC | 1994 | 67% | 2006 | 1.13 | 2006 | 92 | 2006 | 9% | 279 | LO(0)/Greater1%UPBO+YM(356)/Open(4) | A |
| 107002330 | SIOUX FALLS | SD | LIHTC | 2005 | 89% | 2006 | 1.10 | 2006 | 85 | 2006 | 9% | 182 | LO(0)/Greater1%UPBO+YM(200)/Open(4) | A |
| 107004625 | RICHMOND | CA | LIHTC | 1973 | 67% | 2006 | 1.19 | 2006 | 92 | 2006 | 9% | 166 | LO(0)/Greater1%UPBO+YM(178)/Open(2) | A |
| 107004781 | SAN FRANCISCO | CA | LIHTC | 1983 | 68% | 2006 | 1.13 | 2006 | 97 | 2006 | 9% | 164 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 107004799 | SAN FRANCISCO | CA | LIHTC | NAV | 72% | 2006 | 1.11 | 2006 | 99 | 2006 | 9% | 164 | LO(0)/Greater1%UPBO+YM(176)/Open(4) | A |
| 108079998 | INGLEWOOD | CA | LIHTC | 2004 | 64% | 2006 | 1.34 | 2005 | 98 | 2005 | 9% | 144 | LO(0)/Greater1%UPBO+YM(173)/Open(7) | C |
| 108199739 | RENO | NV | LIHTC | 1996 | 79% | 2006 | 1.17 | 2005 | 93 | 2005 | 9% | 78 | LO(0)/Greater1%UPBO+YM(115)/Open(5) | C |
| 108307472 | SAN PABLO | CA | LIHTC | 1997 | 85% | 2006 | 1.14 | 2006 | 95 | 2006 | 9% | 60 | LO(0)/Greater1%UPBO+YM(80)/Open(7) | C |
| 108402182 | SAN JOSE | CA | LIHTC | 1996 | 45% | 2006 | 1.25 | 2006 | 93 | 2006 | 9% | 100 | LO(0)/Greater1%UPBO+YM(116)/Open(4) | A |

* See **Exhibit B** for a description of the Prepayment Premium Codes.

Group 2 Loans (Adjustable Rate)
As of December 1, 2006

| Loan Number | Property City | Property State | Loan Balance as of Issue Date | Principal & Interest Payment as of Issue Date | Net Coupon | Gross Coupon | First Payment Due Date | Maturity Date | Original Amort Term (mos.) | Remaining Term to Maturity or Balloon (mos.) | Original Loan Term (mos.) | Loan Age (mos.) | Remaining Amort Term (mos.) | Months to Next Rate Change | Rate Reset Frequency (mos.) | Payment Reset Frequency (mos.) | Next Rate Change Date | Index |
|-------------|-----------------|----------------|-------------------------------|---|------------|--------------|------------------------|---------------|----------------------------|--|---------------------------|-----------------|-----------------------------|----------------------------|-----------------------------|--------------------------------|-----------------------|-----------|
| 101000124 | BROOKLYN | NY | 206,751.04 | 2,146.50 | 5.231075 | 5.560000 | 08/23/1992 | 07/23/2017 | 300 | 128 | 300 | 172 | 128 | 8 | 36 | 36 | 7/23/2007 | 3 Yr TCM |
| 101000918 | SANTA MONICA | CA | 308,773.25 | 2,835.13 | 6.591075 | 6.920000 | 05/01/1991 | 04/01/2021 | 360 | 172 | 360 | 188 | 172 | 52 | 60 | 60 | 4/1/2011 | 5 Yr TCM |
| 101000921 | LOS ANGELES | CA | 2,457,074.35 | 23,380.19 | 7.021075 | 7.350000 | 02/01/1991 | 01/01/2021 | 360 | 169 | 360 | 191 | 169 | 49 | 120 | 120 | 1/1/2011 | 10 Yr TCM |
| 101009037 | WEST HOLLYWOOD | CA | 575,854.66 | 4,599.60 | 6.511075 | 6.840000 | 05/01/1995 | 04/01/2025 | 360 | 220 | 360 | 140 | 220 | 100 | 120 | 120 | 4/1/2015 | 10 Yr TCM |
| 101009032 | LOS ANGELES | CA | 665,461.14 | 5,750.57 | 7.721075 | 8.050000 | 08/01/1995 | 07/01/2025 | 360 | 223 | 360 | 137 | 223 | 43 | 180 | 180 | 7/1/2010 | 10 Yr TCM |
| 101009033 | OJAI | CA | 496,970.77 | 4,019.81 | 6.131075 | 6.460000 | 01/01/1994 | 12/01/2023 | 360 | 204 | 360 | 156 | 204 | 84 | 120 | 120 | 12/1/2013 | 10 Yr TCM |
| 101009034 | WATSONVILLE | CA | 386,648.19 | 3,024.96 | 6.131075 | 6.460000 | 02/01/1995 | 01/01/2025 | 360 | 217 | 360 | 143 | 217 | 97 | 120 | 120 | 1/1/2015 | 10 Yr TCM |
| 101009035 | LOS ANGELES | CA | 677,175.44 | 5,452.76 | 6.991075 | 7.320000 | 06/01/1996 | 05/01/2026 | 360 | 233 | 360 | 127 | 233 | 113 | 120 | 120 | 5/1/2016 | 10 Yr TCM |
| 101009045 | TORRANCE | CA | 1,119,250.22 | 10,549.86 | 6.801075 | 7.130000 | 01/01/1991 | 12/01/2020 | 360 | 168 | 360 | 192 | 168 | 48 | 120 | 120 | 12/1/2010 | 10 Yr TCM |
| 101009049 | SAN DIEGO | CA | 652,760.09 | 6,444.51 | 9.501075 | 9.830000 | 02/01/1995 | 01/01/2025 | 360 | 217 | 360 | 143 | 217 | 37 | 180 | 180 | 1/1/2010 | 10 Yr TCM |
| 101009070 | LOS ANGELES | CA | 628,773.15 | 5,150.88 | 7.611075 | 7.940000 | 11/01/1997 | 10/01/2027 | 360 | 250 | 360 | 110 | 250 | 10 | 120 | 120 | 10/1/2007 | 10 Yr TCM |
| 101009083 | SAN PABLO | CA | 434,647.79 | 3,662.42 | 7.921075 | 8.250000 | 08/01/1997 | 07/01/2027 | 360 | 247 | 360 | 113 | 247 | 7 | 120 | 120 | 7/1/2007 | 10 Yr TCM |
| 101009084 | SAN JOSE | CA | 900,749.30 | 6,988.93 | 6.631075 | 6.960000 | 11/01/1996 | 10/01/2026 | 360 | 238 | 360 | 122 | 238 | 118 | 120 | 120 | 10/1/2016 | 10 Yr TCM |
| 101009085 | GILROY | CA | 2,690,856.16 | 22,706.94 | 8.001075 | 8.330000 | 11/01/1997 | 10/01/2027 | 360 | 250 | 360 | 110 | 250 | 70 | 180 | 180 | 10/1/2012 | 10 Yr TCM |
| 101009094 | LOS ANGELES | CA | 2,080,649.69 | 16,300.01 | 6.731075 | 7.060000 | 11/01/1996 | 10/01/2026 | 360 | 237 | 360 | 123 | 237 | 117 | 120 | 120 | 9/1/2016 | 10 Yr TCM |
| 101009095 | HOLLYWOOD | CA | 451,094.63 | 3,597.83 | 6.491075 | 6.820000 | 05/01/1995 | 04/01/2025 | 360 | 220 | 360 | 140 | 220 | 100 | 120 | 120 | 4/1/2015 | 10 Yr TCM |
| 101009100 | SAN JOSE | CA | 2,327,498.31 | 18,439.62 | 7.621075 | 7.950000 | 11/01/1999 | 10/01/2029 | 360 | 274 | 360 | 86 | 274 | 34 | 120 | 120 | 10/1/2009 | 10 Yr TCM |
| 101009103 | SAN JOSE | CA | 3,398,585.08 | 25,588.48 | 6.791075 | 7.120000 | 11/01/1998 | 10/01/2028 | 360 | 262 | 360 | 98 | 262 | 82 | 180 | 180 | 10/1/2013 | 10 Yr TCM |
| 101009118 | SAN JOSE | CA | 2,963,233.05 | 23,703.93 | 7.771075 | 8.100000 | 01/01/2000 | 12/01/2029 | 360 | 276 | 360 | 84 | 276 | 96 | 180 | 180 | 12/1/2014 | 10 Yr TCM |
| 101009124 | SANTA MONICA | CA | 276,747.10 | 4,917.82 | 7.761075 | 8.090000 | 12/01/1987 | 11/01/2012 | 300 | 71 | 300 | 229 | 71 | 71 | 120 | 120 | 11/1/2012 | 10 Yr TCM |
| 101009127 | HAYWARD | CA | 1,457,521.64 | 12,647.64 | 7.521075 | 7.850000 | 12/01/1999 | 11/01/2018 | 300 | 143 | 228 | 85 | 215 | 95 | 180 | 180 | 11/1/2014 | 10 Yr TCM |
| 101009131 | TORRANCE | CA | 2,542,289.65 | 24,236.18 | 6.801075 | 7.130000 | 02/01/2001 | 12/01/2020 | 239 | 168 | 239 | 71 | 168 | 48 | 120 | 120 | 12/1/2010 | 10 Yr TCM |
| 101009136 | SANTA MONICA | CA | 350,468.14 | 6,227.86 | 7.761075 | 8.090000 | 12/01/1987 | 11/01/2012 | 300 | 71 | 300 | 229 | 71 | 71 | 120 | 120 | 11/1/2012 | 10 Yr TCM |
| 101009137 | SANTA MONICA | CA | 763,586.95 | 6,148.57 | 6.991075 | 7.320000 | 06/01/1996 | 05/01/2026 | 360 | 233 | 360 | 127 | 233 | 113 | 120 | 120 | 5/1/2016 | 10 Yr TCM |
| 101009144 | HOLLYWOOD | CA | 356,214.27 | 2,868.32 | 6.991075 | 7.320000 | 06/01/1996 | 05/01/2026 | 360 | 233 | 360 | 127 | 233 | 113 | 120 | 120 | 5/1/2016 | 10 Yr TCM |
| 101009145 | REDWOOD CITY | CA | 2,578,462.28 | 19,754.11 | 6.941075 | 7.270000 | 08/01/1998 | 07/01/2028 | 360 | 259 | 360 | 101 | 259 | 79 | 180 | 180 | 7/1/2013 | 10 Yr TCM |
| 101009151 | FAIRFIELD | CA | 1,544,094.58 | 11,481.91 | 6.821075 | 7.150000 | 09/01/1999 | 08/01/2029 | 360 | 272 | 360 | 88 | 272 | 92 | 180 | 180 | 8/1/2014 | 10 Yr TCM |
| 101009159 | PETALUMA | CA | 389,240.75 | 3,958.34 | 7.021075 | 7.350000 | 08/01/1999 | 07/01/2019 | 240 | 151 | 240 | 89 | 151 | 91 | 180 | 180 | 7/1/2014 | 5 Yr TCM |
| 108068216 | MARYSVILLE | CA | 1,509,675.66 | 11,973.52 | 7.741075 | 8.070000 | 09/01/2000 | 09/01/2030 | 360 | 285 | 361 | 76 | 284 | 105 | 180 | 180 | 9/1/2015 | 10 Yr TCM |
| 108065419 | SANTA PAULA | CA | 495,501.72 | 3,773.22 | 7.341075 | 7.670000 | 12/01/2000 | 11/01/2030 | 360 | 287 | 360 | 73 | 287 | 47 | 120 | 120 | 11/1/2010 | 10 Yr TCM |
| 108068439 | NORTH LAS VEGAS | NV | 547,302.24 | 4,070.95 | 7.281075 | 7.610000 | 05/01/2002 | 04/01/2032 | 360 | 304 | 360 | 56 | 304 | 124 | 180 | 180 | 4/1/2017 | 10 Yr TCM |
| 108068361 | CASTROVILLE | CA | 1,676,218.23 | 12,950.95 | 7.671075 | 8.000000 | 12/01/2001 | 11/01/2031 | 360 | 299 | 360 | 61 | 299 | 119 | 180 | 180 | 11/1/2016 | 10 Yr TCM |
| 108068379 | CASTROVILLE | CA | 810,883.76 | 6,310.38 | 7.671075 | 8.000000 | 07/01/2001 | 06/01/2031 | 360 | 294 | 360 | 66 | 294 | 114 | 180 | 180 | 6/1/2016 | 10 Yr TCM |
| 108072191 | RIDGECREST | CA | 627,860.69 | 5,751.94 | 7.171075 | 7.500000 | 05/01/2002 | 04/01/2022 | 240 | 184 | 240 | 56 | 184 | 124 | 180 | 180 | 4/1/2017 | 10 Yr TCM |
| 108073397 | LAS VEGAS | NV | 2,679,690.32 | 20,686.76 | 7.421075 | 7.750000 | 10/01/2000 | 09/01/2030 | 360 | 285 | 360 | 75 | 285 | 45 | 120 | 120 | 9/1/2010 | 10 Yr TCM |
| 108073470 | SAN DIEGO | CA | 349,559.51 | 2,689.81 | 7.431075 | 7.760000 | 01/01/2001 | 12/01/2030 | 360 | 288 | 360 | 72 | 288 | 48 | 120 | 120 | 12/1/2010 | 10 Yr TCM |
| 108073892 | TRUCKEE | CA | 3,157,278.66 | 22,287.63 | 6.671075 | 7.000000 | 02/01/2002 | 01/01/2032 | 360 | 301 | 360 | 59 | 301 | 121 | 180 | 180 | 1/1/2017 | 10 Yr TCM |
| 108074189 | OAKLEY | CA | 2,244,511.82 | 16,494.47 | 7.171075 | 7.500000 | 06/01/2002 | 05/01/2032 | 360 | 305 | 360 | 55 | 305 | 65 | 120 | 120 | 5/1/2012 | 10 Yr TCM |
| 108074551 | SANTA MONICA | CA | 487,471.39 | 3,721.42 | 7.421075 | 7.750000 | 06/01/2001 | 05/01/2031 | 360 | 293 | 360 | 67 | 293 | 53 | 120 | 120 | 5/1/2011 | 10 Yr TCM |

| Loan Number | Property City | Property State | Loan Balance as of Issue Date | Principal & Interest Payment as of Issue Date | Net Coupon | Gross Coupon | First Payment Due Date | Maturity Date | Original Amort Term (mos.) | Remaining Term to Maturity or Balloon (mos.) | Original Loan Term (mos.) | Loan Age (mos.) | Remaining Amort Term (mos.) | Months to Next Rate Change | Rate Reset Frequency (mos.) | Payment Reset Frequency (mos.) | Next Rate Change Date | Index |
|-------------|----------------|----------------|-------------------------------|---|------------|--------------|------------------------|---------------|----------------------------|--|---------------------------|-----------------|-----------------------------|----------------------------|-----------------------------|--------------------------------|-----------------------|-----------|
| 108075558 | WINNEMUCCA | NV | 712,389.69 | 5,314.03 | 7.171075 | 7.500000 | 05/01/2001 | 04/01/2031 | 360 | 292 | 360 | 68 | 292 | 52 | 120 | 120 | 4/1/2011 | 10 Yr TCM |
| 108075574 | SANTA MONICA | CA | 363,164.87 | 2,740.10 | 7.421075 | 7.750000 | 02/01/2002 | 01/01/2032 | 360 | 301 | 360 | 59 | 301 | 61 | 120 | 120 | 1/1/2012 | 10 Yr TCM |
| 108075590 | SANTA MONICA | CA | 284,234.86 | 2,144.57 | 7.421075 | 7.750000 | 02/01/2002 | 01/01/2032 | 360 | 301 | 360 | 59 | 301 | 61 | 120 | 120 | 1/1/2012 | 10 Yr TCM |
| 108075830 | BERKELEY | CA | 545,989.54 | 4,709.12 | 7.171075 | 7.500000 | 09/01/2003 | 08/01/2033 | 360 | 320 | 360 | 40 | 320 | 140 | 180 | 180 | 8/1/2018 | 10 Yr TCM |
| 108076135 | CANOGA PARK | CA | 3,826,393.01 | 27,968.58 | 7.171075 | 7.500000 | 11/01/2002 | 11/01/2032 | 360 | 310 | 360 | 50 | 310 | 130 | 180 | 180 | 10/1/2017 | 10 Yr TCM |
| 108077422 | RED BLUFF | CA | 1,319,272.19 | 9,850.67 | 7.421075 | 7.750000 | 12/01/2002 | 11/01/2032 | 360 | 311 | 360 | 49 | 311 | 71 | 120 | 120 | 11/1/2017 | 10 Yr TCM |
| 108077588 | SAN DIEGO | CA | 380,178.83 | 3,172.38 | 7.421075 | 7.750000 | 04/01/2001 | 03/01/2026 | 300 | 231 | 300 | 69 | 231 | 51 | 120 | 120 | 3/1/2011 | 10 Yr TCM |
| 108078552 | LOMPOC | CA | 309,832.24 | 2,364.16 | 7.421075 | 7.750000 | 04/01/2001 | 03/01/2031 | 360 | 291 | 360 | 69 | 291 | 51 | 120 | 120 | 3/1/2011 | 10 Yr TCM |
| 108082257 | SANTA MONICA | CA | 324,577.56 | 2,448.96 | 7.421075 | 7.750000 | 02/01/2002 | 01/01/2032 | 360 | 301 | 360 | 59 | 301 | 61 | 120 | 120 | 1/1/2012 | 10 Yr TCM |
| 108085201 | ANAHEIM | CA | 2,309,241.22 | 15,726.22 | 6.521075 | 6.850000 | 09/01/2003 | 08/01/2033 | 360 | 320 | 360 | 40 | 320 | 140 | 180 | 180 | 8/1/2018 | 10 Yr TCM |
| 108085672 | SANTA CRUZ | CA | 371,829.41 | 2,608.82 | 6.901075 | 7.230000 | 12/01/2003 | 11/01/2033 | 360 | 323 | 360 | 37 | 323 | 83 | 120 | 120 | 11/1/2013 | 10 Yr TCM |
| 108086506 | SACRAMENTO | CA | 2,069,946.99 | 14,112.15 | 6.521075 | 6.850000 | 08/01/2003 | 07/01/2033 | 360 | 319 | 360 | 41 | 319 | 139 | 180 | 180 | 7/1/2018 | 10 Yr TCM |
| 108086985 | LAS VEGAS | NV | 590,110.92 | 3,997.08 | 6.521075 | 6.850000 | 02/01/2004 | 01/01/2034 | 360 | 325 | 360 | 35 | 325 | 145 | 180 | 180 | 1/1/2019 | 10 Yr TCM |
| 108087223 | LOS ANGELES | CA | 1,006,457.42 | 7,578.52 | 6.271075 | 6.600000 | 12/01/2002 | 11/01/2026 | 288 | 239 | 288 | 49 | 239 | 71 | 120 | 120 | 11/1/2012 | 10 Yr TCM |
| 108087488 | ANTIOCH | CA | 2,305,209.58 | 15,235.37 | 6.171075 | 6.500000 | 06/01/2003 | 05/01/2033 | 360 | 317 | 360 | 43 | 317 | 77 | 120 | 120 | 5/1/2013 | 10 Yr TCM |
| 108088759 | SAN JOSE | CA | 1,454,157.10 | 9,828.89 | 6.521075 | 6.850000 | 04/01/2004 | 03/01/2034 | 360 | 327 | 360 | 33 | 327 | 147 | 180 | 180 | 3/1/2019 | 10 Yr TCM |
| 108088809 | SAN DIEGO | CA | 433,463.89 | 3,000.51 | 6.571075 | 7.000000 | 07/01/2003 | 06/01/2033 | 360 | 318 | 360 | 42 | 318 | 138 | 180 | 180 | 6/1/2018 | 10 Yr TCM |
| 108088924 | DANVILLE | CA | 1,443,275.63 | 9,828.89 | 6.521075 | 6.850000 | 09/01/2003 | 08/01/2033 | 360 | 320 | 360 | 40 | 320 | 140 | 180 | 180 | 8/1/2018 | 10 Yr TCM |
| 108089435 | SAN DIEGO | CA | 2,174,484.24 | 14,969.31 | 6.571075 | 7.000000 | 12/01/2003 | 11/01/2033 | 360 | 323 | 360 | 37 | 323 | 143 | 180 | 180 | 11/1/2018 | 10 Yr TCM |
| 108097586 | FRESNO | CA | 1,455,399.60 | 9,979.54 | 6.571075 | 7.000000 | 04/01/2004 | 03/01/2034 | 360 | 327 | 360 | 33 | 327 | 147 | 180 | 180 | 3/1/2019 | 10 Yr TCM |
| 108098527 | OAKLAND | CA | 1,412,197.62 | 9,719.70 | 6.721075 | 7.050000 | 05/01/2004 | 04/01/2034 | 360 | 328 | 360 | 32 | 328 | 148 | 180 | 180 | 4/1/2019 | 10 Yr TCM |
| 108099012 | CORONA | CA | 1,225,097.70 | 8,783.87 | 6.921075 | 7.250000 | 08/01/2002 | 07/01/2032 | 360 | 307 | 360 | 53 | 307 | 67 | 120 | 120 | 7/1/2012 | 10 Yr TCM |
| 108098368 | ELK GROVE | CA | 8,691,658.72 | 59,870.87 | 6.781075 | 7.110000 | 10/01/2004 | 09/01/2034 | 360 | 333 | 360 | 27 | 333 | 153 | 180 | 180 | 9/1/2019 | 10 Yr TCM |
| 108098376 | LOS ANGELES | CA | 1,096,782.23 | 7,395.42 | 6.721075 | 7.050000 | 03/01/2006 | 02/01/2036 | 360 | 350 | 360 | 10 | 350 | 170 | 180 | 180 | 2/1/2021 | 10 Yr TCM |
| 108099434 | SANTA CRUZ | CA | 510,423.57 | 3,492.84 | 6.571075 | 7.000000 | 06/01/2004 | 05/01/2034 | 360 | 329 | 360 | 31 | 329 | 149 | 180 | 180 | 5/1/2019 | 10 Yr TCM |
| 108099558 | SAN JOSE | CA | 1,202,016.13 | 8,058.59 | 6.521075 | 6.850000 | 12/01/2004 | 11/01/2034 | 360 | 335 | 360 | 25 | 335 | 155 | 180 | 180 | 11/1/2019 | 10 Yr TCM |
| 108099715 | EAST PALO ALTO | CA | 2,065,287.08 | 13,603.01 | 6.401075 | 6.730000 | 06/01/2005 | 05/01/2035 | 360 | 341 | 360 | 19 | 341 | 161 | 180 | 180 | 5/1/2020 | 10 Yr TCM |
| 108099723 | CERES | CA | 868,689.57 | 6,041.22 | 6.871075 | 7.200000 | 09/01/2004 | 08/01/2034 | 360 | 332 | 360 | 28 | 332 | 152 | 180 | 180 | 8/1/2019 | 10 Yr TCM |
| 108101271 | SANTA ROSA | CA | 2,523,304.07 | 16,786.43 | 6.521075 | 6.850000 | 08/01/2005 | 07/01/2035 | 360 | 343 | 360 | 17 | 343 | 163 | 180 | 180 | 7/1/2020 | 10 Yr TCM |
| 108101297 | LOS ANGELES | CA | 574,420.43 | 4,072.73 | 6.871075 | 7.200000 | 02/01/2003 | 01/01/2033 | 360 | 313 | 360 | 47 | 313 | 73 | 120 | 120 | 1/1/2013 | 10 Yr TCM |
| 108101735 | SAN DIEGO | CA | 3,647,420.49 | 24,477.28 | 6.571075 | 6.900000 | 04/01/2005 | 03/01/2035 | 360 | 339 | 360 | 21 | 339 | 159 | 180 | 180 | 3/1/2020 | 10 Yr TCM |
| 108104697 | SAN JOSE | CA | 1,643,590.93 | 10,549.00 | 5.881075 | 6.210000 | 07/01/2003 | 06/01/2033 | 360 | 318 | 360 | 42 | 318 | 174 | 216 | 216 | 6/1/2021 | 10 Yr TCM |
| 108104702 | HENDERSON | NV | 1,912,675.66 | 12,522.84 | 6.321075 | 6.650000 | 04/01/2005 | 03/01/2035 | 360 | 339 | 360 | 21 | 339 | 159 | 180 | 180 | 3/1/2020 | 10 Yr TCM |
| 108104713 | LAS VEGAS | NV | 2,708,071.60 | 17,766.38 | 6.321075 | 6.650000 | 02/01/2005 | 01/01/2035 | 360 | 337 | 360 | 23 | 337 | 157 | 180 | 180 | 1/1/2020 | 10 Yr TCM |
| 109041716 | PETALUMA | CA | 1,751,216.37 | 12,564.30 | 6.871075 | 7.200000 | 08/01/2002 | 07/01/2032 | 360 | 307 | 360 | 53 | 307 | 127 | 180 | 180 | 7/1/2017 | 10 Yr TCM |

Group 2 Loans (Adjustable Rate)—Continued
As of December 1, 2006

| Loan Number | Property City | Property State | Property Type | Year Built | Gross Margin | Gross Cap | | Gross Floor | LTV | | Year DSCR | Occupancy % | Occupancy Year | Tax Credit % | Remaining Call Protection Term (Mos) | | Loan Prepayment Premium Structure | | Prepayment Premium Code* |
|-------------|-----------------|----------------|---------------|------------|--------------|-----------|-----------|-------------|------|------|-----------|-------------|----------------|--------------|--------------------------------------|--------------------------|--|---|--------------------------|
| | | | | | | Gross Cap | Gross Cap | | LTV | LTV | | | | | Protection Term (Mos) | Protection Term (Mos) | Loan Prepayment Premium Structure | Loan Prepayment Premium Structure | |
| 101009124 | BROOKLYN | NY | Multifamily | 1929 | 2,400000 | N/A | 2,400000 | 27% | 2006 | 2.10 | 2006 | 97 | 2006 | N/A | 0 | 0 | LO(0)/3%(12)/2%(12)/1%(12)/Open(264) | LO(0)/Open(360) | Expired |
| 101009018 | SANTA MONICA | CA | Multifamily | 1944 | 2,250000 | N/A | 2,250000 | 20% | 2006 | 1.43 | 2006 | 95 | 2006 | N/A | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009027 | LOS ANGELES | CA | Multifamily | 1989 | 2,250000 | N/A | 2,250000 | 48% | 2006 | 1.33 | 2005 | 91 | 2006 | N/A | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009031 | WEST HOLLYWOOD | CA | LIHTC | 1992 | 2,250000 | N/A | 2,250000 | 44% | 2006 | 2.35 | 2005 | 98 | 2006 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009032 | LOS ANGELES | CA | Multifamily | 1994 | 2,250000 | N/A | 2,250000 | 54% | 2006 | 2.30 | 2006 | 97 | 2006 | N/A | open 43/176 | open 43/176 | LO(0)/Open(180)/YM(176)/Open(4) | LO(0)/Open(180)/YM(176)/Open(4) | F |
| 101009033 | OJAI | CA | LIHTC | 1992 | 2,250000 | N/A | 2,250000 | 49% | 2006 | 1.50 | 1992 | 97 | 1992 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009034 | WATSONVILLE | CA | Multifamily | 1992 | 2,250000 | N/A | 2,250000 | 41% | 2006 | 1.10 | 1993 | 95 | 1993 | N/A | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009035 | LOS ANGELES | CA | LIHTC | 1994 | 2,250000 | N/A | 2,250000 | 43% | 2006 | 1.63 | 2005 | 99 | 2006 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009045 | TORRANCE | CA | Multifamily | 1987 | 2,100000 | N/A | 2,100000 | 50% | 2006 | 1.18 | 2005 | 95 | 2005 | N/A | 44/open 4/116 | 44/open 4/116 | LO(0)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | LO(0)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | A |
| 101009049 | SAN DIEGO | CA | LIHTC | 1994 | 2,250000 | N/A | 2,250000 | 24% | 2006 | 1.39 | 1999 | 95 | 1999 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009070 | LOS ANGELES | CA | LIHTC | 1996 | 2,250000 | N/A | 2,250000 | 44% | 2006 | 2.01 | 2006 | 97 | 2006 | 9% | open 10/116/open 4/116 | open 10/116/open 4/116 | LO(0)/Open(120)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | LO(0)/Open(120)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | G |
| 101009083 | SAN PABLO | CA | LIHTC | 1996 | 2,250000 | N/A | 2,250000 | 67% | 2006 | 1.19 | 2006 | 95 | 2006 | 9% | open 7/116/open 4/116 | open 7/116/open 4/116 | LO(0)/Open(120)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | LO(0)/Open(120)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | G |
| 101009084 | SAN JOSE | CA | Multifamily | 1989 | 2,250000 | N/A | 2,250000 | 34% | 2006 | 2.09 | 2004 | 97 | 2005 | N/A | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009085 | GILROY | CA | LIHTC | 1997 | 2,250000 | N/A | 2,250000 | 66% | 2006 | 1.94 | 2004 | 98 | 2005 | 9% | open 70/176 | open 70/176 | LO(0)/Open(180)/Greater1%UPBOR-YM(176)/Open(4) | LO(0)/Open(180)/Greater1%UPBOR-YM(176)/Open(4) | G |
| 101009094 | LOS ANGELES | CA | LIHTC | 1994 | 2,250000 | N/A | 2,250000 | 57% | 2006 | 1.31 | 2005 | 97 | 2005 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009095 | HOLLYWOOD | CA | LIHTC | 1994 | 2,250000 | N/A | 2,250000 | 52% | 2006 | 1.59 | 2003 | 97 | 2003 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009100 | SAN JOSE | CA | LIHTC | 1998 | 2,250000 | N/A | 2,250000 | 65% | 2006 | 1.29 | 2005 | 98 | 2006 | 9% | 30/open 4/116/open 4/116 | 30/open 4/116/open 4/116 | LO(0)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | LO(0)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | A |
| 101009103 | SAN JOSE | CA | LIHTC | 1997 | 2,000000 | N/A | 2,000000 | 52% | 2006 | 1.35 | 2006 | 98 | 2006 | 9% | 81/open 1/176 | 81/open 1/176 | LO(0)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | LO(0)/Greater1%UPBOR-YM(116)/Open(4)/Greater1%UPBOR-YM(116)/Open(4) | A |
| 101009118 | SAN JOSE | CA | LIHTC | 1998 | 2,250000 | N/A | 2,250000 | 56% | 2006 | 1.84 | 2005 | 98 | 2006 | 9% | 95/open 1/176 | 95/open 1/176 | LO(0)/Greater1%UPBOR-YM(179)/Open(1)/Greater1%UPBOR-YM(179)/Open(1) | LO(0)/Greater1%UPBOR-YM(179)/Open(1)/Greater1%UPBOR-YM(179)/Open(1) | A |
| 101009124 | SANTA MONICA | CA | Multifamily | 1957 | 2,000000 | N/A | 2,000000 | 28% | 2006 | 1.61 | 2006 | 97 | 2006 | N/A | 0 | 0 | LO(0)/Open(300) | LO(0)/Open(300) | E |
| 101009127 | HAYWARD | CA | Multifamily | 1987 | 2,250000 | N/A | 2,250000 | 52% | 2006 | 1.56 | 2005 | 94 | 2005 | N/A | 91/open 4/44 | 91/open 4/44 | LO(0)/YM(176)/Open(4)/YM(44)/Open(4) | LO(0)/YM(176)/Open(4)/YM(44)/Open(4) | A |
| 101009131 | TORRANCE | CA | LIHTC | 1987 | 2,100000 | N/A | 2,100000 | 52% | 2006 | 1.22 | 2005 | 95 | 2005 | 9% | 44/open 4/116 | 44/open 4/116 | LO(0)/Greater1%UPBOR-YM(115)/Open(4)/Greater1%UPBOR-YM(115)/Open(4) | LO(0)/Greater1%UPBOR-YM(115)/Open(4)/Greater1%UPBOR-YM(115)/Open(4) | A |
| 101009136 | SANTA MONICA | CA | Multifamily | 1957 | 2,000000 | N/A | 2,000000 | 28% | 2006 | 1.47 | 2006 | 95 | 2006 | N/A | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009137 | SANTA MONICA | CA | LIHTC | 1995 | 2,250000 | N/A | 2,250000 | 47% | 2006 | 2.28 | 2006 | 97 | 2006 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009144 | HOLLYWOOD | CA | LIHTC | 1919 | 2,250000 | N/A | 2,250000 | 57% | 2006 | 1.24 | 2003 | 97 | 2003 | 9% | 0 | 0 | LO(0)/Open(360) | LO(0)/Open(360) | E |
| 101009145 | REDWOOD CITY | CA | LIHTC | 1996 | 1,500000 | N/A | 1,500000 | 50% | 2006 | 1.40 | 2004 | 93 | 2005 | 9% | open 79/176 | open 79/176 | LO(0)/Open(180)/YM(176)/Open(4) | LO(0)/Open(180)/YM(176)/Open(4) | G |
| 101009151 | FAIRFIELD | CA | LIHTC | 1999 | 2,250000 | N/A | 2,250000 | 72% | 2006 | 1.38 | 2006 | 93 | 2006 | 9% | 88/open 4/176 | 88/open 4/176 | LO(0)/Greater1%UPBOR-YM(176)/Open(4)/Greater1%UPBOR-YM(176)/Open(4) | LO(0)/Greater1%UPBOR-YM(176)/Open(4)/Greater1%UPBOR-YM(176)/Open(4) | A |
| 101009159 | PETALUMA | CA | LIHTC | 1989 | 2,000000 | N/A | 2,000000 | 32% | 2006 | 1.66 | 2006 | 98 | 2006 | 9% | 87/open 4/56 | 87/open 4/56 | LO(0)/Greater1%UPBOR-YM(176)/Open(4)/Greater1%UPBOR-YM(176)/Open(4) | LO(0)/Greater1%UPBOR-YM(176)/Open(4)/Greater1%UPBOR-YM(176)/Open(4) | A |
| 108063216 | MARYSVILLE | CA | LIHTC | 1999 | 2,250000 | N/A | 11,750000 | 89% | 2006 | 1.46 | 2006 | 97 | 2006 | 9% | 284 | 284 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108065419 | SANTA PAULA | CA | LIHTC | 2000 | 2,000000 | N/A | 11,670000 | 66% | 2006 | 1.23 | 2000 | 95 | 2000 | 9% | 286 | 286 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108068439 | NORTH LAS VEGAS | NV | LIHTC | 2001 | 2,250000 | N/A | 11,610000 | 73% | 2006 | 1.15 | 1999 | 95 | 1999 | 9% | 303 | 303 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108069361 | CASTROVILLE | CA | LIHTC | 2000 | 2,250000 | N/A | 12,000000 | 65% | 2006 | 1.21 | 2006 | 96 | 2006 | 9% | 298 | 298 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108069379 | CASTROVILLE | CA | LIHTC | 2000 | 2,250000 | N/A | 12,000000 | 69% | 2006 | 1.21 | 2006 | 98 | 2006 | 9% | 293 | 293 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108072191 | RIDGECREST | CA | LIHTC | 1952 | 2,250000 | N/A | 11,500000 | 74% | 2006 | 1.64 | 2000 | 92 | 2000 | 9% | 180 | 180 | LO(0)/YM(236)/Open(4) | LO(0)/YM(236)/Open(4) | C |
| 108073397 | LAS VEGAS | NV | LIHTC | 2000 | 2,000000 | N/A | 11,750000 | 77% | 2006 | 1.23 | 2005 | 97 | 2005 | 9% | 284 | 284 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108073470 | SAN DIEGO | CA | Multifamily | 1957 | 2,250000 | N/A | 11,760000 | 42% | 2006 | 1.20 | 2000 | 95 | 2000 | N/A | 287 | 287 | LO(0)/YM(355)/Open(1) | LO(0)/YM(355)/Open(1) | C |
| 108073892 | TRUCKEE | CA | LIHTC | 2002 | 2,250000 | N/A | 11,000000 | 88% | 2006 | 1.19 | 2006 | 98 | 2006 | 9% | 296 | 296 | LO(0)/YM(355)/Open(1) | LO(0)/YM(355)/Open(1) | C |
| 108074189 | OAKLEY | CA | LIHTC | 2002 | 2,000000 | N/A | 11,500000 | 63% | 2006 | 1.50 | 2006 | 96 | 2006 | 9% | 61/open 4/56/open 4/116 | 61/open 4/56/open 4/116 | LO(0)/YM(116)/Open(4)/YM(56)/Open(4)/LO(0)/YM(116)/Open(4) | LO(0)/YM(116)/Open(4)/YM(56)/Open(4)/LO(0)/YM(116)/Open(4) | C |
| 108074551 | SANTA MONICA | CA | Multifamily | 1959 | 2,000000 | N/A | 11,790000 | 15% | 2006 | 1.28 | 2006 | 95 | 2006 | N/A | 292 | 292 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |
| 108075558 | WINNEMUCCA | NV | LIHTC | 2001 | 2,200000 | N/A | 11,500000 | 81% | 2006 | 1.25 | 2006 | 95 | 2006 | 9% | 291 | 291 | LO(0)/YM(359)/Open(1) | LO(0)/YM(359)/Open(1) | C |

* See Exhibit B for a description of the Prepayment Premium Codes.

| Loan Number | Property City | Property State | Property Type | Year Built | Gross Margin | Gross Cap | Gross Floor | LTV | Year DSCR | Occupancy % | Occupancy Year | Tax Credit % | Remaining Call Protection Term (Mos) | Loan Prepayment Premium Structure | Prepayment Premium Code* |
|-------------|----------------|----------------|---------------|------------|--------------|-----------|-------------|-----|-----------|-------------|----------------|--------------|--------------------------------------|---|--------------------------|
| 108075574 | SANTA MONICA | CA | Multifamily | 1951 | 2.000000 | 11.750000 | 7.750000 | 22% | 2006 | 100 | 2006 | N/A | 300 | LO(0)/YM(359)/Open(1) | C |
| 108075590 | SANTA MONICA | CA | Multifamily | 1951 | 2.000000 | 11.750000 | 7.750000 | 22% | 2006 | 95 | 2006 | N/A | 300 | LO(0)/YM(359)/Open(1) | C |
| 108075830 | BERKELEY | CA | LIHTC | 2000 | 2.300000 | 11.500000 | 7.500000 | 31% | 1.89 | 2005 | 2005 | 9% | 316 | LO(0)/YM(356)/Open(4) | C |
| 108076135 | CANOGA PARK | CA | LIHTC | 2001 | 2.150000 | 11.500000 | 7.500000 | 78% | 1.76 | 2005 | 2005 | 9% | 309 | LO(0)/YM(359)/Open(1) | C |
| 108077422 | RED BLUFF | CA | LIHTC | 2002 | 2.200000 | 11.750000 | 7.750000 | 81% | 2006 | 95 | 2006 | 9% | 310 | LO(0)/YM(359)/Open(1) | C |
| 108077588 | SAN DIEGO | CA | Multifamily | 1944 | 2.250000 | 11.750000 | 7.750000 | 51% | 2006 | 98 | 2006 | N/A | 230 | LO(0)/YM(299)/Open(1) | C |
| 108078552 | LOMPOC | CA | Multifamily | 1962 | 2.200000 | 11.750000 | 7.750000 | 62% | 2001 | 97 | 2001 | N/A | 290 | LO(0)/YM(359)/Open(1) | C |
| 108082257 | SANTA MONICA | CA | Multifamily | 1950 | 2.000000 | 11.750000 | 7.750000 | 24% | 2006 | 95 | 2006 | N/A | 300 | LO(0)/YM(359)/Open(1) | C |
| 108085201 | ANAHEIM | CA | LIHTC | 2003 | 2.250000 | 10.850000 | 6.850000 | 73% | 2006 | 95 | 2006 | 9% | 136/open 4/176 | LO(0)/YM(116)/Open(4)/YM(176)/Open(4) | C |
| 108085672 | SANTA CRUZ | CA | Multifamily | 1964 | 2.100000 | 11.230000 | 7.230000 | 14% | 2001 | 97 | 2001 | N/A | 79/open 4/116/open 4/116 | Open(4)/YM(116)/Open(4) | C |
| 108086506 | SACRAMENTO | CA | LIHTC | 1965 | 2.250000 | 10.850000 | 6.850000 | 86% | 2006 | 99 | 2004 | 9% | 135/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108086985 | LAS VEGAS | NV | LIHTC | 1973 | 2.250000 | 10.850000 | 6.850000 | 42% | 2006 | 97 | 2006 | 9% | 141/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108087223 | LOS ANGELES | CA | LIHTC | 1971 | 2.150000 | 10.600000 | 6.600000 | 44% | 2006 | 99 | 2006 | 9% | 235 | LO(0)/YM(284)/Open(4) | C |
| 108087488 | ANTIOCH | CA | LIHTC | 2003 | 2.100000 | N/A | 6.500000 | 72% | 2005 | 90 | 2005 | 9% | 73/open 4/116/open 4/116 | LO(0)/YM(116)/Open(4)/YM(116)/Open(4) | C |
| 108088759 | SAN JOSE | CA | LIHTC | NAV | 2.350000 | 10.850000 | 6.850000 | 56% | 2005 | 92 | 2005 | 9% | 143/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108088809 | SAN DIEGO | CA | LIHTC | 1973 | 2.250000 | 11.000000 | 7.000000 | 35% | 2002 | NAV | 2002 | 9% | 134/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108088924 | DANVILLE | CA | LIHTC | 2003 | 2.250000 | 9.850000 | 6.850000 | 43% | 2005 | 90 | 2005 | 9% | 136/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108089435 | SAN DIEGO | CA | LIHTC | 2003 | 2.250000 | 11.000000 | 7.000000 | 57% | 2005 | 97 | 2005 | 9% | 139/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108097586 | FRESNO | CA | LIHTC | 1965 | 2.250000 | 11.000000 | 7.000000 | 97% | 2006 | 97 | 2005 | 9% | 323 | LO(0)/Greater 1%UPBO/YM(356)/Open(4) | C |
| 108098527 | OAKLAND | CA | LIHTC | 2003 | 2.250000 | 11.050000 | 7.050000 | 61% | 2006 | 92 | 2006 | 9% | 327 | LO(0)/YM(359)/Open(1) | C |
| 108099012 | CORONA | CA | LIHTC | 1964 | 2.000000 | 11.250000 | 7.250000 | 58% | 2006 | 98 | 2005 | 9% | 63/open 4/116/open 4/116 | LO(0)/YM(116)/Open(4)/YM(116)/Open(4)/YM(116)/Open(4) | C |
| 108099368 | ELK GROVE | CA | LIHTC | 2003 | 2.500000 | 11.110000 | 7.110000 | 74% | 2005 | 95 | 2005 | 9% | 153 | LO(60)/6%(12)/5%(12)/4%(12)/2%(12)/1%(72)/Open(180) | H |
| 108099376 | LOS ANGELES | CA | LIHTC | 2003 | 2.250000 | 11.040000 | 6.950000 | 65% | 2006 | 95 | 2006 | 9% | 349 | LO(0)/YM(359)/Open(1) | C |
| 108099434 | SANTA CRUZ | CA | LIHTC | 2003 | 2.250000 | 11.000000 | 7.000000 | 22% | 2006 | 95 | 2002 | 9% | 145/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108099558 | SAN JOSE | CA | LIHTC | 2003 | 2.350000 | 10.850000 | 6.850000 | 34% | 2005 | 92 | 2005 | 9% | 151/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108099715 | EAST PALO ALTO | CA | LIHTC | 2004 | 2.250000 | 10.730000 | 6.500000 | 53% | 2006 | 95 | 2006 | 9% | 157/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108099723 | CERES | CA | LIHTC | 1982 | 2.250000 | 11.200000 | 6.850000 | 60% | 2005 | 100 | 2006 | 9% | 148/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108101271 | SANTA ROSA | CA | LIHTC | 2003 | 2.250000 | N/A | 6.850000 | 55% | 2005 | 93 | 2006 | 9% | 139/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108101297 | LOS ANGELES | CA | LIHTC | 1988 | 2.100000 | 11.200000 | 7.200000 | 41% | 2002 | NAV | 2002 | 9% | 312 | LO(0)/YM(359)/Open(1) | C |
| 108101735 | SAN DIEGO | CA | LIHTC | 2004 | 2.250000 | 10.900000 | 6.900000 | 73% | 2006 | 95 | 2006 | 9% | 155/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108104697 | SAN JOSE | CA | LIHTC | 2003 | 2.250000 | N/A | 2.250000 | 25% | 2006 | 91 | 2005 | 9% | 170/open 4/140 | LO(0)/YM(212)/Open(4)/YM(140)/Open(4) | C |
| 108104702 | HENDERSON | NV | LIHTC | 2004 | 2.250000 | N/A | 2.250000 | 81% | 2006 | 98 | 2006 | 9% | 155/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108104713 | LAS VEGAS | NV | LIHTC | 2004 | 2.250000 | 10.650000 | 6.650000 | 88% | 2006 | 98 | 2006 | 9% | 153/open 4/176 | LO(0)/YM(176)/Open(4)/YM(176)/Open(4) | C |
| 108041716 | PETALUMA | CA | LIHTC | 2002 | 2.250000 | 11.200000 | 7.200000 | 70% | 2006 | 90 | 2006 | 9% | 124/open 3/177 | LO(0)/YM(176)/Open(3)/YM(177)/Open(3) | C |

* See Exhibit B for a description of the Prepayment Premium Codes.

1. Prepayment Code A

YMEDI

This prepayment premium provides that if the borrower prepays all or part of the Mortgage Loan prior to the prepayment premium period expiration date (see Exhibit A to this prospectus supplement under the heading “Loan Prepayment Premium Structure”) then the borrower shall pay a prepayment premium equal to the greater of (a) or (b):

- (a) except with respect to Lender Loan Nos. 101002038 and 107004625, 1% of the amount of principal being prepaid; or
- (b) the product obtained by multiplying:
 - (i) the amount of principal being prepaid,
by
 - (ii) the excess, if any, of the 1/12 of the related Mortgage Rate, expressed as a decimal calculated to five (5) digits over 1/12 of the yield rate as of the date five (5) Business Days (generally defined as any day other than Saturday or Sunday or any other day on which banks are not required or authorized to close in the state where the Mortgaged Property is located) prior to the prepayment date, of the yield to maturity of the U.S. Treasury Security trading closest to par value and maturing on, or within 3 months prior to, the maturity date (except with respect to Lender Loan Nos. 101009100, 101009151 and 101009159 where it is the yield to maturity of the U.S. Treasury Security trading closest to par value and maturing on either the permanent readjustment date or the maturity date and except with respect to Lender Loan Nos. 101009103 and 101009118 where it is the yield to maturity of the U.S. Treasury Security trading closest to par value and maturing on either the initial readjustment date or the maturity date) in each instance as reported in the Wall Street Journal, expressed as a decimal calculated to five (5) digits.
by
 - (iii) the present value factor calculated using the following formula:

$$\frac{1 - \left(\frac{1}{1 + \text{ARR}} \right)^n}{\text{ARR}}$$

n = the number of months remaining in the Yield Maintenance Period.

ARR = Assumed Reinvestment Rate (as calculated in b(ii) above)

In the event that no yield is published on the applicable date for the U.S. Treasury Security used to determine the Assumed Reinvestment Rate, then the holder of the related Mortgage Loan shall select the non-callable U.S. Treasury Security maturing in the same year as the U.S. Treasury Security specified above with the lowest yield published in the Wall Street Journal as of the applicable date. If the publication of such yield rates in the Wall Street Journal is discontinued for any reason, holder of the related Mortgage Loan shall select a security with a comparable rate and term to the U.S. Treasury Security used to determine the Assumed Reinvestment Rate. The selection of an alternate security shall be made in the sole discretion of the holder of the related Mortgage Loan and shall be conclusive.

2. Prepayment Code B

YMED2

This prepayment premium provides that if the borrower prepays all or part of the Mortgage Loan prior to the prepayment premium period expiration date (see Exhibit A to this prospectus supplement under the heading “Loan Prepayment Premium Structure”) then the borrower shall pay a prepayment premium equal to the greater of (a) or (b).

- (a) 1% of the amount of principal being prepaid; or
- (b) the product obtained by multiplying:
 - (i) the amount of principal being prepaid,
by
 - (ii) the difference obtained by subtracting from the related Mortgage Rate the yield rate on the 8.5% U.S. Treasury Security due February, 2020, as reported in The Wall Street Journal on the twenty-fifth business day preceding (c) the date borrower stated to be the intended prepayment date in its notice of prepayment where prepayment is voluntary or (y) the date the holder of the Mortgage Loan accelerated the mortgage note or otherwise accepts a prepayment.
by
 - (iii) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

n = the number of months remaining in the Yield Maintenance Period.

r = the number of months remaining between the prepayment date and the expiration of the Yield Maintenance Period.

In the event that no Yield is published for the Specified U.S. Treasury Security, then the nearest equivalent U.S. Treasury Security shall be selected at the discretion of the holder of the Mortgage Loan. If the publication of such Yield Rates in The Wall Street Journal is discontinued, the holder shall determine such Yield Rates from another source selected by the holder.

3. Prepayment Code C

YMED3

This prepayment premium provides that the borrower is permitted to prepay the Mortgage Note in whole, but not in part, on any scheduled payment date. In such event, provided such prepayment is prior to the prepayment premium period expiration date (see Exhibit A to this prospectus supplement under the heading “Loan Prepayment Premium Structure”), borrower shall pay to holder of the related mortgage loan on the prepayment date a prepayment premium in an amount equal to the present value as of the prepayment date of the remaining scheduled payments of principal and interest from the prepayment date through the maturity date (including any balloon payment) determined by discounting such payments at the Treasury Rate (the annualized yield on securities issued by the United States Treasury having a maturity equal to the number of months remaining between the prepayment date and the maturity date of the applicable Mortgage Loan, as quoted in Federal Reserve Statistical Release [H.15 (519)] under the heading “U.S. Government Securities—Treasury Constant Maturities”, for the date most near two weeks before the prepayment date, or a comparable rate as determined by holder of the related mortgage loan if such rate is no longer published), less the amount of principal being prepaid, but which sum shall not be less than zero, or with respect to certain of the Mortgage Loans if an interest adjustment date is scheduled to occur between the prepayment

date and the maturity date, then in an amount equal to (a) the present value as of the prepayment date of the scheduled payments of principal and interest due between the prepayment date and the interest adjustment date (assuming that all payments due up to that point are paid), determined by discounting that principal balance at the Treasury Rate less (c) the amount of principal being prepaid, but (a) plus (b) less (c) shall not be less than 0.

If the above rate is not available for a term equal to the number of months remaining between the prepayment date and the maturity date, then the Treasury Rate shall be determined by interpolating the yields on securities of the next longer and next shorter maturity.

4. Prepayment Code D

YMED4

With respect to Lender Loan No. 101009079, if the mortgage borrower prepays all or part of the related mortgage note prior to the maturity date then such borrower shall pay a prepayment premium equal to the greater of:

- (a) an amount equal to 1% of the then outstanding principal balance of the related mortgage note; or
- (b) an amount determine by:
 - (i) calculating the sum of the present values of all unpaid principal and interest payments required under the related mortgage note until and including the maturity date, by discounting such payments from their scheduled payment dates back to the date prepayment will be made, utilizing a discount rate equal to the yield available, or if there is more than one yield available the average yields, on the United States Treasury non-callable bonds (excluding Flower Bonds) and notes having a maturity date closest to (before, on, or after) the maturity date, as reported in the Wall Street Journal or similar publication on the fifth (5th) business day preceding the date prepayment will be made converted to a monthly equivalent yield, divided by the frequency of the interest payments made during a calendar year and
 - (ii) subtracting from such sum the outstanding principal balance as of the date prepayment will be made.

5. Prepayment Code E

NO/FHLB

This prepayment premium provides that borrower may prepay the related mortgage loan without premium if the related borrower (1) gives the holder of the related mortgage note at least thirty (30) days advance written notice of its intention to make a prepayment and (2) is not in default under either this related mortgage loan documents (a) on the date of notice and (b) on the date of the prepayment. In the event any of these conditions are not satisfied then the borrower is required to pay the holder of the related Mortgage Loan prepayment premium equal 1% of the amount being prepaid.

6. Prepayment Code F

Hybrid #1

With respect to Lender Loan No. 101009032, the borrower may prepay the loan without premium during the first 15 years of its term if the borrower (1) gives the holder of the Mortgage Loan at least 30 days' advance written notice of its intention to make a prepayment and (2) is not in default under the related Mortgage Loan documents either (a) on the date of notice or (b) on the date of the

prepayment. In the event any of these conditions is not satisfied, then the borrower is required to pay the holder of the Mortgage Loan a prepayment premium equal 1% of the amount being prepaid.

After the first 15 years of the term of the Mortgage Loan, the borrower has the right to prepay all or a portion of the principal amount and accrued but not unpaid interest thereon prior to the maturity date upon payment to the holder of the Mortgage Loan as liquidated damages for interest shortfalls (and not as a penalty) of a fee, payable five “Business Days” (day which banks are not required or authorized to close in New York, New York after the Fee Determination Date, as defined below, equal to:

The present value (“PV”) to be determined accordance with the following formula:

$$PV = [P \times (R-T) \times [1 - (1 + T)^{-n}/T]$$

R = 1/12 of the Fixed Rate

T = the Liquidated Rate

n = the number of months from the Fee Determination Date

P = the principal Liquidation Amount (amount of unpaid principal balance of the Mortgage Loan that was prepaid)

“Fixed Rate” is the contract rate payable at the time of prepayment.

“Liquidation Rate” is 1/12 of the interest rate per annum equal to the latest 3-week moving average of the yields to maturity of United States Treasury Notes trading closest to par value and maturing on, or within, three months of the maturity date, such 3-week moving average to be determined by the holder of the Mortgage Loan as of the Fee Determination Date on the basis of yields of such United States Treasury Notes published by the Wall Street Journal for each of the 15 Business Days preceding the Fee Determination Date, or if such publication be suspended or terminated, on the basis of quotations of such yields received by the holder of this Note from three New York dealers of United States Treasury Notes of recognized standing selected by the holder of the Mortgage Loan.

“Fee Determination Date” is the date on which the unpaid principal balance of the Mortgage Loan, in whole or in part, is so prepaid.

7. Prepayment Code G

Hybrid #2

With respect to Lender Loan Nos. 101009085, 101009145, 101009070 and 101009083, the borrower is permitted to prepay those Mortgage Loans without premium if the related borrower (1) gives the holder of the related Mortgage Loan at least 30 days’ advance written notice of its intention to make a prepayment and (2) is not in default under the related Mortgage Loan documents either (a) on the date of notice or (b) on the date of the prepayment.

In the event any of these conditions are not satisfied during:

(i) the first 15 years of the Mortgage Loan term with respect to Lender Loan Nos. 101009085 and 101009145;

(ii) the first 10 years of the related Mortgage Loan term with respect to Lender Loan No. 101009070; or

(iii) with respect to Lender Loan No. 101009083 or any period(s) in which the Mortgage Loan is match-funded with Community Investment Program Funds;

then the borrower is required to pay the holder of the related Mortgage Loan a prepayment premium equal 1% of the amount being prepaid.

For the balance of the term of each such loan (see *Exhibit A* to this prospectus supplement under the heading “Loan Prepayment Premium Structure”), borrower may prepay all of the unpaid principal balance of the related Mortgage Loan on a scheduled monthly payment date by paying a prepayment premium, which shall be equal to the greater of (a) or (b).

(a) 1% of the amount of principal being prepaid; or

(b) the product obtained by multiplying:

(i) the amount of principal being prepaid,

by

(ii) the excess, if any, of the 1/12 of the related Mortgage Rate, expressed as a decimal calculated to five (5) digits over 1/12 of the yield rate as of the date five (5) Business Days (generally defined as any day other than Saturday or Sunday or any other day on which banks are not required or authorized to close in the state where the mortgaged property is located) prior to the prepayment date, of the yield to maturity of the U.S. Treasury Security trading closest to par value and maturing on either the permanent readjustment date or the maturity date, as reported in the Wall Street Journal, expressed as a decimal calculated to five digits.

by

(iii) the present value factor calculated using the following formula:

$$\frac{1 - \left(\frac{1}{1 + ARR} \right)^n}{ARR}$$

n = the number of months remaining in the Yield Maintenance Period.

ARR = Assumed Reinvestment Rate (as calculated in b(ii) above)

In the event that no yield is published on the applicable date for the U.S. Treasury Security used to determine the Assumed Reinvestment Rate, then the holder of the related Mortgage Loan shall select the non-callable U.S. Treasury Security maturing in the same year as the U.S. Treasury Security specified above with the lowest yield published in The Wall Street Journal as of the applicable date. If the publication of such yield rates in The Wall Street Journal is discontinued for any reason, holder of the related mortgage loan shall select a security with a comparable rate and term to the U.S. Treasury Security used to determine the Assumed Reinvestment Rate. The selection of an alternate security shall be made in the sole discretion of the holder of the related Mortgage Loan and shall be conclusive.

8. Prepayment Code H

6%, 5%, 4%, 2%, 1%

With respect to Lender Loan No. 108099368, the borrower has the right to prepay in whole, but not in part, five years after the applicable conversion date, provided that if the borrower prepays the Mortgage Loan during such period, then the borrower shall pay a prepayment equal to: 6% of the outstanding principal balance during the 6th loan year, 5% of the outstanding principal balance during the 7th loan year, 4% of the outstanding principal balance during the 8th loan year, 2% of the outstanding principal balance during the 9th loan year and 1% of the outstanding principal balance during the 10th through 15th loan years.

9. Prepayment Code I

5%,5%,5%, 5%, 5%, 3%, 3%, 3%, 3%, 3%, 1%, 1%, 1%, 1%, 1%, 1%, 1%

With respect to Lender Loan Nos. 101004034 and 101004036, the borrower is permitted to prepay the related Mortgage Loan in full, or in part, provided that borrower shall pay to the holder of the Mortgage Loan a prepayment premium equal to 5% of the principal amount so prepaid if the prepayment occurs during the 1st through 5th loan years, 3% if the prepayment occurs during the 6th through 10th loan years, and 1% if the prepayment occurs during the 11th through 17th loan years.

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

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

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\$193,862,000
(Approximate)



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Guaranteed REMIC
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PROSPECTUS SUPPLEMENT

Citigroup

October 25, 2006