

\$100,000,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1993-48

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1993-48 (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"), each of which will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans with original maturities of up to 15 years (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus"), accompanying this Prospectus Supplement.

Elections will be made to treat the Lower Tier REMIC and the Trust as "real estate mortgage investment conduits" ("REMICs") pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). The R and RL Classes will be subject to transfer restrictions. See "Description of the Certificates—Characteristics of the R and RL Classes" and "Certain Additional Federal Income Tax Consequences" herein, and "Description of the Certificates—Additional Characteristics of Residual Certificates" and "Certain Federal Income Tax Consequences" in the REMIC Prospectus.

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THE CERTIFICATES, TOGETHER WITH ANY INTEREST THEREON, ARE NOT GUARANTEED BY THE UNITED STATES. THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE CERTIFICATES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND DO NOT CONSTITUTE AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN FANNIE MAE. THE CERTIFICATES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND ARE "EXEMPTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934.

| Class | Original Principal Balance | Principal Type(1) | Interest Rate | Interest Type(1) | Final Distribution Date |
|----------|----------------------------|-------------------|---------------|------------------|-------------------------|
| F | \$37,490,000 | TAC | (2) | FLT | April 2008 |
| S | (3) | NTL | (2) | IO/INV | April 2008 |
| B | 9,870,000 | CPT | (4) | PO | April 2008 |
| C | 52,640,000 | CPT | 9.500 | FIX | April 2008 |
| R | 0 | NPR | 0 | NPR | April 2008 |
| RL | 0 | NPR | 0 | NPR | April 2008 |

(1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.

(2) These Classes will bear interest based on "LIBOR," as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus.

(3) The S Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially, \$37,490,000), as described herein under "Description of the Certificates—General—*Notional Class*."

(4) This Class is a Principal Only Class and will not bear interest.

The Certificates will be offered by Kidder, Peabody & Co. Incorporated (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates are offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry system of the Federal Reserve Banks on or about April 30, 1993 (the "Settlement Date"). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

Kidder, Peabody & Co.
Incorporated

March 11, 1993

(Cover continued from previous page)

THE CERTIFICATES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE CERTIFICATES UNLESS SUCH INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE PREPAYMENT, YIELD, LIQUIDITY AND OTHER RISKS ASSOCIATED WITH SUCH CERTIFICATES.

The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Pool, the purchase price paid for the related Class and, in the case of any Floating Rate and Inverse Floating Rate Classes, the level of the applicable Index (as defined herein). Accordingly, investors should consider the following risks:

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- The yield on any Floating Rate or Inverse Floating Rate Class will be sensitive to the level of the applicable Index, particularly if the interest rate thereon fluctuates as a multiple of such Index.

See “Description of the Certificates—Yield Considerations” herein.

In addition, investors should purchase Certificates only after considering the following:

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Description of the Certificates—Reinvestment Risk” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.

The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the REMIC Prospectus or the MBS Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus Supplement does not contain complete information about the Certificates. Investors should purchase Certificates only after reading this Prospectus Supplement, the REMIC Prospectus, the MBS Prospectus dated January 1, 1993 and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the “Information Statement”). The MBS Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-2N, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Kidder, Peabody & Co. Incorporated by writing or calling its Prospectus Department at 60 Broad Street, 6th Floor, New York, New York 10004 (telephone 212-656-1584).

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DESCRIPTION OF THE CERTIFICATES

The following summaries describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the REMIC Prospectus, the MBS Prospectus and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the respective meanings assigned to such terms in the REMIC Prospectus (including the Glossary contained therein), the MBS Prospectus or the Trust Agreement (as the context may require).

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of April 1, 1993 (the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as Trustee, and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R and RL Classes) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

The assets of the Trust will consist of the Lower Tier Regular Interests, and the Certificates, other than the RL Class, will evidence the entire beneficial ownership interest in the distributions of principal and interest on the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of the MBS, and the Lower Tier Regular Interests and the RL Class (collectively, the “Lower Tier Interests”) will in the aggregate evidence the entire beneficial ownership interest in the distributions of principal and interest on the MBS.

MBS Distributions. The MBS will provide that principal and interest on the underlying Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of the MBS (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day).

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and interest and to distribute the principal balance of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are available in the MBS Account. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the R and RL Certificates, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Book-Entry Form” in the REMIC Prospectus.

The R and RL Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R or RL Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R and RL Certificates will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer of the R or RL Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R and RL Classes” herein.

The distribution to the Holder of the R or RL Certificate of the proceeds of any remaining assets of the Trust or the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of the related Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

Notional Class. The S Class will be a Notional Class. A Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover or described herein during each Interest Accrual Period on the related notional principal balance. The notional principal balance of the Notional Class will be equal to the indicated percentage of the outstanding principal balance of the following Class immediately prior to the related Distribution Date:

| <u>Class</u> | <u>Percentage of Principal Balance of Specified Class</u> |
|--------------|---|
| S..... | 100% of F Class |

The notional principal balance of a Notional Class is used for purposes of the determination of interest distributions thereon and does not represent an interest in the principal distributions of the MBS or the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balance of any Notional Class.

Components. For purposes of calculating payments of principal, the B and C Classes are comprised of multiple payment components having the designations and original principal balances set forth below:

| <u>Designation</u> | <u>Original Principal Balance</u> |
|--------------------|---------------------------------------|
| B1 Component..... | \$ 1,579 |
| B2 Component..... | 9,868,421 |
| C1 Component..... | 8,421 |
| C2 Component..... | 52,631,579 |

Components are not separately transferable from the related Class of Certificates.

Authorized Denominations. The Certificates, other than the R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. Each of the R and RL Classes will be issued as a single certificate and will not have a principal balance.

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day), commencing in the month following the Settlement Date.

Calculation of Distributions. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (except with respect to the Accrual Classes, if any) in the month after

the Settlement Date. Interest to be distributed or, in the case of any Accrual Classes, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month's interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date. Interest to be distributed or, in the case of any Accrual Classes, added to principal on a Distribution Date will accrue on the interest-bearing Certificates during the one month periods set forth herein under "Distributions of Interest—*Interest Accrual Periods*." Principal on the Certificates will be distributed on each Distribution Date in an amount equal to the sum of the aggregate distributions of principal concurrently made on the MBS and any interest accrued and added on such Distribution Date to the principal balances of the Accrual Classes, if any. See "Distributions of Principal" herein.

Record Date. Each monthly distribution on the Certificates will be made to Holders of record on the last day of the preceding month.

REMIC Trust Factors. As soon as practicable following the eleventh calendar day of each month, Fannie Mae will publish or otherwise make available for each Class of Certificates the factor (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate of such Class, will equal the remaining principal balance of such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date and any interest to be added as principal to the principal balances of any Accrual Classes on such Distribution Date.

Optional Termination. Consistent with its policy described under "Description of Certificates—Termination" in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust or the Lower Tier REMIC through the exercise of its right to repurchase the Mortgage Loans underlying any MBS unless only one Mortgage Loan remains in the related Pool or the principal balance of such Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The MBS

The MBS underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The Mortgage Loans will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family ("single-family") residential property and having an original maturity of up to 15 years, as described under "The Mortgage Pools" and "Yield Considerations" in the MBS Prospectus. The characteristics of the MBS and Mortgage Loans as of April 1, 1993 (the "Issue Date") are expected to be as follows:

MBS

| | |
|--|---------------|
| Aggregate Unpaid Principal Balance | \$100,000,000 |
| Pass-Through Rate | 8.00% |

Mortgage Loans

| | |
|---|--------------------------|
| Range of WACs (per annum percentages) | 8.25% to 10.50% |
| Range of WAMs | 100 months to 180 months |
| Approximate Weighted Average WAM | 165 months |
| Approximate Weighted Average CAGE | 15 months |

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of

the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

For the purpose of payments of interest, the Classes will be categorized as follows:

| <u>Interest Type*</u> | <u>Classes</u> |
|-----------------------|----------------|
| Fixed Rate | C |
| Floating Rate | F |
| Inverse Floating Rate | S |
| Interest Only | S |
| Principal Only | B |
| No Payment Residual | R and RL |

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (except with respect to any Accrual Class) in the month after the Settlement Date. Interest to be distributed or, in the case of any Accrual Classes, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

Interest Accrual Periods. Interest to be distributed or added to principal on a Distribution Date will accrue on the interest-bearing Certificates during the one-month periods set forth below (each, an “Interest Accrual Period”).

| <u>Classes</u> | <u>Interest Accrual Period</u> |
|--|---|
| F and S (collectively, the “No Delay Classes”) | One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date |
| All other interest-bearing Classes (collectively, the “Delay Classes”) | Calendar month preceding the month in which the Distribution Date occurs |

See “Yield Considerations” herein.

Floating Rate and Inverse Floating Rate Classes. Each of the following Classes will bear interest during its initial Interest Accrual Period at the Initial Interest Rate set forth below, and will bear interest during each Interest Accrual Period thereafter, subject to the applicable Maximum and Minimum Interest Rates, at the rate determined as described below:

| <u>Class</u> | <u>Initial Interest Rate</u> | <u>Maximum Interest Rate</u> | <u>Minimum Interest Rate</u> | <u>Formula for Calculation of Interest Rate</u> |
|--------------|------------------------------|------------------------------|------------------------------|---|
| F..... | 3.325% | 8.00% | 0.20% | LIBOR + 20 basis points |
| S..... | 4.675% | 7.80% | 0.00% | 7.80% – LIBOR |

The yield with respect to any such Class will be affected by changes in the applicable Index, as set forth in the table above (an “Index”), which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an

increase in the level of an Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of an Index.

Each Index value will be established as described herein by Fannie Mae two business days prior to the commencement of the related Interest Accrual Period. The establishment of each Index value by Fannie Mae and Fannie Mae's determination of the rate of interest for each applicable Class for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. Each such rate of interest may be obtained by telephoning Fannie Mae at 1-800-BEST-MBS or 202-752-6547.

Calculation of LIBOR

On each LIBOR Determination Date, until the principal balances of the F and S Classes (the "LIBOR Classes") have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*LIBOR*."

If on the initial LIBOR Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be 3.125%.

Distributions of Principal

Categories of Classes and Components

For the purpose of payments of principal, the Classes and Components will be categorized as follows:

| <u>Principal Type*</u> | <u>Classes and Components</u> |
|------------------------|-------------------------------|
| TAC | F, B1 and C1 |
| Component | B and C |
| Notional | S |
| Support | B2 and C2 |
| No Payment Residual | R and RL |

* See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus.

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the "Principal Distribution Amount") equal to the aggregate distributions of principal concurrently made on the MBS.

On each Distribution Date, the Principal Distribution Amount will be distributed as principal of the Classes in the following order of priority:

- (i) concurrently, to the F Class and the B1 and C1 Components, in the proportions of 99.9733333333%, 0.0042106667% and 0.0224560000%, respectively, until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date; } TAC Class and Components
- (ii) concurrently, to the B2 and C2 Components, in the proportions of 15.7894736000% and 84.2105264000%, respectively, until the principal balances thereof are reduced to zero; and } Support Components

(iii) concurrently, to the F Class and the B1 and C1 Components, in the proportions set forth in clause (i) above, without regard to their Targeted Balances and until the principal balances thereof are reduced to zero. } TAC
Class
and
Components

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared on the basis of the following assumptions (the “Pricing Assumptions”):

- each Mortgage Loan bears interest at a rate of 8.65% per annum and has an original term to maturity of 180 months, and the following principal amounts of the Mortgage Loans have the remaining terms to maturity and CAGEs, respectively, as specified:

| | | |
|--------------|------------|-----------|
| \$20,000,000 | 159 months | 21 months |
| \$20,000,000 | 163 months | 17 months |
| \$20,000,000 | 166 months | 14 months |
| \$20,000,000 | 168 months | 12 months |
| \$20,000,000 | 171 months | 9 months |

- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

PSA Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus Supplement is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA (for example, 380% PSA) is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Considerations and Risks” in the REMIC Prospectus. There is no assurance that prepayments will occur at any PSA rate or at any other constant rate.

The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans prepay at the rate set forth in the following table.

| <u>Principal Balance Schedule References</u> | <u>Related Class and Components</u> | <u>PSA Level</u> |
|--|-------------------------------------|------------------|
| Targeted Balances | F, B1 and C1 | 275% |

There is no assurance that the principal balances of the Class and Components listed above will conform on any Distribution Date to the applicable balances specified for such Distribution Date in the Principal Balance Schedules below, or that distributions of principal on the related Class and Components will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal available for distribution on any Distribution Date over the amount necessary to reduce the principal balances of the applicable Class and Components to their respective scheduled balances will be distributed, the ability to so reduce the principal balances of such Class and Components will not be enhanced by the averaging of high and low principal payments. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans), the Class and Components specified above may not be reduced to their respective scheduled amounts, even if prepayments occur at the rate specified above.

Principal Balance Schedules

| <u>Distribution Date</u> | <u>F Class Targeted Balance</u> | <u>B1 Component Targeted Balance</u> | <u>C1 Component Targeted Balance</u> |
|--|---|--|--|
| Initial Balance | \$37,490,000.00 | \$1,579.00 | \$8,421.00 |
| May 1993 | 36,429,095.33 | 1,534.32 | 8,182.70 |
| June 1993 | 35,327,470.57 | 1,487.92 | 7,935.25 |
| July 1993 | 34,186,412.66 | 1,439.86 | 7,678.95 |
| August 1993 | 33,007,264.01 | 1,390.20 | 7,414.09 |
| September 1993 | 31,791,419.86 | 1,338.99 | 7,140.99 |
| October 1993 | 30,540,325.60 | 1,286.29 | 6,859.96 |
| November 1993 | 29,255,473.88 | 1,232.18 | 6,571.36 |
| December 1993 | 27,938,401.64 | 1,176.71 | 6,275.52 |
| January 1994 | 26,590,686.99 | 1,119.94 | 5,972.80 |
| February 1994 | 25,223,266.90 | 1,062.35 | 5,665.65 |
| March 1994 | 23,837,317.12 | 1,003.98 | 5,354.34 |
| April 1994 | 22,434,044.08 | 944.87 | 5,039.13 |
| May 1994 | 21,014,682.14 | 885.09 | 4,720.32 |
| June 1994 | 19,589,348.25 | 825.06 | 4,400.16 |
| July 1994 | 18,158,873.09 | 764.81 | 4,078.84 |
| August 1994 | 16,724,106.34 | 704.38 | 3,756.57 |
| September 1994 | 15,294,488.01 | 644.17 | 3,435.45 |
| October 1994 | 13,870,462.41 | 584.19 | 3,115.58 |
| November 1994 | 12,460,897.42 | 524.83 | 2,798.97 |
| December 1994 | 11,065,831.03 | 466.07 | 2,485.61 |
| January 1995 | 9,685,309.63 | 407.92 | 2,175.51 |
| February 1995 | 8,327,593.89 | 350.74 | 1,870.54 |
| March 1995 | 6,992,326.36 | 294.50 | 1,570.62 |
| April 1995 | 5,679,155.05 | 239.19 | 1,275.65 |
| May 1995 | 4,387,733.37 | 184.80 | 985.57 |
| June 1995 | 3,117,720.02 | 131.31 | 700.30 |
| July 1995 | 1,868,778.92 | 78.71 | 419.76 |
| August 1995 | 640,579.14 | 26.98 | 143.89 |
| September 1995 and thereafter | 0.00 | 0.00 | 0.00 |

Characteristics of the R and RL Classes

The R and RL Certificates will not have principal balances and will not bear interest. The Holder of the R Certificate will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero, and the Holder of the RL Certificate will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

The R Class and the RL Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R or RL Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Certificates will constitute noneconomic residual interests under the Regulations. Any transferee of an R or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Transferors of an R or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the R Certificate will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust, and the Holder of the RL Certificate will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the Certificates that may be required under the Code.

Yield Considerations

General. There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. In addition, there can be no assurance that the applicable Index will correspond to the levels shown herein. Because the rate of principal distributions on the Certificates will be related to the amortization of the Mortgage Loans in each Pool, which are likely to include Mortgage Loans that have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of the applicable Index will remain constant.

The timing of changes in the rate of prepayments or the level of the applicable Index may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments or the average level of such Index is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans or change in the level of an Index, the greater the effect on an investor’s yield to maturity. As a result, the effect on an investor’s yield of principal prepayments or the level of an Index occurring at a rate or level higher (or lower) than the rate or level anticipated by the investor during the period immediately following the issuance of the

Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments or level of such Index.

The effective yield on the Delay Classes will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of certain Classes to various constant percentages of PSA and, where specified, to changes in an Index. The yields set forth in the tables were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase prices of such Classes and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

The Principal Only Class. As indicated in the table below, a low rate of principal payments (including prepayments) of the Mortgage Loans may have a negative effect on the yield to investors in the B Class.

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the B Class (expressed as a percentage of original principal balance) is 86.50%.

Sensitivity of the B Class to Prepayments

| | | | | | |
|----------------------------------|------------|-------------|-------------|-------------|-------------|
| PSA Percentages | <u>50%</u> | <u>200%</u> | <u>380%</u> | <u>500%</u> | <u>600%</u> |
| Pre-Tax Yields to Maturity | 1.5% | 2.1% | 3.2% | 4.2% | 5.1% |

The Inverse Floating Rate Class. The yield to investors in the Inverse Floating Rate Class will be very sensitive to the level of the Index and sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. As indicated in the table below, a high level of the Index will have a negative effect on the yield to investors in the Inverse Floating Rate Class. It is possible that, under certain high Index scenarios, investors in the Inverse Floating Rate Class would not fully recoup their initial investments.

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

The information in the following table was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Class for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based on the indicated

level of the Index and (ii) the aggregate purchase price of the Inverse Floating Rate Class (expressed as a percentage of original principal balance) is 4.85%, plus accrued interest.

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

| LIBOR | PSA Prepayment Assumption | | | | | |
|--------------|---------------------------|---------|---------|---------|---------|---------|
| | 50% | 200% | 275% | 380% | 500% | 600% |
| 1.125% | 145.5% | 104.1% | 81.4% | 81.4% | 81.4% | 81.4% |
| 3.125% | 87.3% | 45.3% | 23.1% | 23.1% | 23.1% | 23.1% |
| 5.125% | 31.3% | (13.5)% | (35.5)% | (35.5)% | (35.5)% | (35.5)% |
| 7.125% | (34.6)% | (86.0)% | * | * | * | * |
| 7.800% | * | * | * | * | * | * |

* The pre-tax yield to maturity would be less than (99.9)%.

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the date of issuance to the second such Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a). For a description of the factors which may influence the weighted average life of a Certificate, see “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Classes and the distribution of principal of the TAC Class and TAC Components in accordance with the Principal Balance Schedules herein. In particular, if the amount distributable as principal of the Certificates on any Distribution Date exceeds the amount required to reduce the principal balances of the TAC Class and TAC Components to their scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed on the remaining Class or Components on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amounts so required to reduce the TAC Class and TAC Components to their scheduled amounts, no principal will be distributed on the remaining Class or Components on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans is expected to have a greater effect on the weighted average lives of the Component Classes than on the weighted average life of the TAC Class. See “Distributions of Principal” herein.

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

As described under “General—Components” herein, for purposes of calculating payments of principal, certain Classes are comprised of multiple Components. Since such Components are not divisible, the payment characteristics of such Classes will reflect a combination of the payment characteristics of the related Components.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 10.50% per annum and has an original and remaining term to maturity of 180 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans (which will include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the distributions of the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

| Date | F and S† Classes | | | | | | B and C Classes | | | | |
|---|---------------------------|------|------|------|------|------|---------------------------|------|------|------|------|
| | PSA Prepayment Assumption | | | | | | PSA Prepayment Assumption | | | | |
| | 0% | 200% | 275% | 380% | 500% | 600% | 0% | 200% | 380% | 500% | 600% |
| Initial Percent | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| April 1994 | 92 | 68 | 60 | 60 | 60 | 60 | 100 | 100 | 93 | 85 | 79 |
| April 1995 | 84 | 31 | 15 | 15 | 15 | 15 | 100 | 100 | 87 | 73 | 62 |
| April 1996 | 74 | 0 | 0 | 0 | 0 | 0 | 100 | 99 | 70 | 55 | 43 |
| April 1997 | 64 | 0 | 0 | 0 | 0 | 0 | 100 | 82 | 51 | 36 | 26 |
| April 1998 | 52 | 0 | 0 | 0 | 0 | 0 | 100 | 67 | 37 | 23 | 16 |
| April 1999 | 39 | 0 | 0 | 0 | 0 | 0 | 100 | 55 | 26 | 15 | 9 |
| April 2000 | 24 | 0 | 0 | 0 | 0 | 0 | 100 | 44 | 18 | 10 | 5 |
| April 2001 | 8 | 0 | 0 | 0 | 0 | 0 | 100 | 34 | 13 | 6 | 3 |
| April 2002 | 0 | 0 | 0 | 0 | 0 | 0 | 94 | 26 | 8 | 4 | 2 |
| April 2003 | 0 | 0 | 0 | 0 | 0 | 0 | 82 | 19 | 5 | 2 | 1 |
| April 2004 | 0 | 0 | 0 | 0 | 0 | 0 | 69 | 13 | 3 | 1 | * |
| April 2005 | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 7 | 2 | 1 | * |
| April 2006 | 0 | 0 | 0 | 0 | 0 | 0 | 38 | 3 | 1 | * | * |
| April 2007 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | * | * | * | * |
| April 2008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Weighted Average Life (years)** | 4.9 | 1.5 | 1.2 | 1.2 | 1.2 | 1.2 | 12.1 | 7.0 | 4.7 | 3.6 | 3.0 |

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

** Determined as specified under "Weighted Average Lives of the Certificates" herein.

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The following tax discussion, when read in conjunction with the discussion of “Certain Federal Income Tax Consequences” in the REMIC Prospectus, describes the current federal income tax treatment of investors in the Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Certificates.

REMIC Elections and Special Tax Attributes

Elections will be made to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

As a consequence of the qualification of the Trust and the Lower Tier REMIC as REMICs, the Certificates generally will be treated as “qualifying real property loans” for mutual savings banks and domestic building and loan associations, “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The S and B Classes will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 380% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R nor the RL Certificate will have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of the R or RL Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about March 20, 1993. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of the R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

Under the proposed IRS regulations relating to original issue discount, the Lower Tier Regular Interests would be treated as a single debt instrument for original issue discount purposes because they were issued to the Trust in a single transaction. Although there can be no assurance that final regulations will apply this aggregation rule to the Lower Tier Regular Interests, Fannie Mae intends to calculate the taxable income (or net loss) of the Trust and of the Lower Tier REMIC (and to report to the R and RL Certificateholders) by treating the Lower Tier Regular Interests as a single debt instrument. A failure of the Lower Tier Regular Interests to qualify as a single debt instrument for original issue discount purposes could result in material adverse tax consequences to the beneficial owners of the RL Class.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the MBS pursuant to a Fannie Mae commitment. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect such transactions to or through dealers.

Increase in Certificates. Fannie Mae and the Dealer may agree to offer hereby Certificates in addition to those contemplated as of the date hereof. In such event, the MBS will be increased in principal balance, but it is expected that all additional MBS will have the same characteristics as described herein under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class (and any Component) bears to the aggregate original principal balance of all the Certificates will remain the same. The dollar amounts reflected in the Principal Balance Schedules will be increased in pro rata amounts that correspond to the increase of the principal balance of the Certificates.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Cleary, Gottlieb, Steen & Hamilton.

No dealer, salesman or other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus Supplement and the accompanying REMIC Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the accompanying REMIC Prospectus do not constitute an offer to sell or a solicitation of an offer to buy any of the Certificates offered hereby in any state to any person to whom it is unlawful to make such offer or solicitation in such state. The delivery of this Prospectus Supplement and the accompanying REMIC Prospectus at any time does not imply that the information contained herein or therein is correct as of any time subsequent to the date hereof or thereof.

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**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1993-48**

PROSPECTUS SUPPLEMENT

**Kidder, Peabody & Co.
Incorporated**

March 11, 1993