

\$451,943,579



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2017-43**

The Certificates

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

Payments to Certificateholders

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

- *interest accrued on the balance of your certificate (except in the case of the accrual class), and*
- *principal to the extent available for payment on your class.*

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

- *an underlying REMIC certificate backed by Fannie Mae MBS and*
- *Fannie Mae MBS.*

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

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
CA	1	\$ 9,049,320	SC/PT	3.25%	FIX	3136AWU54	November 2046
CO	1	2,714,796	SC/PT	0.00	PO	3136AWU62	November 2046
A	2	238,545,000	SEQ	3.50	FIX	3136AWU70	August 2044
B	2	56,455,000	SEQ	3.50	FIX	3136AWU88	June 2047
GA	3	100,000,000	SEQ	3.00	FIX	3136AWU96	September 2035
GB	3	16,594,000	SEQ	3.00	FIX	3136AWV20	June 2037
IO	4	15,592,070(2)	NTL	5.50	FIX/IO	3136AWV38	June 2047
PA(3) . . .	4	25,741,000	PAC/AD	2.50	FIX	3136AWV46	June 2047
Z(3)	4	2,844,463	SUP	2.50	FIX/Z	3136AWV53	June 2047
R		0	NPR	0	NPR	3136AWV61	June 2047

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

(2) Notional principal balance. This class is an interest only class. See page S-6 for a description of how its notional principal balance is calculated.
(3) Exchangeable classes.

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 AB 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 May 31, 2017.

Carefully consider the risk factors on page S-8 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.

MORGAN STANLEY

The date of this Prospectus Supplement is May 24, 2017

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AVAILABLE INFORMATION

You should purchase the certificates only if you have read and understood this prospectus supplement and the following documents (the “Disclosure Documents”):

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated 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”);
- if you are purchasing a Group 1 Class or the R Class, the disclosure document relating to the underlying REMIC certificate (the “Underlying REMIC Disclosure Document”); 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 and the Underlying REMIC Disclosure Document 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.

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

Morgan Stanley & Co. LLC
c/o Broadridge Financial Solutions
Prospectus Department
1155 Long Island Avenue
Edgewood, NY 11717
(telephone 631-274-2740).

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of May 1, 2017. 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	Class 2016-85-CA REMIC Certificate
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS

Group 1

Exhibit A describes the underlying REMIC certificate in Group 1, including certain information about the related mortgage loans. To learn more about the underlying REMIC Certificate, you should obtain from us the current class factor and the related disclosure document as described on page S-3.

Group 2, Group 3 and Group 4

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 2 MBS	\$295,000,000	3.50%	3.75% to 6.00%	241 to 360
Group 3 MBS	\$116,594,000	3.00%	3.25% to 5.50%	181 to 240
Group 4 MBS	\$ 28,585,463	5.50%	5.75% to 8.00%	200 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 2 MBS	\$295,000,000	360	339	18	4.12%
Group 3 MBS	\$116,594,000	240	234	5	3.46%
Group 4 MBS	\$ 28,585,463	360	207	144	5.97%

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.

Settlement Date

We expect to issue the certificates on May 31, 2017.

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

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 or on Schedule 1.

Notional Class

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

<u>Class</u>	
IO	54.5454520012% of the <i>sum</i> of the PA and Z Classes

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>150%</u>	<u>175%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>	<u>600%</u>	<u>900%</u>
CA and CO	28.6	23.6	18.3	11.7	5.9	1.0	0.7	0.5	0.4	0.3

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>									
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>181%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>	<u>600%</u>	<u>900%</u>
A	17.1	7.0	5.3	4.6	4.2	3.0	2.3	1.8	1.5	1.0
B	28.6	21.8	18.7	16.9	15.9	11.7	9.0	7.2	5.9	3.6

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>									
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>177%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>	<u>600%</u>	<u>900%</u>
GA	10.6	6.3	5.2	4.8	4.5	3.5	2.9	2.4	2.1	1.6
GB	19.1	16.8	15.5	14.8	14.2	11.6	9.6	8.0	6.8	4.6

<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>									
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>180%</u>	<u>225%</u>	<u>300%</u>	<u>1000%</u>	<u>1700%</u>	<u>2000%</u>	<u>2600%</u>
IO and AB	20.5	7.1	6.1	5.5	4.9	4.0	1.1	0.1	0.1	0.1
PA	18.1	6.0	5.2	5.2	5.2	4.3	1.2	0.1	0.1	0.1
Z	28.8	14.5	12.3	8.3	1.5	0.6	0.1	0.1	0.1	0.1

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

ADDITIONAL RISK FACTOR

Payments on the Group 1 Classes will be affected by the applicable payment priority governing the related underlying REMIC certificate. If you invest in a Group 1 Class, the rate at which you receive payments will be affected by the applicable priority sequence governing principal payments on the Group 1 Underlying REMIC Certificate.

In particular, as described in the Underlying REMIC Disclosure Document, the Group 1 Underlying REMIC Certificate is a support class. A support class is entitled to receive payments on a distribution date only if scheduled payments of principal have been

made on certain other classes in the related underlying REMIC trust. Accordingly, a support class may receive no principal payments for an extended period or may receive principal payments that may vary widely from period to period.

You may obtain additional information about the Group 1 Underlying REMIC Certificate by reviewing its current class factor in light of other information available in the Underlying REMIC Disclosure Document. You may obtain that document from us as described on page S-3.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) pursuant to a trust agreement dated as of May 1, 2010 and a supplement thereto dated as of May 1, 2017 (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:

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

The Group 1 Underlying REMIC Certificate evidences direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”).

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

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

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

	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
REMIC . . .	Group 1 Underlying REMIC Certificate and Trust MBS	All Classes of REMIC Certificates other than the R Class	R

Fannie Mae Guaranty. For a description of our guaranties of the Certificates, the MBS and the Group 1 Underlying REMIC Certificate, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus, the MBS Prospectus and the Underlying REMIC Disclosure Document. 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>
Interest Only and Principal Only Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R Class)	\$1,000 minimum plus whole dollar increments

The Group 1 Underlying REMIC Certificate

The Group 1 Underlying REMIC Certificate represents beneficial ownership interests in the Underlying REMIC Trust. The assets of that trust 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 Group 1 Underlying REMIC Certificate will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 1 Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document. See Exhibit A for certain additional information about the Group 1 Underlying REMIC Certificate. Exhibit A is provided in lieu of a Final Data Statement with respect to the Group 1 Underlying REMIC Certificate.

For further information about the Group 1 Underlying REMIC Certificate, telephone us at 800-2FANNIE. Additional information about the Group 1 Underlying REMIC Certificate is also available at <https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html>. There may have been material changes in facts and circumstances since the date we prepared the Underlying REMIC Disclosure Document. 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 that document may be limited.

The Trust MBS

The Trust MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. Except as described below, 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 the case of the Group 2 MBS and Group 4 MBS; and up to 20 years in the case of the Group 3 MBS.

In addition, the pools of mortgage loans backing the Group 4 MBS have been designated as pools that include “jumbo-conforming” or “high balance” mortgage loans as described further under “The Mortgage Loans—Mortgage Loans with Original Principal Balances Exceeding our Traditional Conforming Loan Limits” in the MBS Prospectus dated June 1, 2016. For periodic updates to that description, please refer to the Pool Prefix Glossary available on our Web site at www.fanniemae.com. For additional information about the particular pools underlying the Group 4 MBS, see the Final Data Statement for the Trust and the related prospectus supplement for each MBS. See also “Risk Factors—Risks Relating to Yield and Prepayment—*“Jumbo-conforming” mortgage loans, which have original principal balances that exceed our traditional conforming loan limits, may prepay at different rates than conforming balance mortgage loans generally*” in the MBS Prospectus dated June 1, 2016.

For additional information, see “Summary—Group 2, Group 3 and Group 4—Characteristics of the Trust 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 (or added to principal, in the case of the Accrual Class) on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Class, see “—*Accrual Class*” below.

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

<u>Delay Classes</u>	<u>No-Delay Classes</u>
Fixed Rate Classes	—

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

The Dealer will treat the Principal Only Class as a Delay Class, solely for the purpose of facilitating trading.

Accrual Class. The Z Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be

added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

Distributions of Principal

On the Distribution Date in each month, we will make payments of principal on the 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 Group 1 Principal Distribution Amount to CA and CO, pro rata, until retired. } Structured Collateral/Pass-Through Classes

The “Group 1 Principal Distribution Amount” is the principal then paid on the Group 1 Underlying REMIC Certificate.

- *Group 2*

The Group 2 Principal Distribution Amount to A and B, in that order until retired. } Sequential Pay Classes

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

- *Group 3*

The Group 3 Principal Distribution Amount to GA and GB, in that order, until retired. } Sequential Pay Classes

The “Group 3 Principal Distribution Amount” is the principal then paid on the Group 3 MBS.

- *Group 4*

The Z Accrual Amount to PA to its Planned Balance, and thereafter to Z. } Accretion Directed/PAC Class and Accrual Class

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

1. To PA to its Planned Balance. } PAC Class
2. To Z until retired. } Support Class
3. To PA until retired. } PAC Class

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

The “Group 4 Cash Flow Distribution Amount” is the principal then paid on the Group 4 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 Group 1 Underlying REMIC Certificate, the applicable priority sequence governing principal payments on the Group 1 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 2, Group 3 and Group 4—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 May 31, 2017; 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 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.

Principal Balance Schedule. The Principal Balance Schedule for the PA Class is set forth beginning on page B-1 of this prospectus supplement. The Principal Balance Schedule was prepared based on the Pricing Assumptions and the assumption that the related Mortgage Loans prepay at a *constant* rate within the “Structuring Range” specified in the chart below. The “Effective Range” for the PA Class is the range of prepayment rates (measured by *constant* PSA rates) that would reduce the PA Class to its scheduled balance each month based on the Pricing Assumptions.

<u>Class</u>	<u>Structuring Range</u>	<u>Initial Effective Range</u>
PA Class Planned Balances	Between 150% and 225% PSA	Between 150% and 225% PSA

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

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

- We will distribute any excess of principal distributions over the amount necessary to reduce the PA Class to its scheduled balance in any month. As a result, the likelihood of reducing the PA Class to its scheduled balance each month will not be improved by the averaging of high and low principal distributions from month to month.
- Even if the related Mortgage Loans prepay at rates falling within the Structuring Range or Effective Range, principal distributions may be insufficient to reduce the PA Class to its scheduled balance each month if prepayments do not occur at a *constant* PSA rate.
- The actual Effective Range at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. As a result, the actual Effective Range will likely differ from the Initial Effective Range specified above. For the same reason, the PA Class might not be reduced to its scheduled balance each month even if the related Mortgage Loans prepay at

a *constant* PSA rate within the Initial Effective Range. This is so particularly if the rate falls at the lower or higher end of the range.

- The actual Effective Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.
- The principal payment stability of the PA Class will be supported by the Z Class. When the Z Class is retired, the PA Class, if still outstanding, may no longer have an Effective Range, and will be much more sensitive to prepayments of the related Mortgage Loans.

Yield Tables

General. The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA. **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 principal payments (or 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 Principal Only Class. **The Principal Only Class will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the related Mortgage Loans will have a negative effect on the yield to investors in the Principal Only Class.**

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

<u>Class</u>	<u>Price</u>
CO	78.125%

Sensitivity of the CO Class to Prepayments

	PSA Prepayment Assumption									
	50%	100%	150%	175%	200%	300%	400%	500%	600%	900%
Pre-Tax Yields to Maturity	0.9%	1.1%	1.4%	2.3%	5.1%	25.8%	40.4%	55.3%	70.5%	120.7%

The Fixed Rate Interest Only Class. The yield to investors in the Fixed Rate Interest Only Class 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 the Fixed Rate Interest Only Class would be 0% if prepayments of the related Mortgage Loans were to occur at the following constant rate:

Class	% PSA
IO	424%

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 IO Class would lose money on their initial investments.

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

Class	Price*
IO	15.90625%

* 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 IO Class to Prepayments

	PSA Prepayment Assumption									
	50%	100%	150%	180%	225%	300%	1000%	1700%	2000%	2600%
Pre-Tax Yields to Maturity	27.4%	23.9%	20.4%	18.2%	15.0%	9.5%	(52.4)%	*	*	*

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 2, Group 3 and Group 4 Classes, and
- in the case of the Group 1 Classes, the priority sequence governing principal payments on the Group 1 Underlying REMIC Certificate.

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

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 Underlying REMIC Certificate	360 months	353 months	6.00%
Group 2 MBS	360 months	360 months	6.00%
Group 3 MBS	240 months	240 months	5.50%
Group 4 MBS	360 months	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	CA and CO Classes										A Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	150%	175%	200%	300%	400%	500%	600%	900%	0%	100%	150%	181%	200%	300%	400%	500%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2018	100	100	100	94	86	53	20	0	0	0	98	92	89	87	86	80	74	68	62	44
May 2019	100	100	100	84	65	0	0	0	0	0	97	83	77	73	71	59	49	39	30	7
May 2020	100	100	100	75	48	0	0	0	0	0	95	74	66	61	58	43	30	19	10	0
May 2021	100	100	100	69	36	0	0	0	0	0	93	66	56	50	46	30	16	6	0	0
May 2022	100	100	100	64	28	0	0	0	0	0	91	59	47	40	36	19	6	0	0	0
May 2023	100	100	100	62	24	0	0	0	0	0	89	52	39	32	28	10	0	0	0	0
May 2024	100	100	100	60	21	0	0	0	0	0	87	45	32	24	20	4	0	0	0	0
May 2025	100	100	100	60	21	0	0	0	0	0	85	39	25	18	14	0	0	0	0	0
May 2026	100	100	100	58	21	0	0	0	0	0	82	33	19	12	8	0	0	0	0	0
May 2027	100	100	98	56	20	0	0	0	0	0	80	28	14	7	3	0	0	0	0	0
May 2028	100	100	93	54	20	0	0	0	0	0	77	23	9	3	0	0	0	0	0	0
May 2029	100	100	89	51	19	0	0	0	0	0	74	19	5	0	0	0	0	0	0	0
May 2030	100	100	83	48	18	0	0	0	0	0	71	14	1	0	0	0	0	0	0	0
May 2031	100	100	78	45	18	0	0	0	0	0	68	10	0	0	0	0	0	0	0	0
May 2032	100	100	72	42	17	0	0	0	0	0	64	7	0	0	0	0	0	0	0	0
May 2033	100	100	65	37	16	0	0	0	0	0	60	3	0	0	0	0	0	0	0	0
May 2034	100	100	57	33	13	0	0	0	0	0	57	0	0	0	0	0	0	0	0	0
May 2035	100	100	50	28	11	0	0	0	0	0	52	0	0	0	0	0	0	0	0	0
May 2036	100	100	43	24	9	0	0	0	0	0	48	0	0	0	0	0	0	0	0	0
May 2037	100	91	37	20	8	0	0	0	0	0	43	0	0	0	0	0	0	0	0	0
May 2038	100	79	31	17	6	0	0	0	0	0	38	0	0	0	0	0	0	0	0	0
May 2039	100	66	25	13	5	0	0	0	0	0	33	0	0	0	0	0	0	0	0	0
May 2040	100	55	20	10	3	0	0	0	0	0	27	0	0	0	0	0	0	0	0	0
May 2041	100	43	15	8	2	0	0	0	0	0	21	0	0	0	0	0	0	0	0	0
May 2042	100	33	11	5	1	0	0	0	0	0	15	0	0	0	0	0	0	0	0	0
May 2043	100	23	7	3	*	0	0	0	0	0	8	0	0	0	0	0	0	0	0	0
May 2044	100	13	4	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
May 2045	87	4	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2046	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2047	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	28.6	23.6	18.3	11.7	5.9	1.0	0.7	0.5	0.4	0.3	17.1	7.0	5.3	4.6	4.2	3.0	2.3	1.8	1.5	1.0

Date	B Class									
	PSA Prepayment Assumption									
	0%	100%	150%	181%	200%	300%	400%	500%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100	100
May 2018	100	100	100	100	100	100	100	100	100	100
May 2019	100	100	100	100	100	100	100	100	100	100
May 2020	100	100	100	100	100	100	100	100	100	58
May 2021	100	100	100	100	100	100	100	100	89	26
May 2022	100	100	100	100	100	100	100	85	55	12
May 2023	100	100	100	100	100	100	93	58	35	5
May 2024	100	100	100	100	100	100	69	39	21	2
May 2025	100	100	100	100	100	91	51	27	13	1
May 2026	100	100	100	100	100	73	37	18	8	*
May 2027	100	100	100	100	100	57	27	12	5	*
May 2028	100	100	100	100	97	45	20	8	3	*
May 2029	100	100	100	95	82	36	15	6	2	*
May 2030	100	100	100	81	69	28	11	4	1	*
May 2031	100	100	92	69	58	22	8	2	1	*
May 2032	100	100	79	58	48	17	6	2	*	*
May 2033	100	100	68	49	40	13	4	1	*	*
May 2034	100	100	58	41	33	10	3	1	*	*
May 2035	100	87	49	34	27	8	2	*	*	*
May 2036	100	75	41	28	22	6	1	*	*	*
May 2037	100	64	34	22	17	4	1	*	*	*
May 2038	100	54	28	18	14	3	1	*	*	*
May 2039	100	45	22	14	11	2	*	*	*	*
May 2040	100	36	17	11	8	2	*	*	*	*
May 2041	100	28	13	8	6	1	*	*	*	*
May 2042	100	20	9	5	4	1	*	*	*	0
May 2043	100	14	6	3	2	*	*	*	*	0
May 2044	100	7	3	2	1	*	*	*	*	0
May 2045	71	1	1	*	*	*	*	*	*	0
May 2046	36	0	0	0	0	0	0	0	0	0
May 2047	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years)**	28.6	21.8	18.7	16.9	15.9	11.7	9.0	7.2	5.9	3.6

* 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	GA Class										GB Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	150%	177%	200%	300%	400%	500%	600%	900%	0%	100%	150%	177%	200%	300%	400%	500%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2018	97	93	92	91	91	88	85	83	80	72	100	100	100	100	100	100	100	100	100	100
May 2019	93	84	80	78	77	70	63	56	50	32	100	100	100	100	100	100	100	100	100	100
May 2020	90	74	68	65	62	51	41	32	24	5	100	100	100	100	100	100	100	100	100	100
May 2021	86	65	57	53	49	36	25	16	8	0	100	100	100	100	100	100	100	100	100	57
May 2022	82	56	47	42	39	25	14	5	0	0	100	100	100	100	100	100	100	100	91	25
May 2023	77	48	38	33	29	15	5	0	0	0	100	100	100	100	100	100	100	87	55	11
May 2024	73	40	30	25	21	8	0	0	0	0	100	100	100	100	100	100	94	57	33	5
May 2025	68	33	23	18	15	2	0	0	0	0	100	100	100	100	100	100	67	37	20	2
May 2026	63	27	17	12	9	0	0	0	0	0	100	100	100	100	100	87	47	24	12	1
May 2027	57	21	11	7	4	0	0	0	0	0	100	100	100	100	100	66	33	16	7	*
May 2028	52	16	7	3	0	0	0	0	0	0	100	100	100	100	100	49	23	10	4	*
May 2029	46	11	2	0	0	0	0	0	0	0	100	100	100	94	79	36	15	6	2	*
May 2030	39	6	0	0	0	0	0	0	0	0	100	100	92	74	61	26	10	4	1	*
May 2031	32	2	0	0	0	0	0	0	0	0	100	100	72	57	46	18	7	2	1	*
May 2032	25	0	0	0	0	0	0	0	0	0	100	86	54	42	34	13	4	1	*	*
May 2033	18	0	0	0	0	0	0	0	0	0	100	64	39	30	24	8	3	1	*	*
May 2034	10	0	0	0	0	0	0	0	0	0	100	44	26	19	15	5	1	*	*	*
May 2035	2	0	0	0	0	0	0	0	0	0	100	25	14	11	8	2	1	*	*	*
May 2036	0	0	0	0	0	0	0	0	0	0	56	8	4	3	2	1	*	*	*	*
May 2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	10.6	6.3	5.2	4.8	4.5	3.5	2.9	2.4	2.1	1.6	19.1	16.8	15.5	14.8	14.2	11.6	9.6	8.0	6.8	4.6

Date	IO† and AB Classes										PA Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	150%	180%	225%	300%	1000%	1700%	2000%	2600%	0%	100%	150%	180%	225%	300%	1000%	1700%	2000%	2600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2018	99	91	88	86	84	79	39	0	0	0	99	89	86	86	86	86	43	0	0	0
May 2019	98	82	77	74	70	62	15	0	0	0	98	80	74	74	74	69	17	0	0	0
May 2020	97	74	67	63	58	49	6	0	0	0	96	70	63	63	63	55	6	0	0	0
May 2021	96	66	58	54	48	38	2	0	0	0	95	61	53	53	53	43	2	0	0	0
May 2022	95	59	50	46	39	30	1	0	0	0	93	53	43	43	43	33	1	0	0	0
May 2023	94	52	43	38	32	23	*	0	0	0	91	45	35	35	35	26	*	0	0	0
May 2024	92	46	37	32	26	18	*	0	0	0	90	38	29	29	29	20	*	0	0	0
May 2025	91	40	31	26	21	13	*	0	0	0	88	31	23	23	23	15	*	0	0	0
May 2026	89	35	26	22	16	10	*	0	0	0	85	25	18	18	18	11	*	0	0	0
May 2027	88	29	21	17	13	8	*	0	0	0	83	18	14	14	14	8	*	0	0	0
May 2028	86	25	17	14	10	5	*	0	0	0	81	13	11	11	11	6	*	0	0	0
May 2029	84	20	13	11	7	4	*	0	0	0	78	8	8	8	8	4	*	0	0	0
May 2030	82	16	10	8	5	3	*	0	0	0	75	6	6	6	6	3	*	0	0	0
May 2031	79	12	7	6	4	2	*	0	0	0	72	4	4	4	4	2	*	0	0	0
May 2032	77	8	5	4	2	1	*	0	0	0	69	2	2	2	2	1	*	0	0	0
May 2033	74	4	2	2	1	*	*	0	0	0	66	1	1	1	1	1	*	0	0	0
May 2034	71	1	*	*	*	*	0	0	0	0	62	*	*	*	*	*	0	0	0	0
May 2035	68	0	0	0	0	0	0	0	0	0	58	0	0	0	0	0	0	0	0	0
May 2036	64	0	0	0	0	0	0	0	0	0	54	0	0	0	0	0	0	0	0	0
May 2037	60	0	0	0	0	0	0	0	0	0	49	0	0	0	0	0	0	0	0	0
May 2038	56	0	0	0	0	0	0	0	0	0	44	0	0	0	0	0	0	0	0	0
May 2039	52	0	0	0	0	0	0	0	0	0	38	0	0	0	0	0	0	0	0	0
May 2040	47	0	0	0	0	0	0	0	0	0	33	0	0	0	0	0	0	0	0	0
May 2041	42	0	0	0	0	0	0	0	0	0	26	0	0	0	0	0	0	0	0	0
May 2042	36	0	0	0	0	0	0	0	0	0	20	0	0	0	0	0	0	0	0	0
May 2043	30	0	0	0	0	0	0	0	0	0	12	0	0	0	0	0	0	0	0	0
May 2044	23	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0
May 2045	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2046	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2047	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	20.5	7.1	6.1	5.5	4.9	4.0	1.1	0.1	0.1	0.1	18.1	6.0	5.2	5.2	5.2	4.3	1.2	0.1	0.1	0.1

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.
 ** Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.
 † In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Date	Z Class									
	PSA Prepayment Assumption									
	0%	100%	150%	180%	225%	300%	1000%	1700%	2000%	2600%
Initial Percent	100	100	100	100	100	100	100	100	100	100
May 2018	103	103	103	85	59	15	0	0	0	0
May 2019	105	105	105	75	31	0	0	0	0	0
May 2020	108	108	108	69	13	0	0	0	0	0
May 2021	111	111	111	66	3	0	0	0	0	0
May 2022	113	113	113	65	*	0	0	0	0	0
May 2023	116	116	114	65	*	0	0	0	0	0
May 2024	119	119	110	62	*	0	0	0	0	0
May 2025	122	122	104	58	*	0	0	0	0	0
May 2026	125	125	95	52	*	0	0	0	0	0
May 2027	128	128	85	46	*	0	0	0	0	0
May 2028	132	132	74	40	*	0	0	0	0	0
May 2029	135	126	62	33	*	0	0	0	0	0
May 2030	138	103	50	26	*	0	0	0	0	0
May 2031	142	80	37	19	*	0	0	0	0	0
May 2032	145	55	25	13	*	0	0	0	0	0
May 2033	149	31	14	7	*	0	0	0	0	0
May 2034	153	6	3	1	*	0	0	0	0	0
May 2035	157	0	0	0	0	0	0	0	0	0
May 2036	161	0	0	0	0	0	0	0	0	0
May 2037	165	0	0	0	0	0	0	0	0	0
May 2038	169	0	0	0	0	0	0	0	0	0
May 2039	173	0	0	0	0	0	0	0	0	0
May 2040	178	0	0	0	0	0	0	0	0	0
May 2041	182	0	0	0	0	0	0	0	0	0
May 2042	187	0	0	0	0	0	0	0	0	0
May 2043	191	0	0	0	0	0	0	0	0	0
May 2044	196	0	0	0	0	0	0	0	0	0
May 2045	163	0	0	0	0	0	0	0	0	0
May 2046	85	0	0	0	0	0	0	0	0	0
May 2047	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years)**	28.8	14.5	12.3	8.3	1.5	0.6	0.1	0.1	0.1	0.1

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

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

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.

Taxation of Beneficial Owners of Regular Certificates

The Accrual Class, the Principal Only Class and the Notional 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	175% PSA
2	181% PSA
3	177% PSA
4	180% PSA

See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at any of those rates or 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. The AB Class is a Class of 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

Beginning on January 1, 2019, a 30-percent United States withholding tax (“FATCA withholding”) will apply to gross proceeds from the sale or other disposition of a Regular Certificate 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 Morgan Stanley & Co. LLC (the “Dealer”) in exchange for the Group 1 Underlying REMIC Certificate and the Trust 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.

Exhibit A

Group 1 Underlying REMIC Certificate

<u>Underlying REMIC Trust</u>	<u>Class</u>	<u>Date of Issue</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Interest Type(1)</u>	<u>Final Distribution Date</u>	<u>Principal Type(1)</u>	<u>Original Principal Balance of Class</u>	<u>May 2017 Class Factor</u>	<u>Principal Balance in the Trust</u>	<u>Approximate Weighted Average WAC</u>	<u>Approximate Weighted Average WAM (in months)</u>	<u>Approximate Weighted Average WALA (in months)</u>
2016-85	CA	October 2016	3136AUBT7	2.5%	FIX	November 2046	SUP	\$12,693,000	0.95310028	\$11,764,116.76	3.990%	344	12

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

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

Schedule 1

Available Recombination(1)

REMIC Certificates		RCR Certificates						
<u>Classes</u>	<u>Original Balances</u>	<u>RCR Class</u>	<u>Original Balance</u>	<u>Principal Type(2)</u>	<u>Interest Rate</u>	<u>Interest Type(2)</u>	<u>CUSIP Number</u>	<u>Final Distribution Date</u>
PA	\$25,741,000	AB(3)	\$28,585,463	PT	2.5%	FIX	3136AWV87	June 2047
Z	2,844,463							

- (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) Principal payments on the REMIC Certificates in the Recombination from the Z Accrual Amount will be paid as interest on the related RCR Certificates, and thus will not reduce the principal balances of those RCR Certificates.

Principal Balance Schedule

PA Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$25,741,000.00	November 2021	\$12,312,393.91	May 2026	\$ 4,685,558.38
June 2017	25,432,619.63	December 2021	12,117,176.83	June 2026	4,592,970.32
July 2017	25,126,822.21	January 2022	11,923,616.87	July 2026	4,501,752.15
August 2017	24,823,586.75	February 2022	11,731,700.37	August 2026	4,411,885.58
September 2017	24,522,892.40	March 2022	11,541,413.76	September 2026	4,323,352.55
October 2017	24,224,718.50	April 2022	11,352,743.59	October 2026	4,236,135.24
November 2017	23,929,044.54	May 2022	11,165,676.51	November 2026	4,150,216.06
December 2017	23,635,850.18	June 2022	10,980,447.75	December 2026	4,065,577.64
January 2018	23,345,115.24	July 2022	10,797,806.77	January 2027	3,982,202.83
February 2018	23,056,819.68	August 2022	10,617,719.89	February 2027	3,900,074.69
March 2018	22,770,943.64	September 2022	10,440,153.89	March 2027	3,819,176.51
April 2018	22,487,467.42	October 2022	10,265,075.95	April 2027	3,739,491.79
May 2018	22,206,371.47	November 2022	10,092,453.64	May 2027	3,661,004.23
June 2018	21,927,636.37	December 2022	9,922,254.99	June 2027	3,583,697.75
July 2018	21,651,242.90	January 2023	9,754,448.37	July 2027	3,507,556.47
August 2018	21,377,171.95	February 2023	9,589,002.61	August 2027	3,432,564.72
September 2018	21,105,404.59	March 2023	9,425,886.87	September 2027	3,358,707.02
October 2018	20,835,922.02	April 2023	9,265,070.76	October 2027	3,285,968.09
November 2018	20,568,705.61	May 2023	9,106,524.21	November 2027	3,214,332.85
December 2018	20,303,736.85	June 2023	8,950,217.58	December 2027	3,143,786.41
January 2019	20,040,997.40	July 2023	8,796,121.58	January 2028	3,074,314.07
February 2019	19,780,469.05	August 2023	8,644,207.28	February 2028	3,005,901.31
March 2019	19,522,133.74	September 2023	8,494,446.14	March 2028	2,938,533.82
April 2019	19,265,973.57	October 2023	8,346,809.96	April 2028	2,872,197.44
May 2019	19,011,970.74	November 2023	8,201,270.89	May 2028	2,806,878.23
June 2019	18,760,107.64	December 2023	8,057,801.46	June 2028	2,742,562.39
July 2019	18,510,366.75	January 2024	7,916,374.51	July 2028	2,679,236.32
August 2019	18,262,730.74	February 2024	7,776,963.24	August 2028	2,616,886.59
September 2019	18,017,182.37	March 2024	7,639,541.20	September 2028	2,555,499.94
October 2019	17,773,704.57	April 2024	7,504,082.26	October 2028	2,495,063.28
November 2019	17,532,280.38	May 2024	7,370,560.62	November 2028	2,435,563.70
December 2019	17,292,893.00	June 2024	7,238,950.80	December 2028	2,376,988.43
January 2020	17,055,525.74	July 2024	7,109,227.65	January 2029	2,319,324.88
February 2020	16,820,162.07	August 2024	6,981,366.34	February 2029	2,262,560.63
March 2020	16,586,785.55	September 2024	6,855,342.36	March 2029	2,206,683.41
April 2020	16,355,379.90	October 2024	6,731,131.48	April 2029	2,151,681.11
May 2020	16,125,928.97	November 2024	6,608,709.81	May 2029	2,097,541.76
June 2020	15,898,416.72	December 2024	6,488,053.74	June 2029	2,044,253.57
July 2020	15,672,827.26	January 2025	6,369,139.97	July 2029	1,991,804.89
August 2020	15,449,144.80	February 2025	6,251,945.50	August 2029	1,940,184.22
September 2020	15,227,353.69	March 2025	6,136,447.60	September 2029	1,889,380.20
October 2020	15,007,438.40	April 2025	6,022,623.84	October 2029	1,839,381.63
November 2020	14,789,383.53	May 2025	5,910,452.08	November 2029	1,790,177.46
December 2020	14,573,173.80	June 2025	5,799,910.45	December 2029	1,741,756.75
January 2021	14,358,794.04	July 2025	5,690,977.37	January 2030	1,694,108.74
February 2021	14,146,229.21	August 2025	5,583,631.52	February 2030	1,647,222.79
March 2021	13,935,464.39	September 2025	5,477,851.86	March 2030	1,601,088.40
April 2021	13,726,484.77	October 2025	5,373,617.60	April 2030	1,555,695.19
May 2021	13,519,275.66	November 2025	5,270,908.23	May 2030	1,511,032.95
June 2021	13,313,822.50	December 2025	5,169,703.50	June 2030	1,467,091.57
July 2021	13,110,110.83	January 2026	5,069,983.42	July 2030	1,423,861.08
August 2021	12,908,126.31	February 2026	4,971,728.23	August 2030	1,381,331.65
September 2021	12,707,854.70	March 2026	4,874,918.45	September 2030	1,339,493.56
October 2021	12,509,281.91	April 2026	4,779,534.83	October 2030	1,298,337.22

PA Class (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
November 2030	\$ 1,257,853.19	March 2032	\$ 694,278.57	July 2033	\$ 266,673.15
December 2030	1,218,032.11	April 2032	663,889.12	August 2033	243,795.27
January 2031	1,178,864.78	May 2032	634,021.21	September 2033	221,331.85
February 2031	1,140,342.08	June 2032	604,667.47	October 2033	199,276.92
March 2031	1,102,455.05	July 2032	575,820.63	November 2033	177,624.59
April 2031	1,065,194.82	August 2032	547,473.50	December 2033	156,369.04
May 2031	1,028,552.63	September 2032	519,619.00	January 2034	135,504.54
June 2031	992,519.87	October 2032	492,250.11	February 2034	115,025.43
July 2031	957,088.00	November 2032	465,359.94	March 2034	94,926.13
August 2031	922,248.61	December 2032	438,941.68	April 2034	75,201.11
September 2031	887,993.41	January 2033	412,988.59	May 2034	55,844.95
October 2031	854,314.19	February 2033	387,494.05	June 2034	36,852.26
November 2031	821,202.88	March 2033	362,451.49	July 2034	18,217.77
December 2031	788,651.49	April 2033	337,854.46	August 2034 and	
January 2032	756,652.14	May 2033	313,696.58	thereafter	0.00
February 2032	725,197.06	June 2033	289,971.54		

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

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

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\$451,943,579



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2017-43**

PROSPECTUS SUPPLEMENT

MORGAN STANLEY

May 24, 2017
