Multifamily DMBS Prospectus

Guaranteed Discount Mortgage-Backed Certificates (Multifamily Residential Mortgage Loans)

The Certificates

We, the Federal National Mortgage Association, or Fannie Mae, will issue the guaranteed discount mortgage-backed certificates, or DMBS certificates. Each issuance of DMBS certificates will have its own identification number and will represent beneficial ownership interests in a distinct pool consisting of a participation interest in a mortgage loan secured by one or more multifamily properties that contain at least five residential units. The participation interest is held in a trust created under a trust agreement.

Fannie Mae Guaranty

We guarantee to each trust that we will supplement amounts received by the trust as required to permit payment of the full original stated principal amount of the DMBS certificates on the maturity date. **We alone are responsible for making payments under our guaranty. The DMBS certificates and payments of principal on the DMBS certificates are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

Consider carefully the risk factors section beginning on page 9. Unless you understand and are able to tolerate these risks, you should not invest in the DMBS certificates.

The DMBS certificates are exempt from registration under the Securities Act of 1933, as amended, and are "exempted securities" under the Securities Exchange Act of 1934, as amended. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these certificates or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is September 1, 2013

TABLE OF CONTENTS

INFORMATION ABOUT THIS PROSPECTUS AND PROSPECTUS SUPPLEMENTS

We will provide information that supplements this prospectus in connection with each issuance of DMBS certificates. We will post this prospectus and the related prospectus supplement for each issuance of DMBS certificates on our Web site identified below. In addition, we will deliver these documents either electronically or in paper form to parties who request them in accordance with our procedures. The disclosure documents for any particular issuance of DMBS certificates consist of this prospectus and the related prospectus supplement, together with any information incorporated into these documents by reference as discussed under the heading "**INCORPORATION BY REFERENCE**." **In determining whether to purchase any issuance of DMBS certificates in an initial offering, you should rely ONLY on the information in this prospectus, the related prospectus supplement and any information that we have otherwise incorporated into these documents by reference. We take no responsibility for any unauthorized information or representation.**

After DMBS certificates have been issued, we may discover an error in the information disclosed at the time of issuance. We provide corrections and periodic disclosure regarding mortgage loans and pools through our Multifamily Securities Locator Service™ application or other locations on our Web site.

You should note that the DMBS certificates are not traded on any exchange and the market price of a particular issuance of DMBS certificates or a benchmark price may not be readily available.

Each prospectus supplement will include information about the DMBS certificates being offered as well as information about the mortgage loan related to those certificates. Unless otherwise stated in this prospectus or the related prospectus supplement, information about the mortgage loan will be given as of the issue date stated in the prospectus supplement, which is the first day of the month in which the DMBS certificates are issued. Because each prospectus supplement will contain specific information about a particular issuance of DMBS certificates, you should rely on the information in the prospectus supplement to the extent it is different from or more complete than the information in this prospectus.

Each prospectus supplement also may include a section under the heading "Recent Developments" that may contain additional summary information with respect to current events, including certain regulatory, accounting and financial issues affecting Fannie Mae.

We file with the Securities and Exchange Commission ("SEC") a quarterly report required by Rule 15Ga-1 under the Securities Exchange Act of 1934, as amended (each, an "ABS 15G report"). Each ABS 15G report discloses information concerning each fulfilled and unfulfilled repurchase request that we have made to third parties for breaches of the representations and warranties concerning the mortgage loans backing most of our outstanding mortgage-related securities. The ABS 15G reports are available on the SEC's Web site, www.sec.gov, and at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549.

You may obtain copies of this prospectus and the related prospectus supplement by writing to Fannie Mae, Attention: Fixed-Income Securities, 3900 Wisconsin Avenue, NW, Area 2H-3S, Washington, DC 20016 or by calling the Fannie Mae Helpline at 1-800-BEST MBS (1-800-237-8627) or (202) 752-7115. The prospectus supplement is typically available no later than two business days before the settlement date of the related issuance of DMBS certificates. These documents will also be available on our Web site at www.fanniemae.com.

All references to our Web site address or the SEC's Web site address are provided solely for your information. Information appearing on our Web site or the SEC's Web site is not incorporated into this prospectus or into any prospectus supplement.

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus, so you should read this prospectus and the related prospectus supplement together with these documents.

You should rely on only the information provided or incorporated by reference in this prospectus and the related prospectus supplement. Moreover, you should rely on only the most current information.

We incorporate by reference the following documents we have filed, or may file, with the SEC:

- our annual report on Form 10-K for the fiscal year ended December 31, 2012 (the "2012 Form 10-K");
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") since the end of the fiscal year covered by the 2012 Form 10-K until the date of this prospectus, including our quarterly reports on Form 10-Q and our current reports on Form 8-K, but excluding any information we "furnish" to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and before the completion of the offering of the related DMBS certificates, excluding any information we "furnish" to the SEC on Form 8-K.

Our common stock is registered with the SEC under the Exchange Act. We file quarterly and annual reports with the SEC. Those SEC filings are available on our Web site at www.fanniemae.com and on the SEC's website at www.sec.gov. We refer to these Web sites for your reference only; we are not incorporating into this prospectus any of the information available on these Web sites other than as specifically stated in this prospectus. You should rely only on the information included or incorporated by reference or deemed to be incorporated by reference in this prospectus in deciding whether or not to invest in the DMBS certificates. We have not authorized anyone to provide you with any different or additional information.

We make available free of charge through our Web site our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all other SEC reports and amendments to those reports as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. Materials that we file with the SEC are also available on the SEC's Web site and at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549.

You may also request copies of any filing from us, at no cost, by calling the Fannie Mae Helpline at 1-800-BEST MBS (1-800-237-8627) or (202) 752-7115 or by writing to us at 3900 Wisconsin Avenue NW, Area 2H-3S, Washington, DC 20016.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. As a summary, it speaks in general terms without giving details or discussing any exceptions. Before buying any issuance of DMBS certificates, you should have the information necessary to make a fully informed investment decision. For that, you must read this prospectus in its entirety (and any documents to which we refer you in this prospectus) as well as the related prospectus supplement.

Security	Guaranteed Discount Mortgage-Backed Certificates (Multifamily Residential Mortgage Loans).
Issuer and Guarantor	Fannie Mae, a government-sponsored enterprise that was chartered by the U.S. Congress in 1938 under the name "Federal National Mortgage Association" to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. The address of our principal office is 3900 Wisconsin Avenue NW, Washington, DC 20016; the telephone number is 202-752-7000. Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the Federal Housing Finance Agency, succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. For additional information on conservatorship, see "**FANNIE MAE—Regulation and Conservatorship**." Our regulators include the Federal Housing Finance Agency, the U.S. Department of Housing and Urban Development, the SEC, and the U.S. Department of the Treasury ("Treasury"). The Office of Federal Housing Enterprise Oversight, the predecessor of the Federal Housing Finance Agency, was our safety and soundness regulator prior to enactment of the Federal Housing Finance Regulatory Reform Act of 2008. On September 7, 2008, we entered into a senior preferred stock purchase agreement with Treasury pursuant to which we issued to it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, we alone are responsible for making payments under our guaranty. The DMBS certificates and payments of principal on the DMBS certificates are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**
Sponsor and Depositor	We are the sponsor of each issuance of DMBS certificates and the depositor of each participation interest into the related trust.

Description of DMBS Certificates	Each certificate will represent a pro rata undivided beneficial ownership interest in a pool consisting of a participation interest in a multifamily mortgage loan. We will issue the DMBS certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. The book-entry DMBS certificates will not be convertible into physical DMBS certificates.
Minimum Denomination	We will issue the DMBS certificates in minimum denominations of $1,000, with additional increments of $1.
Issue Date	The first day of the month in which the DMBS certificates of a specific issuance are issued.
Settlement Date	No later than the last business day of the month in which the issue date occurs.
Maturity Date	The date specified in the prospectus supplement for each issuance of DMBS certificates.
Use of Proceeds	We usually issue DMBS certificates in exchange for a participation interest in the mortgage loan related to the DMBS certificates.
Payments	We will pay you the full original stated principal amount of your DMBS certificates on the maturity date. The DMBS certificates will not be prepaid in whole or in part.
Guaranty	We guarantee to each trust that we will supplement amounts received by the trust as required to pay the full original stated principal amount of the related DMBS certificates on the related maturity date. Our guaranty runs directly to the trust and not directly to certificateholders. Certificateholders have limited rights to bring proceedings directly against us to enforce our guaranty. See "**THE TRUST DOCUMENTS—Certificateholders' Rights Upon a Guarantor Event of Default**." While we are in the current conservatorship, the conservator does not have the right to repudiate our guaranty on the DMBS certificates offered by this prospectus. However, if we are placed into receivership, or if we emerge from conservatorship and are then again placed into conservatorship, the receiver or conservator, as applicable, will have the right to repudiate our guaranty on the DMBS certificates. See "**RISK FACTORS—RISKS RELATING TO CREDIT—Fannie Mae Credit Factors**." Under certain circumstances, certificateholders have certain limited rights to bring proceedings against Treasury if we fail to pay under our guaranty. The total amount that may be recovered from Treasury is subject

	to limits imposed in the senior preferred stock purchase agreement. For a description of certificateholders' rights to proceed against Treasury, see "**FANNIE MAE—Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement**."
Master Servicing/Servicing	We are responsible as master servicer for certain duties. We generally contract with mortgage lenders to perform servicing functions for us subject to our supervision. We refer to these servicers as our primary servicers. In certain cases, we may act as primary servicer. For a description of our duties as master servicer and the responsibilities of our primary servicers, see "**THE TRUST DOCUMENTS—Collection and Other Servicing Procedures**" and "**FANNIE MAE PURCHASE PROGRAM—Servicing Arrangements**."
Business Day	Any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account.
Trust Agreement	Each issuance of DMBS certificates is issued pursuant to the Multifamily Master Trust Agreement effective as of October 1, 2010, as supplemented by an issue supplement for that issuance. We summarize certain pertinent provisions of the trust agreement in this prospectus. You should refer to the trust agreement and the related issue supplement for a complete description of your rights and obligations as well as those of Fannie Mae in its various capacities. The trust agreement may be found on our Web site.
Trustee	We serve as the trustee for each trust pursuant to the terms of the trust agreement and the related issue supplement.
Paying Agent	An entity designated by us to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as our paying agent for the DMBS certificates.
Fiscal Agent	An entity designated by us to perform certain administrative functions for our trusts. The Federal Reserve Bank of New York currently serves as our fiscal agent for the DMBS certificates.
Pools	Each pool will contain a participation interest in a multifamily mortgage loan of the type specified in the related prospectus supplement. Each multifamily

mortgage loan related to an issuance of DMBS certificates will be secured by a first or subordinate lien on a multifamily property containing five or more residential units.

Mortgage Loans	We acquire participation interests in multifamily mortgage loans from mortgage loan sellers that we have approved. The mortgage loans may have been originated by the seller or may have been acquired by the seller from the originator of the loans, which may or may not be an approved mortgage loan seller. Each mortgage loan that we acquire must either meet our published standards (except to the extent that we permit waivers from those standards) or be reviewed by us before delivery to determine its suitability. We may modify our published standards from time to time.
Mortgage Collateral	Each multifamily mortgage loan will be secured by a lien on one or more of the following types of multifamily residential properties: • Apartment buildings and residential rental communities; • Cooperative housing projects; • Dedicated student housing; • Manufactured housing communities; • Military housing; • Rural housing; and • Seniors housing. Many multifamily properties may be considered affordable housing.
Termination	The trust for a particular issuance of DMBS certificates will terminate on the maturity date of the related DMBS certificates. We do not have any unilateral option to cause an early termination of the trust other than by purchasing a participation interest in a mortgage loan from a pool for a reason permitted by the trust agreement.
Federal Income Tax Consequences	We take the position for U.S. federal income tax purposes that the DMBS certificates are interests in grantor trusts that own mortgage loans or participation interests in mortgage loans. As a result, it is our position that each beneficial owner of a DMBS certificate will be treated as the owner of a pro rata undivided interest in each multifamily mortgage loan related to the participation interest held in the related pool. Accordingly, each beneficial owner will be required to include in income its pro rata share of the entire income from each mortgage loan in the pool, and

generally will be entitled to deduct its pro rata share of the expenses of the grantor trust, subject to the limitations described in this prospectus. "**MATERIAL FEDERAL INCOME TAX CONSEQUENCES—Expenses of the Trust**."

Notwithstanding the foregoing, there can be no assurance that for U.S. federal income tax purposes the standard DUS DMBS certificates or bulk delivery DMBS certificates will not instead be treated as debt instruments secured by the related mortgage loans (or as grantor trust interests in such debt instruments), in which case different and possibly adverse tax consequences would apply to beneficial owners that are domestic building and loan associations or real estate investment trusts. See "**MATERIAL FEDERAL INCOME TAX CONSEQUENCES—Tax Treatment of the DMBS Certificates—*Standard DUS DMBS Certificates and Bulk Delivery DMBS Certificates***."

Potential purchasers of DMBS certificates should consult their tax advisors regarding the appropriate U.S. federal income tax treatment of those DMBS certificates.

Legal Investment Considerations ...... Under the Secondary Mortgage Market Enhancement Act of 1984, the DMBS certificates offered by this prospectus and the related prospectus supplement will be considered "securities issued or guaranteed by . . . the Federal National Mortgage Association." Nevertheless, you should consult your own legal advisor to determine whether and to what extent the DMBS certificates of an issuance constitute legal investments for you.

ERISA Considerations .... For the reasons discussed under "**ERISA CONSIDERATIONS**" in this prospectus, an investment in the DMBS certificates by a plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") will not cause the assets of the plan to include the multifamily mortgage loans related to the DMBS certificates or the assets of Fannie Mae for purposes of the fiduciary provisions or the prohibited transaction provisions of ERISA or section 4975 of the Internal Revenue Code of 1986, as amended.

RISK FACTORS

We have listed below some of the principal risk factors associated with an investment in the DMBS certificates. Moreover, you should carefully consider the risk factors related to Fannie Mae that are found in our annual report on Form 10-K and our quarterly reports on Form 10-Q, which we incorporate by reference into this prospectus. The risk factors relating to Fannie Mae include risks that may affect your investment in and the value of the DMBS certificates. In addition, we may disclose additional risk factors associated with a specific issuance of DMBS certificates in the related prospectus supplement. You should review all of these risk factors before investing in the DMBS certificates. Because each investor has different investment needs and a different risk tolerance, you should consult your own financial or legal advisor to determine whether the DMBS certificates are a suitable investment for you.

RISKS RELATING TO INVESTMENT DECISIONS

The DMBS certificates may not be a suitable investment for you.

The DMBS certificates are complex financial instruments. They are not a suitable investment for every investor. Before investing, you should:

- have sufficient knowledge and experience to evaluate (either alone or with the help of a financial or legal advisor) the merits and risks of the DMBS certificates being offered and the information contained in this prospectus, the related prospectus supplement, and the documents incorporated by reference;
- understand thoroughly the terms of the DMBS certificates;
- be able to evaluate (either alone or with the help of a financial or legal advisor) the economic, interest rate and other factors that may affect your investment;
- have sufficient financial resources and liquidity to bear all risks associated with the DMBS certificates; and
- investigate any legal investment restrictions that may apply to you.

You should exercise particular caution if your circumstances do not permit you to hold the DMBS certificates until maturity.

We may require the purchase of a mortgage loan related to the participation interest in your pool due to a breach of representations and warranties, or such a mortgage loan may be voluntarily or involuntarily prepaid, which may affect the real estate character of your certificates.

At the time that a mortgage loan is delivered to us, we require the seller to make representations and warranties about itself and the loan being delivered, including representations and warranties that the loan complies with all applicable federal, state and local laws, and that the loan meets our then-current selling guidelines. If the representations and warranties were not true when made, we may require our mortgage loan seller to purchase the mortgage loan related to the participation interest in your pool at any time. Such a purchase will not accelerate the payment of principal on the related DMBS certificates. In addition, a mortgage loan may be voluntarily or involuntarily prepaid during the term of the related DMBS certificates. Such a prepayment will not accelerate the payment of principal on the related DMBS certificates. In either case, however, if the mortgage loan was related to the participation interest in the pool, the DMBS certificates will no longer be a “real estate asset” or an “interest in real property.” For a description of the representations and warranties referred to above, see “**FANNIE MAE PURCHASE PROGRAM—Seller Representations and Warranties.**”

RISKS RELATING TO YIELD

Volatility in currency exchange rates may adversely affect your yield on the DMBS certificates.

We will make all payments of principal on the DMBS certificates in U.S. dollars. If you conduct your financial activities in another currency, an investment in any U.S. dollar-denominated security such as the DMBS certificates has significant additional risks. These include the possibility of significant changes in the rate of exchange and the possibility that exchange controls may be imposed. In recent years, the exchange rates between the U.S. dollar and certain currencies have been highly volatile. This volatility may continue. If the value of your currency appreciates relative to the value of the U.S. dollar, the yield on the DMBS certificates, the value of payments on the DMBS certificates and the market value of the DMBS certificates all would decline in terms of your currency.

RISKS RELATING TO LIQUIDITY

There may be no market for the DMBS certificates, and we cannot assure you that a market will develop and continue.

We cannot be sure that each new issuance of DMBS certificates, when issued, will have a ready market, or, if a market does develop, that the market will remain active during the entire term for which your certificates are outstanding. In addition, neither we nor any other party are obligated to make a market in the DMBS certificates. Therefore, it is possible that if you wish to sell your DMBS certificates in the future, you may have difficulty finding potential purchasers.

Some of the factors that may affect the resale of DMBS certificates include the following:

- our financial condition and rating;
- our future structure, organization, and the level of government support for the company;
- whether we are in conservatorship or receivership;
- any increase or decrease in the level of governmental commitments to engage in market purchases of our certificates;
- the outstanding principal amount of DMBS certificates of that issuance and other issuances with similar features offered for resale from time to time;
- the minimum denominations of the DMBS certificates;
- any significant reduction in our securitization volume due to a decline in mortgage loan originations by our principal multifamily lenders and sellers that have experienced liquidity or other major financial difficulties;
- any legal restriction or tax treatment that limits the demand for the DMBS certificates;
- the availability of comparable securities;
- the level of interest rates generally, the volatility with which prevailing interest rates are changing, and the direction in which interest rates are, or appear to be, trending; and
- market uncertainty.

The requirements limiting our mortgage portfolio assets may adversely affect the liquidity of your DMBS certificates.

Our mortgage portfolio assets may include our DMBS certificates. We may purchase our DMBS certificates for a number of reasons, including helping to provide market liquidity for the DMBS certificates. The requirements limiting our mortgage portfolio assets may restrict our ability to purchase our DMBS certificates, which may impair the liquidity of your DMBS certificates.

See our most recent Form 10-K for a description of the required cap on and reduction in our mortgage assets.

RISKS RELATING TO CREDIT

Fannie Mae Credit Factors

If our credit becomes impaired, a buyer may be willing to pay only a reduced price for your DMBS certificates.

There could be an adverse change in our liquidity position or financial condition that impairs our credit rating and the perception of our credit. Even if we were to make all payments required under our guaranty, reduced market liquidity may make it more difficult to sell your DMBS certificates, and potential buyers may offer less for your DMBS certificates than they would have offered if our liquidity position or financial condition had remained unchanged.

If we failed to pay under our guaranty, the amount distributed to certificateholders could be reduced and the timing of distributions could be affected.

Borrowers may fail to make timely payments on a mortgage loan related to the participation interest in a pool. In addition, an entity that is under contract to perform servicing functions for us (a "primary servicer") may fail to remit borrower payments to us. In either case, we are responsible for making payments under our guaranty. However, we could fail to make the payments required under our guaranty to a trust if (i) our financial condition prevented us from fulfilling our guaranty obligations with respect to the DMBS certificates, or (ii) we were placed into a new conservatorship or into receivership and could not or did not fulfill our guaranty obligations. In that case, certificateholders would receive from the trust only the amounts paid on the related mortgage loan, which are generally limited to borrower payments and other recoveries on the loan. As a result, delinquencies and defaults on the related mortgage loan or a primary servicer's failure to remit borrower payments to the trust would adversely affect the amounts that certificateholders received on the maturity date.

As conservator, FHFA has certain rights to transfer our assets and liabilities, including our guaranty.

For so long as we remain in the current conservatorship, FHFA, as conservator, has the right to transfer or sell any of our assets or liabilities, including our guaranty obligations, without any approval, assignment or consent from us or any other party. However, during the current conservatorship FHFA has no authority to repudiate any contracts entered into after we were placed into conservatorship, including our guaranty related to the DMBS certificates we issue during the current conservatorship. The Federal Housing Finance Regulatory Reform Act of 2008 (the "2008 Reform Act") does not restrict the rights of holders of DMBS certificates issued during the current conservatorship.

If FHFA were to place us into receivership directly from the current conservatorship, or if we emerge from conservatorship and at a later date FHFA were to place us into a new conservatorship or into receivership, FHFA would have certain rights to transfer our assets and liabilities and to repudiate our existing contracts.

If FHFA were to place us into receivership directly from the current conservatorship, or if we emerge from the current conservatorship and at a later date FHFA were to place us into a new conservatorship or into receivership, FHFA would have all of the authority of a new conservator or a receiver, which would allow it to exercise certain powers that could adversely affect certificateholders, as described below.

Transfer of Guaranty Obligations. FHFA would have the right to transfer or sell any of our assets or liabilities, including our guaranty obligations, without any approval, assignment or consent from us or any other party. If FHFA, as conservator or receiver, were to transfer our guaranty obligations to another party, certificateholders would have to rely on that party for satisfaction of the guaranty obligations and would be exposed to the credit risk of that party.

Repudiation of Contracts. Under the circumstances described in the next sentence, FHFA could repudiate any contract entered into by us before it was appointed as a new conservator or as receiver, including our guaranty obligations to the trusts described in this prospectus. FHFA may repudiate a contract, including our guaranty, if it determines in its sole discretion that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of Fannie Mae's affairs. The 2008 Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as a new conservator or receiver.

If FHFA, as a new conservator or as receiver, were to repudiate our guaranty obligations, the conservatorship or receivership estate would be liable for damages as of the date of the new conservatorship or the receivership under the 2008 Reform Act. However, any such liability could be satisfied only to the extent that our assets were available for that purpose. Thereafter, certificateholders would receive from the trust only the principal payments made on the mortgage loan related to the participation interest held in the pool, which are generally limited to borrower payments and other recoveries on the loan. As a result, delinquencies and defaults on the related mortgage loan or a primary servicer's failure to remit borrower payments to the trust would adversely affect the principal amounts that certificateholders would receive on the maturity date. In addition, trust administration fees would be paid from mortgage loan payments before any distributions would be made to certificateholders. Any damages paid as the result of the repudiation of our guaranty obligations may not be sufficient to offset any shortfalls experienced by certificateholders.

Rights of Certificateholders. Holders of DMBS certificates issued before and during the current conservatorship, including the DMBS certificates offered by this prospectus, are granted certain rights under the trust documents (as defined under "**DESCRIPTION OF THE DMBS CERTIFICATES**"). If we are placed into a new conservatorship or into a receivership, however, these rights may not be enforceable against FHFA, or enforcement of those rights may be delayed. The trust documents provide that upon the occurrence of a guarantor event of default, which includes the appointment of a new conservator or a receiver, certificateholders have the right to replace Fannie Mae as trustee if the requisite percentage of certificateholders consents. Nevertheless, the 2008 Reform Act may prevent certificateholders from enforcing their rights to replace Fannie Mae as trustee if the event of default arises solely because a new conservator or receiver has been appointed.

If we are placed into a new conservatorship or receivership and do not or cannot fulfill our guaranty obligations, certificateholders could become unsecured creditors of Fannie Mae with respect to claims made under our guaranty. See "**THE TRUST DOCUMENTS—Certificateholders' Rights Upon a Guarantor Event of Default**." Certificateholders have certain limited rights to proceed against Treasury if we fail to pay under our guaranty. However, the total amount that may be recovered from Treasury is subject to limits imposed in the senior preferred stock purchase agreement. See "**FANNIE MAE—Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement**."

Seller Credit Factors

If a seller becomes insolvent, the certificateholders' interests in the related mortgage loan could be affected.

In certain cases, we may permit the seller of the mortgage loan related to the participation interest in the pool or an affiliate of the seller to act as our document custodian. Upon a bankruptcy or receivership of the seller or its affiliate that acts as our custodian, the mortgage loan may be exposed to the claims of other creditors of the seller. If the seller was also the primary servicer of the mortgage loan and, as a result of such claims, was unable to remit part or all of the principal received on the loan, we would make the required principal payments to certificateholders under our guaranty. Additionally, in the event of a bankruptcy or receivership of a seller, a court could determine that the participation interest in the mortgage loan was not sold to us and contributed to the related trust but instead was pledged to us to secure a financing. Courts may also deny our standing to enforce delinquent mortgage loans if we cannot adequately prove our ownership. In either instance, if the seller was unable to remit part or all of the principal received on the mortgage loan, we would make principal payments in the amount of any deficiency. If we fail to pay pursuant to our guaranty, however, the amount distributed to certificateholders could be reduced. See "**THE POOLS—Assignment of Mortgage Loans; Delivery and Custody of Mortgage Loan Documents**."

Servicer Credit Factors

If a primary servicer begins experiencing financial difficulties or becomes insolvent, the collections on the mortgage loans could be affected.

If a primary servicer experiences financial difficulties or becomes insolvent, its ability to effectively service mortgage loans may become impaired as its focus is more directed toward rebuilding financial strength through measures such as staff reductions. In some cases it may become necessary to transfer servicing to another more effective servicer. Less robust servicing practices before, during, or after the transition to a new servicer can exacerbate mortgage loan delinquencies and borrower defaults. Although our guaranty of timely payment of principal and interest covers borrower delinquencies and defaults, if we fail to pay pursuant to our guaranty, the amount distributed to certificateholders could be reduced. See "**THE POOLS—Assignment of Mortgage Loans; Delivery and Custody of Mortgage Loan Documents**."

FANNIE MAE

General

Fannie Mae is a government-sponsored enterprise that was chartered by Congress in 1938 to support liquidity, stability and affordability in the secondary mortgage market, where existing mortgage-backed assets are purchased and sold. Our charter does not permit us to originate loans and lend money directly to consumers in the primary mortgage market. Our most significant activities are securitizing mortgage loans originated by lenders into Fannie Mae mortgage-backed securities and purchasing mortgage loans and mortgage-backed securities for our mortgage portfolio. Fannie Mae has been securitizing mortgage loans since 1981 and has issued over [$8.3] trillion of mortgage-related securities during that time. We have been the largest issuer of mortgage-related securities since 1990. We serve as the trustee of all trusts for our mortgage-related securities. See "**THE TRUST DOCUMENTS**" for further information about our role as trustee.

We obtain funds to purchase mortgage-backed assets for our mortgage portfolio by issuing a variety of debt securities in the domestic and international capital markets. We also make other investments that increase the supply of affordable housing.

As discussed below, we are currently in conservatorship.

Regulation and Conservatorship

FHFA is an independent agency of the federal government with general supervisory and regulatory authority over Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. FHFA was established in July 2008, assuming the duties of our former safety and soundness regulator, the

Office of Federal Housing Enterprise Oversight, and our former mission regulator, the U.S. Department of Housing and Urban Development ("HUD"). HUD remains our regulator with respect to fair lending matters. Our regulators also include the SEC and Treasury.

On September 6, 2008, the Director of FHFA appointed FHFA as our conservator pursuant to its authority under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the 2008 Reform Act. Upon its appointment, FHFA immediately succeeded to all of the rights, titles, powers and privileges of Fannie Mae and those of any stockholder, officer or director of Fannie Mae with respect to us and our assets. The conservatorship is a statutory process designed to preserve and conserve our assets and property and put the company in a sound and solvent condition.

The conservatorship has no specified termination date, and there continues to be uncertainty regarding the future of our company, including how long we will continue to exist, the extent of our role in the market, what form we will have, and what ownership interest in us, if any, will be held by our current common and preferred stockholders after the conservatorship is terminated. For more information on the risks to our business relating to the conservatorship and uncertainties regarding the future of our company and business, see "**RISK FACTORS**" in our most recent Form 10-K.

In September 2008, Fannie Mae, through FHFA as our conservator, entered into two agreements with Treasury. The first agreement is the senior preferred stock purchase agreement, under which we issued one million shares of senior preferred stock to Treasury and which provided us with Treasury's commitment to provide us with funding under specified conditions (the "commitment"). The senior preferred stock purchase agreement was amended in September 2008, May 2009, December 2009 and August 2012 (as amended, the "senior preferred stock purchase agreement").

Pursuant to the December 2009 amendment, the maximum amount of Treasury's funding commitment to us under the senior preferred stock purchase agreement was increased. The amendment provided that the $200 billion maximum amount of the commitment from Treasury would increase as necessary to accommodate any net worth deficiencies attributable to periods during 2010, 2011 and 2012. The amendment further provided that to the extent we had a positive net worth as of December 31, 2012, the maximum amount of funding available to us after 2012 would depend on the size of that positive net worth relative to our cumulative draws for net worth deficiencies attributable to periods during 2010, 2011 and 2012, as follows:

- If our positive net worth as of December 31, 2012 was less than the cumulative draws for net worth deficiencies attributable to periods during 2010, 2011 and 2012, then the amount of available funding would have been $124.8 billion less our positive net worth as of December 31, 2012.
- If our positive net worth as of December 31, 2012 was greater than the cumulative draws for net worth deficiencies attributable to periods during 2010, 2011 and 2012, then the amount of available funding would have been $124.8 billion less the cumulative draws attributable to periods during 2010, 2011 and 2012.

Because our $7.2 billion positive net worth as of December 31, 2012 was less than our $40.9 billion in cumulative draws attributable to periods during 2010, 2011 and 2012, the amount of remaining available funding under the senior preferred stock purchase agreement is $117.6 billion.

We were scheduled to begin paying a quarterly commitment fee to Treasury under the senior preferred stock purchase agreement on March 31, 2011; however, Treasury waived the quarterly commitment fee for each quarter of 2011 and 2012. Effective January 1, 2013, the periodic commitment fee provided for under the agreement was suspended, as long as the changes to the dividend payment provisions added to the senior preferred stock purchase agreement by the August 2012 amendment remain in effect.

The senior preferred stock purchase agreement provides that the Treasury's funding commitment will terminate under any of the following circumstances:

- the completion of our liquidation and fulfillment of Treasury's obligations under its funding commitment at that time,
- the payment in full of, or reasonable provision for, all of our liabilities (whether or not contingent, including mortgage guaranty obligations), or
- the funding by Treasury of the maximum amount that may be funded under the agreement.

In addition, Treasury may terminate its funding commitment and declare the senior preferred stock purchase agreement null and void if a court vacates, modifies, amends, conditions, enjoins, stays or otherwise affects the appointment of the conservator or otherwise curtails the conservator's powers. Treasury may not terminate its funding commitment under the agreement solely by reason of our being in conservatorship, receivership or other insolvency proceeding, or due to our financial condition or any adverse change in our financial condition.

The senior preferred stock purchase agreement provides that most provisions of the agreement may be waived or amended by mutual written agreement of the parties; however, no waiver or amendment of the agreement is permitted that would decrease Treasury's aggregate funding commitment or add conditions to Treasury's funding commitment if the waiver or amendment would adversely affect in any material respect the holders of our debt securities or guaranteed Fannie Mae MBS.

The other agreement with Treasury is a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae (the "warrant") on a fully-diluted basis. The senior preferred stock and the warrant were issued as an initial commitment fee for Treasury's commitment. The senior preferred stock purchase agreement and the warrant contain covenants that significantly restrict our operations and that are described in our 2012 Form 10-K.

We are dependent upon the continued support of Treasury to eliminate any net worth deficits and thus avoid our being placed into receivership. Based on consideration of all of the relevant conditions and events affecting our operations, including our dependence on the U.S. Government, we continue to operate as a going concern and in accordance with our delegation of authority from FHFA. We remain liable for all of our obligations, including our guaranty obligations, associated with the DMBS certificates and other mortgage-backed securities issued by us. The senior preferred stock purchase agreement is intended to enhance our ability to meet our obligations. Certificateholders have certain limited rights to bring proceedings against Treasury if we fail to pay under our guaranty. For a description of certificateholders' rights to proceed against Treasury, see "**—Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement**."

Possibility of Future Receivership

FHFA must place us into receivership if the Director of FHFA makes a written determination that our assets are less than our obligations (i.e., a net worth deficit) or if we have not been paying our debts, in either case, for a period of 60 days after the deadline for the filing with the SEC of our annual report on Form 10-K or our quarterly report on Form 10-Q, as applicable. Although Treasury committed to providing us with funds in accordance with the terms of the senior preferred stock purchase agreement, Treasury may not provide these funds to us within the required 60 days if it has exhausted its borrowing authority or if there is a government shutdown. In addition, we could be put into receivership at the discretion of the Director of FHFA at any time for other reasons, including conditions that FHFA has already asserted existed at the time the former Director of FHFA placed us into conservatorship.

A receivership would terminate the conservatorship. The appointment of FHFA as our receiver would not only grant FHFA the powers that it currently has as our conservator, but would also terminate all rights and claims that certificateholders may have against our assets or under our charter arising from their status as certificateholders, other than their right to payment, resolution or other satisfaction of their claims as permitted under the 2008 Reform Act. Unlike a conservatorship, the purpose of which is to conserve our assets and return us to a sound and solvent condition, the purpose of a receivership is to liquidate our assets and resolve claims against us.

Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement

Certificateholders are granted certain rights under the trust documents (as defined below) if a guarantor event of default occurs. See "**THE TRUST DOCUMENTS—Certificateholders' Rights Upon a Guarantor Event of Default**." Moreover, under the senior preferred stock purchase agreement, certificateholders are given certain limited rights against Treasury if (i) we default on our guaranty obligations, (ii) Treasury fails to perform its obligations under its funding commitment, and (iii) we and/or the conservator are not diligently pursuing remedies in respect of that failure.

In that case, the holders of the affected certificates may file a claim for relief in the U.S. Court of Federal Claims, requiring Treasury to fund up to the lesser of:

- the amount necessary to cure the payment default; ***or***
- the "available amount" under the agreement as of the last day of the immediately preceding fiscal quarter.

USE OF PROCEEDS

We usually issue DMBS certificates in swap transactions, in which the DMBS certificates are issued in exchange for the participation interest in a multifamily mortgage loan in the pool that backs the DMBS certificates. Unless otherwise stated in the prospectus supplement, we apply the cash proceeds to the purchase of mortgage loans and participation interests in mortgage loans and for other general corporate purposes.

DESCRIPTION OF THE DMBS CERTIFICATES

This prospectus relates to DMBS certificates issued on and after September 1, 2013 under our 2010 Multifamily Master Trust Agreement, effective October 1, 2010 (as amended or replaced from time to time, the "trust agreement"). For information about DMBS certificates issued before September 1, 2013, see the related Multifamily MBS prospectus that was in effect at the time those certificates were issued. There is a specific issue supplement to the trust agreement for each issuance of DMBS certificates. We refer to the trust agreement and the related issue supplement as the "trust documents."

General

DMBS certificates are short-term securities that do not bear interest. While DMBS certificates may have terms from one to eleven months, the most common term is three months. In a DMBS transaction, we purchase from a lender a participation interest representing a 100% undivided ownership interest in a short-term multifamily mortgage loan. The short-term mortgage loan may represent the entire mortgage loan on which the borrower is indebted or may represent an advance of a portion of a larger mortgage loan. We deposit the participation interest into a pool and then issue DMBS certificates with the same maturity date as the short-term mortgage loan. We hold each participation certificate representing a participation interest in trust for the benefit of the holders of the related DMBS certificates. Ownership of a DMBS certificate provides a holder of that certificate with an undivided beneficial interest in a pool containing a single participation interest. The multifamily mortgage loans related to DMBS certificates are generally originated under our Delegated Underwriting and Servicing ("DUS") business line and made either as standard DUS loans or DUS structured transactions. Structured transactions are further divided into credit facility ("credit facility") transactions and bulk delivery ("bulk delivery") transactions. See "**THE MULTIFAMILY MORTGAGE LOANS—Description of DUS Loans**."

Investors purchase DMBS certificates at a discount. See **"MATERIAL FEDERAL INCOME TAX CONSEQUENCES"** for a discussion of tax issues involved in purchasing a DMBS certificate.

Issuance in Book-Entry Form

We will issue the DMBS certificates in book-entry form using the book-entry system of the U.S. Federal Reserve Banks (the "Federal Reserve Banks"). Book-entry DMBS certificates must be issued in minimum denominations of $1,000 with additional increments of $1. They are freely transferable on the records of any Federal Reserve Bank but are not convertible to physical certificates. Any transfers are subject to the minimum denomination requirements.

A certificateholder is an entity that appears in the records of a Federal Reserve Bank as the owner of a DMBS certificate. Only an entity that is eligible to maintain book-entry accounts with a Federal Reserve Bank may be a certificateholder. Such an entity is not necessarily the beneficial owner of a DMBS certificate. If a certificateholder is not also the beneficial owner of a DMBS certificate, the certificateholder and all other financial intermediaries in the chain between the certificateholder and the beneficial owner are responsible for establishing and maintaining accounts for their customers. A "beneficial owner" or an "investor" is anyone who acquires a beneficial ownership interest in a DMBS certificate. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary that maintains an account for you.

The Federal Reserve Bank of New York currently serves as our fiscal agent pursuant to a fiscal agency agreement. In that capacity, it performs certain administrative functions for us with respect to certificateholders. Neither we nor a Federal Reserve Bank will have any direct obligation to the beneficial owner of a DMBS certificate who is not also a certificateholder. We and a Federal Reserve Bank may treat the certificateholder as the absolute owner of the DMBS certificate for all purposes, regardless of any contrary notice you may provide.

The Federal Reserve Bank of New York also currently serves as our paying agent. In that capacity it credits the account of the certificateholder when we make a distribution on the DMBS certificates. Each certificateholder and any financial intermediaries are responsible for remitting distributions to the beneficial owners of the DMBS certificate.

Settlement

Settlement will occur on a business day in the calendar month in which the DMBS certificates are issued.

Distributions on DMBS Certificates

The maturity date for DMBS certificates is the first day of the applicable month. On the maturity date, we will pay the full original stated principal amount of the DMBS certificates to the certificateholders that are listed as the holders in the records of any Federal Reserve Bank as of the close of business on the record date. If the maturity date is not a business day, we will make the payment on the next business day. A business day is any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed, or with respect to any required withdrawal for remittance to a paying agent, a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account. Unless otherwise specified in the related prospectus supplement, the record date is the close of business on the last day of the month immediately before the month in which the distribution date occurs.

We will make no payments on the DMBS certificates until their maturity date. If a short-term mortgage loan related to the DMBS certificates is prepaid for any reason (including default) before the loan's maturity date, the prepayment will not be passed through to the certificateholders before the maturity date of the DMBS certificates.

On the maturity date of the DMBS certificates, the borrower may pay off the short-term mortgage loan related to the DMBS certificates or roll it over into a new short-term mortgage loan. If the short-term mortgage loan is rolled over into a new short-term mortgage loan, the lender will issue a new participation interest in the new loan and deliver it to us in exchange for new DMBS certificates. Before the new DMBS certificates may be issued, the existing short-term mortgage loan and related DMBS certificates must be paid in full, which generally is done by the lender applying the sales proceeds from the new DMBS certificates and by the borrower paying the discount on the existing short-term mortgage loan and any shortfall between the discount on the existing short-term mortgage loan and the discount on the new short-term mortgage loan. The effective interest rate on the related mortgage loan adjusts each time new DMBS certificates are issued, based upon the discount at that time.

Tax Information for Certificateholders

We will post on our Web site, or otherwise make available, information required by the federal income tax laws. See "**MATERIAL FEDERAL INCOME TAX CONSEQUENCES—Information Reporting and Backup Withholding**."

THE POOLS

Most of the multifamily mortgage loans related to the participation interests that back our DMBS certificates are originated by lenders under our DUS business line. We deposit a participation interest in each acquired mortgage loan into a pool and issue our guaranteed discount mortgage-backed certificates, or DMBS certificates, which evidence beneficial ownership interests in the participation interest in the pool.

Assignment of Mortgage Loans; Delivery and Custody of Mortgage Loan Documents

The trust agreement requires that, at the time the DMBS certificates are issued, the multifamily mortgage loan related to the participation interest held in the related pool or trust be assigned to the trustee, together with all principal payments on or with respect to the loan due after the issue date. Each mortgage loan related to a participation interest held in a particular trust will be identified in a schedule described in the related issue supplement.

The trust agreement requires that certain documents be maintained by the trustee (or a custodian for the trustee) for each mortgage loan, including the original mortgage note (or other instrument of indebtedness) endorsed in blank or to the order of the issuer or the trustee. If the original note is lost or otherwise unavailable, a lost note affidavit may be satisfactory if certain criteria are satisfied. The trust agreement also provides that mortgage loan documents may be maintained in electronic format.

Under the terms of the trust agreement, an unaffiliated third-party, the issuer, the seller, the master servicer, the trustee, a primary servicer, a subservicer or an affiliate of any of these entities may act as custodian. If we are not the custodian, our current policies require that the custodian must be either (a) a financial institution supervised and regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the FDIC or the National Credit Union Administration ("NCUA"), (b) a subsidiary of a parent financial institution that is supervised and regulated by one of these entities, or (c) a Federal Home Loan Bank. In certain cases, we may permit the seller of the related mortgage loans or an affiliate of the seller to act as our document custodian, provided that the entity meets these and certain additional requirements. We may modify our practices regarding the custody of mortgage documents at any time, subject to certain standards of care and other requirements described in the trust agreement. We periodically review our custodial practices and, subject to the terms of the trust agreement, make changes as we determine appropriate. We may, from time to time, conduct random spot checks to confirm that the related documents are held by the custodian.

As a general rule, a Uniform Commercial Code financing statement, or UCC-1, is filed against any seller that has sold us mortgage loans under a contract pursuant to which the seller assumes any recourse or loss sharing on the mortgage loans. In the event of a bankruptcy or receivership of a seller, a court could determine that a participation interest in a mortgage loan was not sold to us but, rather, was pledged to us to secure a financing. Courts may also deny our standing to enforce delinquent mortgage loans if we cannot adequately prove our ownership. If, as a result of any such determination, mortgage loan payments were inadequate to cover the amounts due to certificateholders, we would make payments to the trust under our guaranty in the amount required by the trust to pay certificateholders what they are due. See "**RISK FACTORS—RISKS RELATING TO CREDIT—Seller Credit Factors**."

Pool Disclosure Documents

Each time we issue DMBS certificates, we prepare disclosure documents that describe the terms of the DMBS certificates. These at-issuance disclosure documents are delivered to the certificateholders and are available on our Web site through our Multifamily Securities Locator Service. The at-issuance disclosure documents for DMBS certificates consist of this prospectus, the related prospectus supplement and any documents incorporated by reference into this prospectus or related prospectus supplement. See "**INCORPORATION BY REFERENCE**."

A prospectus supplement for DMBS certificates has three parts: a Prospectus Supplement Narrative, a Pool Statistics page and a Schedule of Loan Information. The Prospectus Supplement Narrative includes additional information about the DMBS certificates being issued, the Pool Statistics page provides pool-level data as of the issue date, and the Schedule of Loan Information discloses certain loan-level data about the multifamily loan related to the DMBS certificates. If the DMBS certificates are issued in connection with a structured transaction, the Pool Statistics page and the Schedule of Loan Information may disclose information on an aggregate basis for all the DMBS certificates issued and loans made with respect to that structured transaction. Examples of a Pool Statistics page and a Schedule of Loan Information for DMBS certificates issued in connection with a credit facility structured transaction are found at the end of this prospectus: **Exhibit A** (Pool Statistics page) and **Exhibit B** (Schedule of Loan Information). See "**THE MULTIFAMILY MORTGAGE LOANS—Structured Transactions—*Credit Facilities***" for a description of credit facility structured transactions.

At-issuance disclosure documents contain the most current information available to us as of the issue date of the DMBS certificates being issued, unless the prospectus supplement provides for a different date. Nevertheless, the information may relate to an earlier period or may no longer be accurate due to intervening events or conditions. After DMBS certificates are issued, the related at-issuance disclosure documents may be corrected during the applicable offering period and made available on our Multifamily Securities Locator Service site. We do not revise the at-issuance offering documents after the offering period to provide any updated information.

Glossary

In the "Glossary" we define many of the terms used on a Pool Statistics page or a Schedule of Loan Information, in the periodic and ongoing disclosure presented through our Multifamily Securities Locator Service, and in other locations on our Web site that provide data concerning DMBS certificates. The Glossary may be found on our Web site at www.fanniemae.com.

The fractional undivided interest of each DMBS certificate will be equal to the initial principal balance of that DMBS certificate divided by the aggregate stated principal balance of the participation interest in the mortgage loan related to the pool on the issue date. For purposes of our description here, a participation interest is considered a separate mortgage loan, and payments on the participation interest are treated as payments on the mortgage loan related to the participation interest.

THE MULTIFAMILY MORTGAGE LOANS

We acquire multifamily mortgage loans that are originated for the purpose of purchasing, refinancing and/or rehabilitating multifamily residential properties, including apartment buildings and residential rental communities, cooperative housing projects, dedicated student housing, manufactured housing communities, military housing, rural housing and seniors housing. Many multifamily properties may be considered affordable multifamily housing.

Each multifamily mortgage loan is evidenced by a promissory note or other evidence of indebtedness and secured by a deed of trust, mortgage or similar security instrument creating a first lien (or, if the prospectus supplement so states, a subordinate lien) on a multifamily property containing five or more residential units.

Description of DUS Loans

Underwriting and Servicing

In most cases, the multifamily mortgage loans related to participation interests that back DMBS certificates are originated by lenders that we have specially approved ("DUS lenders") and are underwritten in accordance with the guidelines set forth in the Multifamily Selling and Servicing Guide (the "Multifamily Guide"), except to the extent that we use our discretion to grant various types of waivers, as described below. In addition, the mortgage loans are serviced in accordance with our DUS loan product requirements as set forth in the Multifamily Guide, which may be modified for certain loans or transactions. We delegate to the DUS lenders the responsibility for servicing the mortgage loans in accordance with the Multifamily Guide.

Waivers

Our underwriting guidelines in the Multifamily Guide are guidelines and not rigid requirements. When a borrower requests that one or more of the underwriting guidelines be waived, the waiver is granted if it is deemed prudent given all the circumstances. Those circumstances may include the creditworthiness of the borrower and its related principals or competitive pressures in a particular market. For example, one guideline that may be waived is the requirement that each borrower be a single asset entity. This requirement is designed to provide protection against the possibility that the borrower will become bankrupt, but the requirement is sometimes waived if the borrower has a strong credit rating, particularly if the loan is relatively small in size.

While both Fannie Mae and the lender must approve some of the waivers described above, the lender in its discretion may approve many of these waivers. When a waiver requires our approval, we may grant or deny the waiver in our discretion.

Loss Sharing

In return for our delegation of the responsibility for underwriting and servicing mortgage loans, DUS lenders enter into arrangements with us that specify the method of sharing any losses on the loans that they deliver and/or service. These arrangements may vary among lenders and may provide for different loss sharing among various transactions, ranging from the lender bearing a specified first loss percentage for a transaction to the lender having no loss sharing obligation for a transaction.

Standard DUS Loans

When a borrower and a lender enter into a standard DUS loan, there is no agreement under which the lender has committed to make further short-term mortgage loans to the borrower as part of the same transaction. Instead, the lender extends a five-, seven- or ten-year multifamily mortgage loan to the borrower and funds the loan through a series of short-term mortgage loans. Each short-term mortgage loan is made consecutively upon the maturity of the preceding short-term mortgage loan and funded by issuing consecutive DMBS certificates.

Structured Transactions

A structured transaction may be a credit facility or a bulk delivery transaction. In a structured transaction arrangement, the lender and the borrower enter into either a master credit facility agreement (for credit facility transactions) or a master loan agreement (for bulk delivery transactions) (either referred to as the "master agreement") or some other form of master agreement under which the lender lends funds to the borrower. Multifamily mortgage loans made under a master agreement may include short-term borrowings that have terms of less than one year and intermediate- and long-term financings that have terms of five to ten years. (Some arrangements may provide for only short-term borrowings or only intermediate- and long-term financings.)

Credit Facilities

Under a master credit facility agreement, the lender makes short-, intermediate- or long-term mortgage loans (each, an "advance") to a borrower. The advances may be made under a single mortgage note or under multiple mortgage notes, depending on factors such as whether the advances have fixed or variable rates of interest or have different maturity dates. Only short-term non-interest-bearing advances may back DMBS certificates.

In general, all advances under a master credit facility agreement are secured by one or more mortgages on one or more multifamily properties specified in the prospectus supplement and, in some cases, by non-real estate collateral (collectively, a "collateral pool"). This means that each advance is cross-collateralized and cross-defaulted with any other advance made under the same master agreement. The master agreement may provide that the borrower has the right to increase the dollar amount of the lender's commitment under certain circumstances and may give the borrower the ability to request future advances. Future advances may be secured by the initial collateral pool or they may also be secured by additional multifamily properties that are owned by affiliates of the borrower (which affiliates become borrowers under the master agreement) and that are added to the collateral pool.

Bulk Deliveries

Under a master bulk delivery agreement, over a term that is typically five to ten years, a lender makes multiple multifamily mortgage loans on multiple properties that are funded either by long-term fixed-rate mortgage loans or by a series of short-term mortgage loans. Each short-term mortgage loan is made consecutively upon the maturity of the preceding short-term mortgage loan and is funded through the issuance of consecutive DMBS certificates. As a general rule, although all mortgage loans in a bulk delivery are made pursuant to the same master agreement, a separate mortgage loan is made to each related borrower and secured by a mortgage on the multifamily property owned by that borrower. The mortgage loans made under a bulk delivery are usually not cross-defaulted or cross-collateralized. A master bulk delivery agreement may give current borrowers the right to expand the arrangement to accommodate new but related borrowers. Moreover, a master agreement may permit, under certain conditions, the addition of new properties to the transaction, the substitution of properties, and the release of a specific property upon payment in full of the mortgage loan secured by that property. In addition, a master agreement may permit a borrower to obtain a supplemental loan on a mortgaged property that already secures an existing loan in the bulk delivery.

Defined Terms

The following terms are defined as follows:

- **Aggregate Issue Date Principal Balance** – on the issue date of the DMBS certificates, (i) the unpaid principal balance of all of the mortgage loans secured by the same collateral pool that secures the mortgage loan related to the DMBS certificates being issued plus (ii) the unpaid principal balance of all additional mortgage loans secured by the same collateral pool.
- **Aggregate Real Property Value** – the total of the Real Property Values of the mortgaged properties in the collateral pool securing the mortgage loan related to the DMBS certificates being issued. The Real Property Value is determined as follows:
  - If a mortgaged property is newly added to the collateral pool, the lowest of the following:
    - the appraised value established by a third-party appraisal;
    - the lender's underwriting value based on the lender's adjustments to appraisal deficiencies that cannot be cured before expiration of the appraisal (in accordance with our appraisal guidelines); or
    - if the lender committed to make the mortgage loan within 12 months of the date the mortgaged property was acquired by the borrower, the lowest of (i) the appraised value, (ii) the acquisition price plus the cost (if the cost increases the value of the property) of repairs completed and fully paid for before the loan commitment or repairs for which the borrower is depositing funds pursuant to an agreement with the lender, plus actual acquisition closing costs (not to exceed 3% of the acquisition price), or (iii) the value resulting from some other method of determining property value that was used by the lender.
  - If a mortgaged property is already part of the collateral pool, the value reported to us when the mortgaged property was added to the collateral pool.
- **Issue Date Principal Balance** – on the issue date of the DMBS certificates, the unpaid principal balance of the mortgage loan related to the DMBS certificates being issued.
- **Lockout Flag/# Mos** – indicates whether the mortgage loan related to the DMBS certificates being issued is locked out from prepayment ("Y" – yes; "N" – no) and, if so, the number of months in the lockout period measured from the date the mortgage loan was made.
- **Total Collateral Value** – the total of the Aggregate Real Property Value and the Value of Other Collateral.
- **Transaction Type** – indicates whether the mortgage loan related to the DMBS certificates being issued is a standard DUS mortgage loan, a mortgage loan made under a credit facility

structured transaction, or a mortgage loan made under a bulk delivery structured transaction.

- **Value of Other Collateral** – the fair market value of all non-real estate property in the collateral pool.

THE TRUST DOCUMENTS

The DMBS certificates offered hereby are issued pursuant to the terms of the trust documents. We have summarized below certain provisions of the trust documents. This summary is not complete and may be modified by specific provisions described in the prospectus supplement for a specific issuance of DMBS certificates. If there is any conflict between the information in this prospectus and the specific provisions of the trust documents, the terms of the trust documents will govern. You may obtain a copy of the trust agreement from our Washington, DC office or our Web site at www.fanniemae.com. You may obtain a copy of the issue supplement that applies to your issuance of DMBS certificates from our Washington, DC office.

The trust documents related to an issuance of DMBS certificates provide the trustee with no authority to issue or invest in additional securities, to borrow money or to make loans.

Fannie Mae Guaranty

We are the guarantor under the trust agreement. We guarantee to each trust that we will supplement amounts received by the trust as required to permit payment of the full original stated principal amount of the DMBS certificates on their maturity date.

If we were unable to perform our guaranty obligations, certificateholders would receive from the related trust only the principal payments actually made by borrowers, any delinquency advances made by the primary servicer and any other recoveries on the mortgage loan related to the participation interest in the pool from sources such as insurance, condemnation and foreclosure proceeds. As a result, delinquencies and defaults on the mortgage loan would directly affect the amount of principal that certificateholders would receive on the maturity date. In that case, distributions of principal on the mortgage loan would be made in the sequence specified below (to the extent the following amounts are due but not already paid):

- *first,* to payment of the trust administration fee and other amounts due to the trustee (see "**—Certain Matters Regarding Our Duties as Trustee**");
- *second,* to reimbursement of any unreimbursed delinquency advances previously made by the primary servicer or master servicer from its own funds, to the extent those advances are deemed non-recoverable by the advancing party; and
- *last,* all remaining funds to payment of principal on the DMBS certificates.

Our guaranty runs directly to each trust and not directly to certificateholders. As a result, certificateholders have only limited rights to bring proceedings directly against Fannie Mae to enforce our guaranty. See "**—Certificateholders' Rights Upon a Guarantor Event of Default**." Certificateholders also have limited rights to bring proceedings against Treasury if we fail to pay under our guaranty. The amount that may be recovered from Treasury is subject to limits imposed in the senior preferred stock purchase agreement. See "**FANNIE MAE—Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement**."

We alone are responsible for making payments on our guaranty. The DMBS certificates and payments of principal on the DMBS certificates are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

Collection and Other Servicing Procedures

We are responsible as the master servicer under the trust agreement for certain duties. Our duties include entering into contracts with primary servicers to service the mortgage loans, supervising and monitoring the primary servicers, ensuring the performance of certain servicing functions if the primary servicer fails to do so, establishing certain procedures and records for each trust, and taking additional actions as set forth in the trust agreement. Any of the duties of the primary servicer may also be performed by the master servicer. The primary servicers collect payments from borrowers and may make servicing advances, foreclose upon defaulted mortgage loans, and take other actions as set forth in the trust agreement. See "**FANNIE MAE PURCHASE PROGRAM—Seller and Servicer Eligibility**" for information on our primary servicer requirements. Our primary servicers may contract with subservicers to perform some or all of the servicing activities. In addition, we may, from time to time, acquire the servicing rights and become the primary servicer for mortgage loans, in which case we may use a subservicer to conduct the servicing functions. If the servicing rights are transferred to us, the disclosure in our ongoing disclosures for a particular pool will specify "Fannie Mae" as the servicer.

Custodial Accounts

Primary servicers are responsible for collecting payments from borrowers and remitting those payments to us for distribution to certificateholders. No later than two business days following a primary servicer's receipt of collections from borrowers, the collections must be deposited into a demand deposit account or an account through which funds are invested in specified eligible investments. These accounts, called custodial accounts, must be established with eligible depositories and held in our name as master servicer or as trustee for the benefit of the certificateholders or held in the name of the primary servicer as our agent, trustee or bailee unless otherwise specified in the related servicing contract. An eligible depository may be a (i) Federal Reserve Bank, (ii) Federal Home Loan Bank or (iii) financial institution that has its accounts insured by the Federal Deposit Insurance Corporation ("FDIC"), the National Credit Union Share Insurance Fund ("NCUSIF") or another governmental insurer or guarantor that is acceptable to us, satisfies the capital requirements of its regulator, and meets specified minimum financial ratings provided by established rating agencies.

During the two business day period between a primary servicer's receipt of collections from borrowers and its required deposit of those collections into a custodial account, the primary servicer may hold the funds from collections in (x) a deposit account insured by the FDIC, the NCUSIF or other governmental guarantor or insurer acceptable to us, or (y) a clearing account at an eligible depository. The funds from collections held in such an account for that period may be commingled with funds from collections on other mortgage loans without regard to their ownership. In addition, if the related servicing contract so permits, for a period of no more than one business day before the date on which funds from collections are to be remitted to Fannie Mae, a primary servicer may hold the funds from collections in a consolidated drafting account and commingle the funds with funds from collections on other mortgage loans held in other Fannie Mae trusts.

A primary servicer may commingle funds held in custodial accounts with funds from collections on other mortgage loans held in other Fannie Mae trusts. In addition, if a mortgage loan was transferred to a portfolio pool, funds from collections on that mortgage loan may be commingled with funds from collections on other mortgage loans owned by Fannie Mae and serviced by the same primary servicer even if the mortgage loans are not held in a Fannie Mae trust.

Insured custodial account funds may be entitled to limited benefits under governmental insurance, subject to the rules and regulations of the FDIC or NCUSIF, in the case of a receivership or similar proceeding of an eligible depository. Governmental entities may, from time to time, take measures to alleviate the risk of insurance not being adequate. However, there can be no assurance (i) that any governmental actions will be sufficient to alleviate this risk completely, or

(ii) as to how long any measures taken by the governmental entities will remain in effect. If the insurance were inadequate to cover amounts due to certificateholders, we would make payments to cover any amounts required to be paid to certificateholders under the terms of the DMBS certificates.

If the related servicing contract so permits, a primary servicer may be permitted to retain interest and investment earnings on funds on deposit in the custodial accounts. Certificateholders are not entitled to any earnings generated from funds in the custodial accounts and are not liable for any losses in the custodial accounts.

Certificate Accounts

Our primary servicers remit borrower collections to us monthly for distribution to certificateholders. These funds are deposited into a certificate account at an eligible depository. Funds held in a certificate account are held by us as trustee in trust for the benefit of certificateholders pending distribution to certificateholders. Amounts in any certificate account are held separately from our general corporate funds but are commingled with funds for other Fannie Mae trusts and are not separated on a trust-by-trust basis. We may invest funds in any certificate account in specified eligible investments, including our own debt instruments. We currently invest substantially all funds in certificate accounts in our own debt instruments. If we were unable or unwilling to continue to do so, the timing of incremental intra-day distributions of principal made on the maturity date could be affected. We are entitled to retain all earnings on funds on deposit in each certificate account as a trust administration fee. See "**—Certain Matters Regarding Our Duties as Trustee**" for a description of the trust administration fee. Primary servicers and certificateholders are not entitled to any earnings generated from funds in a certificate account, and are not liable for any losses in a certificate account.

Master Servicer

We may resign as master servicer at any time by giving 120 days' written notice of the resignation to the trustee and the guarantor. We may not be removed as master servicer by the trustee or certificateholders unless a guarantor event of default has occurred and is continuing.

If a guarantor event of default has occurred and is continuing while we are the master servicer, the trustee may, or at the direction of holders representing at least 51% of the voting rights of the related trust, the trustee will, terminate all of the rights and obligations of the master servicer with respect to only that trust and the related mortgage loan and their proceeds, by notifying the master servicer of the removal in writing.

Removal of Successor Master Servicer

If Fannie Mae is no longer serving as the master servicer and a successor master servicer has been appointed, the trust documents provide that the successor master servicer for an issuance of DMBS certificates may be removed upon any of the following "servicing events of default":

- the successor master servicer fails to remit, or cause a primary servicer to remit, funds for deposit to a certificate account on the applicable remittance date for payment to certificateholders, and the failure continues uncorrected for one business day after written notice of the failure has been given to the master servicer by either the trustee or the holders of DMBS certificates representing at least 25% of the voting rights of the related trust;
- the successor master servicer fails to perform in any material respect any of its other covenants and agreements, and the failure continues uncorrected for 60 days after written notice of the failure has been given to the master servicer by either the trustee or the holders of DMBS certificates representing at least 25% of the voting rights of the related trust;
- the successor master servicer ceases to be eligible to serve as master servicer under the terms of the trust agreement; or

- the successor master servicer becomes insolvent; a conservator, receiver or liquidator is appointed (either voluntarily or involuntarily and in the case of an involuntary appointment, the order appointing the conservator, receiver or liquidator has been undischarged or unstayed for 60 days); or the successor master servicer admits in writing that it is unable to pay its debts.

If any servicing event of default occurs with respect to a trust and continues uncorrected, the trustee may or, at the direction of holders of DMBS certificates representing at least 51% of the voting rights of that trust, the trustee will, terminate the rights and obligations of the successor master servicer with respect to only that trust and the related mortgage loan and their proceeds, by notifying the master servicer of the removal in writing.

A successor master servicer appointed immediately following a voluntary resignation of Fannie Mae as master servicer may be removed by the guarantor or, if a guarantor event of default has occurred and has not been cured, by the trustee upon not less than 60 days' written notice to the successor master servicer.

Certain Matters Regarding Our Duties as Trustee

We serve as trustee under the trust agreement and receive a fee for our services to each trust, which is payable from the interest and other earnings on the related certificate accounts. See "**—Fannie Mae Guaranty**" for a description of the payment priorities. Under the trust agreement, the trustee may consult with and rely on the advice of counsel, accountants and other advisors. The trustee will not be responsible for errors in judgment or for anything it does or does not do in good faith if it so relies. This standard of care also applies to our directors, officers, employees and agents. We are not required, in our capacity as trustee, to risk our funds or incur any liability if we do not believe those funds are recoverable or if we do not believe adequate indemnity exists against a particular risk. This does not affect our obligations to each trust as guarantor under the Fannie Mae guaranty.

We are indemnified by each trust for actions we take in our capacity as trustee in connection with the administration of that trust. Officers, directors, employees, and agents of the trustee are also indemnified by each trust with respect to that trust. Nevertheless, neither we nor they will be protected against any liability if it results from willful misfeasance, bad faith, gross negligence or willful disregard of our duties.

The trust agreement provides that the trustee may, but is not obligated to, undertake any legal action that it deems necessary or desirable in the interests of certificateholders. We may be reimbursed for the legal expenses and costs of the action from the assets of the related trust.

We may resign from our duties as trustee under the trust agreement upon providing 90 days' notice to the guarantor. Our resignation will not become effective until a successor has assumed our duties. We may be removed as trustee only if a "guarantor event of default" has occurred with respect to a trust. See "**—Guarantor Events of Default**." In that case, we can be removed (and then replaced by a successor trustee) as to the related trust by holders of DMBS certificates representing at least 51% of the voting rights of that trust. Even if our duties as trustee under the trust agreement terminate, we would continue to be obligated under our guaranty.

Removal of Successor Trustee

If Fannie Mae is no longer serving as the trustee and a successor trustee has been appointed, the trust documents provide that the successor trustee for an issuance of DMBS certificates may be removed upon any of the following "trustee events of default":

- the successor trustee fails to deliver to the paying agent all required funds for distribution (to the extent the successor trustee has received the related funds), and the failure continues uncorrected for 15 days after written notice to the successor trustee of nonpayment and a demand that the failure be cured has been given to the successor trustee by either the holders of DMBS certificates representing at least 5% of the voting rights of the related trust or the guarantor (unless a guarantor event of default has occurred and is continuing);

- the successor trustee fails to fulfill any of its other obligations under the trust documents, and the failure continues uncorrected for 60 days after written notice to the successor trustee of the failure and a demand that the failure be cured has been given to the successor trustee by either the holders of DMBS certificates representing at least 5% of the voting rights of the related trust or the guarantor (unless a guarantor event of default has occurred and is continuing);
- the successor trustee ceases to be eligible to serve as trustee under the terms of the trust agreement and fails to resign;
- the successor trustee becomes substantially incapable of acting as trustee, or a court or the regulatory entity that has primary supervisory authority over the successor trustee determines, under applicable law and regulation, that the successor trustee is unable to remain as trustee; or
- the successor trustee becomes insolvent; a conservator or receiver is appointed (either voluntarily or involuntarily, and in the case of an involuntary appointment, the order appointing the conservator or receiver has been undischarged or unstayed for 60 days); or the successor trustee admits in writing that it is unable to pay its debts.

If any trustee event of default occurs with respect to a trust and continues uncorrected, the guarantor (or if a guarantor event of default has occurred and is continuing, the master servicer) may, and if directed by holders of DMBS certificates representing at least 51% of the voting rights of the related trust will, remove the successor trustee and appoint a new successor trustee.

A successor trustee may also be removed without cause by the guarantor at any time (unless a guarantor event of default has occurred and is continuing) and, upon such removal, the guarantor may appoint another successor trustee within 90 days after the date that notice is given to the former successor trustee.

Guarantor Events of Default

Any of the following events will be considered a "guarantor event of default" for an issuance of DMBS certificates:

- we fail to make a required payment under our guaranty, and our failure continues uncorrected for 15 days after written notice of the failure and a demand that the failure be cured have been given to us by the holders of DMBS certificates representing at least 5% of the voting rights of the related trust;
- we fail in any material way to fulfill any of our other obligations under the trust documents, and our failure continues uncorrected for 60 days after written notice of the failure and a demand that the failure be cured have been given to us by the holders of DMBS certificates representing at least 25% of the voting rights of the related trust; or
- we become insolvent, a receiver or a new conservator is appointed (either voluntarily or involuntarily, and in the case of an involuntary appointment, the order appointing the receiver or new conservator has been undischarged or unstayed for 60 days) or we admit in writing that we are unable to pay our debts.

Certificateholders' Rights Upon a Guarantor Event of Default

A certificateholder generally has no right under the trust agreement to institute any proceeding against us with respect to the trust agreement. A certificateholder may institute such a proceeding only if a guarantor event of default has occurred and is continuing and

- the holders of DMBS certificates representing at least 25% of the voting rights of the related trust have requested in writing that the trustee institute the proceeding in its own name as trustee; and
- the trustee has neglected or refused to institute any proceeding for 120 days.

The trustee will be under no obligation to take any action or to institute, conduct or defend any litigation under the trust agreement at the request, order or direction of any certificateholder unless the certificateholders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that the trustee may incur.

Future Limitations on Certificateholders' Rights under the Trust Agreement

Certificateholders' rights may be limited during a receivership or future conservatorship. If we are placed into receivership or if we emerge from the current conservatorship and are placed into conservatorship once again, certificateholders' rights to remove us as trustee or master servicer may be restricted. In addition, if we are placed into receivership or are again placed into conservatorship, FHFA will have the authority to repudiate or transfer our guaranty obligations as well as our other obligations under the trust documents for each issuance of DMBS certificates. If that occurred, certificateholders would have only the right to proceed against Treasury that is described in "**FANNIE MAE—Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement**." See also "**RISK FACTORS—RISKS RELATING TO CREDIT—Fannie Mae Credit Factors**."

Voting Rights

If any DMBS certificate is beneficially held by a party (including us) determined under applicable accounting rules to be the transferor of a participation interest in a mortgage loan, the DMBS certificate may be voted by the transferor to the same extent as DMBS certificates held by any other holder, subject to the conditions specified in the following two paragraphs.

DMBS certificates that are beneficially held by us, as guarantor, will be disregarded and deemed not to be outstanding for purposes of determining whether a guarantor event of default has occurred and is continuing, or whether to remove the trustee or master servicer when a guarantor event of default has occurred and is continuing. In all other matters with respect to a trust, DMBS certificates that are beneficially owned by us, as guarantor, may be voted by us, as guarantor, to the same extent as DMBS certificates held by any other holder. If, however, we, as guarantor, beneficially own 100% of the DMBS certificates of a trust, those DMBS certificates owned by us, as guarantor, may be voted by us without restriction.

DMBS certificates that are beneficially held by a successor trustee will be disregarded and deemed not to be outstanding for purposes of determining whether a trustee event of default has occurred and is continuing, or whether to remove that successor trustee when a trustee event of default has occurred and is continuing. In all other matters with respect to a trust, DMBS certificates that are beneficially owned by a successor trustee may be voted by that successor trustee to the same extent as DMBS certificates held by any other holder. If, however, a successor trustee beneficially owns 100% of the DMBS certificates of a trust, those DMBS certificates owned by that successor trustee may be voted by that successor trustee without restriction.

Amendment

No Consent Required

We may amend the trust documents for an issuance of DMBS certificates without notifying or obtaining the consent of the certificateholders to do any of the following:

- correct an error, or correct, modify or supplement any provision in the trust documents that is inconsistent with any other provision of the trust documents or this prospectus or a prospectus supplement;

- cure an ambiguity or supplement a provision of the trust documents, provided that the cure of an ambiguity or supplement of a provision is not otherwise inconsistent with the trust documents;
- modify the trust documents as necessary to maintain the fixed investment trust status of a trust for federal income tax purposes, as evidenced by an opinion of counsel to that effect satisfactory in form and substance to the issuer and the trustee; or
- make any other amendment so long as the amendment will not (i) materially and adversely affect the interests of any certificateholder or (ii) have any material adverse federal income tax consequences to certificateholders, as evidenced by an opinion of counsel to that effect satisfactory in form and substance to the issuer and the trustee.

An amendment to cure an ambiguity in, or supplement a provision of, the trust documents that would otherwise require the consent of 100% of the certificateholders cannot be made without that consent.

100% Consent Required

We may amend the trust documents for an issuance of DMBS certificates to take any of the following actions only with the consent of 100% of the certificateholders of the related issuance of DMBS certificates:

- terminate or change our guaranty obligations;
- reduce or delay payments to certificateholders;
- reduce the percentage requirement of certificateholders who must give their consent to any waiver or amendment; or
- take an action that materially increases the taxes payable in respect of a trust or adversely affects the status of the trust as a fixed investment trust for federal income tax purposes.

51% Consent Required

We may amend the trust documents for any reason other than the reasons set forth in "***—No Consent Required***" and "***—100% Consent Required***" only with the consent of holders of DMBS certificates with aggregate certificate principal balances of at least 51% of the aggregate certificate principal balance of an issuance of DMBS certificates.

Termination

The trust will terminate with respect to an issuance of DMBS certificates when the certificate principal balance of the related pool has been reduced to zero and all distributions have been passed through to certificateholders. In no event will any trust continue beyond the last day of the 60th year following the issue date of that trust. We do ***not*** have any clean-up call option; that is, we cannot terminate any trust solely because the unpaid principal balance of the related pool declines to a specified amount or reaches a specified percentage of the original unpaid principal balance of the pool.

Merger

The trust agreement provides that if we merge or consolidate with another corporation, the successor corporation will be our successor under the trust agreement and will assume all of our duties under the trust agreement, including our guaranty.

FANNIE MAE PURCHASE PROGRAM

The multifamily mortgage loans we purchase must meet standards required by the Charter Act. These standards require that the mortgage loans be, in our judgment, of a quality, type and class consistent with the purchase standards imposed by private institutional mortgage investors. Consistent with those requirements, and with the purposes for which we were chartered, we establish eligibility criteria and policies for the mortgage loans we purchase, for the sellers from which we purchase mortgage loans, and for the primary servicers that service our mortgage loans. See "**FANNIE MAE**" for information regarding the Charter Act and the purpose of the charter.

Multifamily Selling and Servicing Guide

Our eligibility criteria and policies, summarized below, are set forth in our Multifamily Guide and in updates and amendments to the Guide. We amend or replace our Multifamily Guide and our eligibility criteria and policies from time to time. Thus, it is possible that the mortgage loan related to a participation interest in a particular pool may have been subject to different eligibility standards than the eligibility standards applicable to a mortgage loan related to a participation interest in a different pool. Moreover, the standards described in a current Multifamily Guide may not be the same as the standards that applied when the mortgage loan related to a participation interest in a particular pool were originated. We also may waive or modify our eligibility and loan underwriting requirements or policies when we purchase mortgage loans.

Multifamily Mortgage Loan Eligibility Standards

Dollar Limitations

The Charter Act does not establish any maximum original principal balance dollar limitations for the conventional multifamily mortgage loans that we purchase. We purchase FHA-insured and USDA-guaranteed mortgage loans up to the maximum original principal amount that FHA will insure or USDA will guarantee for the area in which the property is located.

Underwriting Guidelines

We have established underwriting guidelines for the multifamily mortgage loans that we purchase, which are set forth in our Multifamily Guide. These guidelines are designed to provide a comprehensive analysis of the characteristics of a borrower, mortgage loan and mortgaged property, including such factors as the borrower's credit history, the value of the property, past and current operations of the property, the underwritten loan-to-value ratio, the debt service coverage ratio and the loan amount.

We review and change our underwriting guidelines from time to time, including expanding our underwriting criteria to make multifamily mortgage loans more accessible to borrowers with loans secured by small multifamily properties and borrowers that provide rental housing to low- and moderate-income families, rural residents and people with special housing needs. From time to time, we may also purchase mortgage loans underwritten to our lenders' underwriting guidelines, which we have reviewed and approved.

We require lenders that deliver mortgage loans to us to take all reasonable steps to verify that the information provided by borrowers is accurate and complete. In addition, while lenders generally have their own guidelines for underwriting mortgage loans, we require loans delivered to us to comply with our underwriting guidelines as well. In certain cases, we permit our lenders to decide in their discretion whether specific underwriting guidelines may be waived for a specific mortgage loan. The waiver of other guidelines may require our consent. Our Multifamily Guide will specify which waivers require our consent at any specific time.

Loan-to-Value Ratios

Our underwritten loan-to-value ratio requirements for mortgage loans we purchase may vary depending upon a variety of factors that can include, for example, the type of loan, loan purpose, loan amount, repayment terms and borrower credit history. Depending upon these factors, the loan-to-value ratio of a conventional multifamily mortgage loan does not typically exceed 80% as of the issue date of the DMBS certificates. The underwritten loan-to-value ratio of affordable housing loans and other special feature mortgage loans, however, may be higher.

The maximum underwritten loan-to-value ratio for FHA-insured and USDA-guaranteed multifamily mortgage loans we purchase is the maximum established by FHA or USDA for the particular program under which the mortgage was insured or guaranteed. FHA-insured and USDA-guaranteed mortgage loans that we purchase must be originated in accordance with the applicable requirements and underwriting standards of the agency providing the insurance or guaranty. Each insured or guaranteed mortgage loan that we purchase must have in effect a valid mortgage insurance certificate or loan guaranty certificate.

Debt Service Coverage Ratio

Our debt service coverage ratio requirements for mortgage loans we purchase may vary depending upon a variety of factors that can include, for example, the type of loan, loan purpose, loan amount, amount of the monthly payment of principal and interest, other expenses of the related mortgaged property, current and projected rents, number of dwelling units in the related mortgaged property, and borrower credit history. The required debt service coverage ratio may also vary among our business lines and among individual multifamily mortgage loans made under the same business line.

Seller and Servicer Eligibility

Before we approve a company to sell multifamily mortgage loans to us (a “seller”) or to act as a primary servicer for us, we require that the company demonstrate the following to our satisfaction:

- it has a proven ability to originate or service, as applicable, the type of multifamily mortgage loans for which our approval is being requested;
- it employs a staff with adequate experience in that area;
- it has as one of its principal business purposes the origination or servicing, as applicable, of multifamily mortgage loans;
- it is properly licensed, or otherwise authorized, to originate, sell or service, as applicable, multifamily mortgage loans in each of the jurisdictions in which it does business;
- its financial condition is acceptable to us;
- it has quality control and management systems to evaluate and monitor the overall quality of its multifamily mortgage loan production and servicing activities; and
- it is covered by a fidelity bond and errors and omissions insurance acceptable to us.

We enter into a written mortgage selling and servicing contract with each seller and primary servicer that we approve, under which, among other things, the seller or primary servicer agrees to maintain the foregoing attributes to our satisfaction. Lenders delivering DUS mortgage loans must be specially approved and enter into additional agreements with us. See “**THE MULTIFAMILY MORTGAGE LOANS—Description of DUS Loans**.”

Seller Representations and Warranties

The prospectus supplement will identify the seller or sellers of the participation interest in the multifamily mortgage loan related to the DMBS certificates being issued. A seller may hold DMBS certificates backed by a pool holding a participation interest in a mortgage loan that it delivered to us.

We use a process of delegated underwriting pursuant to which sellers make specific representations and warranties to us about the characteristics of the mortgage loans we purchase. As a result, we do not independently verify most of the borrower information that is provided to us. We expect our sellers to check for fraud in the origination process, including fraud by a borrower or by a third party such as a mortgage loan broker or appraiser, and we have the right to require a seller to purchase a loan if fraud is discovered.

In general, the representations and warranties relate to:

- compliance with our eligibility standards and with our underwriting guidelines;
- characteristics of the mortgage loan related to the participation interest in each pool;
- compliance with applicable federal and state laws and regulations in the origination of the mortgage loans;
- compliance with all applicable laws and regulations related to authority to do business in the jurisdiction where a mortgaged property is located;
- our acquisition of mortgage loans free and clear of any liens;
- validity and enforceability of the mortgage loan documents; and
- the lien position of the mortgage.

We rely on these representations and warranties at the time of purchase to ensure that mortgage loans meet our eligibility standards. However, after we purchase mortgage loans, we perform random quality control reviews of selected loans to monitor compliance with our guidelines, our eligibility standards and certain laws and regulations. Depending upon the applicable contractual provisions, we can require a seller or a primary servicer to purchase a mortgage loan if we find a material breach of the seller's representations and warranties. For a discussion of how these purchases can affect the real estate character of the DMBS certificates, see "**RISK FACTORS—RISKS RELATING TO INVESTMENT DECISIONS—*We may require the purchase of a mortgage loan related to the participation interest in your pool due to a breach of representations and warranties, or such a mortgage loan may be voluntarily or involuntarily prepaid, which may affect the real estate character of your certificates.***"

Servicing Arrangements

We are responsible for supervising and monitoring the servicing of the mortgage loans as master servicer under the trust agreement. We contract with primary servicers to perform servicing functions under our supervision. The primary servicer with which we contract is often the seller that sold us the loans. Any of the duties of the primary servicer also may be performed by the master servicer. A primary servicer may hold DMBS certificates backed by a pool holding a participation interest in a mortgage loan that it delivered to us.

Primary servicers must meet the eligibility standards and performance obligations included in our Multifamily Guide and in their lender contracts with us. All primary servicers are obligated to perform diligently all services and duties customary to servicing multifamily mortgage loans. We monitor the primary servicer's performance and have the right to remove any primary servicer at any time that we consider its removal to be in the best interests of the certificateholders. If we remove a primary servicer, we may be required to pay compensation to the primary servicer, depending upon the reason for the removal. We may then enter into a servicing contract with another entity that has been approved as a primary servicer to assume servicing responsibilities for the mortgage loans that were being serviced by the former primary servicer. In the alternative, we may assume the role of primary servicer, in which case we would enter into a servicing contract with a subservicer. Fannie Mae may, from time to time, acquire the servicing rights and become the primary servicer for mortgage loans, in which case we may use a subservicer to conduct the servicing functions. In the case of a transfer to us of the servicing rights of those mortgage loans, the disclosure in our ongoing disclosures for a particular pool will identify “Fannie Mae” as the servicer.

Duties performed by a primary servicer may include general loan servicing responsibilities, collecting and remitting payments on mortgage loans, administering mortgage escrow accounts, collecting insurance claims and, if necessary, making servicing advances and foreclosing on defaulted loans. The Multifamily Guide describes in detail the conditions under which primary servicers may be required to make servicing advances on mortgage loans or transfer mortgage loans to special servicers to foreclose on the loans. In addition, in some cases, primary servicers are permitted to decide in their discretion whether specific servicing guidelines may be waived for a particular loan. The waiver of other guidelines may require our consent. Our Multifamily Guide will specify the waivers that require our consent at any specific time.

Until primary servicers remit to us the payments on mortgage loans that have been collected from borrowers, they are required to deposit the collections into custodial accounts. See “**THE TRUST DOCUMENTS—Collection and Other Servicing Procedures—*Custodial Accounts***” for a more detailed description of custodial accounts and other requirements applicable to collections from borrowers.

Any agreement between a primary servicer and us governing the servicing of the mortgage loans held by a trust is a contract solely between the primary servicer and us. Certificateholders will not be deemed to be parties to any servicing agreement and will have no claims, rights, obligations, duties, or liabilities with respect to the primary servicer. We, in our capacities as guarantor and trustee, are a third-party beneficiary of each of these agreements. This means that we may pursue remedies against primary servicers in our capacities as guarantor and trustee if the master servicer or primary servicer fails to take action after receiving notice of a breach.

We may resign from our duties as master servicer under the trust agreement upon providing 120 days’ advance notice to the trustee and to the guarantor. After that time, the trustee would become master servicer until a successor has assumed our duties as master servicer. Even if our duties as master servicer under the trust agreement terminate, we would remain obligated under our guaranty as guarantor.

In some instances, we may own a mortgage loan secured by a mortgaged property in which we or the lender or primary servicer also owns, directly or indirectly, an equity interest. In these circumstances, we may be required to contract with a party not affiliated with Fannie Mae or the transaction to perform certain servicing functions.

If a mortgage loan becomes delinquent, we may transfer the servicing of the loan from the primary servicer to a special servicer, which is generally a servicer that specializes in the servicing of troubled mortgage loans. However, in this case, we will remain the master servicer of the loan.

Servicing Compensation and Payment of Certain Expenses

Unless otherwise stated in the prospectus supplement, each month the primary servicer receives and retains as a servicing fee a portion of the interest collected on the mortgage loans that is not required to be paid to certificateholders. The primary servicer also receives and may retain all or a portion of the assumption fees, late payment charges and other similar charges, and may retain a portion of prepayment premiums, to the extent that these fees, charges and premiums are collected from borrowers, as additional servicing compensation unless the prospectus supplement states otherwise. The trust pays all the expenses that it incurs. We are entitled to the investment income from collections on the mortgage loans for services to the trust in our various capacities as master servicer and trustee.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

The DMBS certificates and payments on the DMBS certificates generally are subject to taxation. Therefore, you should consider the tax consequences of holding a DMBS certificate before you acquire one. The following discussion describes certain U.S. federal income tax consequences of the purchase, ownership and disposition of the DMBS certificates. The discussion is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations thereunder, Internal Revenue Service ("IRS") rulings and pronouncements, and judicial decisions now in effect, all of which are subject to change at any time, possibly on a retroactive basis.

The discussion in this section is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for various reasons including the following:

- This discussion reflects federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below.
- This discussion addresses only DMBS certificates acquired by beneficial owners at original issuance and held as capital assets (generally, property held for investment).
- This discussion does not address all tax consequences that may be relevant to beneficial owners subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, regulated investment companies, real estate mortgage investment conduits, real estate investment trusts, persons that hold DMBS certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.
- This discussion does not address tax consequences of the purchase, ownership or disposition of a DMBS certificate by a partnership. If a partnership holds a DMBS certificate, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership.
- This discussion may be supplemented by a discussion in any applicable prospectus supplement.
- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, you should consult your own tax advisor regarding the federal income tax consequences of holding and disposing of DMBS certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

For purposes of this discussion, the term mortgage loan, in the case of a participation interest, means the interest in the underlying mortgage loan represented by that participation interest, and in applying a federal income tax rule that depends on the origination date of a mortgage loan or the characteristics of a mortgage loan at its origination, the term mortgage loan means the underlying mortgage loan and not the participation interest.

U.S. Treasury Circular 230 Notice

The tax discussions contained in this prospectus (including the sections entitled "**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**" and "**ERISA CONSIDERATIONS**") and any applicable prospectus supplement were not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties. These discussions were written to support the promotion or marketing of the transactions or matters addressed in this prospectus. You should seek advice based on your particular circumstances from an independent tax advisor.

Tax Treatment of the DMBS Certificates

In Revenue Ruling 84-10, 1984-1 C.B. 155, the IRS set forth certain federal income tax consequences relating to investments in certificates similar to the DMBS certificates. Pursuant to Revenue Ruling 84-10, a mortgage pool will not be classified as an association taxable as a corporation for federal income tax purposes. Instead, a mortgage pool will be classified as a grantor trust, and each beneficial owner of a trust certificate will be considered to be the beneficial owner of a pro rata undivided interest in each of the mortgage loans included in that particular trust. Although Revenue Ruling 84-10 does not specifically address participation interests in mortgage loans, other IRS pronouncements clearly indicate that the holdings of Revenue Ruling 84-10 are equally applicable to a trust certificate backed by a pool consisting (in whole or in part) of participation interests in mortgage loans.

Credit Facility DMBS Certificates

Based on Revenue Ruling 84-10, the credit facility DMBS certificates are interests in grantor trusts that own the underlying mortgage loans for U.S. federal income tax purposes. A beneficial owner of a credit facility DMBS certificate will be treated as the owner of a pro rata undivided interest in each of the underlying mortgage loans, all of which will be short-term obligations for U.S. federal income tax purposes. A beneficial owner of a credit facility DMBS certificate must report on its federal income tax return its pro rata share of the entire income from each underlying mortgage loan, consistent with the beneficial owner's method of accounting. The items of income from such a mortgage loan include original issue discount (discussed below), prepayment premiums, assumption fees, and late payment charges, plus certain amounts paid by us under our guaranty. A beneficial owner can deduct its pro rata share of the expenses of the grantor trust as provided in section 162 or section 212 of the Code, consistent with its method of accounting and subject to the discussion below.

A beneficial owner must allocate its basis in a credit facility DMBS certificate among the mortgage loans included in the trust in proportion to the relative fair market values of those underlying mortgage loans. If the basis allocated to a mortgage loan exceeds the principal amount, the beneficial owner may have premium with respect to that mortgage loan. Premium is discussed below. Although short-term obligations are technically not subject to the market discount rules, if the basis allocated to a mortgage loan is less than the principal amount of that mortgage loan, such discount may be treated in a manner similar to market discount (discussed below). You should consult your own tax advisor regarding the treatment of such discount.

As a result of the treatment of the credit facility DMBS certificates as interests in grantor trusts that own the underlying mortgage loans for U.S. federal income tax purposes, the following consequences will result for certain investors:

1. A credit facility DMBS certificate owned by a domestic building and loan association will be considered to represent "loans secured by an interest in real property" within the meaning of section 7701(a)(19)(C)(v) of the Code, provided that the real property underlying each mortgage loan is (or, from the proceeds of the mortgage loans, will become) the type of real property described in that section of the Code.
2. A credit facility DMBS certificate owned by a real estate investment trust will be treated as a "real estate asset" within the meaning of section 856(c)(5)(B) of the Code, and the interest income on the DMBS certificate will be considered "interest on obligations secured by mortgages on real property" within the meaning of section 856(c)(3)(B) of the Code.

The tax consequences to domestic building and loan associations and real estate investment trusts discussed above will not apply to a mortgage loan to the extent that its principal amount exceeds the value of the real property securing the loan. Except as otherwise disclosed in the related prospectus supplement with respect to affordable housing loans and seniors housing loans, we believe that the fair market value of the real property securing each mortgage loan exceeds the principal balance of that mortgage loan as of the issue date of the DMBS certificates based upon the lender's representation that each mortgage loan complies with underwriting guidelines with respect to property value and loan-to-value ratio. The principal security for each mortgage loan is a first lien (or, in the case of a subordinate lien mortgage loan, a subordinate lien) on real property. However, the mortgage loans may also be secured by a security interest in related tangible personal property (*e.g.*, equipment and furniture) and in related intangible personal property such as rents and revenues, insurance proceeds, condemnation awards or settlements, contract rights, deposits, permits, accounts, licenses, and so forth. If the principal balance of a mortgage loan exceeds the fair market value of the real property securing the mortgage loan, the credit facility DMBS certificates will retain the special tax attributes discussed above in proportion to the value of the real property remaining as security for the mortgage loan.

If a seller is required as a result of a breach of a representation or warranty to repurchase a mortgage loan that is included in a trust, see "**FANNIE MAE PURCHASE PROGRAM—Seller Representations and Warranties**," or if a mortgage loan is voluntarily or involuntarily prepaid, such purchases or prepayments will not accelerate the payment of principal on the related DMBS certificates. To the extent that an underlying mortgage loan is purchased from the related trust or prepaid, the related DMBS certificates will no longer retain the special tax attributes associated with such underlying mortgage loan.

Standard DUS DMBS Certificates and Bulk Delivery DMBS Certificates

It is not clear under current law, including Revenue Ruling 84-10, whether the standard DUS DMBS certificates or the bulk delivery DMBS certificates should be treated for U.S. federal income tax purposes as interests in a grantor trust or as debt instruments secured by the underlying mortgage loans that back these DMBS certificates (or as grantor trust interests in such debt instruments). We intend to take the position that the standard DUS DMBS certificates and the bulk delivery DMBS certificates are interests in grantor trusts that own the underlying mortgage loans for U.S. federal income tax purposes, and the remainder of this discussion assumes that those DMBS certificates will be so treated. As a result, a beneficial owner of a standard DUS DMBS certificate or bulk delivery DMBS certificate must report on its federal income tax return its pro rata share of the entire income from each mortgage loan in the related pool, consistent with the beneficial owner's method of accounting. The items of income from such a mortgage loan include interest, original issue discount (discussed below), prepayment premiums, assumption fees, and late payment charges, plus any amount paid by us as interest under our guaranty. A beneficial owner can deduct its pro rata share of the expenses of the grantor trust as provided in section 162 or section 212 of the Code, consistent with its method of accounting and subject to the discussion below.

A beneficial owner must allocate its basis in a standard DUS DMBS certificate or bulk delivery DMBS certificate among the mortgage loans included in the related pool in proportion to the relative fair market values of those mortgage loans. If the basis allocated to a mortgage loan is less than the principal amount of that mortgage loan, the beneficial owner may have market discount with respect to that mortgage loan, and if the basis exceeds the principal amount, the beneficial owner may have premium with respect to that mortgage loan. Market discount and premium are discussed below.

In addition, the consequences described above with respect to holders of credit facility DMBS that are domestic building and loan associations or real estate investment trusts should also apply to such holders holding standard DUS DMBS certificates and bulk delivery DMBS certificates. However, there can be no assurance that the standard DUS DMBS certificates and/or the bulk delivery DMBS certificates will not instead be treated as debt instruments secured by the underlying mortgage loans (or as grantor trust interests in such debt instruments), in which case the following consequences would result:

1. A standard DUS or bulk delivery DMBS certificate owned by a domestic building and loan association would not be treated as an "interest in real property" within the meaning of section 7701(a)(19)(C)(v) of the Code, but instead would be treated as an "obligation of a corporation which is an instrumentality of the United States" within the meaning of section 7701(a)(19)(C)(ii) of the Code.

2. A standard DUS or bulk delivery DMBS certificate owned by a real estate investment trust would not be treated as a "real estate asset" within the meaning of section 856(c)(5)(B) of the Code, but instead would be treated as a "government security" within the meaning of section 856(c)(4)(A) of the Code. The interest income on the DMBS certificate would not be considered "interest on obligations secured by mortgages on real property" within the meaning of section 856(c)(3)(B) of the Code (although such interest income would be qualifying income for purposes of the 95% gross income test applicable to REITs).

Potential purchasers of the standard DUS DMBS certificates and the bulk delivery DMBS certificates should consult their own tax advisor regarding the appropriate U.S. federal income tax treatment of those DMBS certificates.

Interest and Original Issue Discount

A beneficial owner of a DMBS certificate must include in income its pro rata share of the interest (subject to the discussion of short-term obligations below) and original issue discount, if any, paid or accrued on the mortgage loan or loans underlying the DMBS certificate as ordinary interest income over the term of such DMBS certificate. Any qualified stated interest will be included in income in accordance with the DMBS certificate holder's normal method of accounting. A beneficial owner of a DMBS certificate must include any original issue discount in income as it accrues, subject to the discussion of short-term obligations below and generally in advance of the receipt of the related cash flow. A mortgage loan will be considered to have been issued with original issue discount if its stated redemption price at maturity exceeds its issue price by more than a specified de minimis amount.

As described above, we intend to treat each DMBS certificate as representing an ownership interest in one or more mortgage loans, all of which will be short-term obligations for U.S. federal income tax purposes. As a result, each DMBS certificate will be treated as being issued with original issue discount equal to the excess of the total payments on the underlying mortgage loans over the underlying mortgage loans' issue price. A cash method beneficial owner would include payments on the DMBS certificate in income upon its receipt of such payments unless it elected to accrue the discount for U.S. federal income tax purposes. A cash method beneficial owner that elected to accrue the discount or an accrual method beneficial owner would include the amount of the discount in income as it accrues on a straight-line basis, unless it elected to accrue the discount according to a constant yield method based on daily compounding. A beneficial owner that is not required and does not elect to include the discount in income currently would be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry a DMBS certificate in an amount not exceeding the discount until it is included in income. A beneficial owner of a short-term obligation that is an accrual basis taxpayer, a bank (as defined in section 581 of the Code), a regulated investment company, or another class of beneficial owner described in section 1281 of the Code generally is required to include original issue discount on such an obligation in income as it accrues on a straight-line basis, regardless of its method of accounting. Alternatively, such a beneficial owner may make an irrevocable election to accrue such original issue discount on the basis of the obligation's yield to maturity and daily compounding.

If the IRS were to determine that the standard DUS DMBS certificates and/or the bulk delivery DMBS certificates were instead to be treated as debt instruments secured by the underlying mortgage loans (or as grantor trust interests in such debt instruments), those DMBS certificates nevertheless would be treated as short-term obligations for federal income tax purposes. In such a case, a DMBS certificate would be treated as being issued with original issue discount equal to the excess of the total payments on the certificate over its issue price. In addition, the tax accounting methods applicable to a beneficial owner of a DMBS certificate as described in the preceding paragraph would continue to apply to the beneficial owners of the standard DUS and/or bulk delivery DMBS certificates in such case.

Market Discount

Short-term obligations such as the DMBS certificates are technically not subject to the market discount rules. It is unclear whether rules similar to the market discount rules would apply to beneficial owners of short-term obligations. You should consult your own tax advisor regarding the treatment of any market discount with respect to short-term obligations.

In general, a beneficial owner that acquires an interest in a mortgage loan for less than its principal amount generally will be treated as having acquired the loan at a market discount in the amount of the excess of the principal amount over the beneficial owner's basis in that mortgage loan, unless the excess is less than a specified de minimis amount. Market discount on a mortgage loan is considered to be zero if the market discount is less than 0.25% of the principal balance of the mortgage loan multiplied by the number of complete years from the date the beneficial owner acquires an interest in the mortgage loan to the maturity of the mortgage loan. A beneficial owner must determine the amount of accrued market discount for a period using a straight-line method, based on the maturity of the mortgage loan, unless the beneficial owner elects to determine accrued market discount using a constant yield method.

If rules similar to the market discount rules apply to purchases by a beneficial owner of the DMBS certificates, in general, three consequences would arise from a purchase made at a market discount. First, the beneficial owner must treat any principal payment with respect to a mortgage loan acquired with market discount as ordinary income to the extent of the market discount that accrued while such beneficial owner held an interest in that mortgage loan. Second, the beneficial owner must treat gain on the disposition or retirement of a DMBS certificate as ordinary income under the circumstances discussed below under "**—Sales and Other Dispositions of DMBS Certificates**." Third, a beneficial owner that incurs or continues indebtedness to acquire a DMBS certificate at a market discount may be required to defer the deduction of all or a portion of the interest on the indebtedness until the corresponding amount of market discount is included in income. Alternatively, a beneficial owner may elect to include market discount in income on a current basis as it accrues, in which case the three consequences discussed above will not apply. If a beneficial owner makes this election, the beneficial owner must also apply the election to all debt instruments acquired by the beneficial owner on or after the beginning of the first taxable year to which the election applies. A beneficial owner may revoke the election only with the consent of the IRS.

Premium

A beneficial owner that acquires an interest in a mortgage loan for more than its principal amount generally has premium with respect to that mortgage loan in the amount of the excess. In that event, the beneficial owner may elect to treat the premium as amortizable bond premium. If the election is made, a beneficial owner must also apply the election to all debt instruments the interest on which is not excludible from gross income (fully taxable bonds) held by the beneficial owner at the beginning of the first taxable year to which the election applies and to all fully taxable bonds thereafter acquired by the beneficial owner. A beneficial owner may revoke the election only with the consent of the IRS.

If a beneficial owner makes this election, the beneficial owner reduces the amount of any interest payment that must be included in the beneficial owner's income by the portion of the premium allocable to the period based on the mortgage loan's yield to maturity. Correspondingly, a beneficial owner must reduce its basis in the mortgage loan by the amount of premium applied to reduce any interest income. The amount of premium to be allocated among the interest payments on an adjustable rate mortgage ("ARM") is determined by reference to an equivalent fixed-rate debt instrument constructed as of the date the beneficial owner acquires an interest in the ARM.

If a beneficial owner does not elect to amortize premium, (i) the beneficial owner must include the full amount of each interest payment in income, and (ii) the premium must be allocated to the principal distributions on the mortgage loan and, when each principal distribution is received, a loss equal to the premium allocated to that distribution will be recognized. Any tax benefit from premium not previously recognized will be taken into account in computing gain or loss upon the sale or disposition of the DMBS certificate. See "**—Sales and Other Dispositions of DMBS Certificates**."

Expenses of the Trust

A beneficial owner's ability to deduct its share of the fee payable to the servicer, the fee payable to us for providing our guaranty, and other expenses to administer the mortgage pool is limited under section 67 of the Code in the case of (i) estates and trusts and (ii) individuals owning an interest in a DMBS certificate directly or through an investment in a pass-through entity (other than in connection with such individual's trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies and non-publicly-offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts or publicly-offered regulated investment companies.

Generally, a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner's other miscellaneous itemized deductions, exceed two percent of the beneficial owner's adjusted gross income. For this purpose, an estate or non-grantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or trust that would not have been incurred if the property were not held in such trust or estate are treated as allowable in arriving at adjusted gross income.

In addition, section 68 of the Code may provide for certain limitations on itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Mortgage Loan Servicing

The IRS has issued guidance on the tax treatment of mortgage loans in cases in which the fee retained by the servicer of the mortgage loans exceeds what is established under tax law to be reasonable compensation for the services to be performed. This guidance is directed primarily to servicers and, in most cases, should not have a significant effect on beneficial owners of mortgage loans.

Under the IRS guidance, if a servicing fee on a mortgage loan is determined to exceed reasonable compensation, the payments of the excess servicing fee are treated as a series of stripped coupons and the mortgage loan is treated as a stripped bond within the meaning of section 1286 of the Code. In general, if a mortgage loan is treated as a stripped bond, any discount with respect to that mortgage loan will be treated as original issue discount. Any premium with respect to such a mortgage loan may be treated as amortizable bond premium regardless of the date the mortgage loan was originated, because a stripped bond is treated as originally issued on the date a beneficial owner acquires the stripped bond. See "***—Premium***" above. In addition, the excess portion of servicing compensation will be excluded from the income of holders and thus will not be subject to the limitations on the deductibility of miscellaneous itemized deductions. See "**—Expenses of the Trust**" above.

A mortgage loan effectively will not be treated as a stripped bond, however, but will instead be treated as a market discount bond if the mortgage loan meets either the 100 basis point test or the de minimis test. A mortgage loan will meet the 100 basis point test if the total amount of servicing compensation on the mortgage loan does not exceed reasonable compensation for servicing by more than 100 basis points. A mortgage loan meets the de minimis test if (i) the discount at which the mortgage loan is acquired is less than 0.25% of the remaining principal balance of the mortgage loan multiplied by its weighted average remaining life, or (ii) in the case of wholly self-amortizing mortgage loans, the acquisition discount is less than 1/6 of 1% times the number of whole years to final stated maturity.

The IRS guidance contains a number of ambiguities. For example, it is not clear whether the rules described above are to be applied on an individual loan or an aggregate basis. You should consult your own tax advisor about the IRS guidance and its application to investments in the DMBS certificates.

Sales and Other Dispositions of DMBS Certificates

Upon the sale, exchange, or other disposition of a DMBS certificate, the beneficial owner generally will recognize gain or loss equal to the difference between the amount realized upon the disposition and the beneficial owner's adjusted basis in the DMBS certificate. The adjusted basis of a DMBS certificate generally will equal the cost of the DMBS certificate to the beneficial owner, increased by any amounts of original issue discount, market discount and other discount included in the beneficial owner's gross income with respect to the DMBS certificate, and reduced by any distributions on the DMBS certificate previously received by the beneficial owner as principal and by any premium that has reduced the beneficial owner's interest income with respect to the DMBS certificate. Any such gain or loss generally will be capital gain or loss, except (i) as provided in section 582(c) of the Code (which generally applies to banks) or (ii) to the extent any gain represents original issue discount or accrued market discount not previously included in income (to which extent such gain would be treated as ordinary income). We expect that any capital gain (or loss) will be short-term capital gain (or loss), because the DMBS certificates are not expected to be outstanding for more than one year. The ability to deduct capital losses is subject to limitations.

Information Reporting and Backup Withholding

For each payment on a DMBS certificate, we will post on our Web site, or otherwise make available, information that will allow each beneficial owner to determine its pro rata share of the income and administrative expense of the related DMBS trust, and any other information required by the Code or Treasury regulations thereunder.

Payments of interest, original issue discount and principal and payments of proceeds from the sale of DMBS certificates may be subject to backup withholding if the recipient of the payment is not an exempt recipient and fails to furnish certain information, including its taxpayer identification number, to us or our agent, or otherwise fails to establish an exemption from backup withholding. Any amounts deducted and withheld from such a payment would be allowable as a credit against the beneficial owner's U.S. federal income tax. Furthermore, certain penalties may be imposed by the IRS on a holder or owner who is required to supply information but who does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner that is not a U.S. Person and that is not a partnership (a "Non-U.S. Person"). "U.S. Person" means (i) a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source of its income; or (iv) a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. person has the authority to control all substantial decisions of the trust.

Subject to the discussion of FATCA, as defined below, payments on a DMBS certificate made to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner does not hold the DMBS certificate in connection with its conduct of a trade or business in the United States;
- the beneficial owner is not, with respect to the United States, a personal holding company or a corporation that accumulates earnings in order to avoid U.S. federal income tax;
- the beneficial owner is not a U.S. expatriate or former U.S. resident who is taxable in the manner provided in section 877(b) of the Code;
- the beneficial owner is not an excluded person (i.e., a 10 percent shareholder of Fannie Mae or the borrower within the meaning of section 871(h)(3)(B) of the Code or a controlled foreign corporation related to Fannie Mae or the borrower within the meaning of section 881(c)(3)(C) of the Code);
- the beneficial owner signs a statement under penalties of perjury certifying that it is a Non-U.S. Person and provides its name, address, and taxpayer identification number (a "Non-U.S. Beneficial Ownership Statement");
- the last U.S. Person in the chain of payment to the beneficial owner (the withholding agent) receives such non-U.S. Beneficial Ownership Statement from the beneficial owner or a financial institution holding on behalf of the beneficial owner and does not have actual knowledge that such statement is false; and
- the DMBS certificate represents an undivided interest in a pool of mortgage loans, all of which were originated after July 18, 1984.

That portion of interest income of a beneficial owner who is a Non-U.S. Person on a DMBS certificate that represents an interest in one or more mortgage loans originated before July 19, 1984 will be subject to a U.S. withholding tax at the rate of 30 percent or lower treaty rate, if applicable. Regardless of the date of origination of the mortgage loans, backup withholding will not apply to payments made to a beneficial owner that is a Non-U.S. Person if the beneficial owner or a financial institution holding on behalf of the beneficial owner provides a Non-U.S. Beneficial Ownership Statement to the withholding agent.

A Non-U.S. Beneficial Ownership Statement may be made on an IRS Form W-8BEN or a substantially similar substitute form. The beneficial owner or financial institution holding on behalf of the beneficial owner must inform the withholding agent of any change in the information on the statement within 30 days of such change.

Beginning July 1, 2014, the foreign account provisions of the Hiring Incentives to Restore Employment Act of 2010 (commonly known as "FATCA") generally impose withholding of 30% on

U.S. source interest payments and, beginning January 1, 2017, gross proceeds from the sale, exchange or redemption (including principal payments) of obligations that give rise to U.S. source interest, in each case made to certain foreign entities (including intermediaries), unless certain requirements are met. In general, to satisfy these requirements:

- a "foreign financial institution" will be required, among other requirements, to satisfy certain due diligence and information reporting requirements with respect to their direct and indirect U.S. account holders; and
- a foreign entity that is not a "foreign financial institution" will be required to disclose the identity of its direct or indirect "substantial U.S. owners" (if any).

Under a grandfathering rule, no withholding under FATCA is required on payments (including gross proceeds) made in respect of any obligation issued on or before June 30, 2014, unless the obligation is significantly modified after that date. Non-U.S. Persons should consult their tax advisors regarding the possible implications of FATCA to their investment in the DMBS certificates.

PLAN OF DISTRIBUTION

DMBS certificates backed by participation interests in mortgage loans delivered to us by mortgage loan sellers are issued to the sellers in exchange for participation interests in the mortgage loans. We are the depositor of the participation interests in the mortgage loans into each trust, the trustee for each trust, and the master servicer of the mortgage loans underlying the DMBS certificates. Mortgage loan sellers may retain the DMBS certificates or sell them in the mortgage-backed securities market.

ACCOUNTING CONSIDERATIONS

The accounting treatment that applies to an investor's purchase and holding of DMBS certificates may vary depending upon a number of different factors. Moreover, accounting principles, and how they are interpreted and applied, may change from time to time. Before you purchase the DMBS certificates, you should consult your own accountants regarding the proper accounting treatment for the DMBS certificates.

LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities, you may be or may become subject to restrictions on investment in certain DMBS certificates of an issuance or to DMBS certificates generally, including, without limitation, restrictions that may be imposed retroactively. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the FDIC, the NCUA, Treasury or other federal or state agencies with similar authority, you should review the rules, guidelines and regulations that apply to you prior to purchasing or pledging the DMBS certificates of an issuance. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any DMBS certificate. **You should consult your own legal advisors to determine whether and to what extent the DMBS certificates of an issuance constitute legal investments or are or may become subject to restrictions on investment and whether and to what extent the DMBS certificates of an issuance can be used as collateral for various types of borrowings.**

ERISA CONSIDERATIONS

ERISA and section 4975 of the Code impose requirements on employee benefit plans subject to ERISA (such as employer-sponsored retirement plans) and on other types of benefit plans and arrangements subject to section 4975 of the Code (such as individual retirement accounts). ERISA and section 4975 of the Code also impose these requirements on some entities in which these benefit plans or arrangements invest. We refer to these plans, arrangements and entities, collectively, as plans. Any person who is a fiduciary of a plan also is subject to the requirements imposed by ERISA and section 4975 of the Code. Before a plan invests in DMBS certificates, the plan fiduciary must consider whether the governing instruments for the plan permit the investment, whether the DMBS certificates are a prudent and appropriate investment for the plan under its investment policy, and whether such an investment might result in a transaction prohibited under ERISA or section 4975 of the Code for which no exemption is available.

The U.S. Department of Labor issued a regulation covering the acquisition by a plan of a "guaranteed governmental mortgage pool certificate," defined to include a certificate that is backed by, or evidences an interest in, a specified mortgage loan or participation interest in a mortgage loan and that is guaranteed by Fannie Mae as to the payment of interest and principal. Under the regulation, investment by a plan in a guaranteed governmental mortgage pool certificate does not cause the assets of the plan to include the participation interests in mortgage loans underlying such certificate or cause the sponsor, trustee and other servicers of the related mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgage loans related to the pool. Our counsel, Katten Muchin Rosenman LLP, has advised us that, except as otherwise provided in a prospectus supplement for an issuance of certificates, the DMBS certificates qualify under the definition of "guaranteed governmental mortgage pool certificates" and, as a result, the purchase and holding of DMBS certificates by plans will not cause the underlying participation interests in mortgage loans or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction provisions of ERISA or section 4975 of the Code merely by reason of a plan's holding of a DMBS certificate. However, investors should consult with their own counsel regarding the ERISA eligibility of DMBS certificates they may purchase.

LEGAL OPINION

If you purchase DMBS certificates, we will send you, upon request, an opinion of our general counsel (or one of our deputy general counsels) as to the validity of the DMBS certificates and the related trust documents.

Exhibit A

All information in this exhibit is for illustrative purposes only and should not be deemed to represent any actual loan or any actual issuance. Information presented may vary for individual pools.

FEDERAL NATIONAL MORTGAGE ASSOCIATION
MORTGAGE-BACKED SECURITIES PROGRAM

SUPPLEMENT TO PROSPECTUS DATED SEPTEMBER 1, 2013

$15,000,000.00

ISSUE DATE OCTOBER 1, 2013

SECURITY DESCRIPTION FNDM XX1234 DMBS

FANNIE MAE POOL NUMBER MD XX1234

CUSIP 3138LXXX

PRINCIPAL PAYABLE ON JANUARY 1, 2014

------POOL STATISTICS (AS OF ISSUE DATE)------

Number of Participation Interests	1
Outstanding Balance	$15,000,000.00
Maturity Date	January 1, 2014
Term	Three (3) months
Servicer	ABC Multifamily Mortgage Lender LLC
Geographic Distribution of Security Properties	*

*See Schedule of Loan Information

THE DATE OF THIS SUPPLEMENT IS OCTOBER 1, 2013

Exhibit B

All information in this exhibit is for illustrative purposes only and should not be deemed to represent any actual loan or any actual issuance. Information presented may vary for individual pools.

FANNIE MAE
MULTIFAMILY DMBS
SCHEDULE OF LOAN INFORMATION

10/01/2013

Number of Advances Outstanding:	1*
Fannie Mae Pool Numbers:	XX1234
Aggregate Issue Date Principal Balance:	$15,000,000.00
Number of Mortgaged Properties:	1*
Aggregate Real Property Value**:	$30,000,000.00
Value of Other Collateral:	$0.00
Total Collateral Value:	$30,000,000.00
Fannie Mae Seller Name:	ABC Multifamily Mortgage Lender LLC
Transaction Type:	Structured Facility Credit Facility

* Additional information regarding each Advance and each Mortgaged Property on succeeding pages of this Schedule of Loan Information.

FANNIE MAE

MULTIFAMILY DMBS
SCHEDULE OF LOAN INFORMATION

Advances Outstanding

Fannie Mae CUSIP No.:	3138LXXXX
Fannie Mae Pool Number:	XX1234
Pool Prefix:	MD
Issue Date:	October 1, 2013
Security Maturity Date:	January 1, 2014
Issue Date Principal Balance:	$15,000,000.00
Lockout Flag/# Mos:	Y/3
Interest Type:	Fixed
Note Date:	August 15, 2011
Fannie Mae Servicer Name:	ABC Multifamily Mortgage Lender LLC

Original Term:	No. of months used to calculate original monthly interest payment.
Lockout Flag/# Mos:	No. of months indicated is the length of the lock-out period from the date that the Advance is made.
1st Mthly. Pmt. Date:	First date that a payment is due and payable.
Prepayment Premium:	See body of Prospectus Supplement for additional information.
U.S. Treasury Security Due Date:	The maturity date of the U.S. Treasury Security used for calculation of the Prepayment Premium, if any. See body of the Prospectus Supplement for additional information.

FANNIE MAE
MULTIFAMILY DMBS
SCHEDULE OF LOAN INFORMATION

Collateral Details

City:	Anytown
State:	NY
Zip Code:	11111
No. Units:	250
Co-op Ind.:	Not Applicable
Collateral Reference No.:	9999999999-001

No one is authorized to give information or to make representations in connection with the DMBS certificates other than the information and representations contained in or incorporated into this prospectus and the additional disclosure documents. We take no responsibility for any unauthorized information or representation. This prospectus and the additional disclosure documents do not constitute an offer or solicitation with regard to the DMBS certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this prospectus 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 DMBS certificates or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

Additional prospectuses and information regarding outstanding pools are available upon request by calling us at 800-237-8627 or (202) 752-7115 or on our Web site at www.fanniemae.com.

TABLE OF CONTENTS

Guaranteed Discount Mortgage-Backed Certificates (Multifamily Residential Mortgage Loans)

MULTIFAMILY DMBS PROSPECTUS

FannieMae®

September 1, 2013