

\$146,980,073



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2016-18**

**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 classes), 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,
- underlying REMIC certificates backed by Fannie Mae MBS, and
- Fannie Mae Stripped MBS.

The mortgage loans underlying the Fannie Mae MBS and Fannie Mae Stripped 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
LA .....	1	\$50,000,000	SEQ/AD	3.0%	FIX	3136ARD96	January 2043
LZ .....	1	5,020,410	SEQ	3.0	FIX/Z	3136ARE20	April 2046
GA .....	2	50,000,000	SEQ/AD	3.5	FIX	3136ARE38	June 2045
GZ .....	2	1,151,884	SEQ	3.5	FIX/Z	3136ARE46	April 2046
MA(2) .....	3	15,437,590	SC/PT	1.5	FIX	3136ARE53	November 2042
MI(2) .....	4	15,789,916(3)	NTL	5.5	FIX/IO	3136ARE61	June 2045
BA .....	5	25,000,000	SEQ	2.5	FIX	3136ARE79	February 2046
BC .....	5	370,189	SEQ	2.5	FIX	3136ARE87	April 2046
BI .....	5	4,228,365(3)	NTL	3.0	FIX/IO	3136ARE95	April 2046
R .....		0	NPR	0	NPR	3136ARF29	April 2046

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

(2) Exchangeable classes.

(3) Notional principal balances. These classes are interest only classes. See page S-7 for a description of how their notional principal balances are calculated.

If you own certificates of certain classes, you can exchange them for certificates of the corresponding RCR class to be delivered at the time of exchange. The MB Class is the RCR Class. For a more detailed description of the RCR class, see Schedule 1 attached to this prospectus supplement and “Description of the Certificates—Combination and Recombination—RCR Certificates” in the REMIC prospectus.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be March 31, 2016.

**Carefully consider the risk factors starting on page S-9 of this prospectus supplement and starting on page 14 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.

**Citigroup**

The date of this Prospectus Supplement is March 24, 2016

## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>AVAILABLE INFORMATION</b> .....	S- 3	YIELD TABLES FOR THE FIXED RATE	
<b>SUMMARY</b> .....	S- 5	INTEREST ONLY CLASSES .....	S-14
<b>ADDITIONAL RISK FACTORS</b> .....	S- 9	WEIGHTED AVERAGE LIVES OF THE	
<b>DESCRIPTION OF THE</b>		CERTIFICATES .....	S-16
<b>CERTIFICATES</b> .....	S- 9	DECREMENT TABLES .....	S-16
GENERAL .....	S- 9	CHARACTERISTICS OF THE RESIDUAL	
<i>Structure</i> .....	S- 9	CLASS .....	S-19
<i>Fannie Mae Guaranty</i> .....	S-10	<b>CERTAIN ADDITIONAL FEDERAL</b>	
<i>Characteristics of Certificates</i> .....	S-10	<b>INCOME TAX CONSEQUENCES</b> ..	S-19
<i>Authorized Denominations</i> .....	S-11	REMIC ELECTION AND SPECIAL TAX	
THE TRUST MBS .....	S-11	ATTRIBUTES .....	S-20
THE UNDERLYING REMIC		TAXATION OF BENEFICIAL OWNERS OF	
CERTIFICATES .....	S-11	REGULAR CERTIFICATES .....	S-20
THE GROUP 4 SMBS .....	S-12	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF INTEREST .....	S-12	RESIDUAL CERTIFICATES .....	S-21
<i>General</i> .....	S-12	TAXATION OF BENEFICIAL OWNERS OF	
<i>Delay Classes and No-Delay</i>		RCR CERTIFICATES .....	S-21
<i>Classes</i> .....	S-12	TAX AUDIT PROCEDURES .....	S-21
<i>Accrual Classes</i> .....	S-12	FOREIGN INVESTORS .....	S-21
<i>The MB Class</i> .....	S-13	<b>PLAN OF DISTRIBUTION</b> .....	S-22
DISTRIBUTIONS OF PRINCIPAL .....	S-13	<b>CREDIT RISK RETENTION</b> .....	S-22
STRUCTURING ASSUMPTIONS .....	S-14	<b>LEGAL MATTERS</b> .....	S-22
<i>Pricing Assumptions</i> .....	S-14	<b>EXHIBIT A</b> .....	A- 1
<i>Prepayment Assumptions</i> .....	S-14	<b>SCHEDULE 1</b> .....	A- 2

## 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 June 1, 2014 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated
  - October 1, 2014 for all MBS issued on or after October 1, 2014,
  - March 1, 2013, for all MBS issued on or after March 1, 2013 and prior to October 1, 2014,
  - February 1, 2012, for all MBS issued on or after February 1, 2012 and prior to March 1, 2013,
  - July 1, 2011, for all MBS issued on or after July 1, 2011 and prior to February 1, 2012,
  - June 1, 2009, for all MBS issued on or after January 1, 2009 and prior to July 1, 2011,
  - 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 the MA, MI, MB or R Class, the disclosure documents relating to the applicable underlying REMIC certificates (the “Underlying REMIC Disclosure Documents”);
- if you are purchasing the MI, MB or R Class
  - our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated
    - April 1, 2014, for all SMBS issued on or after April 1, 2014,
    - February 1, 2012, for all SMBS issued on or after February 1, 2012 and prior to April 1, 2014,
    - January 1, 2009, for all SMBS issued on or after January 1, 2009 and prior to February 1, 2012,
    - December 1, 2007, for all SMBS issued on or after December 1, 2007 and prior to January 1, 2009, or
    - May 1, 2002, for all other SMBS(as applicable, the “SMBS Prospectus”); and
  - the prospectus supplements or preliminary data statements, as applicable, relating to the Group 4 SMBS (the “SMBS Supplements”); 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 October 1, 2014.

The MBS Prospectus, the SMBS Prospectus, the SMBS Supplements 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 800-2FANNIE).

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at [www.fanniemae.com](http://www.fanniemae.com).

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

Citigroup Global Markets Inc.  
Prospectus Department  
540 Crosspoint Parkway  
Building 2  
Attn: Compliance Fulfillment Unit  
Getzville, NY 14068  
(telephone 1-800-831-9146).

## SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of March 1, 2016. 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 2012-139-CE REMIC Certificate
4	Group 4 SMBS Class 2015-34-NI REMIC Certificate
5	Group 5 MBS

### Group 1, Group 2 and Group 5 MBS

#### 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	\$55,020,410	3.00%	3.25% to 5.50%	241 to 360
Group 2 MBS	\$51,151,884	3.50%	3.75% to 6.00%	241 to 360
Group 5 MBS	\$25,370,189	3.00%	3.25% to 5.50%	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	\$55,020,410	360	320	37	3.596%
Group 2 MBS	\$51,151,884	360	315	42	4.130%
Group 5 MBS	\$25,370,189	360	357	2	3.695%

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, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—*Yields on and weighted average lives of the certificates are affected by actual characteristics of the mortgage loans backing the series trust assets*” in the REMIC Prospectus.

### Group 3 and Group 4 Underlying REMIC Certificates

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

## Group 4 SMBS

### Characteristics of the Group 4 SMBS

<u>Notional Principal Balance*</u>	<u>Pass- Through Rate</u>	<u>SMBS Trust and Class Designation</u>
\$5,724,590.86	5.50%	384-13

\* These are interest only SMBS certificates.

### 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>
\$5,724,590.86	360	238	109	6.146%

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the Group 4 SMBS will differ from those shown above, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—*Yields on the SMBS certificates are affected by actual characteristics of the related mortgage loans*” in the SMBS Prospectus.

### Settlement Date

We expect to issue the certificates on March 31, 2016.

### 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>DTC Book-Entry</u>	<u>Physical</u>
All classes other than the MA, MI, MB and R Classes	MA, MI and MB Classes	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 combination 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.

During each interest accrual period, the MB Class will bear interest at the applicable annual rate described under “Description of the Certificates—Distributions of Interest—*The MB Class*”, in this prospectus supplement.

**Notional Classes**

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

MI .....	100% of the aggregate notional principal balance of the Group 4 Underlying REMIC Certificate and the Group 4 SMBS
BI .....	16.6666673236% of the Group 5 MBS

**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)\***

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>347%</u>	<u>400%</u>	<u>500%</u>
LA .....	16.4	7.2	4.6	2.8	2.5	2.0
LZ .....	28.4	21.5	16.9	11.7	10.3	8.3

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>347%</u>	<u>400%</u>	<u>600%</u>
GA .....	18.5	8.6	5.6	3.5	3.0	1.9
GZ .....	29.6	24.4	21.3	15.7	14.1	9.5

<u>Group 3 Class</u>	<u>PSA Prepayment Assumption</u>								
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>900%</u>	<u>1000%</u>	<u>1200%</u>
MA .....	13.7	5.4	4.5	4.0	2.7	1.9	1.6	1.4	1.0

<u>Group 4 Class</u>	<u>PSA Prepayment Assumption</u>								
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>900%</u>	<u>1000%</u>	<u>1200%</u>
MI .....	14.3	8.1	5.7	3.3	2.1	1.5	1.3	1.1	0.8

<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>	<u>700%</u>	<u>900%</u>	<u>1000%</u>
BA .....	18.8	10.3	6.9	5.2	3.5	2.7	2.2	2.0
BC .....	29.9	29.0	26.5	22.0	14.5	10.3	7.7	6.8
BI .....	19.0	10.5	7.2	5.4	3.6	2.8	2.3	2.1

<u>Group 3/Group 4 Class†</u>	<u>PSA Prepayment Assumption</u>								
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>900%</u>	<u>1000%</u>	<u>1200%</u>
MB†† .....	13.7	5.4	4.5	4.0	2.7	1.9	1.6	1.4	1.0

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

† This class is an RCR class formed by a combination of REMIC classes in two different groups. For additional information, see Schedule 1 attached to this prospectus supplement.

†† The weighted average life information set forth for this class is based solely on assumed principal distributions.



## ADDITIONAL RISK FACTORS

*Payments on the Group 3 and Group 4 Classes and the MB Class will be affected by the applicable payment priorities governing the related underlying REMIC certificates.* If you invest in a Group 3 or Group 4 Class or the MB Class, the rate at which you receive payments will be affected by the applicable priority sequences governing principal payments or notional principal balance reductions on the related underlying REMIC certificates.

In particular, as described in the related Underlying REMIC Disclosure Document, principal payments on the Group 3 Underlying REMIC Certificate are governed by a principal balance schedule. As a result, the Group 3 Underlying REMIC Certificate may receive principal payments faster or slower than would otherwise have been the case. In some cases, the Group 3 Underlying REMIC Certificate 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 on principal payments over time may be eliminated. In such a case, the Group 3 Underlying REMIC Certificate would receive principal payments at rates that may vary widely from period to period. This prospectus supplement contains no information as to whether

- the Group 3 Underlying REMIC Certificate has adhered to the related principal balance schedule,
- any related support classes remain outstanding, or
- the Group 3 Underlying REMIC Certificate otherwise has performed as originally anticipated.

You may obtain additional information about the underlying REMIC 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.

*Principal and interest payments on the MB Class are derived from separate sources.* Interest payments on the MB Class of RCR certificates will be based on interest payable on the MI and MA Classes of REMIC certificates, while principal payments on the MB Class will be based on principal payable solely on the MA Class of REMIC certificates. The MI and MA Classes are independent of one another. Accordingly, the interest payment rate and principal payment rate on the MB Class are not directly related, are likely to differ and may differ sharply. In addition, there is a risk that the MB Class could in the future receive only interest payments in the event that the MA Class is retired while the MI Class remains outstanding.

## 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 March 1, 2016 (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:

- three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS” and “Group 5 MBS,” and together, the “Trust MBS”),
- two groups of previously issued REMIC certificates (the “Group 3 Underlying REMIC Certificate” and the “Group 4 Underlying REMIC Certificate,” and together, the “Underlying REMIC Certificates”) issued from the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A, and
- certain previously issued Fannie Mae Stripped Mortgage-Backed Securities (the “Group 4 SMBS”).

The Group 4 SMBS represent beneficial ownership interests in certain interest distributions on mortgage loans underlying certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates.

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 and the Fannie Mae Guaranteed Mortgage Pass-Through Certificates backing the Group 4 SMBS, 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 interests” 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, Underlying REMIC Certificates and Group 4 SMBS	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, the Underlying REMIC Certificates and the Group 4 SMBS, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus, the MBS Prospectus, the Underlying REMIC Disclosure Documents, the SMBS Prospectus, and the SMBS Supplements, as applicable. 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.”

The MA, MI and MB Classes each will be represented by a single certificate (together, the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a New York-chartered limited purpose trust company, or any successor

or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the DTC Certificates. DTC will maintain the DTC Certificates through its book-entry facilities.

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 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 Classes and the MB Class	\$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 30 years.

In addition, the Mortgage Loans backing the Group 2 MBS have been refinanced under 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 “The Mortgage Loans—High Loan-to-Value Mortgage Loans” in the MBS Prospectus dated October 1, 2014 and on our Web site at [www.fanniemae.com](http://www.fanniemae.com). See also “Risk Factors—Risks Relating to Yield and Prepayment—Refinancing of Loans; Sale of Property—*Mortgage loans with loan-to-value ratios greater than 80% may have different prepayment and default characteristics than conforming mortgage loans generally*” in the MBS Prospectus dated October 1, 2014.

Furthermore, the Mortgage Loans backing the Group 5 MBS are relocation Mortgage Loans made under agreements between lenders and employers that frequently relocate their employees. For additional information, see “Risk Factors—Risks Relating to Yield and Prepayment—Yield—*Pools containing relocation mortgage loans may have higher rates of prepayment than otherwise comparable pools containing non-relocation mortgage loans*” and “The Mortgage Loans—Special Feature Mortgage Loans—*Relocation Loans*” in the MBS Prospectus dated October 1, 2014.

For additional information, see “Summary—Group 1, Group 2 and Group 5 MBS—Characteristics of the Trust MBS” in this prospectus supplement and “The Mortgage Loan 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 Loan 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 related Underlying REMIC Disclosure Documents. See Exhibit A for certain additional information about the Underlying REMIC Certificates. Exhibit A is 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 800-2FANNIE. Additional information about the Underlying REMIC Certificates is also available at <https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html>. 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.

## The Group 4 SMBS

The general characteristics of the Group 4 SMBS are described in the SMBS Prospectus and in the applicable SMBS Supplements. The Group 4 SMBS provide that certain interest amounts on the Mortgage Loans underlying the related MBS are passed through monthly.

The general characteristics of the MBS are described in the MBS Prospectus. Each MBS evidences beneficial ownership interest in a pool of 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. For additional information see “Summary—Group 4 SMBS—Characteristics of the Group 4 SMBS” in this prospectus supplement, and “The Mortgage Loan Pools” and “Yield, Maturity and Prepayment Considerations” in the MBS Prospectus.

## 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 Classes) on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Classes, see “—Accrual Classes” below.

*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>
All interest-bearing Classes	—

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

*Accrual Classes.* The LZ and GZ Classes are Accrual Classes. Interest will accrue on each 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 Classes. Instead, interest accrued on each Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

*The MB Class.* On each Distribution Date, we will pay interest on each Certificate of the MB Class in an amount equal to the aggregate amount of interest accrued during the related interest accrual period on the Certificates of the MI and MA Classes which were exchanged for that MB Class Certificate. Accordingly, the amount of interest payable on the MB Class Certificates will not be determined based on their principal balances.

On the initial Distribution Date, we expect to pay interest on the MB Class at an annual rate of approximately 7.125% (calculated based on the amount of interest payable on that date and the initial principal balance of the MB Class).

If the MI Class remains outstanding after the principal balance of the MA Class has been reduced to zero, the MB Class will become an Interest Only Class.

Our determination of the interest rate for the MB Class for each Distribution Date will be final and binding in the absence of manifest error. You may obtain each such interest rate by telephoning us at 800-2FANNIE.

### **Distributions of Principal**

On the Distribution Date in each month, we will make payments of principal on the Classes of REMIC Certificates as described below. Following any exchange of REMIC Certificates for RCR Certificates, we will apply principal payments from the exchanged REMIC Certificates to the corresponding RCR Certificates on a pro rata basis.

- *Group 1*

The LZ Accrual Amount to LA until retired, and thereafter to LZ. } Accretion  
Directed  
Class and  
Accrual Class

The Group 1 Cash Flow Distribution Amount to LA and LZ, in that order, until retired. } Sequential  
Pay Classes

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

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

- *Group 2*

The GZ Accrual Amount to GA until retired, and thereafter to GZ. } Accretion  
Directed  
Class and  
Accrual Class

The Group 2 Cash Flow Distribution Amount to GA and GZ, in that order, until retired. } Sequential  
Pay Classes

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

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

- *Group 3*

The Group 3 Principal Distribution Amount to MA until retired. } Structured  
Collateral/  
Pass-Through  
Class

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



- *Group 5*

The Group 5 Principal Distribution Amount to BA and BC, in that order, until retired. } Sequential Pay Classes

The “Group 5 Principal Distribution Amount” is the principal then paid on the Group 5 MBS.

## 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 sequence governing principal payments on the Group 3 Underlying REMIC Certificate, 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, Group 2 and Group 5 MBS—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement;
- the Mortgage Loans underlying the Group 4 SMBS have the original term to maturity, remaining term to maturity, loan age and interest rate specified under “Summary—Group 4 SMBS—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 March 31, 2016; and
- each Distribution Date occurs on the 25th day of a month.

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the Trust MBS and the Group 4 SMBS will differ from the assumed characteristics shown in the Summary, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—*Yields on and weighted average lives of the certificates are affected by actual characteristics of the mortgage loans backing the series trust assets*” in the REMIC Prospectus.

*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.

## Yield Tables for the Fixed Rate Interest Only Classes

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. **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, 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 notional principal balance reductions 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, or
- all of the Mortgage Loans will prepay at the same rate.

**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>
MI .....	370%
BI .....	346%

**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>
MI .....	18.85%
BI .....	14.35%

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

### **Sensitivity of the MI Class to Prepayments**

	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>900%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity .....	22.8%	19.4%	12.5%	(2.2)%	(18.2)%	(35.8)%	(45.3)%	(55.6)%
	(78.9)%							

### **Sensitivity of the BI Class to Prepayments**

	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>	<u>700%</u>	<u>900%</u>
Pre-Tax Yields to Maturity .....	16.0%	13.4%	8.0%	2.5%	(8.8)%	(20.7)%	(33.1)%
	(39.5)%						

## 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, Group 2 and Group 5 Classes, and
- in the case of the MA and MB Classes, the applicable priority sequence affecting principal payments on the Group 3 Underlying REMIC Certificate.

See “—Distributions of Principal” above and “Description of the Certificates—Distributions of Principal” in the 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	360 months	360 months	5.50%
Group 2 MBS	360 months	360 months	6.00%
Group 3 Underlying REMIC Certificate	360 months	320 months	6.50%
Group 4 Underlying REMIC Certificate	360 months	273 months	8.00%
Group 4 SMBS	360 months	258 months	8.00%
Group 5 MBS	360 months	360 months	5.50%

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates or remaining terms to maturity assumed, 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	LA Class						LZ Class						GA Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	347%	400%	500%	0%	100%	200%	347%	400%	500%	0%	100%	200%	347%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	98	91	84	75	71	65	103	103	103	103	103	103	99	92	86	77	74	62
March 2018	96	82	71	55	50	41	106	106	106	106	106	106	97	84	73	59	54	38
March 2019	94	74	59	40	34	24	109	109	109	109	109	109	96	77	62	45	39	22
March 2020	92	66	48	28	22	13	113	113	113	113	113	113	94	70	53	34	28	13
March 2021	90	59	39	18	13	5	116	116	116	116	116	116	92	64	45	25	20	7
March 2022	88	53	31	11	6	0	120	120	120	120	120	110	91	58	38	19	14	3
March 2023	85	46	25	5	1	0	123	123	123	123	123	74	89	52	32	14	9	1
March 2024	83	40	19	1	0	0	127	127	127	127	97	50	87	47	26	10	6	0
March 2025	80	35	13	0	0	0	131	131	131	102	71	34	85	42	22	6	4	0
March 2026	77	30	9	0	0	0	135	135	135	78	51	23	82	37	18	4	2	0
March 2027	74	25	5	0	0	0	139	139	139	59	37	15	80	33	14	2	*	0
March 2028	71	20	1	0	0	0	143	143	143	44	27	10	77	29	11	1	0	0
March 2029	68	16	0	0	0	0	148	148	131	33	19	7	75	26	9	0	0	0
March 2030	64	12	0	0	0	0	152	152	109	25	14	4	72	22	6	0	0	0
March 2031	61	8	0	0	0	0	157	157	89	18	10	3	69	19	5	0	0	0
March 2032	57	5	0	0	0	0	162	162	73	14	7	2	66	16	3	0	0	0
March 2033	53	2	0	0	0	0	166	166	59	10	5	1	62	13	1	0	0	0
March 2034	49	0	0	0	0	0	171	156	48	7	3	1	59	10	*	0	0	0
March 2035	44	0	0	0	0	0	177	132	38	5	2	*	55	8	0	0	0	0
March 2036	39	0	0	0	0	0	182	110	29	4	2	*	51	6	0	0	0	0
March 2037	34	0	0	0	0	0	188	89	22	2	1	*	46	3	0	0	0	0
March 2038	29	0	0	0	0	0	193	70	16	2	1	*	42	1	0	0	0	0
March 2039	23	0	0	0	0	0	199	53	12	1	*	*	37	0	0	0	0	0
March 2040	18	0	0	0	0	0	205	37	8	1	*	*	32	0	0	0	0	0
March 2041	11	0	0	0	0	0	212	22	4	*	*	*	26	0	0	0	0	0
March 2042	5	0	0	0	0	0	218	8	2	*	*	*	20	0	0	0	0	0
March 2043	0	0	0	0	0	0	206	0	0	0	0	0	14	0	0	0	0	0
March 2044	0	0	0	0	0	0	141	0	0	0	0	0	8	0	0	0	0	0
March 2045	0	0	0	0	0	0	72	0	0	0	0	0	1	0	0	0	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.4	7.2	4.6	2.8	2.5	2.0	28.4	21.5	16.9	11.7	10.3	8.3	18.5	8.6	5.6	3.5	3.0	1.9

Date	GZ Class						MA Class								
	PSA Prepayment Assumption						PSA Prepayment Assumption								
	0%	100%	200%	347%	400%	600%	0%	100%	200%	400%	600%	800%	900%	1000%	1200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	104	104	104	104	104	104	98	88	83	83	83	72	63	55	38
March 2018	107	107	107	107	107	107	96	77	69	69	55	36	28	21	9
March 2019	111	111	111	111	111	111	93	67	55	55	34	17	12	7	2
March 2020	115	115	115	115	115	115	91	57	44	42	20	8	4	2	0
March 2021	119	119	119	119	119	119	88	48	35	30	12	3	1	0	0
March 2022	123	123	123	123	123	123	85	40	27	22	7	1	0	0	0
March 2023	128	128	128	128	128	128	82	32	21	16	4	0	0	0	0
March 2024	132	132	132	132	132	100	79	24	16	11	2	0	0	0	0
March 2025	137	137	137	137	137	62	75	18	13	8	1	0	0	0	0
March 2026	142	142	142	142	142	38	72	11	10	5	0	0	0	0	0
March 2027	147	147	147	147	147	23	68	7	7	3	0	0	0	0	0
March 2028	152	152	152	152	111	14	63	5	5	2	0	0	0	0	0
March 2029	158	158	158	136	80	9	59	4	4	1	0	0	0	0	0
March 2030	163	163	163	101	57	5	54	3	3	*	0	0	0	0	0
March 2031	169	169	169	75	41	3	49	2	2	0	0	0	0	0	0
March 2032	175	175	175	55	29	2	44	1	1	0	0	0	0	0	0
March 2033	181	181	181	40	20	1	38	*	*	0	0	0	0	0	0
March 2034	188	188	188	29	14	1	31	0	0	0	0	0	0	0	0
March 2035	194	194	153	21	9	*	25	0	0	0	0	0	0	0	0
March 2036	201	201	118	14	6	*	18	0	0	0	0	0	0	0	0
March 2037	208	208	89	10	4	*	10	0	0	0	0	0	0	0	0
March 2038	216	216	65	6	3	*	2	0	0	0	0	0	0	0	0
March 2039	223	203	45	4	2	*	0	0	0	0	0	0	0	0	0
March 2040	231	135	28	2	1	*	0	0	0	0	0	0	0	0	0
March 2041	240	72	14	1	*	*	0	0	0	0	0	0	0	0	0
March 2042	248	14	2	*	*	*	0	0	0	0	0	0	0	0	0
March 2043	257	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2044	266	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2045	276	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.6	24.4	21.3	15.7	14.1	9.5	13.7	5.4	4.5	4.0	2.7	1.9	1.6	1.4	1.0

\* 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.

Date	MI† Class									BA Class							
	PSA Prepayment Assumption									PSA Prepayment Assumption							
	0%	100%	200%	400%	600%	800%	900%	1000%	1200%	0%	100%	200%	300%	500%	700%	900%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	98	92	86	74	62	51	45	39	27	99	96	95	93	90	86	83	81
March 2018	96	84	73	55	39	26	20	15	7	97	91	85	80	69	60	50	46
March 2019	94	76	63	40	24	13	9	6	2	96	83	73	64	47	34	22	17
March 2020	92	69	53	30	15	6	4	2	1	94	76	63	51	32	18	9	6
March 2021	90	63	45	22	9	3	2	1	*	92	70	54	40	21	10	3	1
March 2022	87	57	38	16	6	2	1	*	*	91	64	46	32	14	5	1	0
March 2023	85	51	32	11	3	1	*	*	*	89	58	39	25	9	2	0	0
March 2024	82	45	27	8	2	*	*	*	*	87	53	33	20	6	1	0	0
March 2025	79	40	22	6	1	*	*	*	*	85	48	28	15	3	0	0	0
March 2026	75	35	18	4	1	*	*	*	*	82	44	24	12	2	0	0	0
March 2027	71	31	15	3	*	*	*	*	*	80	40	20	9	1	0	0	0
March 2028	67	27	12	2	*	*	*	*	*	77	36	17	7	*	0	0	0
March 2029	63	23	10	1	*	*	*	*	*	75	32	14	5	0	0	0	0
March 2030	58	19	8	1	*	*	*	*	0	72	29	11	4	0	0	0	0
March 2031	53	15	6	1	*	*	*	*	0	69	26	9	3	0	0	0	0
March 2032	47	12	4	*	*	*	*	*	0	66	23	8	2	0	0	0	0
March 2033	41	9	3	*	*	*	*	*	0	63	20	6	1	0	0	0	0
March 2034	35	6	2	*	*	*	*	*	0	59	17	5	*	0	0	0	0
March 2035	28	3	1	*	*	*	*	0	0	55	15	4	0	0	0	0	0
March 2036	20	1	*	*	*	*	0	0	0	52	13	3	0	0	0	0	0
March 2037	12	*	*	*	*	0	0	0	0	48	11	2	0	0	0	0	0
March 2038	4	0	0	0	0	0	0	0	0	43	9	1	0	0	0	0	0
March 2039	0	0	0	0	0	0	0	0	0	39	7	1	0	0	0	0	0
March 2040	0	0	0	0	0	0	0	0	0	34	6	*	0	0	0	0	0
March 2041	0	0	0	0	0	0	0	0	0	29	4	0	0	0	0	0	0
March 2042	0	0	0	0	0	0	0	0	0	23	3	0	0	0	0	0	0
March 2043	0	0	0	0	0	0	0	0	0	18	1	0	0	0	0	0	0
March 2044	0	0	0	0	0	0	0	0	0	12	*	0	0	0	0	0	0
March 2045	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																	
Life (years)**	14.3	8.1	5.7	3.3	2.1	1.5	1.3	1.1	0.8	18.8	10.3	6.9	5.2	3.5	2.7	2.2	2.0

Date	BC Class								BI† Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	200%	300%	500%	700%	900%	1000%	0%	100%	200%	300%	500%	700%	900%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	100	100	100	100	100	100	100	100	99	96	95	93	90	86	83	81
March 2018	100	100	100	100	100	100	100	100	97	91	85	80	70	60	51	47
March 2019	100	100	100	100	100	100	100	100	96	84	74	64	48	35	23	19
March 2020	100	100	100	100	100	100	100	100	94	77	63	52	33	20	11	7
March 2021	100	100	100	100	100	100	100	100	92	70	54	41	23	11	5	3
March 2022	100	100	100	100	100	100	100	76	91	65	47	33	15	6	2	1
March 2023	100	100	100	100	100	100	65	30	89	59	40	26	10	4	1	*
March 2024	100	100	100	100	100	100	29	12	87	54	34	21	7	2	*	*
March 2025	100	100	100	100	100	77	13	4	85	49	29	17	5	1	*	*
March 2026	100	100	100	100	100	43	6	2	83	45	25	13	3	1	*	*
March 2027	100	100	100	100	100	24	3	1	80	41	21	10	2	*	*	*
March 2028	100	100	100	100	100	13	1	*	78	37	18	8	1	*	*	*
March 2029	100	100	100	100	69	8	*	*	75	33	15	7	1	*	*	*
March 2030	100	100	100	100	46	4	*	*	72	30	13	5	1	*	*	*
March 2031	100	100	100	100	31	2	*	*	69	27	11	4	*	*	*	*
March 2032	100	100	100	100	20	1	*	*	66	24	9	3	*	*	*	*
March 2033	100	100	100	100	13	1	*	*	63	21	7	2	*	*	*	*
March 2034	100	100	100	100	9	*	*	*	60	19	6	2	*	*	*	*
March 2035	100	100	100	96	6	*	*	*	56	16	5	1	*	*	*	*
March 2036	100	100	100	73	4	*	*	*	52	14	4	1	*	*	*	*
March 2037	100	100	100	55	2	*	*	*	48	12	3	1	*	*	*	0
March 2038	100	100	100	40	1	*	*	*	44	10	3	1	*	*	*	0
March 2039	100	100	100	29	1	*	*	*	40	9	2	*	*	*	*	0
March 2040	100	100	100	21	1	*	*	*	35	7	2	*	*	*	0	0
March 2041	100	100	78	14	*	*	*	0	30	5	1	*	*	*	0	0
March 2042	100	100	55	9	*	*	*	0	24	4	1	*	*	*	0	0
March 2043	100	100	36	6	*	*	*	0	19	3	1	*	*	*	0	0
March 2044	100	100	21	3	*	*	0	0	13	2	*	*	*	*	0	0
March 2045	100	50	8	1	*	*	0	0	7	1	*	*	*	*	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																
Life (years)**	29.9	29.0	26.5	22.0	14.5	10.3	7.7	6.8	19.0	10.5	7.2	5.4	3.6	2.8	2.3	2.1

\* 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.

Date	MB†† Class								
	PSA Prepayment Assumption								
	0%	100%	200%	400%	600%	800%	900%	1000%	1200%
Initial Percent .....	100	100	100	100	100	100	100	100	100
March 2017 .....	98	88	83	83	83	72	63	55	38
March 2018 .....	96	77	69	69	55	36	28	21	9
March 2019 .....	93	67	55	55	34	17	12	7	2
March 2020 .....	91	57	44	42	20	8	4	2	0
March 2021 .....	88	48	35	30	12	3	1	0	0
March 2022 .....	85	40	27	22	7	1	0	0	0
March 2023 .....	82	32	21	16	4	0	0	0	0
March 2024 .....	79	24	16	11	2	0	0	0	0
March 2025 .....	75	18	13	8	1	0	0	0	0
March 2026 .....	72	11	10	5	0	0	0	0	0
March 2027 .....	68	7	7	3	0	0	0	0	0
March 2028 .....	63	5	5	2	0	0	0	0	0
March 2029 .....	59	4	4	1	0	0	0	0	0
March 2030 .....	54	3	3	*	0	0	0	0	0
March 2031 .....	49	2	2	0	0	0	0	0	0
March 2032 .....	44	1	1	0	0	0	0	0	0
March 2033 .....	38	*	*	0	0	0	0	0	0
March 2034 .....	31	0	0	0	0	0	0	0	0
March 2035 .....	25	0	0	0	0	0	0	0	0
March 2036 .....	18	0	0	0	0	0	0	0	0
March 2037 .....	10	0	0	0	0	0	0	0	0
March 2038 .....	2	0	0	0	0	0	0	0	0
March 2039 .....	0	0	0	0	0	0	0	0	0
March 2040 .....	0	0	0	0	0	0	0	0	0
March 2041 .....	0	0	0	0	0	0	0	0	0
March 2042 .....	0	0	0	0	0	0	0	0	0
March 2043 .....	0	0	0	0	0	0	0	0	0
March 2044 .....	0	0	0	0	0	0	0	0	0
March 2045 .....	0	0	0	0	0	0	0	0	0
March 2046 .....	0	0	0	0	0	0	0	0	0
Weighted Average									
Life (years)** .....	13.7	5.4	4.5	4.0	2.7	1.9	1.6	1.4	1.0

\* 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.

†† The weighted average life information set forth for this class is based solely on assumed principal distributions.

## Characteristics of the Residual Class

A Residual Certificate will be subject to certain transfer restrictions. See “Description of 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—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.

## 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 backing 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 October 1, 2014. Accordingly, special tax considerations may apply to a real estate investment trust that holds a REMIC Certificate of a Group 2 Class, and we may be obligated to provide additional information, pursuant to Regulations under section 6049 of the Code, on those 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, the Accrual Classes and the BC 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	347% PSA
2	347% PSA
3	200% PSA
4	200% PSA
5	200% 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 either of those rates or at 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 Class 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. All of the 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.

## **Tax Audit Procedures**

The Bipartisan Budget Act of 2015, which was enacted on November 2, 2015, repeals and replaces the rules applicable to certain administrative and judicial proceedings regarding a REMIC’s tax affairs, effective beginning with the 2018 taxable year. Under the new rules, a partnership, including for this purpose a REMIC, appoints one person to act as its sole representative in connection with IRS audits and related procedures. In the case of a REMIC, the representative’s actions, including the representative’s agreeing to adjustments to taxable income, will bind Residual Owners to a greater degree than would actions of the tax matters partner (“TMP”) under current rules. See “*Material Federal Income Tax Consequences—Reporting and Other Administrative Matters*” in the REMIC Prospectus for a discussion of the TMP. Further, an adjustment to the REMIC’s taxable income following an IRS audit may have to be taken into account by those Residual Owners in the year in which the adjustment is made rather than in the year to which the adjustment relates, and otherwise in different and potentially less advantageous ways than under current rules. In some cases, a REMIC could itself be liable for taxes on income adjustments, although it is anticipated that each REMIC will seek to follow procedures in the new rules to avoid entity-level liability to the extent it otherwise may be imposed. The new rules, which will apply to both existing and future REMICs, are complex and likely will be clarified and possibly revised before going into effect. Residual Owners should discuss with their own tax advisors the possible effect of the new rules on them.

## **Foreign Investors**

In IRS Notice 2015-66, the IRS announced on September 18, 2015 its intention to push back the start date of FATCA withholding on gross proceeds from the sale or other disposition of any property

of a type that can produce interest from U.S. sources. Under this published guidance, a 30-percent United States withholding tax (“FATCA withholding”) will apply to gross proceeds from the sale or other disposition of a Regular Certificate beginning on January 1, 2019 that are paid to a non-U.S. entity that is a “financial institution” and fails to comply with certain reporting and other requirements or to a non-U.S. entity that is not a “financial institution” but fails to disclose the identity of its direct or indirect “substantial U.S. owners” or to certify that it has no such owners. FATCA withholding currently applies to payments treated as interest on a Regular Certificate paid to such persons. Various exceptions may apply. You should consult your own tax advisor regarding the potential application and impact of this withholding tax based on your particular circumstances. See “Material Federal Income Tax Consequences—Foreign Investors” in the REMIC Prospectus.

### **PLAN OF DISTRIBUTION**

We are obligated to deliver the Certificates to Citigroup Global Markets Inc. (the “Dealer”) in exchange for the Trust MBS, the Underlying REMIC Certificates and the Group 4 SMBS. 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.

### **CREDIT RISK RETENTION**

The Certificates satisfy the requirements of the Credit Risk Retention Rule (12 C.F.R. Part 1234) jointly promulgated by the Federal Housing Finance Agency (“FHFA”), the SEC and several other federal agencies. In accordance with 12 C.F.R. 1234.8(a), (i) the Certificates are fully guaranteed as to timely payment of principal and interest by Fannie Mae and (ii) Fannie Mae is operating under the conservatorship of FHFA with capital support from the United States.

### **LEGAL MATTERS**

Katten Muchin Rosenman LLP will provide legal representation for Fannie Mae. Cleary Gottlieb Steen & Hamilton LLP will provide legal representation for the Dealer.



## Exhibit A

### Group 3 Underlying REMIC Certificate

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	March 2016 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2012-139	CE	November 2012	3136AAJY2	1.5%	FIX	November 2042	PAC	\$50,000,000	0.61750361	\$15,437,590.00	4.482%	289	58

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

### Group 4 Underlying REMIC Certificate

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Notional Principal Balance of Class	March 2016 Class Factor	Notional Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2015-34	NI	May 2015	3136AN3L9	5.5	FIX/IO	June 2045	NTL	13,031,201	0.77240196	10,065,325.19	(2)	(2)	(2)

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

(2) The Class 2015-34-NI REMIC Certificate is backed by the Fannie Mae SMBS Certificates listed below having the following characteristics:

Class	Interest Type	Principal Type	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
395-10	FIX/IO	NTL	5.875%	249	103
395-11	FIX/IO	NTL	6.077%	246	105
395-12	FIX/IO	NTL	6.052%	255	97
395-13	FIX/IO	NTL	6.083%	244	108

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.

## Schedule 1

## Available Recombination(1)

REMIC Certificates		RCR Certificates						
Classes	Original Balances	RCR Class	Original Balance	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
MA	\$15,437,590	MB(3)	\$15,437,590	SC/PT	(4)	WAC	3136ARF45	June 2045
MI	15,789,916(5)							

- (1) REMIC Certificates and RCR Certificates in each 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—Class Definitions and Abbreviations” in the REMIC Prospectus.
- (3) The MB Class is an RCR Class formed by a combination of the MA Class in Group 3 and the MI Class in Group 4.
- (4) For a description of this interest rate, see “Description of the Certificates—Distributions of Interest—*The MB Class*” in this prospectus supplement.
- (5) Notional principal balance. This Class is an Interest Only Class. See page S-7 for a description of how its notional principal balance is calculated.



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.

\$146,980,073



Guaranteed REMIC  
Pass-Through Certificates

Fannie Mae REMIC Trust 2016-18

TABLE OF CONTENTS

	Page
Table of Contents . . . . .	S- 2
Available Information . . . . .	S- 3
Summary . . . . .	S- 5
Additional Risk Factors . . . . .	S- 9
Description of the Certificates . . . . .	S- 9
Certain Additional Federal Income Tax Consequences . . . . .	S-19
Plan of Distribution . . . . .	S-22
Credit Risk Retention . . . . .	S-22
Legal Matters . . . . .	S-22
Exhibit A . . . . .	A- 1
Schedule 1 . . . . .	A- 2

Prospectus Supplement

Citigroup

March 24, 2016