

\$720,371,377



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2007-35**

The Certificates

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

Payments to Certificateholders

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

- interest accrued on the balance of your certificate, and
- principal to the extent available for payment on your class.

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PO(1) ...	1	\$ 5,000,000	PT	(2)	PO	31396VLZ9	April 2037
SA(1) ...	1	50,000,000(3)	NTL	(4)	INV/IO	31396VMA3	April 2037
FA	1	50,000,000	PT	(4)	FLT	31396VMB1	April 2037
SP	2	17,064,286	PAC	(4)	INV	31396VMC9	April 2037
SG	2	45,510,043(3)	NTL	(4)	INV/IO	31396VMD7	April 2037
KX	2	71,600,000	SUP	(5)(6)	T	31396VME5	April 2037
PF	2	102,385,714	PAC	(4)	FLT	31396VMF2	April 2037
XI(1) ...	2	8,950,000(3)	NTL	(5)(6)	T/IO	31396VMG0	April 2037
XO(1) ...	2	8,950,000	SUP	(2)	PO	31396VMH8	April 2037
DA(1) ...	3	49,780,000	PAC	5.0%	FIX	31396VMJ4	May 2028
DB(1) ...	3	18,910,000	PAC	5.0	FIX	31396VMK1	December 2031
DC(1) ...	3	11,310,000	PAC	5.0	FIX	31396VML9	September 2033
DE	3	18,230,000	PAC	5.0	FIX	31396VMM7	February 2036
DG	3	10,050,000	PAC	5.0	FIX	31396VMN5	April 2037
DS	3	11,920,000	SUP	(4)	INV	31396VMP0	April 2037
DF	3	29,800,000	SUP	(4)	FLT	31396VMQ8	April 2037
SI	4	43,871,377(3)	NTL	(4)	INV/IO	31396VMR6	April 2037
FT	4	43,871,377	PT	(4)	FLT	31396VMS4	April 2037
DM	5	215,000,000	SEQ	5.0	FIX	31396VMT2	December 2024
DN	5	56,500,000	SEQ	5.0	FIX	31396VMU9	April 2027
R		0	NPR	0	NPR	31396VMV7	April 2037
RL		0	NPR	0	NPR	31396VMW5	April 2037

- (1) Exchangeable classes. (5) These classes are toggle classes. See pages S-7 and S-8 for a description of their interest rates.
- (2) Principal only classes.
- (3) Notional balances. These classes are interest only classes. See page S-8 for a description of how their notional balances are calculated.
- (4) Based on LIBOR. (6) Based on 10-Year Treasury Index.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The SD, SC, XS, WS and DH Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be March 30, 2007.

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

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

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

Merrill Lynch & Co.

The date of this Prospectus Supplement is February 28, 2007

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

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

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

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

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

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Prospectus Department
4413 Colonial Drive
Piscataway, New Jersey 08854
(telephone 732-885-2760).

INCORPORATION BY REFERENCE

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

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

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

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2004 (“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;
- 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

subsequent to the date of this prospectus supplement and prior to the completion of the offering of the certificates, excluding any information we “furnish” to the SEC on Form 8-K.

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

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

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

RECENT DEVELOPMENTS

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

On December 22, 2004, we reported that the Audit Committee of our Board of Directors (the “Board”) had determined that our previously filed interim and audited financial statements and the independent auditor’s reports thereon for the period from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared using accounting principles that did not comply with U.S. generally accepted accounting principles (“GAAP”). We 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. Subject to the foregoing, see “Risk Factors—There is a lack of financial information about us available in the market” in the MBS Prospectus.

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

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS
5	Group 5 MBS

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of March 1, 2007)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$ 55,000,000	360	357	3	6.450%
Group 2 MBS	\$200,000,000	360	357	3	6.450%
Group 3 MBS	\$150,000,000	360	309	43	5.399%
Group 4 MBS	\$ 43,871,377	360	358	2	7.303%
Group 5 MBS	\$271,500,000	240	211	27	5.510%

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

Class Factors

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

Settlement Date

We expect to issue the certificates on March 30, 2007.

Distribution Dates

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

Book-Entry and Physical Certificates

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

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

Fed Book-Entry

All classes of certificates other
than the R and RL Classes

Physical

R and RL Classes

Exchanging Certificates Through Combination and Recombination

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

Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
SA	0.93087%	6.25000%	0.00%	6.25% – LIBOR
FA	5.66913%	6.60000%	0.35%	LIBOR + 35 basis points
SP	4.76622%	22.49791%	0.00%	22.49791% – (3.33302377 × LIBOR)
SG	1.43000%	6.75000%	0.00%	6.75% – LIBOR
KX	6.75000%	6.75000%	0.00%	(2)
PF	5.57000%	7.00000%	0.25%	LIBOR + 25 basis points
XI	0.00000%	54.00000%	0.00%	(3)
DS	3.07750%	16.37500%	0.00%	16.375% – (2.5 × LIBOR)
DF	5.76900%	7.00000%	0.45%	LIBOR + 45 basis points
SI	0.78000%	6.10000%	0.00%	6.1% – LIBOR
FT	5.72000%	6.50000%	0.40%	LIBOR + 40 basis points
SD	4.65435%	31.25000%	0.00%	31.25% – (5 × LIBOR)
SC	5.58522%	37.50000%	0.00%	37.5% – (6 × LIBOR)
XS	0.00000%	54.00000%	0.00%	(4)
WS	0.00000%	35.10000%	0.00%	(5)

(1) Where applicable, we will establish LIBOR on the basis of the “BBA Method.”

(2) The applicable interest rate for the KX Class during each interest accrual period will be determined as follows:

If the 10-Year Treasury Index is:

Applicable Formula

Less than or equal to 4.75%

(2 × 10-Year Treasury Index) – 1.25%

Greater than 4.75%

17.75% – (2 × 10-Year Treasury Index)

(3) The applicable interest rate for the XI Class during each interest accrual period will be determined as follows:

If the 10-Year Treasury Index is:

Applicable Formula

Less than or equal to 4.75%

64% – (16 × 10-Year Treasury Index)

Greater than 4.75%

(16 × 10-Year Treasury Index) – 88%

(4) The applicable interest rate for the XS Class during each interest accrual period will be determined as follows:

<u>If the 10-Year Treasury Index is:</u>	<u>Applicable Formula</u>
Less than or equal to 4.75%	$64\% - (16 \times 10\text{-Year Treasury Index})$
Greater than 4.75%	$(16 \times 10\text{-Year Treasury Index}) - 88\%$

(5) The applicable interest rates for the WS Class during each interest accrual period will be determined as follows:

<u>If the 10-Year Treasury Index is:</u>	<u>Applicable Formula</u>
Less than or equal to 4.75%	$41.6\% - (10.4 \times 10\text{-Year Treasury Index})$
Greater than 4.75%	$(10.4 \times 10\text{-Year Treasury Index}) - 57.2\%$

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

Notional Classes

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

<u>Class</u>	
SA	100% of the FA Class
SG	44.4496026076% of the PF Class
XI	100% of the XO Class
SI	100% of the FT Class

Distributions of Principal

Group 1 Principal Distribution Amount

To the FA and PO Classes, pro rata, to zero.

Group 2 Principal Distribution Amount

1. To Aggregate Group I to its Planned Balance.
2. To the KX and XO Classes, pro rata, to zero.
3. To Aggregate Group I to zero.

For a description of the Aggregate Group I, see “Description of the Certificates—Distributions of Principal—*Group 2 Principal Distribution Amount*” in this prospectus supplement.

Group 3 Principal Distribution Amount

1. To Aggregate Group II to its Planned Balance.
2. To the DF and DS Classes, pro rata, to zero.
3. To Aggregate Group II to zero.

For a description of the Aggregate Group II, see “Description of the Certificates—Distributions of Principal—*Group 3 Principal Distribution Amount*” in this prospectus supplement.

Group 4 Principal Distribution Amount

To the FT Class to zero.

Group 5 Principal Distribution Amount

To the DM and DN Classes, in that order, to zero.

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

Weighted Average Lives (years) *

		PSA Prepayment Assumption					
<u>Group 1 Classes</u>		<u>0%</u>	<u>200%</u>	<u>363%</u>	<u>550%</u>	<u>700%</u>	
PO, SA, FA, SD and SC	20.8	7.5	4.7	3.4	2.8		
		PSA Prepayment Assumption					
<u>Group 2 Classes</u>		<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
SP, SG and PF	16.3	6.3	6.3	6.3	6.3	4.9	
KX, XI, XO, XS and WS	27.5	18.6	13.1	9.3	2.8	1.9	
		PSA Prepayment Assumption					
<u>Group 3 Classes</u>		<u>0%</u>	<u>100%</u>	<u>162%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
DA	10.9	2.3	2.3	2.3	2.0	1.5	
DB	19.6	6.0	6.0	6.0	4.4	3.0	
DC	22.0	8.0	8.0	8.0	5.8	4.0	
DE	24.0	11.0	11.0	11.0	8.1	5.6	
DG	25.7	17.5	17.5	17.5	13.6	9.6	
DS and DF	28.2	17.3	9.3	2.1	1.0	0.6	
DH	14.5	4.0	4.0	4.0	3.1	2.2	
		PSA Prepayment Assumption					
<u>Group 4 Classes</u>		<u>0%</u>	<u>250%</u>	<u>580%</u>	<u>750%</u>	<u>1100%</u>	
SI and FT	21.1	6.5	3.3	2.7	2.0		
		PSA Prepayment Assumption					
<u>Group 5 Classes</u>		<u>0%</u>	<u>125%</u>	<u>175%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>
DM	10.7	4.7	3.8	3.2	2.2	1.5	
DN	18.9	14.0	12.7	11.4	8.7	6.3	

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

ADDITIONAL RISK FACTORS

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

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

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

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

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

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

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

mortgage loans could affect the weighted average lives of the classes of certificates.

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

Slight changes in 10-Year Treasury Index may significantly affect the interest rates of the toggle classes. The toggle classes may be sensitive to certain changes in monthly 10-Year Treasury Index values. In particular, they may experience declines in their respective interest rates and yields as a result of certain changes in 10-Year Treasury Index, even if those changes are slight. For an illustration of this sensitivity, see the related yield tables in this prospectus supplement.

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

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

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

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

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

Terrorist activities and related military and political actions by the U.S. government could cause reductions in investor confidence and substantial market volatility in real estate and securities markets. It is impossible to predict the

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of September 1, 2006 and a supplement thereto dated as of March 1, 2007 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement and supplement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of September 1, 2006 and a supplement thereto dated as of the Issue Date (together with the trust agreement and supplement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

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

The assets of the Lower Tier REMIC will consist of five groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS,” “Group 4 MBS” and “Group 5 MBS” and, together, the “MBS”)

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

Fannie Mae Guaranty. We guarantee that 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 MBS.

In addition, we guarantee that the following amounts will be available for distribution to each holder of an MBS:

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

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

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

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

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

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

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

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

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

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

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

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

Combination and Recombination

General. You are permitted to exchange all or a portion of the PO, SA, XI, XO, DA, DB and DC Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

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

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

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

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

- At the time of the proposed exchange, a Certificateholder must own Certificates of the related Class or Classes in the proportions necessary to make the desired exchange.

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

The MBS

The following table contains certain information about the MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years in the case of the Group 1, Group 2, Group 3 and Group 4 MBS, and up to 20 years in the case of the Group 5 MBS.

See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

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

Group 1 MBS

Aggregate Unpaid Principal Balance	\$55,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	357 months
Approximate Weighted Average WALA (weighted average loan age)	3 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	357 months
Approximate Weighted Average WALA	3 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$150,000,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	309 months
Approximate Weighted Average WALA	43 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$43,871,377
MBS Pass-Through Rate	6.50%
Range of WACs (annual percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months
Approximate Weighted Average WALA	2 months

Group 5 MBS

Aggregate Unpaid Principal Balance	\$271,500,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	121 months to 240 months
Approximate Weighted Average WAM	211 months
Approximate Weighted Average WALA	27 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC and the current WAM of the Mortgage Loans underlying each of the MBS as of the Issue Date. If the current WAC is not available, the Final Data Statement will contain the most recently published WAC. If the current WAM is not available, the Final Data Statement will contain a WAM that we have calculated by subtracting from the most recently published WAM the number of months that have elapsed between the month in which the WAM was most recently published and the month of the Issue Date. The Final Data Statement also will include the weighted averages of all the WACs and the weighted averages of all the WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.com.

Distributions of Interest*Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Floating Rate	FA
Inverse Floating Rate	SA
Interest Only	SA
Principal Only	PO
RCR**	SD and SC
Group 2 Classes	
Floating Rate	PF
Inverse Floating Rate	SP and SG
Toggle†	KX and XI
Interest Only	SG and XI
Principal Only	XO
RCR**	XS and WS

<u>Interest Type*</u>	<u>Classes</u>
Group 3 Classes	
Fixed Rate	DA, DB, DC, DE and DG
Floating Rate	DF
Inverse Floating Rate	DS
RCR**	DH
Group 4 Classes	
Floating Rate	FT
Inverse Floating Rate	SI
Interest Only	SI
Group 5 Classes	
Fixed Rate	DM and DN
No Payment Residual	R and RL

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

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

† The “Toggle” or “T” designation refers to a class that has an interest rate that changes significantly if the designated index meets one or more thresholds. For example, when the index meets a threshold, the interest rate may shift from one predetermined rate or formula to a different predetermined rate or formula. Accordingly, the change in interest rate may not be a continuous function of changes in the index.

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

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.

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

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

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

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

The Dealer will treat the PO Class as a No-Delay Class and treat the XO Class as a Delay Class for the sole purpose of facilitating trading.

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

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

supplement to the principal balances of the Certificates generally shall refer also to the notional principal balances of the Notional Classes.

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

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

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

Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.31913% in the case of the SA, FA, SD and SC Classes, 5.319% in the case of the DS and DF Classes and 5.32% in the case of the SP, SG, PF, SI and FT Classes.

Calculation of 10-Year Treasury Index

On each Index Determination Date, we will ascertain the average yield on U.S. Treasury securities, adjusted to a constant maturity of ten years, in effect for the week ending on the last Friday preceding that Index Determination Date. We will make such calculation as described in the REMIC Prospectus under “Description of Certificates—Indexes for Floating Rate Classes and Inverse Floating Rate Classes—*Treasury Index*” with respect to yields on U.S. Treasury securities at “constant maturity.”

The 10-Year Treasury Index value used to calculate the interest rates for the KX, XI, XS and WS Classes for the initial Interest Accrual Period is 4.53%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Pass-Through	PO and FA
Notional	SA
RCR**	SD and SC
Group 2 Classes	
PAC	SP and PF
Support	KX and XO
Notional	SG and XI
RCR**	XS and WS

<u>Principal Type*</u>	<u>Classes</u>
Group 3 Classes	
PAC	DA, DB, DC, DE and DG
Support	DS and DF
RCR**	DH
Group 4 Classes	
Pass-Through	FT
Notional	SI
Group 5 Classes	
Sequential Pay	DM and DN
No Payment Residual	R and RL

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

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 MBS (the “Group 4 Principal Distribution Amount”), and
- the principal then paid on the Group 5 MBS (the “Group 5 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount, concurrently, as principal of the FA and PO Classes, pro rata (or 90.9090909091% and 9.0909090909%, respectively), until their principal balances are reduced to zero. } Pass-Through Classes

Group 2 Principal Distribution Amount

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount as principal of the Group 2 Classes in the following priority:

- (i) to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date; } PAC Group
- (ii) concurrently, to the KX and XO Classes, pro rata (or 88.888888889% and 11.111111111%, respectively), until their principal balances are reduced to zero; and } Support Classes
- (iii) to Aggregate Group I, without regard to its Planned Balance and until the Aggregate I Balance is reduced to zero. } PAC Group

“Aggregate Group I” consists of the PF and SP Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, concurrently, to the PF and SP Classes, pro rata (or 85.7142854751% and 14.2857145249%, respectively), until their principal balances are reduced to zero.

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

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount as principal of the Group 3 Classes in the following priority:

- (i) to Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Planned Balance for that Distribution Date; } PAC Group
- (ii) concurrently, to the DF and DS Classes, pro rata (or 71.4285714286% and 28.5714285714%, respectively), until their principal balances are reduced to zero; and } Support Classes
- (iii) to Aggregate Group II, without regard to its Planned Balance and until the Aggregate II Balance is reduced to zero. } PAC Group

“Aggregate Group II” consists of the DA, DB, DC, DE and DG Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II, sequentially, to the DA, DB, DC, DE and DG Classes, in that order, until their principal balances are reduced to zero.

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

Group 4 Principal Distribution Amount

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount as principal of the FT Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 5 Principal Distribution Amount

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount, sequentially, as principal of the DM and DN Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

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

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables;
- the settlement date for the Certificates is March 30, 2007; and
- each Distribution Date occurs on the 25th day of a month.

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

Structuring Ranges. The Principal Balance Schedules are found beginning on page B-1 of this prospectus supplement. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at a constant PSA rate within the applicable Structuring Ranges set forth below.

<u>Principal Balance Schedule Reference</u>	<u>Related Groups (1)</u>	<u>Structuring Ranges</u>
Planned Balances	Aggregate Group I	Between 100% and 350% PSA
Planned Balances	Aggregate Group II	Between 100% and 250% PSA

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

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

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

<u>Groups</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 350% PSA
Aggregate Group II	Between 100% and 250% PSA

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

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

<u>Classes</u>	<u>Supporting Classes</u>
Group 2 Classes	
PAC	Support
Group 3 Classes	
PAC	Support

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

Yield Tables

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

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

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

We cannot assure you that

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

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

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

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

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

<u>Class</u>	<u>Price</u>
PO	76.4375%
XO	80.0000%

Sensitivity of the PO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>200%</u>	<u>363%</u>	<u>550%</u>	<u>700%</u>
Pre-Tax Yields to Maturity	2.0%	3.9%	6.3%	8.8%	10.7%

Sensitivity of the XO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	1.0%	1.2%	1.8%	2.6%	8.5%	12.7%

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

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

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

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

<u>Class</u>	<u>Price*</u>
SA	4.00000%
SP	98.18750%
SG	6.95313%
KX	100.00000%
XI	25.00000%
DS	85.00000%

<u>Class</u>	<u>Price*</u>
SI	2.75000%
SC	101.00000%
SD	98.00000%
XS	101.48438%
WS	96.00000%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>200%</u>	<u>363%</u>	<u>550%</u>	<u>700%</u>
1.31913%	143.6%	137.1%	129.8%	121.3%	114.4%
3.31913%	78.3%	71.3%	63.6%	54.5%	47.1%
5.31913%	19.9%	11.8%	2.7%	(8.2)%	(17.3)%
6.25000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
1.32%	19.0%	19.1%	19.1%	19.1%	19.1%	19.1%
3.32%	12.0%	12.1%	12.1%	12.1%	12.1%	12.1%
5.32%	5.1%	5.2%	5.2%	5.2%	5.2%	5.3%
6.75%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
1.32%	81.2%	77.0%	77.0%	77.0%	77.0%	75.4%
3.32%	46.3%	41.5%	41.5%	41.5%	41.5%	38.3%
5.32%	12.1%	6.2%	6.2%	6.2%	6.2%	(0.0)%
6.75%	*	*	*	*	*	*

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

**Sensitivity of the KX Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
0.625% and below	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2.530%	3.8%	3.8%	3.8%	3.8%	3.7%	3.7%
4.000% to 5.500%	6.8%	6.8%	6.8%	6.8%	6.7%	6.6%
6.530%	4.7%	4.7%	4.7%	4.7%	4.6%	4.6%
8.530%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
8.875% and above	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Sensitivity of the XI Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
0.625% and below	285.2%	285.2%	279.8%	274.3%	256.9%	238.1%
2.530%	106.7%	106.7%	101.6%	96.2%	76.9%	54.7%
4.000% to 5.500%	*	*	*	*	*	*
6.530%	72.1%	72.0%	67.0%	61.5%	39.5%	14.4%
8.530%	249.3%	249.3%	244.0%	238.6%	221.4%	202.5%
8.875% and above	285.2%	285.2%	279.8%	274.3%	256.9%	238.1%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>162%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
1.319%	15.9%	16.0%	17.6%	23.7%	32.2%	45.9%
3.319%	9.9%	10.1%	11.5%	17.7%	26.3%	40.2%
5.319%	4.2%	4.4%	5.5%	11.9%	20.6%	34.5%
6.550%	0.8%	1.0%	1.9%	8.3%	17.1%	31.0%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>580%</u>	<u>750%</u>	<u>1100%</u>
1.32%	218.9%	210.9%	197.5%	190.3%	175.2%
3.32%	114.6%	106.2%	92.0%	84.5%	68.6%
5.32%	26.0%	15.6%	(2.4)%	(12.2)%	(33.1)%
6.10%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	200%	363%	550%	700%
1.31913%	30.5%	30.3%	30.1%	29.9%	29.7%
3.31913%	17.8%	17.7%	17.5%	17.4%	17.3%
5.31913%	5.5%	5.5%	5.4%	5.3%	5.2%
6.25000%	(0.0)%	(0.1)%	(0.1)%	(0.2)%	(0.2)%

**Sensitivity of the SD Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

LIBOR	PSA Prepayment Assumption				
	50%	200%	363%	550%	700%
1.31913%	26.2%	26.2%	26.3%	26.3%	26.4%
3.31913%	15.4%	15.5%	15.6%	15.7%	15.8%
5.31913%	4.9%	5.1%	5.2%	5.4%	5.5%
6.25000%	0.2%	0.3%	0.5%	0.7%	0.9%

**Sensitivity of the XS Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

10-Year Treasury Index	PSA Prepayment Assumption					
	50%	100%	150%	200%	350%	500%
0.625% and below	57.2%	57.2%	57.0%	56.7%	55.8%	54.9%
2.530%	23.9%	23.9%	23.8%	23.6%	23.0%	22.4%
4.000% to 5.500%	(0.1)%	(0.1)%	(0.1)%	(0.2)%	(0.5)%	(0.8)%
6.530%	16.6%	16.6%	16.5%	16.3%	15.8%	15.3%
8.530%	51.0%	51.0%	50.8%	50.5%	49.6%	48.8%
8.875% and above	57.2%	57.2%	57.0%	56.7%	55.8%	54.9%

**Sensitivity of the WS Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

10-Year Treasury Index	PSA Prepayment Assumption					
	50%	100%	150%	200%	350%	500%
0.625% and below	38.4%	38.4%	38.5%	38.6%	39.0%	39.3%
2.530%	16.3%	16.3%	16.4%	16.6%	17.3%	17.8%
4.000% to 5.500%	0.2%	0.2%	0.3%	0.4%	1.5%	2.2%
6.530%	11.4%	11.4%	11.5%	11.7%	12.5%	13.1%
8.530%	34.3%	34.3%	34.4%	34.5%	34.9%	35.3%
8.875% and above	38.4%	38.4%	38.5%	38.6%	39.0%	39.3%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of the Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,

- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the reductions in principal balance of the Certificate referred to in clause (a).

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 2, Group 3 and Group 5 Classes, and
- in the case of the Group 2 and Group 3 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	8.50%
Group 2 MBS	360 months	360 months	8.50%
Group 3 MBS	360 months	360 months	7.50%
Group 4 MBS	360 months	360 months	9.00%
Group 5 MBS	240 months	240 months	7.50%

It is unlikely

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

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

Percent of Original Principal Balances Outstanding

Date	PO, SA†, FA, SD and SC Classes					SP, SG† and PF Classes						KX, XI†, XO, XS and WS Classes					
	PSA Prepayment Assumption					PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	200%	363%	550%	700%	0%	100%	150%	200%	350%	500%	0%	100%	150%	200%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2008	99	95	92	88	86	99	95	95	95	95	95	100	100	98	95	88	81
March 2009	98	86	77	67	59	97	86	86	86	86	86	100	100	93	86	65	44
March 2010	98	75	59	44	34	96	75	75	75	75	75	100	100	87	74	39	8
March 2011	97	65	46	29	19	94	64	64	64	64	55	100	100	82	65	21	0
March 2012	95	56	35	19	11	92	55	55	55	55	38	100	100	78	58	10	0
March 2013	94	48	27	13	6	91	45	45	45	45	26	100	100	75	53	3	0
March 2014	93	42	21	8	4	88	37	37	37	37	18	100	100	73	50	*	0
March 2015	92	36	16	5	2	86	29	29	29	29	12	100	100	71	47	*	0
March 2016	90	31	12	4	1	84	22	22	22	22	8	100	98	68	44	*	0
March 2017	89	27	9	2	1	81	17	17	17	17	6	100	95	64	41	*	0
March 2018	87	23	7	2	*	78	13	13	13	13	4	100	90	60	37	*	0
March 2019	85	20	5	1	*	75	10	10	10	10	3	100	85	55	34	*	0
March 2020	83	17	4	1	*	71	8	8	8	8	2	100	80	51	30	*	0
March 2021	81	14	3	*	*	67	6	6	6	6	1	100	74	46	27	*	0
March 2022	78	12	2	*	*	63	4	4	4	4	1	100	68	41	23	*	0
March 2023	75	10	2	*	*	59	3	3	3	3	1	100	63	37	20	*	0
March 2024	72	8	1	*	*	54	3	3	3	3	*	100	57	32	17	*	0
March 2025	69	7	1	*	*	49	2	2	2	2	*	100	51	28	15	*	0
March 2026	66	6	1	*	*	43	1	1	1	1	*	100	46	25	12	*	0
March 2027	62	5	1	*	*	36	1	1	1	1	*	100	40	21	10	*	0
March 2028	58	4	*	*	*	30	1	1	1	1	*	100	35	18	9	*	0
March 2029	53	3	*	*	*	22	1	1	1	1	*	100	30	15	7	*	0
March 2030	49	2	*	*	*	14	*	*	*	*	*	100	26	12	6	*	0
March 2031	43	2	*	*	*	5	*	*	*	*	*	100	21	10	4	*	0
March 2032	37	1	*	*	*	*	*	*	*	*	*	93	17	8	3	*	0
March 2033	31	1	*	*	*	*	*	*	*	*	*	77	13	6	2	*	0
March 2034	24	1	*	*	*	*	*	*	*	*	*	60	9	4	2	*	0
March 2035	17	*	*	*	*	*	*	*	*	*	*	42	6	2	1	*	0
March 2036	9	*	*	*	*	*	*	*	*	*	*	22	2	1	*	*	0
March 2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.8	7.5	4.7	3.4	2.8	16.3	6.3	6.3	6.3	6.3	4.9	27.5	18.6	13.1	9.3	2.8	1.9

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

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

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

Date	DA Class						DB Class						DC Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	162%	250%	350%	500%	0%	100%	162%	250%	350%	500%	0%	100%	162%	250%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2008	97	77	77	77	77	77	100	100	100	100	100	100	100	100	100	100	100	100
March 2009	94	55	55	55	55	25	100	100	100	100	100	100	100	100	100	100	100	100
March 2010	91	34	34	34	22	0	100	100	100	100	100	47	100	100	100	100	100	100
March 2011	88	15	15	15	0	0	100	100	100	100	75	0	100	100	100	100	100	43
March 2012	84	0	0	0	0	0	100	92	92	92	10	0	100	100	100	100	100	0
March 2013	80	0	0	0	0	0	100	48	48	48	0	0	100	100	100	100	31	0
March 2014	75	0	0	0	0	0	100	6	6	6	0	0	100	100	100	100	0	0
March 2015	71	0	0	0	0	0	100	0	0	0	0	0	100	46	46	46	0	0
March 2016	66	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2017	60	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2018	54	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2019	48	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2020	41	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2021	34	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2022	26	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2023	17	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2024	8	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2025	0	0	0	0	0	0	96	0	0	0	0	0	100	0	0	0	0	0
March 2026	0	0	0	0	0	0	68	0	0	0	0	0	100	0	0	0	0	0
March 2027	0	0	0	0	0	0	37	0	0	0	0	0	100	0	0	0	0	0
March 2028	0	0	0	0	0	0	5	0	0	0	0	0	100	0	0	0	0	0
March 2029	0	0	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0	0
March 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.9	2.3	2.3	2.3	2.0	1.5	19.6	6.0	6.0	6.0	4.4	3.0	22.0	8.0	8.0	8.0	5.8	4.0

Date	DE Class						DG Class						DS and DF Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	162%	250%	350%	500%	0%	100%	162%	250%	350%	500%	0%	100%	162%	250%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2008	100	100	100	100	100	100	100	100	100	100	100	100	100	100	87	68	47	15
March 2009	100	100	100	100	100	100	100	100	100	100	100	100	100	100	76	44	10	0
March 2010	100	100	100	100	100	100	100	100	100	100	100	100	100	100	68	27	0	0
March 2011	100	100	100	100	100	100	100	100	100	100	100	100	100	100	61	14	0	0
March 2012	100	100	100	100	100	69	100	100	100	100	100	100	100	100	57	6	0	0
March 2013	100	100	100	100	100	29	100	100	100	100	100	100	100	100	53	2	0	0
March 2014	100	100	100	100	79	2	100	100	100	100	100	100	100	100	51	*	0	0
March 2015	100	100	100	100	47	0	100	100	100	100	100	71	100	99	50	*	0	0
March 2016	100	96	96	96	23	0	100	100	100	100	100	48	100	97	48	*	0	0
March 2017	100	68	68	68	4	0	100	100	100	100	100	32	100	94	45	*	0	0
March 2018	100	45	45	45	0	0	100	100	100	100	82	22	100	89	41	*	0	0
March 2019	100	26	26	26	0	0	100	100	100	100	62	14	100	84	38	*	0	0
March 2020	100	11	11	11	0	0	100	100	100	100	46	10	100	78	34	*	0	0
March 2021	100	0	0	0	0	0	100	96	96	96	34	6	100	71	31	*	0	0
March 2022	100	0	0	0	0	0	100	76	76	76	25	4	100	65	27	*	0	0
March 2023	100	0	0	0	0	0	100	60	60	60	19	3	100	58	24	*	0	0
March 2024	100	0	0	0	0	0	100	47	47	47	14	2	100	52	20	*	0	0
March 2025	100	0	0	0	0	0	100	36	36	36	10	1	100	45	17	*	0	0
March 2026	100	0	0	0	0	0	100	28	28	28	7	1	100	38	14	*	0	0
March 2027	100	0	0	0	0	0	100	20	20	20	5	*	100	32	12	*	0	0
March 2028	100	0	0	0	0	0	100	15	15	15	3	*	100	26	9	*	0	0
March 2029	100	0	0	0	0	0	100	10	10	10	2	*	100	20	7	*	0	0
March 2030	91	0	0	0	0	0	100	6	6	6	1	*	100	14	5	*	0	0
March 2031	49	0	0	0	0	0	100	4	4	4	1	*	100	9	3	*	0	0
March 2032	3	0	0	0	0	0	100	1	1	1	*	*	100	4	1	*	0	0
March 2033	0	0	0	0	0	0	16	0	0	0	0	0	100	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	81	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	56	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	29	0	0	0	0	0
March 2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	24.0	11.0	11.0	11.0	8.1	5.6	25.7	17.5	17.5	17.5	13.6	9.6	28.2	17.3	9.3	2.1	1.0	0.6

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

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

Date	DH Class						SI† and FT Classes				
	PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	162%	250%	350%	500%	0%	250%	580%	750%	1100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
March 2008	98	86	86	86	86	86	99	95	89	86	80
March 2009	96	72	72	72	72	53	99	84	67	59	43
March 2010	94	59	59	59	52	25	98	71	44	32	15
March 2011	92	47	47	47	32	6	97	60	28	18	5
March 2012	90	36	36	36	16	0	96	50	18	10	2
March 2013	87	25	25	25	4	0	95	42	12	5	1
March 2014	85	16	16	16	0	0	94	35	7	3	*
March 2015	82	7	7	7	0	0	92	29	5	2	*
March 2016	79	0	0	0	0	0	91	24	3	1	*
March 2017	75	0	0	0	0	0	89	20	2	*	*
March 2018	72	0	0	0	0	0	88	17	1	*	*
March 2019	68	0	0	0	0	0	86	14	1	*	*
March 2020	63	0	0	0	0	0	84	11	*	*	*
March 2021	59	0	0	0	0	0	82	9	*	*	*
March 2022	54	0	0	0	0	0	79	8	*	*	*
March 2023	49	0	0	0	0	0	77	6	*	*	*
March 2024	43	0	0	0	0	0	74	5	*	*	*
March 2025	37	0	0	0	0	0	71	4	*	*	0
March 2026	30	0	0	0	0	0	67	3	*	*	0
March 2027	23	0	0	0	0	0	64	3	*	*	0
March 2028	15	0	0	0	0	0	59	2	*	*	0
March 2029	7	0	0	0	0	0	55	2	*	*	0
March 2030	0	0	0	0	0	0	50	1	*	*	0
March 2031	0	0	0	0	0	0	45	1	*	*	0
March 2032	0	0	0	0	0	0	39	1	*	*	0
March 2033	0	0	0	0	0	0	32	*	*	*	0
March 2034	0	0	0	0	0	0	25	*	*	*	0
March 2035	0	0	0	0	0	0	18	*	*	*	0
March 2036	0	0	0	0	0	0	9	*	*	0	0
March 2037	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.5	4.0	4.0	4.0	3.1	2.2	21.1	6.5	3.3	2.7	2.0

Date	DM Class						DN Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	125%	175%	225%	350%	500%	0%	125%	175%	225%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
March 2008	97	87	83	79	70	59	100	100	100	100	100	100
March 2009	94	74	68	62	47	31	100	100	100	100	100	100
March 2010	91	63	54	47	29	12	100	100	100	100	100	100
March 2011	87	52	43	34	16	0	100	100	100	100	100	98
March 2012	83	43	32	23	5	0	100	100	100	100	100	65
March 2013	79	34	23	14	0	0	100	100	100	100	89	43
March 2014	75	26	15	6	0	0	100	100	100	100	66	28
March 2015	70	18	8	0	0	0	100	100	100	100	48	18
March 2016	65	12	2	0	0	0	100	100	100	79	35	12
March 2017	59	6	0	0	0	0	100	100	87	62	25	7
March 2018	53	0	0	0	0	0	100	100	70	48	18	5
March 2019	47	0	0	0	0	0	100	80	54	36	12	3
March 2020	40	0	0	0	0	0	100	63	41	26	8	2
March 2021	33	0	0	0	0	0	100	47	29	18	5	1
March 2022	24	0	0	0	0	0	100	32	19	12	3	*
March 2023	16	0	0	0	0	0	100	19	11	6	1	*
March 2024	6	0	0	0	0	0	100	7	4	2	*	*
March 2025	0	0	0	0	0	0	86	0	0	0	0	0
March 2026	0	0	0	0	0	0	45	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0
March 2028	0	0	0	0	0	0	0	0	0	0	0	0
March 2029	0	0	0	0	0	0	0	0	0	0	0	0
March 2030	0	0	0	0	0	0	0	0	0	0	0	0
March 2031	0	0	0	0	0	0	0	0	0	0	0	0
March 2032	0	0	0	0	0	0	0	0	0	0	0	0
March 2033	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0
March 2037	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.7	4.7	3.8	3.2	2.2	1.5	18.9	14.0	12.7	11.4	8.7	6.3

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

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

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

Characteristics of the R and RL Classes

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

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

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”).

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

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

U.S. Treasury Circular 230 Notice

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

REMIC Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

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

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	363% PSA
2	200% PSA
3	162% PSA
4	580% PSA
5	175% PSA

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

Taxation of Beneficial Owners of Residual Certificates

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 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 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 Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 5.90% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

The Treasury Department 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.

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes (each, a "Combination RCR Class") will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. Each Certificate of a Combination RCR Class (a "Combination RCR Certificate") will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

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

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

Tax Return Disclosure Requirements

Treasury Department Regulations that are directed at "tax shelters" could be read to apply to transactions generally not considered to be tax shelters. These Regulations require that taxpayers that participate in a "reportable transaction" disclose such transaction on their tax returns by attaching IRS Form 8886 and retain information related to the transaction. A transaction may be a "reportable transaction" based upon any of several indicia, one or more of which may be present with respect to the Certificates. You should consult your own tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates.

PLAN OF DISTRIBUTION

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

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” as applicable, in this prospectus supplement. The proportion that the original principal balance of each Group 1, Group 2, Group 3, Group 4 or Group 5 Class bears to the aggregate original principal balance of all Group 1, Group 2, Group 3, Group 4 or Group 5 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. Milbank Tweed Hadley & McCloy LLP will provide legal representation for the Dealer.

Available Recombinations (1) (2)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal Balance	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1								
SA	\$25,000,000 (4)	SD	\$ 5,000,000	(5)	INV	PT	31396VMY1	April 2037
PO	5,000,000							
Recombination 2								
SA	30,000,000 (4)	SC	5,000,000	(5)	INV	PT	31396VMX3	April 2037
PO	5,000,000							
Recombination 3								
XI	8,950,000 (4)	XS	8,950,000	(6)	T	SUP	31396VMZ8	April 2037
XO	8,950,000							
Recombination 4								
XI	5,817,500 (4)	WS	8,950,000	(6)	T	SUP	31396VNA2	April 2037
XO	8,950,000							
Recombination 5								
DA	49,780,000	DH	80,000,000	5.0%	FIX	PAC	31396VNB0	September 2033
DB	18,910,000							
DC	11,310,000							

- (1) REMIC Certificates and RCR Certificates in Recombinations 1 through 4 may be exchanged only in the proportions shown in this Schedule 1. In any exchange under Recombination 5, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal balances of the related REMIC Classes at the time of exchange.
- (2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See "Description of the Certificates—General—*Authorized Denominations*" in this prospectus supplement.
- (3) See "Description of Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" in this prospectus supplement.
- (4) Notional balances. These Classes are Interest Only Classes. See page S-8 for a description of how their notional balances are calculated.
- (5) For a description of these interest rates, see "Description of the Certificates—Distributions of Interest" in this prospectus supplement.
- (6) These Classes are Toggle Classes. See pages S-7 and S-8 for a description of their interest rates.

Principal Balance Schedules

Aggregate Group I Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$119,450,000.00	June 2011	\$ 73,996,435.92	September 2015	\$ 29,995,122.84
April 2007	119,130,261.07	July 2011	73,002,798.49	October 2015	29,357,568.01
May 2007	118,776,336.28	August 2011	72,014,230.72	November 2015	28,733,181.70
June 2007	118,388,333.15	September 2011	71,030,706.54	December 2015	28,121,696.90
July 2007	117,966,376.91	October 2011	70,052,200.00	January 2016	27,522,851.91
August 2007	117,510,610.44	November 2011	69,078,685.27	February 2016	26,936,390.31
September 2007	117,021,194.20	December 2011	68,110,136.69	March 2016	26,362,060.80
October 2007	116,498,306.16	January 2012	67,146,528.71	April 2016	25,799,617.10
November 2007	115,942,141.74	February 2012	66,187,835.89	May 2016	25,248,817.90
December 2007	115,352,913.66	March 2012	65,234,032.97	June 2016	24,709,426.71
January 2008	114,730,851.86	April 2012	64,285,094.77	July 2016	24,181,211.77
February 2008	114,076,203.35	May 2012	63,340,996.28	August 2016	23,663,945.98
March 2008	113,389,232.05	June 2012	62,401,712.58	September 2016	23,157,406.81
April 2008	112,670,218.65	July 2012	61,467,218.93	October 2016	22,661,376.17
May 2008	111,919,460.39	August 2012	60,537,490.66	November 2016	22,175,640.35
June 2008	111,137,270.92	September 2012	59,612,503.26	December 2016	21,699,989.94
July 2008	110,323,980.06	October 2012	58,692,232.35	January 2017	21,234,219.73
August 2008	109,479,933.57	November 2012	57,776,653.65	February 2017	20,778,128.62
September 2008	108,605,492.94	December 2012	56,865,743.02	March 2017	20,331,519.56
October 2008	107,701,035.13	January 2013	55,959,476.46	April 2017	19,894,199.46
November 2008	106,766,952.27	February 2013	55,057,830.06	May 2017	19,465,979.08
December 2008	105,803,651.45	March 2013	54,160,780.06	June 2017	19,046,673.02
January 2009	104,811,554.38	April 2013	53,268,302.81	July 2017	18,636,099.58
February 2009	103,791,097.09	May 2013	52,380,374.79	August 2017	18,234,080.73
March 2009	102,742,729.63	June 2013	51,496,972.58	September 2017	17,840,442.01
April 2009	101,666,915.74	July 2013	50,618,072.90	October 2017	17,455,012.46
May 2009	100,564,132.50	August 2013	49,743,652.59	November 2017	17,077,624.57
June 2009	99,434,869.98	September 2013	48,873,688.61	December 2017	16,708,114.19
July 2009	98,311,374.85	October 2013	48,008,158.02	January 2018	16,346,320.49
August 2009	97,193,617.44	November 2013	47,147,038.02	February 2018	15,992,085.85
September 2009	96,081,568.24	December 2013	46,290,305.91	March 2018	15,645,255.85
October 2009	94,975,197.88	January 2014	45,437,939.12	April 2018	15,305,679.15
November 2009	93,874,477.15	February 2014	44,589,915.19	May 2018	14,973,207.49
December 2009	92,779,376.98	March 2014	43,746,211.77	June 2018	14,647,695.56
January 2010	91,689,868.46	April 2014	42,906,806.64	July 2018	14,329,001.01
February 2010	90,605,922.82	May 2014	42,071,677.69	August 2018	14,016,984.34
March 2010	89,527,511.44	June 2014	41,240,802.90	September 2018	13,711,508.86
April 2010	88,454,605.86	July 2014	40,414,160.40	October 2018	13,412,440.64
May 2010	87,387,177.74	August 2014	39,591,728.41	November 2018	13,119,648.45
June 2010	86,325,198.91	September 2014	38,773,485.26	December 2018	12,833,003.71
July 2010	85,268,641.34	October 2014	37,959,409.41	January 2019	12,552,380.43
August 2010	84,217,477.13	November 2014	37,157,734.27	February 2019	12,277,655.16
September 2010	83,171,678.53	December 2014	36,372,550.58	March 2019	12,008,706.93
October 2010	82,131,217.96	January 2015	35,603,524.82	April 2019	11,745,417.24
November 2010	81,096,067.93	February 2015	34,850,330.13	May 2019	11,487,669.96
December 2010	80,066,201.14	March 2015	34,112,646.22	June 2019	11,235,351.31
January 2011	79,041,590.40	April 2015	33,390,159.18	July 2019	10,988,349.81
February 2011	78,022,208.67	May 2015	32,682,561.37	August 2019	10,746,556.22
March 2011	77,008,029.05	June 2015	31,989,551.33	September 2019	10,509,863.53
April 2011	75,999,024.78	July 2015	31,310,833.61	October 2019	10,278,166.87
May 2011	74,995,169.23	August 2015	30,646,118.70	November 2019	10,051,363.51

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
December 2019	\$ 9,829,352.79	May 2024	\$ 2,895,322.18	October 2028	\$ 752,206.50
January 2020	9,612,036.06	June 2024	2,826,743.34	November 2028	731,815.72
February 2020	9,399,316.71	July 2024	2,759,672.11	December 2028	711,903.02
March 2020	9,191,100.06	August 2024	2,694,076.71	January 2029	692,457.95
April 2020	8,987,293.34	September 2024	2,629,926.01	February 2029	673,470.28
May 2020	8,787,805.68	October 2024	2,567,189.51	March 2029	654,929.99
June 2020	8,592,548.02	November 2024	2,505,837.34	April 2029	636,827.26
July 2020	8,401,433.14	December 2024	2,445,840.25	May 2029	619,152.50
August 2020	8,214,375.55	January 2025	2,387,169.58	June 2029	601,896.30
September 2020	8,031,291.53	February 2025	2,329,797.29	July 2029	585,049.46
October 2020	7,852,099.01	March 2025	2,273,695.87	August 2029	568,602.98
November 2020	7,676,717.64	April 2025	2,218,838.42	September 2029	552,548.03
December 2020	7,505,068.65	May 2025	2,165,198.57	October 2029	536,875.99
January 2021	7,337,074.89	June 2025	2,112,750.50	November 2029	521,578.41
February 2021	7,172,660.78	July 2025	2,061,468.92	December 2029	506,647.00
March 2021	7,011,752.26	August 2025	2,011,329.08	January 2030	492,073.69
April 2021	6,854,276.78	September 2025	1,962,306.72	February 2030	477,850.54
May 2021	6,700,163.27	October 2025	1,914,378.07	March 2030	463,969.80
June 2021	6,549,342.09	November 2025	1,867,519.89	April 2030	450,423.87
July 2021	6,401,745.02	December 2025	1,821,709.39	May 2030	437,205.32
August 2021	6,257,305.23	January 2026	1,776,924.26	June 2030	424,306.88
September 2021	6,115,957.25	February 2026	1,733,142.65	July 2030	411,721.43
October 2021	5,977,636.93	March 2026	1,690,343.16	August 2030	399,441.99
November 2021	5,842,281.44	April 2026	1,648,504.83	September 2030	387,461.76
December 2021	5,709,829.21	May 2026	1,607,607.16	October 2030	375,774.04
January 2022	5,580,219.93	June 2026	1,567,630.03	November 2030	364,372.32
February 2022	5,453,394.53	July 2026	1,528,553.77	December 2030	353,250.19
March 2022	5,329,295.13	August 2026	1,490,359.12	January 2031	342,401.40
April 2022	5,207,865.03	September 2026	1,453,027.19	February 2031	331,819.81
May 2022	5,089,048.69	October 2026	1,416,539.51	March 2031	321,499.45
June 2022	4,972,791.68	November 2026	1,380,877.99	April 2031	311,434.43
July 2022	4,859,040.72	December 2026	1,346,024.89	May 2031	301,619.02
August 2022	4,747,743.58	January 2027	1,311,962.87	June 2031	292,047.61
September 2022	4,638,849.12	February 2027	1,278,674.94	July 2031	282,714.68
October 2022	4,532,307.22	March 2027	1,246,144.45	August 2031	273,614.86
November 2022	4,428,068.80	April 2027	1,214,355.12	September 2031	264,742.89
December 2022	4,326,085.77	May 2027	1,183,290.99	October 2031	256,093.61
January 2023	4,226,311.04	June 2027	1,152,936.44	November 2031	247,661.98
February 2023	4,128,698.47	July 2027	1,123,276.17	December 2031	239,443.06
March 2023	4,033,202.85	August 2027	1,094,295.20	January 2032	231,432.03
April 2023	3,939,779.92	September 2027	1,065,978.87	February 2032	223,624.17
May 2023	3,848,386.30	October 2027	1,038,312.83	March 2032	216,014.84
June 2023	3,758,979.52	November 2027	1,011,283.00	April 2032	208,599.52
July 2023	3,671,517.96	December 2027	984,875.63	May 2032	201,373.80
August 2023	3,585,960.86	January 2028	959,077.24	June 2032	194,333.33
September 2023	3,502,268.30	February 2028	933,874.62	July 2032	187,473.88
October 2023	3,420,401.16	March 2028	909,254.86	August 2032	180,791.31
November 2023	3,340,321.14	April 2028	885,205.30	September 2032	174,281.56
December 2023	3,261,990.72	May 2028	861,713.56	October 2032	167,940.65
January 2024	3,185,373.14	June 2028	838,767.52	November 2032	161,764.71
February 2024	3,110,432.39	July 2028	816,355.29	December 2032	155,749.93
March 2024	3,037,133.23	August 2028	794,465.26	January 2033	149,892.61
April 2024	2,965,441.10	September 2028	773,086.04	February 2033	144,189.09

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
March 2033	\$ 138,635.83	July 2034	\$ 67,596.94	November 2035	\$ 22,546.73
April 2033	133,229.35	August 2034	64,122.66	December 2035	20,386.69
May 2033	127,966.24	September 2034	60,746.36	January 2036	18,292.86
June 2033	122,843.17	October 2034	57,465.71	February 2036	16,263.60
July 2033	117,856.88	November 2034	54,278.42	March 2036	14,297.33
August 2033	113,004.18	December 2034	51,182.24	April 2036	12,392.47
September 2033	108,281.96	January 2035	48,175.01	May 2036	10,547.52
October 2033	103,687.17	February 2035	45,254.58	June 2036	8,760.97
November 2033	99,216.82	March 2035	42,418.85	July 2036	7,031.38
December 2033	94,868.00	April 2035	39,665.80	August 2036	5,357.32
January 2034	90,637.85	May 2035	36,993.41	September 2036	3,737.40
February 2034	86,523.58	June 2035	34,399.74	October 2036	2,170.27
March 2034	82,522.46	July 2035	31,882.88	November 2036	654.58
April 2034	78,631.82	August 2035	29,440.95	December 2036 and thereafter	0.00
May 2034	74,849.05	September 2035	27,072.13		
June 2034	71,171.59	October 2035	24,774.64		

Aggregate Group II Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$108,280,000.00	November 2009	\$ 78,922,018.32	July 2012	\$ 54,167,790.63
April 2007	107,284,994.21	December 2009	78,082,723.44	August 2012	53,460,429.73
May 2007	106,295,254.86	January 2010	77,247,891.02	September 2012	52,756,849.67
June 2007	105,310,754.76	February 2010	76,417,498.01	October 2012	52,057,030.91
July 2007	104,331,466.87	March 2010	75,591,521.49	November 2012	51,360,954.01
August 2007	103,357,364.27	April 2010	74,769,938.64	December 2012	50,668,599.63
September 2007	102,388,420.20	May 2010	73,952,726.78	January 2013	49,979,948.54
October 2007	101,424,608.04	June 2010	73,139,863.31	February 2013	49,294,981.58
November 2007	100,465,901.29	July 2010	72,331,325.79	March 2013	48,613,679.72
December 2007	99,512,273.59	August 2010	71,527,091.86	April 2013	47,936,024.01
January 2008	98,563,698.72	September 2010	70,727,139.30	May 2013	47,261,995.61
February 2008	97,620,150.60	October 2010	69,931,445.99	June 2013	46,591,575.76
March 2008	96,681,603.28	November 2010	69,139,989.92	July 2013	45,924,745.82
April 2008	95,748,030.93	December 2010	68,352,749.22	August 2013	45,261,487.22
May 2008	94,819,407.88	January 2011	67,569,702.09	September 2013	44,601,781.50
June 2008	93,895,708.57	February 2011	66,790,826.89	October 2013	43,945,610.30
July 2008	92,976,907.57	March 2011	66,016,102.05	November 2013	43,292,955.33
August 2008	92,062,979.60	April 2011	65,245,506.13	December 2013	42,643,798.44
September 2008	91,153,899.50	May 2011	64,479,017.81	January 2014	41,998,121.52
October 2008	90,249,642.24	June 2011	63,716,615.86	February 2014	41,355,906.59
November 2008	89,350,182.91	July 2011	62,958,279.16	March 2014	40,717,135.75
December 2008	88,455,496.74	August 2011	62,203,986.72	April 2014	40,081,791.19
January 2009	87,565,559.08	September 2011	61,453,717.64	May 2014	39,449,855.20
February 2009	86,680,345.42	October 2011	60,707,451.13	June 2014	38,821,310.14
March 2009	85,799,831.35	November 2011	59,965,166.50	July 2014	38,198,175.47
April 2009	84,923,992.62	December 2011	59,226,843.19	August 2014	37,584,332.10
May 2009	84,052,805.07	January 2012	58,492,460.73	September 2014	36,979,646.84
June 2009	83,186,244.70	February 2012	57,761,998.75	October 2014	36,383,988.38
July 2009	82,324,287.60	March 2012	57,035,436.98	November 2014	35,797,227.25
August 2009	81,466,910.00	April 2012	56,312,755.29	December 2014	35,219,235.78
September 2009	80,614,088.25	May 2012	55,593,933.62	January 2015	34,649,888.12
October 2009	79,765,798.83	June 2012	54,878,952.01	February 2015	34,089,060.14

Aggregate Group II (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
March 2015	\$ 33,536,629.49	August 2019	\$ 13,613,398.36	January 2024	\$ 4,940,132.63
April 2015	32,992,475.52	September 2019	13,372,677.42	February 2024	4,838,008.34
May 2015	32,456,479.27	October 2019	13,135,713.13	March 2024	4,737,578.69
June 2015	31,928,523.46	November 2019	12,902,450.27	April 2024	4,638,817.99
July 2015	31,408,492.43	December 2019	12,672,834.42	May 2024	4,541,700.92
August 2015	30,896,272.16	January 2020	12,446,811.94	June 2024	4,446,202.53
September 2015	30,391,750.25	February 2020	12,224,329.93	July 2024	4,352,298.23
October 2015	29,894,815.85	March 2020	12,005,336.28	August 2024	4,259,963.79
November 2015	29,405,359.68	April 2020	11,789,779.57	September 2024	4,169,175.33
December 2015	28,923,273.98	May 2020	11,577,609.16	October 2024	4,079,909.32
January 2016	28,448,452.52	June 2020	11,368,775.10	November 2024	3,992,142.55
February 2016	27,980,790.57	July 2020	11,163,228.17	December 2024	3,905,852.18
March 2016	27,520,184.85	August 2020	10,960,919.84	January 2025	3,821,015.66
April 2016	27,066,533.54	September 2020	10,761,802.28	February 2025	3,737,610.82
May 2016	26,619,736.25	October 2020	10,565,828.34	March 2025	3,655,615.76
June 2016	26,179,694.02	November 2020	10,372,951.53	April 2025	3,575,008.93
July 2016	25,746,309.27	December 2020	10,183,126.04	May 2025	3,495,769.09
August 2016	25,319,485.78	January 2021	9,996,306.71	June 2025	3,417,875.30
September 2016	24,899,128.69	February 2021	9,812,449.02	July 2025	3,341,306.92
October 2016	24,485,144.50	March 2021	9,631,509.08	August 2025	3,266,043.63
November 2016	24,077,441.00	April 2021	9,453,443.64	September 2025	3,192,065.39
December 2016	23,675,927.29	May 2021	9,278,210.06	October 2025	3,119,352.45
January 2017	23,280,513.74	June 2021	9,105,766.31	November 2025	3,047,885.37
February 2017	22,891,111.99	July 2021	8,936,070.97	December 2025	2,977,644.96
March 2017	22,507,634.94	August 2021	8,769,083.20	January 2026	2,908,612.34
April 2017	22,129,996.69	September 2021	8,604,762.74	February 2026	2,840,768.89
May 2017	21,758,112.57	October 2021	8,443,069.93	March 2026	2,774,096.26
June 2017	21,391,899.09	November 2021	8,283,965.65	April 2026	2,708,576.38
July 2017	21,031,273.97	December 2021	8,127,411.36	May 2026	2,644,191.44
August 2017	20,676,156.04	January 2022	7,973,369.07	June 2026	2,580,923.87
September 2017	20,326,465.33	February 2022	7,821,801.31	July 2026	2,518,756.39
October 2017	19,982,122.95	March 2022	7,672,671.18	August 2026	2,457,671.96
November 2017	19,643,051.17	April 2022	7,525,942.30	September 2026	2,397,653.77
December 2017	19,309,173.32	May 2022	7,381,578.79	October 2026	2,338,685.29
January 2018	18,980,413.83	June 2022	7,239,545.32	November 2026	2,280,750.20
February 2018	18,656,698.19	July 2022	7,099,807.03	December 2026	2,223,832.45
March 2018	18,337,952.97	August 2022	6,962,329.60	January 2027	2,167,916.19
April 2018	18,024,105.74	September 2022	6,827,079.17	February 2027	2,112,985.85
May 2018	17,715,085.11	October 2022	6,694,022.37	March 2027	2,059,026.03
June 2018	17,410,820.72	November 2022	6,563,126.34	April 2027	2,006,021.61
July 2018	17,111,243.17	December 2022	6,434,358.65	May 2027	1,953,957.66
August 2018	16,816,284.07	January 2023	6,307,687.37	June 2027	1,902,819.47
September 2018	16,525,875.99	February 2023	6,183,081.01	July 2027	1,852,592.58
October 2018	16,239,952.44	March 2023	6,060,508.54	August 2027	1,803,262.69
November 2018	15,958,447.90	April 2023	5,939,939.38	September 2027	1,754,815.76
December 2018	15,681,297.75	May 2023	5,821,343.38	October 2027	1,707,237.92
January 2019	15,408,438.31	June 2023	5,704,690.83	November 2027	1,660,515.53
February 2019	15,139,806.78	July 2023	5,589,952.47	December 2027	1,614,635.13
March 2019	14,875,341.27	August 2023	5,477,099.41	January 2028	1,569,583.48
April 2019	14,614,980.76	September 2023	5,366,103.23	February 2028	1,525,347.52
May 2019	14,358,665.10	October 2023	5,256,935.89	March 2028	1,481,914.39
June 2019	14,106,334.97	November 2023	5,149,569.77	April 2028	1,439,271.42
July 2019	13,857,931.94	December 2023	5,043,977.63	May 2028	1,397,406.11

Aggregate Group II (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
June 2028	\$ 1,356,306.18	January 2030	\$ 705,734.39	August 2031	\$ 256,762.49
July 2028	1,315,959.50	February 2030	677,621.07	September 2031.....	237,620.32
August 2028	1,276,354.13	March 2030	650,053.12	October 2031	218,876.42
September 2028.....	1,237,478.32	April 2030.....	623,021.70	November 2031	200,524.16
October 2028	1,199,320.47	May 2030	596,518.08	December 2031	182,557.01
November 2028	1,161,869.17	June 2030	570,533.71	January 2032	164,968.55
December 2028	1,125,113.17	July 2030	545,060.11	February 2032	147,752.44
January 2029	1,089,041.39	August 2030	520,088.98	March 2032	130,902.46
February 2029	1,053,642.93	September 2030.....	495,612.10	April 2032.....	114,412.47
March 2029	1,018,907.02	October 2030	471,621.41	May 2032	98,276.42
April 2029.....	984,823.07	November 2030	448,108.94	June 2032	82,488.37
May 2029	951,380.65	December 2030	425,066.87	July 2032	67,042.44
June 2029	918,569.48	January 2031	402,487.48	August 2032	51,932.87
July 2029	886,379.43	February 2031	380,363.16	September 2032.....	37,153.98
August 2029	854,800.53	March 2031	358,686.43	October 2032	22,700.16
September 2029.....	823,822.95	April 2031.....	337,449.93	November 2032	8,565.91
October 2029	793,437.01	May 2031	316,646.37	December 2032 and thereafter	0.00
November 2029	763,633.17	June 2031	296,268.63		
December 2029	734,402.05	July 2031	276,309.65		

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.

\$720,371,377



**Guaranteed REMIC
Pass-Through
Certificates**

Fannie Mae REMIC Trust 2007-35

PROSPECTUS SUPPLEMENT

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Merrill Lynch & Co.

February 28, 2007
