

\$530,801,857



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2010-125**

The Certificates

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

Payments to Certificateholders

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

- interest accrued on the balance of your certificate (except in the case of the accrual class), 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 and
- underlying REMIC and RCR certificates backed by 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(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
KA(2) . .	1	\$185,545,549	SEQ	2.0%	FIX	31398SEN9	November 2025
KB(2) . .	1	2,000	SEQ	2.0	FIX	31398SEP4	November 2025
KI(2) . . .	1	111,328,529(3)	NTL	5.0	FIX/IO	31398SEQ2	November 2025
FA	2	77,450,654	PT	(4)	FLT	31398SER0	November 2040
SA	2	77,450,654(3)	NTL	(4)	INV/IO	31398SES8	November 2040
FP	3	48,706,200	SC/PT	(4)	FLT	31398SET6	May 2040
SP	3	48,706,200(3)	NTL	(4)	INV/IO	31398SEU3	May 2040
HM(2) . .	4	201,170,000	SC/SCH/AD	4.0	FIX	31398SEV1	November 2039
HZ	4	17,927,454	SC/SUP	4.0	FIX/Z	31398SEW9	November 2039
R		0	NPR	0	NPR	31398SEX7	November 2040

- (1) See “Description of the Certificates—The Certificates—*Class Definitions and Abbreviations*” in the REMIC prospectus.
(2) Exchangeable classes.

- (3) Notional balances. These classes are interest only classes. See page S-5 for a description of how their notional balances are calculated.
(4) Based on LIBOR.

If you own certificates of certain classes, you can exchange them for certificates of the corresponding RCR classes to be delivered at the time of exchange. The KT, KU, KQ, KP, KN, KM, KL, KJ, KH, KG, KE, KD, KC, HB, HA, HC, HG and HI Classes are the RCR classes. For a more detailed description of the RCR classes, see Schedule 1 attached to this prospectus supplement and “Description of the Certificates—The Certificates—*Combination and Recombination*” in the REMIC prospectus.

The dealer will offer the certificates (other than the KI Class) from time to time in negotiated transactions at varying prices. We expect the settlement date to be October 29, 2010. Fannie Mae initially will retain the KI Class. See “Plan of Distribution” in this prospectus supplement.

Carefully consider the risk factors on page S-7 of this prospectus supplement and starting on page 11 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.

Barclays Capital

October 25, 2010

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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, 2010 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated:
 - June 1, 2009, for all MBS issued on or after January 1, 2009,
 - April 1, 2008, for all MBS issued on or after June 1, 2007 and prior to January 1, 2009, or
 - January 1, 2006, for all other MBS(as applicable, the “MBS Prospectus”);
- if you are purchasing a Group 3 or Group 4 Class or the R Class, the disclosure documents relating to the applicable underlying REMIC and RCR certificates (the “Underlying REMIC Disclosure Documents”); and
- any information incorporated by reference in this prospectus supplement as discussed below and under the heading “Incorporation by Reference” in the REMIC Prospectus.

For a description of current servicing policies generally applicable to existing Fannie Mae MBS pools, see “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus dated June 1, 2009.

The MBS Prospectus and the Underlying REMIC Disclosure Documents are incorporated by reference in this prospectus supplement. This means that we are disclosing information in those documents by referring you to them. Those documents are considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with those documents.

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 Underlying REMIC Disclosure Documents by writing or calling the dealer at:

Barclays Capital Inc.
Attn: MBS Syndication Operations
70 Hudson Street
Jersey City, New Jersey 07302
(telephone 201-499-2051).

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of October 1, 2010. You should purchase the certificates only after reading this prospectus supplement and each of the additional disclosure documents listed on page S-3. In particular, please see the discussion of risk factors that appears in each of those additional disclosure documents.

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Class 2010-43-FP RCR Certificate Class 2010-43-SP RCR Certificate
4	Class 2009-95-PA REMIC Certificate Class 2009-95-PB REMIC Certificate Class 2009-97-PG RCR Certificate

Group 1 and Group 2

Characteristics of the Trust MBS

	<u>Approximate Principal Balance</u>	<u>Pass- Through Rate</u>	<u>Range of Weighted Average Coupons or WACs (annual percentages)</u>	<u>Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)</u>
Group 1 MBS	\$185,547,549	5.00%	5.25% to 7.50%	100 to 180
Group 2 MBS	\$ 77,450,654	5.50%	5.75% to 8.00%	241 to 360

Assumed Characteristics of the Underlying Mortgage Loans

	<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>
Group 1 MBS	\$185,547,549	180	109	65	5.460%
Group 2 MBS	\$ 77,450,654	360	352	5	5.888%

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

Group 3 and Group 4

Exhibit A describes the underlying REMIC and RCR certificates in Group 3 and Group 4, including certain information about the related mortgage loans. To learn more about the underlying REMIC and RCR certificates, you should obtain from us the current class factors and the related disclosure documents as described on page S-3.

Settlement Date

We expect to issue the certificates on October 29, 2010.

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.

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.

Book-Entry and Physical Certificates

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

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes other than the R Class	R Class

Exchanging Certificates Through Combination and Recombination

If you own certificates of a class designated as “exchangeable” on the cover of this prospectus supplement, you will be able to exchange them for a proportionate interest in the related RCR certificates. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates. You can exchange your certificates by notifying us and paying an exchange fee. We will deliver the RCR certificates upon such exchange.

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

Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate(1)</u>
FA	1.3170%	5.50%	1.06%	LIBOR + 106 basis points
SA	4.1830%	4.44%	0.00%	4.44% – LIBOR
FP	0.6863%	6.75%	0.43%	LIBOR + 43 basis points
SP	6.0637%	6.32%	0.00%	6.32% – LIBOR

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

Notional Classes

The notional principal balances of the notional classes will equal the percentages of the outstanding balances specified below immediately before the related distribution date:

<u>Class</u>	
KI	59.9999997844% of the Group 1 MBS
SA	100% of the FA Class
SP	100% of the FP Class
HI	33.3333330019% of the HM Class

Distributions of Principal

For a description of the principal payment priorities, see “Description of the Certificates—Distributions of Principal” in this prospectus supplement.

Weighted Average Lives (years)*

Group 1 Classes				PSA Prepayment Assumption								
				0%	100%	200%	500%	1000%	1500%			
KA				8.9	4.1	3.4	2.1	1.0	0.4			
KB				15.0	9.1	9.1	9.1	9.0	5.1			
KL, KT, KU, KQ, KP, KN, KM, KL, KJ, KH, KG, KE, KD and KC				8.9	4.1	3.4	2.1	1.0	0.4			
Group 2 Classes				PSA Prepayment Assumption								
				0%	100%	250%	400%	700%	1400%	2100%		
FA and SA				20.5	10.9	6.2	4.2	2.6	1.4	1.0		
Group 3 Classes				PSA Prepayment Assumption								
				0%	100%	250%	400%	700%	1400%	2100%		
FP and SP				20.1	9.9	5.4	3.5	1.9	0.6	0.2		
Group 4 Classes				PSA Prepayment Assumption								
				0%	100%	190%	230%	260%	400%	700%	1400%	2100%
HM, HB, HA, HC, HG and HI				17.1	7.5	5.4	5.4	5.4	3.7	2.0	0.6	0.1
HZ				27.4	20.5	14.0	7.5	2.4	0.5	0.2	0.1	0.1

* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

ADDITIONAL RISK FACTORS

Our purchases of delinquent loans from our single-family MBS trusts may result in increased rates of principal payments on your certificates. On February 10, 2010, we announced that we intend to increase significantly our purchases of delinquent loans from our single-family MBS trusts. If the MBS directly or indirectly backing your certificates hold delinquent loans, those MBS could experience increased prepayments. In turn, this may result in an increase in the rate of principal payments on your certificates. You should refer to the MBS Prospectus for further information about our option to purchase delinquent loans from MBS pools and to our Web site at www.fanniemae.com for further information about our intention to increase our purchases of delinquent loans from our single-family MBS trusts.

Mortgage loans with high loan-to-value ratios may have different prepayment and default characteristics than conforming mortgage loans generally. The mortgage loans underlying the Group 2 MBS have been refinanced under Fannie Mae's Home Affordable Refinance Program ("Fannie Mae Refi Plus") and are designated as "high loan-to-value ratio" loans, with loan-to-value ratios ranging from greater than 105% up to 125%. There is limited information regarding the default and prepayment rates for Fannie Mae Refi Plus high loan-to-value ratio loans. It is possible that these loans could experience higher rates of default and lower rates of voluntary prepayment than other conforming loans generally, and could experience higher or lower rates of default and higher or lower rates of voluntary prepayment than other high loan-to-value ratio loans not refinanced through the Fannie Mae Refi Plus initiative. We are unable to predict how these factors will affect loan performance. Accordingly, the Group 2 Classes may receive payments of principal more quickly or more slowly than expected, and the weighted average lives of the Group 2 Classes may be affected, perhaps significantly.

Payments on the Group 4 Classes also will be affected by the payment priorities governing the underlying REMIC and RCR certificates in Group 4. If you invest in any Group 4 Class, the rate at which you receive payments will be affected by the priority sequences governing principal payments on the related underlying REMIC and RCR certificates.

In particular, as described in the applicable Underlying REMIC Disclosure Documents, principal payments on the Group 4 Underlying REMIC and RCR Certificates are governed by principal balance schedules. As a result, those underlying REMIC and RCR certificates may experience principal payments faster or slower than would otherwise have been the case. In some cases, they may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at rates faster or slower than the rates initially assumed. In certain high prepayment scenarios, it is possible that the effect of a principal balance schedule over time may be eliminated. In such a case, the Group 4 Underlying REMIC and RCR Certificates would experience principal payments at rates that may vary widely from period to period. This prospectus supplement contains no information as to whether

- the Group 4 Underlying REMIC and RCR Certificates have adhered to the related principal balance schedules,
- any related support classes remain outstanding, or
- the Group 4 Underlying REMIC and RCR Certificates otherwise have performed as originally anticipated.

You may obtain additional information about the underlying REMIC and RCR certificates by reviewing their current class factors in light of other information available in the related Underlying REMIC Disclosure Documents. You may obtain those documents from us as described on page S-3.

DESCRIPTION OF THE CERTIFICATES

The material under this heading describes the principal 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”) pursuant to a trust agreement dated as of May 1, 2010 and a supplement thereto dated as of October 1, 2010 (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 May 1, 2010 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 assets of the Trust will include:

- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 2 MBS,” and together, the “Trust MBS”), and
- two groups of previously issued REMIC and RCR certificates (the “Group 3 Underlying RCR Certificates” and “Group 4 Underlying REMIC and RCR Certificates,” and together, the “Underlying REMIC Certificates”) issued from the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A.

The Underlying REMIC Certificates evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, 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.

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

The following chart contains information about the assets, the “regular interests” and the “residual interest” of the REMIC. The REMIC Certificates other than the R Class are collectively referred to as the “Regular Classes” or “Regular Certificates,” and the R Class is referred to as the “Residual Class” or “Residual Certificate.”

	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
REMIC	Trust MBS and Underlying REMIC Certificates	All Classes of REMIC Certificates other than the R Class	R

Fannie Mae Guaranty. For a description of our guaranties of the Certificates, the MBS and the Underlying REMIC Certificates, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus, the MBS Prospectus and the Underlying REMIC Disclosure Documents. Our guaranties are not backed by the full faith and credit of the United States.

Characteristics of Certificates. Except as specified below, we will issue the Certificates 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.”

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

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

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

The Trust MBS

The Trust MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Trust 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 15 years in the case of the Group 1 MBS, and up to 30 years in the case of the Group 2 MBS.

In addition, the Mortgage Loans underlying the Group 2 MBS have been refinanced under Fannie Mae’s Home Affordable Refinance Program (“Fannie Mae Refi Plus”) and are designated as “high loan-to-value ratio” loans, with loan-to-value ratios ranging from greater than 105% up to 125% at the time of refinance. These loans are targeted at borrowers who have demonstrated an acceptable payment history on their mortgage loans but may have been unable to refinance due to a decline in home prices or the unavailability of mortgage insurance. Fannie Mae Refi Plus refinancing is available only if the new mortgage loan either reduces the monthly principal and interest payment for the borrower or provides a more stable loan product (such as movement from an adjustable-rate loan to a fixed rate loan). For more information on the Home Affordable Refinance Program, see “Fannie Mae—Making Home Affordable Program” in the MBS Prospectus dated June 1, 2009 and on our Web site at www.fanniemae.com. See also “Additional Risk Factors—*Mortgage loans with high loan-to-value ratios may have different prepayment and default characteristics than conforming mortgage loans generally*” in this prospectus supplement.

For additional information, see “Summary—Group 1 and Group 2—Characteristics of the Trust MBS” and “—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement and “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of those trusts consist of MBS (or beneficial ownership interests in MBS) having the general characteristics set forth in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

Distributions on the Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Documents. See Exhibit A for certain additional information about the Underlying REMIC Certificates. Exhibit A is being provided in lieu of a Final Data Statement with respect to the Underlying REMIC Certificates.

For further information about the Underlying REMIC Certificates, telephone us at 1-800-237-8627. Additional information about the Underlying REMIC Certificates is also available at <http://sls.fanniemae.com/slsSearch/Home.do>. There may have been material changes in facts and circumstances since the dates we prepared the Underlying REMIC Disclosure Documents. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in those documents may be limited.

Distributions of Interest

General. The Certificates will bear interest at the rates specified in this prospectus supplement. Interest to be paid on each Certificate (or added to principal, in the case of the Accrual Class) on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Class, see “—*Accrual Class*” below.

Delay Classes and No-Delay Classes. The “delay” Classes and “no-delay” Classes are set forth in the following table:

<u>Delay Classes</u>	<u>No-Delay Classes</u>
Fixed Rate Classes	Floating Rate and Inverse Floating Rate Classes

See “Description of the Certificates—The Certificates—*Distributions on Certificates—Interest Distributions*” in the REMIC Prospectus.

Accrual Class. The HZ Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

Distributions of Principal

On the Distribution Date in each month, we will make payments of principal on the Certificates as described below.

- *Group 1*

The Group 1 Principal Distribution Amount to KA and KB, in that order, until } **Sequential Pay Classes**
retired.

The “Group 1 Principal Distribution Amount” is the principal then paid on the Group 1 MBS.

- *Group 2*

The Group 2 Principal Distribution Amount to FA until retired. } **Pass-Through Class**

The “Group 2 Principal Distribution Amount” is the principal then paid on the Group 2 MBS.

- *Group 3*

The Group 3 Principal Distribution Amount to FP until retired.

} Structured
Collateral/
Pass-Through
Class

The “Group 3 Principal Distribution Amount” is the principal then paid on the Group 3 Underlying RCR Certificates.

- *Group 4*

The HZ Accrual Amount to HM to its Scheduled Balance, and thereafter to HZ.

} Accretion
Directed/
Scheduled
Class and
Accrual Class

The Group 4 Cash Flow Distribution Amount in the following priority:

1. To HM to its Scheduled Balance.

} Scheduled
Class

2. To HZ until retired.

} Support
Class

3. To HM until retired.

} Scheduled
Class

} Structured
Collateral

The “HZ Accrual Amount” is any interest then accrued and added to the principal balance of the HZ Class.

The “Group 4 Cash Flow Distribution Amount” is the principal then paid on the Group 4 Underlying REMIC and RCR Certificates

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each pool of Mortgage Loans backing the Underlying REMIC Certificates, the applicable priority sequences governing principal payments on the Group 4 Underlying REMIC and RCR Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 1 and Group 2—Assumed Characteristics of the Underlying Mortgage Loans” 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 October 29, 2010; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. The prepayment model used in this prospectus supplement is PSA. For a description of PSA, see “Yield, Maturity and Prepayment Considerations—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.

Principal Balance Schedule. The Principal Balance Schedule for the HM Class is set forth beginning on page B-1 of this prospectus supplement. The Principal Balance Schedule was prepared based on the Pricing Assumptions and the assumption that the related Mortgage Loans prepay at a *constant* rate within the “Structuring Range” specified in the chart below. The “Effective Range” for

the HM Class is the range of prepayment rates (measured by *constant* PSA rates) that would reduce the HM Class to its scheduled balance each month based on the Pricing Assumptions.

<u>Class</u>	<u>Structuring Range</u>	<u>Initial Effective Range</u>
HM Class Scheduled Balances	Between 190% and 260% PSA	(1)

(1) The HM Class Scheduled Balances have been structured between 190% and 260% PSA, but hold only between 190% and 203% PSA and between 237% and 260% PSA.

We cannot assure you that the balance of the HM Class will conform on any Distribution Date to the balance specified in the Principal Balance Schedule or that distributions of principal of the HM Class will begin or end on the Distribution Dates specified in the Principal Balance Schedule.

If you are considering the purchase of a Scheduled Class, you should first take into account the considerations set forth below.

- We will distribute any excess of principal distributions over the amount necessary to reduce the HM Class to its scheduled balance in any month. As a result, the likelihood of reducing the HM Class to its scheduled balance each month will not be improved by the averaging of high and low principal distributions from month to month.
- Even if the related Mortgage Loans prepay at rates falling within the Structuring Range or the Effective Range, principal distributions may be insufficient to reduce the HM Class to its scheduled balance each month if prepayments do not occur at a *constant* PSA rate.
- The actual Effective Range 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. As a result, the actual Effective Range will likely differ from the Initial Effective Range specified above. For the same reason, the HM Class might not be reduced to its scheduled balance each month even if the related Mortgage Loans prepay at a *constant* PSA rate within the Initial Effective Range. This is so particularly if the rate falls at the lower or higher end of the range.
- The actual Effective Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.
- The principal payment stability of the HM Class will be supported by the HZ Class. When the HZ Class is retired, the HM Class, if still outstanding, may no longer have an Effective Range and will be much more sensitive to prepayments of the related Mortgage Loans.

Yield Tables

General. The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. **The tables below are provided for illustrative purposes only and are not intended as a forecast or prediction of the actual yields on the applicable Classes.** We calculated the yields set forth in the tables by

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

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

We cannot assure you that

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

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

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

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

<u>Class</u>	<u>% PSA</u>
KI	509%
HI	600%

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

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

<u>Class</u>	<u>Price*</u>
KI	10.0000%
HI	13.8125%

* 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.

In the following yield tables, the symbol * is used to represent a yield of less than (99.9)%.

Sensitivity of the KI Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>500%</u>	<u>1000%</u>	<u>1500%</u>
Pre-Tax Yields to Maturity.	34.8%	31.3%	24.1%	0.7%	(46.6)%	*

Sensitivity of the HI Class to Prepayments

	PSA Prepayment Assumption								
	50%	100%	190%	230%	260%	400%	700%	1400%	2100%
Pre-Tax Yields to Maturity.	38.9%	34.6%	26.8%	26.8%	26.8%	17.4%	(9.6)%	*	*

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

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

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

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

Class	Price*
SA	9.125%
SP	13.000%

* 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.

In the following yield tables, the symbol * is used to represent a yield of less than (99.9)%.

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	250%	400%	700%	1400%	2100%
0.125%	47.7%	45.1%	37.1%	28.9%	11.7%	(32.9)%	(82.3)%
0.257%	46.0%	43.4%	35.4%	27.2%	9.9%	(35.0)%	(84.5)%
2.257%	20.8%	18.0%	9.6%	0.8%	(17.8)%	(68.0)%	*
4.440%	*	*	*	*	*	*	*

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	250%	400%	700%	1400%	2100%
0.1250%	46.8%	43.2%	31.9%	20.1%	(6.0)%	(90.8)%	*
0.2563%	45.6%	42.0%	30.8%	19.0%	(7.0)%	(91.4)%	*
2.2563%	28.1%	24.6%	14.1%	2.9%	(21.6)%	*	*
4.2563%	10.6%	7.4%	(2.6)%	(13.1)%	(36.1)%	*	*
6.3200%	*	*	*	*	*	*	*

Weighted Average Lives of the Certificates

For a description of how the weighted average life of a Certificate is determined, see “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the 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 distributions,
- the priority sequences of distributions of principal of the Group 1 and Group 4 Classes, and
- in the case of the Group 4 Classes, the applicable priority sequences affecting principal payments on the Group 4 Underlying REMIC and RCR Certificates.

See “—Distributions of Principal” above and “Description of the Certificates—Distributions of Principal” in the applicable Underlying REMIC Disclosure Documents.

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.

In the case of the information set forth for each Class under 0% PSA, however, we assumed that the 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 Backing Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	180 months	180 months	7.50%
Group 2 MBS	360 months	360 months	8.00%
Group 3 Underlying RCR Certificates	360 months	354 months	8.00%
Group 4 Underlying REMIC and RCR Certificates	360 months	348 months	8.50%

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates or remaining terms to maturity or that the 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	KA Class						KB Class						KI†, KT, KU, KQ, KP, KN, KM, KL, KJ, KH, KG, KE, KD and KC Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	500%	1000%	1500%	0%	100%	200%	500%	1000%	1500%	0%	100%	200%	500%	1000%	1500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2011	96	86	80	64	37	9	100	100	100	100	100	100	96	86	80	64	37	9
October 2012	92	72	64	40	13	1	100	100	100	100	100	100	92	72	64	40	13	1
October 2013	88	60	49	25	5	*	100	100	100	100	100	100	88	60	49	25	5	*
October 2014	83	48	37	15	2	*	100	100	100	100	100	100	83	48	37	15	2	*
October 2015	78	37	27	9	1	0	100	100	100	100	100	47	78	37	27	9	1	*
October 2016	73	27	18	5	*	0	100	100	100	100	100	4	73	27	18	5	*	*
October 2017	67	18	11	2	*	0	100	100	100	100	100	*	67	18	11	2	*	*
October 2018	60	9	5	1	*	0	100	100	100	100	100	*	60	9	5	1	*	0
October 2019	54	1	*	*	0	0	100	100	100	100	28	*	54	1	*	*	*	0
October 2020	46	0	0	0	0	0	100	0	0	0	0	0	46	0	0	0	0	0
October 2021	38	0	0	0	0	0	100	0	0	0	0	0	38	0	0	0	0	0
October 2022	30	0	0	0	0	0	100	0	0	0	0	0	30	0	0	0	0	0
October 2023	21	0	0	0	0	0	100	0	0	0	0	0	21	0	0	0	0	0
October 2024	11	0	0	0	0	0	100	0	0	0	0	0	11	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	8.9	4.1	3.4	2.1	1.0	0.4	15.0	9.1	9.1	9.1	9.0	5.1	8.9	4.1	3.4	2.1	1.0	0.4

Date	FA and SA† Classes							FP and SP† Classes						
	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	250%	400%	700%	1400%	2100%	0%	100%	250%	400%	700%	1400%	2100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2011	99	96	93	90	83	66	49	99	93	84	76	59	20	0
October 2012	98	91	81	72	55	21	0	98	86	71	57	34	3	0
October 2013	97	84	68	54	31	3	0	97	79	59	42	19	1	0
October 2014	96	78	57	40	18	1	0	96	73	49	32	11	*	0
October 2015	95	72	47	30	10	*	0	95	67	41	24	6	*	0
October 2016	94	66	39	22	6	*	0	94	62	34	17	4	*	0
October 2017	92	61	33	17	3	*	0	92	56	28	13	2	*	0
October 2018	91	56	27	12	2	*	0	91	52	23	10	1	*	0
October 2019	89	51	23	9	1	*	0	89	47	19	7	1	*	0
October 2020	88	47	19	7	1	*	0	87	43	16	5	*	0	0
October 2021	86	43	15	5	*	*	0	85	39	13	4	*	0	0
October 2022	84	39	13	4	*	0	0	83	35	11	3	*	0	0
October 2023	82	35	10	3	*	0	0	81	31	9	2	*	0	0
October 2024	79	32	9	2	*	0	0	78	28	7	1	*	0	0
October 2025	77	29	7	1	*	0	0	76	25	6	1	*	0	0
October 2026	74	26	6	1	*	0	0	73	22	4	1	*	0	0
October 2027	71	23	5	1	*	0	0	70	19	4	1	*	0	0
October 2028	68	20	4	1	*	0	0	66	17	3	*	*	0	0
October 2029	64	18	3	*	*	0	0	63	14	2	*	*	0	0
October 2030	60	16	2	*	*	0	0	59	12	2	*	*	0	0
October 2031	56	14	2	*	*	0	0	54	10	1	*	*	0	0
October 2032	52	12	1	*	*	0	0	50	8	1	*	*	0	0
October 2033	47	10	1	*	*	0	0	45	6	1	*	*	0	0
October 2034	42	8	1	*	*	0	0	39	4	*	*	*	0	0
October 2035	36	6	1	*	*	0	0	33	3	*	*	*	0	0
October 2036	30	5	*	*	*	0	0	27	2	*	*	*	0	0
October 2037	23	3	*	*	*	0	0	20	1	*	*	0	0	0
October 2038	16	2	*	*	*	0	0	12	*	*	*	0	0	0
October 2039	8	*	*	*	0	0	0	4	0	0	0	0	0	0
October 2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.5	10.9	6.2	4.2	2.6	1.4	1.0	20.1	9.9	5.4	3.5	1.9	0.6	0.2

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

** Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

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

Date	HM, HB, HA, HC, HG and HI† Classes									HZ Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	190%	230%	260%	400%	700%	1400%	2100%	0%	100%	190%	230%	260%	400%	700%	1400%	2100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2011	99	91	85	85	85	83	63	17	0	104	104	104	85	74	0	0	0	0
October 2012	97	83	73	73	73	62	36	3	0	108	108	108	71	42	0	0	0	0
October 2013	96	75	61	61	61	46	20	*	0	113	113	112	60	21	0	0	0	0
October 2014	94	68	51	51	51	34	12	0	0	117	117	114	53	9	0	0	0	0
October 2015	93	61	43	43	43	25	6	0	0	122	122	116	50	3	0	0	0	0
October 2016	91	55	35	35	35	19	4	0	0	127	127	116	48	2	0	0	0	0
October 2017	89	49	29	29	29	14	2	0	0	132	132	114	47	2	0	0	0	0
October 2018	86	43	24	24	24	10	1	0	0	138	138	109	44	2	0	0	0	0
October 2019	84	37	19	19	19	7	*	0	0	143	143	102	41	2	0	0	0	0
October 2020	82	32	16	16	16	5	*	0	0	149	149	94	37	2	0	0	0	0
October 2021	79	27	13	13	13	4	*	0	0	155	155	84	33	2	0	0	0	0
October 2022	76	22	10	10	10	3	0	0	0	161	161	75	29	2	0	0	0	0
October 2023	73	17	8	8	8	2	0	0	0	168	168	65	24	2	0	0	0	0
October 2024	70	13	6	6	6	1	0	0	0	175	175	55	21	2	0	0	0	0
October 2025	66	9	5	5	5	1	0	0	0	182	182	46	17	2	0	0	0	0
October 2026	62	5	4	4	4	*	0	0	0	189	189	37	14	2	0	0	0	0
October 2027	58	3	3	3	3	*	0	0	0	197	178	29	10	2	0	0	0	0
October 2028	53	2	2	2	2	*	0	0	0	205	153	21	8	2	0	0	0	0
October 2029	48	1	1	1	1	*	0	0	0	214	129	14	5	2	0	0	0	0
October 2030	43	1	1	1	1	*	0	0	0	222	105	8	3	2	0	0	0	0
October 2031	37	*	*	*	*	0	0	0	0	231	82	4	1	2	0	0	0	0
October 2032	30	*	*	*	*	0	0	0	0	241	59	3	*	1	0	0	0	0
October 2033	24	*	*	*	*	0	0	0	0	251	36	3	*	*	0	0	0	0
October 2034	16	*	*	*	*	0	0	0	0	261	13	2	*	*	0	0	0	0
October 2035	8	0	0	0	0	0	0	0	0	271	3	*	0	0	0	0	0	0
October 2036	0	0	0	0	0	0	0	0	0	278	*	0	0	0	0	0	0	0
October 2037	0	0	0	0	0	0	0	0	0	184	0	0	0	0	0	0	0	0
October 2038	0	0	0	0	0	0	0	0	0	82	0	0	0	0	0	0	0	0
October 2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.1	7.5	5.4	5.4	5.4	3.7	2.0	0.6	0.1	27.4	20.5	14.0	7.5	2.4	0.5	0.2	0.1	0.1

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

** Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

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

Characteristics of the Residual Class

A Residual Certificate will be subject to certain transfer restrictions. See “Description of the Certificates—The Certificates—*Special Characteristics of the Residual Certificates*” and “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus.

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. A Residual Certificate will constitute a noneconomic residual interest under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate had “improper knowledge” at the time of the transfer. See “Description of the Certificates—The Certificates—*Special Characteristics of the Residual Certificates*” in the REMIC Prospectus. You should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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 “Material 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 “Material 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 Election and Special Tax Attributes

We will make a REMIC election with respect to the REMIC set forth in the table under “Description of the Certificates—General—*Structure*.” The Regular Classes will be designated as “regular interests” and the Residual Class will be designated as the “residual interest” in the REMIC as set forth in that table. Thus, 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 Residual Class, as “qualified mortgages” for other REMICs. See “Material Federal Income Tax Consequences—REMIC Election and Special Tax Attributes” in the REMIC Prospectus.

Notwithstanding the foregoing, the Mortgage Loans underlying the Group 2 MBS have loan-to-value ratios at origination ranging from greater than 105% up to 125%. See “Description of the Certificates—The Trust MBS” in this prospectus supplement. A portion of the Group 2 Classes may not be treated as “real estate assets” within the meaning of section 856(c)(5)(B) of the Code. See “Material Federal Income Tax Consequences—Special Tax Attributes” in the MBS Prospectus dated June 1, 2009. Accordingly, special tax considerations may apply to a real estate investment trust that holds a REMIC Certificate of the Group 2 Classes and we may be obligated to provide additional information, pursuant to Regulations under section 6049 of the Code, on such Classes. See “Material Federal Income Tax Consequences—REMIC Election and Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes and the Accrual 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 “Material 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 “Material 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	200% PSA
2	250% PSA
3	250% PSA
4	230% PSA

See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment 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 “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

The Holder of a Residual Certificate will be considered to be the holder of the “residual interest” in the related REMIC. Such Holder generally will be required to report its daily portion of the taxable income or net loss of the REMIC to which that Certificate relates. In certain periods, a Holder of a Residual Certificate may be required to recognize taxable income without being entitled to receive a corresponding amount of cash. Pursuant to the Trust Agreement, we will be obligated to provide to the Holder of a Residual Certificate (i) information necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the Residual Class that may be required under the Code. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

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 Regular Certificates that are exchanged for RCR Certificates set forth in Schedule 1 (including any exchanges effective on the Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an ownership interest of the underlying Regular Certificates. For a general discussion of the federal income tax treatment of beneficial owners of Regular Certificates, see “Material Federal Income Tax Consequences” in the REMIC Prospectus.

Generally, the ownership interest represented by an RCR certificate will be one of two types. A certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in one or more underlying Regular Certificates. A certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying Regular Certificates. The HB, HI, HA, HC and HG Classes of RCR Certificates are Strip RCR Certificates. All other Classes of RCR Certificates are Combination RCR Certificates. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of RCR Certificates” in the REMIC Prospectus for a general discussion of the federal income tax treatment of beneficial owners of RCR Certificates.

PLAN OF DISTRIBUTION

We are obligated to deliver the Classes (other than the Group 1 Classes) to Barclays Capital Inc. (the “Dealer”) in exchange for the Group 2 MBS and the Underlying REMIC Certificates. We will deliver the Group 1 MBS to the Trust in exchange for the Group 1 Classes, and will sell the Group 1

Classes (other than the KI Class) to the Dealer for cash proceeds estimated to be approximately \$187,082,826.

The Dealer proposes to offer the Certificates (other than the KI Class) directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers. The KI Class initially will be retained by Fannie Mae, which may sell some or all of the Certificates of the KI Class at any time in negotiated transactions at varying prices to be determined at the time of sale.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. Cleary Gottlieb Steen & Hamilton LLP will provide legal representation for the Dealer.

Group 3 Underlying RCR Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal or Notional Principal Balance of Class	October 2010 Class Factor	Principal or Notional Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2010-43	FP	April 2010	31398RDU6	(2)	FLT	May 2040	PT	\$55,142,857.00	0.88327307	\$48,706,200.59	5.991%	321	34
2010-43	SP	April 2010	31398RDV4	(2)	INV/IO	May 2040	NTL	55,142,857.00	0.88327307	48,706,200.59	5.991	321	34

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

(2) These classes bear interest as described in the related Underlying REMIC Disclosure Document.

Group 4 Underlying REMIC and RCR Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	October 2010 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2009-95	PA	October 2009	31398FWF4	4.0%	FIX	November 2039	PAC/AD	\$100,000,000.00	0.86520822	\$69,216,657.60	6.516%	313	42
2009-95	PB	October 2009	31398FWG2	4.0	FIX	November 2039	PAC/AD	97,201,566.00	0.86520822	84,099,593.90	6.516	313	42
2009-97	PG	October 2009	31398FVA6	4.0	FIX	November 2039	PAC	164,992,000.00	0.79738659	65,781,204.13	6.484	306	49

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

Note: For any pool of Mortgage Loans backing an underlying REMIC or RCR certificate, if a preliminary calculation indicated that the sum of the WAM and WALA for that pool exceeded the longest original term to maturity of any Mortgage Loan in the pool, the WALA used in determining the information shown in the related table was reduced as necessary to insure that the sum of the WAM and WALA does not exceed such original term to maturity.

Available Recombinations(1)

REMIC Certificates		RCR Certificates						
Classes	Original Balances	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
KA	\$185,545,549	KT	\$185,547,549	PT	2.00%	FIX	31398SEZ2	November 2025
KB	2,000							
Recombination 2								
KI	9,277,378(3)	KU	185,547,549	PT	2.25	FIX	31398SFA6	November 2025
KA	185,545,549							
KB	2,000							
Recombination 3								
KI	18,554,755(3)	KQ	185,547,549	PT	2.50	FIX	31398SFB4	November 2025
KA	185,545,549							
KB	2,000							
Recombination 4								
KI	27,832,133(3)	KP	185,547,549	PT	2.75	FIX	31398SFC2	November 2025
KA	185,545,549							
KB	2,000							
Recombination 5								
KI	37,109,510(3)	KN	185,547,549	PT	3.00	FIX	31398SFD0	November 2025
KA	185,545,549							
KB	2,000							
Recombination 6								
KI	46,386,888(3)	KM	185,547,549	PT	3.25	FIX	31398SFE8	November 2025
KA	185,545,549							
KB	2,000							
Recombination 7								
KI	55,664,265(3)	KL	185,547,549	PT	3.50	FIX	31398SFF5	November 2025
KA	185,545,549							
KB	2,000							

REMIC Certificates			RCR Certificates					
Classes	Original Balances	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 8								
KI	\$ 64,941,643(3)	KJ	\$185,547,549	PT	3.75%	FIX	31398SFG3	November 2025
KA	185,545,549							
KB	2,000							
Recombination 9								
KI	74,219,020(3)	KH	185,547,549	PT	4.00	FIX	31398SFH1	November 2025
KA	185,545,549							
KB	2,000							
Recombination 10								
KI	83,496,398(3)	KG	185,547,549	PT	4.25	FIX	31398SFJ7	November 2025
KA	185,545,549							
KB	2,000							
Recombination 11								
KI	92,773,775(3)	KE	185,547,549	PT	4.50	FIX	31398SFK4	November 2025
KA	185,545,549							
KB	2,000							
Recombination 12								
KI	102,051,152(3)	KD	185,547,549	PT	4.75	FIX	31398SFL2	November 2025
KA	185,545,549							
KB	2,000							
Recombination 13								
KI	111,328,529(3)	KC	185,547,549	PT	5.00	FIX	31398SFM0	November 2025
KA	185,545,549							
KB	2,000							
Recombination 14								
HM	201,170,000	HB	201,170,000	SC/SCH/AD	2.00	FIX	31398SFFN8	November 2039
		HI	67,056,666(3)	NTL	6.00	FIX/IO	31398SFS7	November 2039
Recombination 15								
HM	201,170,000	HA	201,170,000	SC/SCH/AD	2.50	FIX	31398SFFP3	November 2039
		HI	50,292,500(3)	NTL	6.00	FIX/IO	31398SFS7	November 2039
Recombination 16								
HM	201,170,000	HC	201,170,000	SC/SCH/AD	3.00	FIX	31398SFQ1	November 2039
		HI	33,528,333(3)	NTL	6.00	FIX/IO	31398SFS7	November 2039

REMIC Certificates		RCR Certificates						
Classes	Original Balances	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 17								
HM	\$201,170,000	HG	\$201,170,000	SC/SCH/AD	3.50%	FIX	31398SFR9	November 2039
		HI	16,764,166(3)	NTL	6.00	FIX/IO	31398SFS7	November 2039

- (1) REMIC Certificates and RCR Certificates in any Recombination may be exchanged only in the proportions of *original* principal or notional principal balances for the related Classes shown in this Schedule 1 (disregarding any retired Classes). For example, if a particular Recombination includes two REMIC Classes and one RCR Class whose *original* principal balances shown in the schedule reflect a 1:1:2 relationship, the same 1:1:2 relationship among the *original* principal balances of those REMIC and RCR Classes must be maintained in any exchange. This is true even if, as a result of the applicable payment priority sequence, the relationship between their *current* principal balances has changed over time. Moreover, 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.
- (2) See “Description of the Certificates—The Certificates—*Class Definitions and Abbreviations*” in the REMIC Prospectus.
- (3) Notional balances. These Classes are Interest Only Classes. See page S-5 for a description of how their notional balances are calculated.

Principal Balance Schedule

HM Class Scheduled Balances

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
Initial Balance	\$201,170,000.00	February 2015. . . .	\$ 97,471,465.42	June 2019.	\$ 41,570,898.94
November 2010	198,593,495.23	March 2015	96,002,511.87	July 2019	40,862,768.56
December 2010	196,046,473.41	April 2015	94,550,195.92	August 2019	40,165,502.46
January 2011	193,525,513.95	May 2015	93,114,335.46	September 2019 . . .	39,478,939.69
February 2011.	191,030,346.71	June 2015.	91,694,750.33	October 2019.	38,802,921.63
March 2011	188,560,704.31	July 2015	90,291,262.32	November 2019	38,137,291.96
April 2011	186,116,322.06	August 2015	88,903,695.13	December 2019	37,481,896.63
May 2011	183,696,937.94	September 2015 . . .	87,531,874.37	January 2020	36,836,583.81
June 2011.	181,302,292.58	October 2015.	86,175,627.52	February 2020.	36,201,203.89
July 2011	178,932,129.25	November 2015	84,834,783.90	March 2020	35,575,609.40
August 2011	176,586,193.79	December 2015	83,509,174.69	April 2020	34,959,655.02
September 2011 . . .	174,264,234.62	January 2016	82,198,632.88	May 2020	34,353,197.56
October 2011.	171,966,002.70	February 2016.	80,902,993.26	June 2020.	33,756,095.87
November 2011	169,691,251.52	March 2016	79,622,092.39	July 2020	33,168,210.87
December 2011	167,439,737.03	April 2016	78,355,768.60	August 2020	32,589,405.50
January 2012	165,211,217.69	May 2016	77,103,861.95	September 2020 . . .	32,019,544.66
February 2012.	163,005,454.36	June 2016.	75,866,214.24	October 2020.	31,458,495.24
March 2012	160,822,210.35	July 2016	74,642,668.95	November 2020	30,906,126.05
April 2012	158,661,251.34	August 2016	73,433,071.27	December 2020	30,362,307.81
May 2012	156,522,345.39	September 2016 . . .	72,240,688.74	January 2021	29,826,913.12
June 2012.	154,405,262.89	October 2016.	71,066,302.36	February 2021.	29,299,816.42
July 2012	152,309,776.58	November 2016	69,909,648.24	March 2021	28,780,893.97
August 2012	150,235,661.48	December 2016	68,770,466.26	April 2021	28,270,023.84
September 2012 . . .	148,182,694.87	January 2017	67,648,500.10	May 2021	27,767,085.88
October 2012.	146,150,656.29	February 2017.	66,543,497.08	June 2021.	27,271,961.65
November 2012	144,139,327.54	March 2017	65,455,208.19	July 2021	26,784,534.48
December 2012	142,148,492.57	April 2017	64,383,388.01	August 2021	26,304,689.37
January 2013	140,177,937.57	May 2017	63,327,794.64	September 2021 . . .	25,832,312.98
February 2013.	138,227,670.88	June 2017.	62,288,189.68	October 2021.	25,367,293.64
March 2013	136,299,297.36	July 2017	61,264,338.17	November 2021	24,909,521.31
April 2013	134,392,578.43	August 2017	60,256,008.51	December 2021	24,458,887.52
May 2013	132,507,278.05	September 2017 . . .	59,262,972.48	January 2022	24,015,285.41
June 2013.	130,643,162.73	October 2017.	58,285,005.13	February 2022.	23,578,609.66
July 2013	128,800,001.47	November 2017	57,321,884.74	March 2022	23,148,756.50
August 2013	126,977,565.76	December 2017	56,373,392.82	April 2022	22,725,623.64
September 2013 . . .	125,175,629.56	January 2018	55,439,314.02	May 2022	22,309,110.31
October 2013.	123,393,969.24	February 2018.	54,519,436.09	June 2022.	21,899,117.20
November 2013	121,632,363.57	March 2018	53,613,549.85	July 2022	21,495,546.44
December 2013	119,890,593.71	April 2018	52,721,449.13	August 2022	21,098,301.59
January 2014	118,168,443.16	May 2018	51,842,930.77	September 2022 . . .	20,707,287.62
February 2014.	116,465,697.75	June 2018.	50,977,794.51	October 2022.	20,322,410.88
March 2014	114,782,145.62	July 2018	50,125,842.98	November 2022	19,943,579.10
April 2014	113,117,577.18	August 2018	49,286,881.69	December 2022	19,570,701.33
May 2014	111,471,785.07	September 2018 . . .	48,460,718.94	January 2023	19,203,687.97
June 2014.	109,844,564.21	October 2018.	47,647,165.80	February 2023.	18,842,450.72
July 2014	108,235,711.67	November 2018	46,846,036.08	March 2023	18,486,902.57
August 2014	106,645,026.75	December 2018	46,057,146.27	April 2023	18,136,957.78
September 2014 . . .	105,072,310.86	January 2019	45,280,315.52	May 2023	17,792,531.87
October 2014.	103,517,367.59	February 2019.	44,515,365.60	June 2023.	17,453,541.57
November 2014	101,980,002.60	March 2019	43,762,120.85	July 2023	17,119,904.85
December 2014	100,460,023.68	April 2019	43,020,408.16	August 2023	16,791,540.87
January 2015	98,957,240.66	May 2019	42,290,056.90	September 2023 . . .	16,468,369.98

HM Class (Continued)

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
October 2023	\$ 16,150,313.69	August 2027	\$ 5,905,762.50	June 2031	\$ 1,118,142.00
November 2023	15,837,294.65	September 2027 . . .	5,757,609.46	July 2031	1,050,143.94
December 2023	15,529,236.65	October 2027	5,611,893.14	August 2031	983,311.67
January 2024	15,226,064.59	November 2027	5,468,575.60	September 2031 . . .	917,626.21
February 2024	14,927,704.48	December 2027	5,327,619.43	October 2031	853,068.84
March 2024	14,634,083.41	January 2028	5,188,987.78	November 2031	796,714.20
April 2024	14,345,129.51	February 2028	5,052,644.37	December 2031	760,125.64
May 2024	14,060,772.01	March 2028	4,918,553.43	January 2032	724,041.35
June 2024	13,780,941.14	April 2028	4,786,679.74	February 2032	688,455.39
July 2024	13,505,568.17	May 2028	4,656,988.58	March 2032	653,361.85
August 2024	13,234,585.37	June 2028	4,529,445.78	April 2032	618,754.93
September 2024 . . .	12,967,926.00	July 2028	4,404,017.64	May 2032	584,628.85
October 2024	12,705,524.32	August 2028	4,280,670.99	June 2032	550,977.93
November 2024	12,447,315.53	September 2028 . . .	4,159,373.14	July 2032	517,796.53
December 2024	12,193,235.78	October 2028	4,040,091.89	August 2032	485,079.09
January 2025	11,943,222.18	November 2028	3,922,795.51	September 2032 . . .	452,820.09
February 2025	11,697,212.74	December 2028	3,807,452.75	October 2032	421,014.11
March 2025	11,455,146.40	January 2029	3,694,032.82	November 2032	389,655.74
April 2025	11,216,962.97	February 2029	3,582,505.40	December 2032	358,739.66
May 2025	10,982,603.18	March 2029	3,472,840.61	January 2033	328,260.62
June 2025	10,752,008.60	April 2029	3,365,009.01	February 2033	298,213.41
July 2025	10,525,121.67	May 2029	3,258,981.62	March 2033	268,592.87
August 2025	10,301,885.68	June 2029	3,154,729.87	April 2033	239,393.93
September 2025 . . .	10,082,244.75	July 2029	3,052,225.63	May 2033	210,682.81
October 2025	9,866,143.83	August 2029	2,951,441.18	June 2033	187,081.01
November 2025	9,653,528.66	September 2029 . . .	2,852,349.22	July 2033	175,301.16
December 2025	9,444,345.79	October 2029	2,754,922.86	August 2033	163,754.39
January 2026	9,238,542.57	November 2029	2,659,135.60	September 2033 . . .	152,436.41
February 2026	9,036,067.11	December 2029	2,564,961.34	October 2033	141,344.25
March 2026	8,836,868.29	January 2030	2,472,374.38	November 2033	130,474.01
April 2026	8,640,895.73	February 2030	2,381,349.40	December 2033	119,821.32
May 2026	8,448,099.81	March 2030	2,291,861.45	January 2034	109,383.61
June 2026	8,258,431.64	April 2030	2,203,885.96	February 2034	99,156.24
July 2026	8,071,843.04	May 2030	2,117,398.72	March 2034	89,135.71
August 2026	7,888,286.54	June 2030	2,032,377.84	April 2034	79,326.36
September 2026 . . .	7,707,715.39	July 2030	1,948,797.84	May 2034	69,735.70
October 2026	7,530,083.52	August 2030	1,866,635.60	June 2034	60,341.07
November 2026	7,355,345.52	September 2030 . . .	1,785,868.33	July 2034	51,176.91
December 2026	7,183,456.68	October 2030	1,706,473.58	August 2034	42,225.34
January 2027	7,014,372.93	November 2030	1,628,429.24	September 2034 . . .	33,473.85
February 2027	6,848,050.86	December 2030	1,551,713.55	October 2034	24,996.09
March 2027	6,684,447.71	January 2031	1,476,305.05	November 2034	16,709.99
April 2027	6,523,521.34	February 2031	1,402,182.62	December 2034	8,655.12
May 2027	6,365,230.23	March 2031	1,329,325.44	January 2035	780.64
June 2027	6,209,533.49	April 2031	1,257,713.02	February 2035 and thereafter	0.00
July 2027	6,056,390.81	May 2031	1,187,325.17		

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in or incorporated into this Prospectus Supplement and the additional Disclosure Documents. We take no responsibility for 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.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Certificates or determined if this Prospectus Supplement is truthful and complete. Any representation to the contrary is a criminal offense.

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\$530,801,857



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2010-125**

PROSPECTUS SUPPLEMENT

Barclays Capital

October 25, 2010
