

**\$157,256,160**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2016-96**

**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, and
- principal to the extent available for payment on your class.

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will own Fannie Mae MBS.

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

Class	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
FT . . . . .	\$124,149,600	PT	(2)	FLT	3136AT5Z3	December 2046
ST . . . . .	124,149,600(3)	NLT	(2)	INV/IO	3136AT6W9	December 2046
A . . . . .	33,106,560	PT	1.75%	FIX	3136AT7F5	December 2046
R . . . . .	0	NPR	0	NPR	3136AT7J7	December 2046

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

(2) Based on LIBOR.

(3) Notional principal balance. This class is an interest only class. See page S-5 for a description of how its notional principal balance is calculated.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be November 30, 2016.

**Carefully consider the risk factors 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.

**Mizuho Securities USA Inc.**

The date of this Prospectus Supplement is November 22, 2016

## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>AVAILABLE INFORMATION</b> .....	S- 3	YIELD TABLE FOR THE INVERSE	
<b>SUMMARY</b> .....	S- 4	FLOATING RATE CLASS .....	S- 8
<b>DESCRIPTION OF THE</b>		WEIGHTED AVERAGE LIVES OF THE	
<b>CERTIFICATES</b> .....	S- 6	CERTIFICATES .....	S- 9
GENERAL .....	S- 6	DECREMENT TABLES .....	S- 9
<i>Structure</i> .....	S- 6	CHARACTERISTICS OF THE RESIDUAL	
<i>Fannie Mae Guaranty</i> .....	S- 6	CLASS .....	S-11
<i>Characteristics of Certificates</i> .....	S- 6	<b>CERTAIN ADDITIONAL FEDERAL</b>	
<i>Authorized Denominations</i> .....	S- 6	<b>INCOME TAX CONSEQUENCES</b> ..	S-11
THE MBS .....	S- 7	REMIC ELECTION AND SPECIAL TAX	
DISTRIBUTIONS OF INTEREST .....	S- 7	ATTRIBUTES .....	S-11
<i>General</i> .....	S- 7	TAXATION OF BENEFICIAL OWNERS OF	
<i>Delay Class and No-Delay</i>		REGULAR CERTIFICATES .....	S-11
<i>Classes</i> .....	S- 7	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF PRINCIPAL .....	S- 7	RESIDUAL CERTIFICATES .....	S-12
STRUCTURING ASSUMPTIONS .....	S- 7	TAX AUDIT PROCEDURES .....	S-12
<i>Pricing Assumptions</i> .....	S- 7	FOREIGN INVESTORS .....	S-13
<i>Prepayment Assumptions</i> .....	S- 8	<b>PLAN OF DISTRIBUTION</b> .....	S-13
		<b>CREDIT RISK RETENTION</b> .....	S-13
		<b>LEGAL MATTERS</b> .....	S-13

## 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
  - June 1, 2016, for all MBS issued on or after June 1, 2016,
  - October 1, 2014, for all MBS issued on or after October 1, 2014 and prior to June 1, 2016,
  - 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”); 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, 2016.

The MBS Prospectus is incorporated by reference in this prospectus supplement. This means that we are disclosing information in that document by referring you to it. That document is considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with that document.

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](http://www.fanniemae.com).

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

Mizuho Securities USA Inc.  
320 Park Avenue  
12<sup>th</sup> Floor  
New York, NY 10022  
(telephone 201-626-1288).

## SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of November 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.

### Characteristics of the 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>
\$157,256,160	5.50%	5.75% to 8.00%	160 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>
\$157,256,160	360	184	154	5.987%

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the 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.

### Settlement Date

We expect to issue the certificates on November 30, 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>Physical</u>
All classes of certificates other than the R Class	R Class

### Interest Rates

During each interest accrual period, the A Class will bear interest at the applicable annual interest rate listed on the cover of this prospectus supplement.

During the initial interest accrual period, the FT and ST Classes will bear interest at the initial interest rates listed below. During each subsequent interest accrual period, the FT and ST 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>
FT .....	0.928%	6.50%	0.40%	LIBOR + 40 basis points
ST .....	5.572%	6.10%	0.00%	6.1% – LIBOR

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

### Notional Class

The notional principal balance of the notional class specified below will equal the percentage of the outstanding balance specified below immediately before the related distribution date:

<u>Class</u>
ST ..... 100% of the FT 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)\*

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>303%</u>	<u>600%</u>	<u>900%</u>	<u>1200%</u>
FT, ST and A .....	20.5	6.5	3.8	2.0	1.2	0.8

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

## 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 November 1, 2016 (the “Issue Date”). The trust agreement and supplement are collectively referred to as the “Trust Agreement.” We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates”) pursuant to the Trust Agreement. We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”).

The assets of the Trust will include certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (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 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 .....	MBS	All Classes of Certificates other than the R Class	R

*Fannie Mae Guaranty.* For a description of our guaranties of the Certificates and the MBS, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus and the MBS Prospectus. 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 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>
FT and ST Classes	\$100,000 minimum plus whole dollar increments
A Class	\$1,000 minimum plus whole dollar increments

## The MBS

The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years.

For additional information, see “Summary—Characteristics of the MBS” 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 on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date.

The FT and ST Classes will bear interest at interest rates based on LIBOR. We currently establish LIBOR on the basis of the “ICE Method” as generally described under “Description of the Certificates—Distributions on Certificates—*Interest Distributions—Indices for Floating Rate Classes and Inverse Floating Rate Classes*” in the REMIC Prospectus. For a description of recent developments affecting LIBOR calculations, see “Risk Factors—Risks Relating to Yield and Prepayment—*Intercontinental Exchange Benchmark Administration is the new LIBOR administrator*” in the REMIC Prospectus.

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

<u>Delay Class</u>	<u>No-Delay Classes</u>
A Class	FT and ST Classes

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

## Distributions of Principal

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

The Principal Distribution Amount to FT and A, pro rata, until retired. } Pass-Through  
Classes

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

## Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original term to maturity, remaining term to maturity, loan age and interest rate specified under “Summary—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 November 30, 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 MBS 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 Table for the Inverse Floating Rate Class**

The table below illustrates the sensitivity of the pre-tax corporate bond equivalent yield to maturity of the ST Class to various constant percentages of PSA and to changes in the Index. **The table below is provided for illustrative purposes only and is not intended as a forecast or prediction of the actual yield on the applicable Class.** We calculated the yields set forth in the table by

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the ST Class, would cause the discounted present values of the assumed streams of cash flows to equal the assumed aggregate purchase price of that Class, 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 price 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 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,
- all of the Mortgage Loans will prepay at the same rate, or
- the level of the Index will remain constant.

**The yield on the ST Class will be sensitive 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 table below, it is possible that investors in the ST Class would lose money on their initial investments under certain Index and prepayment scenarios.**

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



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

- the interest rate for the ST Class for the initial Interest Accrual Period is the rate 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 levels of the Index, and
- the aggregate purchase price of that Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
ST .....	20.25%

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

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>303%</u>	<u>600%</u>	<u>900%</u>	<u>1200%</u>
0.264% .....	20.1%	16.7%	2.5%	(20.4)%	(47.2)%	(80.1)%
0.528% .....	18.5%	15.2%	1.1%	(21.7)%	(48.3)%	(81.0)%
2.528% .....	6.3%	3.1%	(10.3)%	(31.9)%	(57.1)%	(88.2)%
4.528% .....	(8.9)%	(11.8)%	(24.3)%	(44.4)%	(67.8)%	(97.1)%
6.100% .....	*	*	*	*	*	*

### **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. See “—Distributions of Principal” above.

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

### **Decrement Tables**

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates, and the corresponding weighted average lives of those Classes. The tables have been prepared on the basis of the Pricing Assumptions.

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 term to maturity and bear interest at the annual rate specified in the table below.

<b>Original and Remaining Term to Maturity</b>	<b>Interest Rate</b>
360 months	8.00%

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	FT, ST† and A Classes					
	PSA Prepayment Assumption					
	0%	100%	303%	600%	900%	1200%
Initial Percent . . . . .	100	100	100	100	100	100
November 2017 . . . . .	99	90	78	61	44	27
November 2018 . . . . .	98	81	61	37	19	7
November 2019 . . . . .	97	72	48	23	8	2
November 2020 . . . . .	96	64	37	14	4	1
November 2021 . . . . .	95	56	28	8	2	*
November 2022 . . . . .	94	49	21	5	1	*
November 2023 . . . . .	92	42	16	3	*	*
November 2024 . . . . .	91	36	12	2	*	*
November 2025 . . . . .	89	30	9	1	*	*
November 2026 . . . . .	88	24	6	1	*	*
November 2027 . . . . .	86	19	4	*	*	*
November 2028 . . . . .	84	14	3	*	*	*
November 2029 . . . . .	82	10	2	*	*	*
November 2030 . . . . .	79	5	1	*	*	0
November 2031 . . . . .	77	1	*	*	*	0
November 2032 . . . . .	74	0	0	0	0	0
November 2033 . . . . .	71	0	0	0	0	0
November 2034 . . . . .	68	0	0	0	0	0
November 2035 . . . . .	64	0	0	0	0	0
November 2036 . . . . .	60	0	0	0	0	0
November 2037 . . . . .	56	0	0	0	0	0
November 2038 . . . . .	52	0	0	0	0	0
November 2039 . . . . .	47	0	0	0	0	0
November 2040 . . . . .	42	0	0	0	0	0
November 2041 . . . . .	36	0	0	0	0	0
November 2042 . . . . .	30	0	0	0	0	0
November 2043 . . . . .	23	0	0	0	0	0
November 2044 . . . . .	16	0	0	0	0	0
November 2045 . . . . .	8	0	0	0	0	0
November 2046 . . . . .	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	20.5	6.5	3.8	2.0	1.2	0.8

\* 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—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 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.

## **Taxation of Beneficial Owners of Regular Certificates**

The Notional Class will be issued with original issue discount (“OID”), and certain other Classes of Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See “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 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 Assumption that will be used in determining the rate of accrual of OID will be 303% PSA. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment of Original Issue Discount*” in the REMIC Prospectus. No repre-

sentation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate 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.

We intend to treat the REMIC as a single class REMIC within the meaning of the Treasury regulations under Section 67 of the Code. Accordingly, a beneficial owner of an FT, ST or A Class Certificate will be required to include in income a share of the administrative fees of the REMIC. Administrative fees include the costs to service the Mortgage Loans and the guaranty fees paid to Fannie Mae. A deduction for these fees generally will be allowed to a beneficial owner of an FT, ST or A Class Certificate. For a beneficial owner that is an individual, a deduction for such fees will be allowed only to the extent that such fees, along with certain of the beneficial owner’s other miscellaneous itemized deductions, exceed 2 percent of the beneficial owner’s adjusted gross income. To the extent such fees and other miscellaneous itemized deductions exceed the 2 percent floor, the deductible amount will be subject to further reductions under Section 68 of the Code in the case of individuals whose adjusted gross income exceeds certain applicable amounts. In addition, a beneficial owner of an FT, ST or A Class Certificate who is an individual may not be able to deduct any portion of such fees in computing the beneficial owner’s alternative minimum tax liability. A beneficial owner’s share of such fees generally will be determined by (i) allocating the amount of such expenses for each calendar quarter on a pro rata basis to each day in the calendar quarter, and (ii) allocating the daily amount among the beneficial owners of Regular and Residual Certificates in proportion to their respective amounts of income accruing on the Certificates on that day. Similar rules apply in the case of (i) estates and trusts, and (ii) individuals owning an interest in a Regular Certificate through an investment in a “pass-through entity.” Pass-through entities include partnerships, S corporations, grantor trusts and non-publicly offered regulated investment companies, but do not include estates, trusts other than grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. We will report the allocable share of such fees in the manner required by the IRS. See “Material Federal Income Tax Consequences—Reporting and Other Administrative Matters” 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.

### **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 Mizuho Securities USA Inc. (the "Dealer") in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

### **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.

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.

**TABLE OF CONTENTS**

	Page
Table of Contents .....	S- 2
Available Information .....	S- 3
Summary .....	S- 4
Description of the Certificates .....	S- 6
Certain Additional Federal Income Tax Consequences .....	S-11
Plan of Distribution .....	S-13
Credit Risk Retention .....	S-13
Legal Matters .....	S-13

**\$157,256,160**



**Guaranteed REMIC  
Pass-Through Certificates**

**Fannie Mae REMIC Trust 2016-96**

**PROSPECTUS SUPPLEMENT**

**Mizuho Securities USA Inc.**

**November 22, 2016**