

\$116,775,898
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-74

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-74 (the "Trust"). The assets of the Trust will consist of (i) "interest only" and "principal only" Fannie Mae Stripped Mortgage-Backed Securities (the "Trust SMBS") evidencing the beneficial ownership interests in certain interest and principal distributions made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates ("MBS") held in the form of Fannie Mae Guaranteed MBS Pass-Through Certificates (the "Mega Certificates") and included in Fannie Mae Stripped Mortgage-Backed Security Trusts 000001-CL and 000086-CL, and (ii) the REMIC Certificates specified herein (collectively, the "Underlying REMIC Certificates") evidencing beneficial ownership interests in the respective Fannie Mae REMIC Trusts (collectively, the "Underlying REMIC Trusts"). The assets of each Underlying REMIC Trust consist of direct or indirect beneficial ownership interests in (i) certain MBS having the characteristics described herein or (ii) certain "fully modified pass-through" mortgage-backed securities ("GNMA Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"). Each MBS underlying the Trust SMBS and the Underlying REMIC Certificates will represent a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein. Each GNMA Certificate is based on and backed by a pool of mortgage loans (together with the pools and mortgage loans underlying the MBS, the "Pools" and "Mortgage Loans") which are either insured by the Federal Housing Administration ("FHA") or partially guaranteed by the Department of Veterans Affairs ("VA"). The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae and will be offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), its Prospectus for Stripped Mortgage-Backed Securities (the "SMBS Prospectus") and its Prospectus for Guaranteed MBS Pass-Through Certificates (the "Mega Prospectus"), each available as described herein, and its Prospectus for Guaranteed REMIC Pass-Through Certificates (the "REMIC Prospectus") accompanying this Prospectus Supplement.

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. SEE "DESCRIPTION OF THE CERTIFICATES—PREPAYMENT CONSIDERATIONS AND RISKS" AND "—YIELD CONSIDERATIONS" HEREIN.

An election will be made to treat the Trust as a "real estate mortgage investment conduit" ("REMIC") pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). The R Class will be subject to transfer restrictions. See "Description of the Certificates—Characteristics of the R Class" 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	\$116,775,898	(2)	(3)	(3)	February 2024
R(4)	0	NPR	0	EXE	February 2024

- (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) The F Class will be entitled to receive the entire Principal Distribution Amount (as defined herein) on each Distribution Date until the principal balance thereof is reduced to zero. See "Description of the Certificates—Distributions of Principal" herein.
- (3) The F Class will be a Weighted Average Coupon Class (as defined herein) whose maximum interest rate is 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.
- (4) The R Class will be entitled to receive the monthly distributions from the remaining assets of the Trust, if any, after the principal balance of the F Class has been reduced to zero. See "Description of the Certificates—Characteristics of the R Class" herein.

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

The Certificates will be 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 F Class will be available through the book-entry system of the Federal Reserve Banks on or about April 29, 1994 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, 100 Gold Street, New York, New York, on or about the Settlement Date.

Prudential Securities Incorporated

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The yield to investors in each Class will be directly related to, among other things, the rate of distributions on the Trust SMBS and the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. Such yields will also be sensitive to the amount of Excess Interest (as defined herein) available for distribution (which in turn will be related to the level of LIBOR), fluctuations in any index on which the interest rate on any Underlying REMIC Certificate is based and the purchase price paid for the related Class. 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 either 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.
- The distributions of interest on the F Class will be sensitive to (i) the amount of interest distributed on the Trust SMBS and on the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the level of any index on which the interest rate for any Underlying REMIC Certificate is based and to the rate of payments of principal of the related underlying Mortgage Loans and (ii) the level of LIBOR. Certain of the Underlying REMIC Certificates and certain of the Trust SMBS are "Interest Only" securities with nominal or notional principal balances. If such nominal or notional principal balances are reduced disproportionately faster than the principal balances of the remaining Trust SMBS and Underlying REMIC Certificates (some of which are "Principal Only" securities), any such disproportionate reductions could significantly reduce the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates (and thus the interest rate on the F Class).
- The distributions on the R Class will be especially sensitive to the level of LIBOR and the rate of prepayments on the Mortgage Loans, since no distributions will be made on such Class until the principal balance of the F Class is reduced to zero. Under certain LIBOR and prepayment scenarios, little or no assets would remain in the Trust at such time.
- The relationship among the various factors that affect the availability of principal and interest distributions, and correspondingly, the yield on the Certificates, is complex, and an investment in the Certificates should only be made by persons familiar with the analysis of mortgage loan prepayment rates and mortgage-backed securities structures.

See "Description of the Certificates—Prepayment Considerations and Risks" and "Yield Considerations" herein.

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

- The rate of 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.
- Certain of the Underlying REMIC Certificates are subordinate in priority of principal distribution to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, there is no assurance that principal distributions will be made on such Underlying REMIC Certificates on any particular Distribution Date. Certain of the Underlying REMIC Certificates have Principal Balance Schedules and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. In addition, certain of the Underlying REMIC Certificates are support securities which are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal payments for extended periods of time or may receive principal payments that vary widely from period to period. Notwithstanding the foregoing, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether any Underlying REMIC Certificates which have Principal Balance Schedules have adhered to their Principal Balance Schedules, whether any related support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus (as defined below) which may be obtained from Fannie Mae as described below.
- The actual final payment of the F Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. In particular, exercise of the right of optional liquidation of the Trust by Holders of the R Class as described herein will effect early retirement of the F Class. 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.
- 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 SMBS Prospectus, the Mega Prospectus, the MBS Prospectus, the Prospectus Supplements and the corresponding REMIC Prospectus or GNMA Prospectus, as the case may be, for the respective Underlying REMIC Trusts (collectively, the "Underlying Prospectuses") or the REMIC 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, 1994, the SMBS Prospectus dated December 31, 1993, the Mega Prospectus dated December 31, 1993, the Underlying Prospectuses and the Fannie Mae Information Statement dated February 16, 1993 and any supplements thereto (the "Information Statement"). The MBS Prospectus, the SMBS Prospectus, the Mega Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying Prospectuses, may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents, other than the Underlying Prospectuses, may also be obtained from Prudential Securities Incorporated by writing or calling its Prospectus Department at 315 Hudson Street, 7th Floor, New York, New York 10013 (telephone 212-776-8906).

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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, the SMBS Prospectus, the Mega Prospectus, the Underlying Prospectuses 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, the SMBS Prospectus, the Mega Prospectus, the Underlying Prospectuses or the Trust Agreement (as the context may require). In addition, references herein to the “principal balance” of any Trust SMBS or Underlying REMIC Certificate shall be deemed to refer to the principal balance or notional principal balance thereof, as applicable.

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto dated as of April 1, 1994 (together, 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 F Class will be designated as the “regular interest” and the R Class will be designated as the “residual interest” in the REMIC constituted by the Trust.

The assets of the Trust will consist of the Trust SMBS and the Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trusts).

Distributions on Underlying Securities. The Trust SMBS and the Underlying REMIC Certificates provide that payments thereon will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance thereof (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. The guaranty obligations of Fannie Mae with respect to the Trust SMBS and the related Mega Certificates are described in the SMBS Prospectus and Mega Prospectus, respectively. The guaranty obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the Underlying Prospectuses. 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, if any, of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are otherwise available therefor.

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, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus, “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus and “Description of the REMIC Certificates—General—*Fannie Mae Guaranty*” or “Description of the Certificates—General—*Fannie Mae Guaranty*” as applicable in the Underlying Prospectuses.

Characteristics of Certificates. The F 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 Certificate-

holders.” 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 “Descriptions of the Certificates—Denominations, Book-Entry Form” in the REMIC Prospectus.

The R Class will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Class, “Holders” or “Certificateholders” refers to the registered owners thereof. The R Class will be transferable and, if applicable, exchangeable 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 or, if applicable, exchange of the R Class and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

Distributions, if any, on the R Class will be made by check mailed by the Paying Agent to the address of each person entitled thereto as it appears on the Certificate Register maintained by the Certificate Registrar (initially State Street) not later than each Distribution Date; provided, however, that the final distribution to the Holders of the R Class will be made only upon presentation and surrender of the Certificates of such Class at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The F Certificates will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R Certificates will be issued in minimum percentage interests of 10% and integral multiples of 1% percentage interests in excess thereof.

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 Interest Distributions. Interest on the F Class 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 in the month after the Settlement Date. Interest to be distributed on the F Class on a Distribution Date will consist of one month’s interest on the outstanding principal balance of the F Class immediately prior to such Distribution Date. Interest will accrue on the F Class during the one month period set forth herein under “Distributions of Interest—Interest Accrual Period.”

Calculation of Principal Distributions. Principal on the F Class will be distributed on each Distribution Date in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal concurrently made on the Trust SMBS and the Underlying REMIC Certificates and (ii) the amount (“Excess Interest”) by which the aggregate distributions of interest concurrently made on the Trust SMBS and the Underlying REMIC Certificates exceed the interest accrued on the F Class during the preceding Interest Accrual Period. 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 the F Class 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.

Voting the Trust SMBS and the Underlying REMIC Trusts. In the event any issue arises under the applicable trust agreement governing any of the Trust SMBS or any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Trust SMBS or Underlying REMIC Certificates in accordance with instructions received

from Holders of Certificates having principal denominations aggregating not less than 51% of the aggregate principal denominations of the F Class and, following the final distribution of the F Class, Holders of Certificates having percentage interests aggregating not less than 51% of the aggregate percentage interests of the R Class. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Optional Liquidation. At the option of the Holders of the R Class representing in the aggregate 100% of the ownership percentages thereof, the REMIC may adopt a plan of complete liquidation pursuant to which the Holders of the R Class, or their designees, will purchase the Trust SMBS and Underlying REMIC Certificates remaining in the Trust at such time. The Holders of the R Class, however, may not exercise this option unless (i) the outstanding principal balance of the F Class is less than 10% of the original principal balance thereof, (ii) the proceeds of such liquidation are at least equal to the sum of (x) the outstanding principal balance of the F Class and (y) any accrued interest thereon and (iii) Fannie Mae has received an opinion of counsel, satisfactory to it, that such purchase will be part of a “qualified liquidation” of the Trust within the meaning of Section 860F(a)(4)(A) of the Code. Upon such liquidation (i) the F Class will then be redeemed for an amount equal to the sum of (x) the outstanding principal balance thereof at the time of such redemption and (y) any accrued interest thereon and (ii) the R Class will be redeemed for an amount equal to the excess of (x) the aggregate liquidation proceeds over (y) the amount distributable to the F Class in redemption thereof. Such liquidation will effect an early retirement of both the F Class and the R Class.

The Trust SMBS

Each Trust SMBS will represent either interest payments on a notional principal amount of MBS or principal payments on a principal amount of MBS having the general characteristics described in the MBS Prospectus. The MBS underlying each Trust SMBS are held in the form of a Mega Certificate, the general characteristics of which are described in the Mega Prospectus.

The Mortgage Loans underlying the Trust SMBS will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family residential property having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The table contained in Exhibit A hereto sets forth certain information with respect to each Trust SMBS including the numerical designation of the related Fannie Mae Stripped Mortgage-Backed Security Trust, the class designation of the Trust SMBS, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance of the entire class, the percentage of such class in the Trust, the current principal factor for such class and the current principal balance of such class contained in the Trust as of April 1, 1994 (the “Issue Date”). The table also sets forth the approximate weighted average WAC, approximate weighted average WAM and approximate weighted average CAGE of the Mortgage Loans underlying the related MBS as of the Issue Date and the underlying security type.

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the respective Underlying REMIC Trusts, the assets of which evidence the direct or indirect beneficial ownership interests in (i) certain MBS having the general characteristics set forth in the MBS Prospectus, (ii) certain Fannie Mae Stripped Mortgage-Backed Securities (“SMBS”) representing beneficial ownership interests in distributions on certain MBS held in the form of one or more Mega Certificates, the general characteristics of which are described in the Mega Prospectus, (iii) certain GNMA Certificates having the general characteristics described in the related Underlying Prospectuses and/or (iv) certain Fannie Mae Guaranteed REMIC Pass-Through Certificates having the general characteristics set forth in the REMIC Prospectus and representing beneficial ownership interests in distributions on certain MBS. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a

one- to four-family residential property, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. Each GNMA Certificate is based on and backed by a Pool of mortgage loans that are either insured by the FHA or partially guaranteed by the VA.

The table contained in Exhibit A hereto sets forth certain information with respect to each class of Underlying REMIC Certificates including the numerical designation of the Underlying REMIC Trust, the class designation of the Underlying REMIC Certificate, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance of the entire class, the percentage of such class in the Trust, the current principal factor for such class and the current principal balance of such class contained in the Trust as of the Issue Date. The table also sets forth the approximate weighted average WAC, approximate weighted average WAM or WARM, as applicable, and approximate weighted average CAGE or WALA, as applicable, of the Mortgage Loans underlying the related MBS or GNMA Certificates as of the Issue Date and the underlying security type.

To request further information regarding the Trust SMBS and the Underlying REMIC Certificates, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying Prospectuses, the SMBS Prospectus and the Mega Prospectus were prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such documents.

Prepayment Considerations and Risks

The rate of distributions of principal of the F Class will be directly related to (i) the rate of principal distributions on the Trust SMBS and the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal of the underlying Mortgage Loans and (ii) the amount of any Excess Interest, which in turn will be sensitive to the rate of principal payments on the underlying Mortgage Loans and to the level of LIBOR. Certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. Certain of the Underlying REMIC Certificates have Principal Balance Schedules and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. As a result of the foregoing characteristics, distributions of principal in respect of the F Class during certain periods may occur at a slower rate than would otherwise have been the case. In addition, certain of the Underlying REMIC Certificates are support securities which are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal payments for extended periods of time or may receive principal payments that vary widely from period to period. As a result of the foregoing characteristics of the Underlying REMIC Certificates which are support securities, it is possible under certain prepayment scenarios that distributions of principal in respect of the F Class may occur at a rate slower than would otherwise have been the case or, conversely, at a rate faster than would otherwise have been the case. Notwithstanding the foregoing, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether any Underlying REMIC Certificates which have Principal Balance Schedules have adhered to their Principal Balance Schedules, whether any related support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to a particular Underlying REMIC Certificate may be obtained by performing an analysis of current Fannie Mae principal factors in the context of

applicable information contained in the related Underlying Prospectus, which may be obtained from Fannie Mae as described herein.

The distributions of interest on the F Class will be sensitive to (i) the amount of interest distributed on the Trust SMBS and on the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the level of any index on which the interest rate on any Underlying REMIC Certificate is based and to the rate of payments of principal of the related underlying Mortgage Loans and (ii) the level of LIBOR. Certain of the Underlying REMIC Certificates and certain of the Trust SMBS are “Interest Only” securities with nominal or notional principal balances. If such nominal or notional principal balances are reduced disproportionately faster than the principal balances of the remaining Trust SMBS and Underlying REMIC Certificates (some of which are “Principal Only” securities), any such disproportionate reductions could significantly reduce the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates (and thus the interest rate on the F Class).

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>
Weighted Average Coupon (1)	F
Excess (2)	R

- (1) The F Class will be a Weighted Average Coupon Class that will bear interest during each Interest Accrual Period, subject to the applicable Maximum and Minimum Interest Rates specified herein, at a per annum rate calculated as of each Distribution Date as the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates during their respective immediately preceding interest accrual periods.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.

General. The F Class will bear interest at the per annum interest rate described herein. Interest on the F Class 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 in the month after the Settlement Date. Interest to be distributed on the F Class on a Distribution Date will consist of one month’s interest on the outstanding principal balance of the F Class immediately prior to such Distribution Date.

On each Distribution Date following the reduction of the principal balance of the F Class to zero, all distributions from any remaining assets of the Trust will be distributed monthly to Holders of the R Class.

Interest Accrual Period. Interest to be distributed on a Distribution Date will accrue on the F Class during the one-month period set forth below (an “Interest Accrual Period”).

<u>Class</u>	<u>Interest Accrual Period</u>
F	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

Weighted Average Coupon Class. The F Class 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>Calculation of Interest Rate</u>
F	6.5625%	LIBOR + 300 basis points	0.00%	(1)

- (1) The F Class will bear interest during each Interest Accrual Period, subject to the applicable Maximum and Minimum Interest Rates specified herein, at a per annum rate calculated as of each Distribution Date as the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates during their respective immediately preceding interest accrual periods.

The yield with respect to such Class will be affected by changes in LIBOR, 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 LIBOR. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of LIBOR.

Each LIBOR 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 LIBOR value by Fannie Mae and Fannie Mae's determination of the rate of interest for the F 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, 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 3.5625%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type</u>	<u>Classes</u>
(1)	F
No Payment Residual(2)	R

- (1) The F Class will be entitled to receive the entire Principal Distribution Amount on each Distribution Date until the principal balance thereof is reduced to zero.
(2) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus.

Principal Distribution Amount

Principal will be distributed monthly on the F Class in an amount (the "Principal Distribution Amount") equal to the sum of (i) the aggregate distributions of principal concurrently made on the Trust SMBS and the Underlying REMIC Certificates and (ii) the amount ("Excess Interest") by which the aggregate distributions of interest concurrently made on the Trust SMBS and the Underlying REMIC Certificates exceed the interest accrued on the F Class during the preceding Interest Accrual Period.

On each Distribution Date, the Principal Distribution Amount will be distributed as principal of the F Class until the principal balance thereof is reduced to zero.

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified in Exhibit A, the information in the tables in this Prospectus Supplement has been prepared on the basis of the actual characteristics of the Pools underlying the Trust SMBS and the Underlying REMIC Certificates and the priority sequences affecting the principal distributions on the Underlying REMIC Certificates and the following assumptions (the “Pricing Assumptions”):

- all payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates are distributed on the related Underlying REMIC Certificates in the month in which such payments are received;
- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related tables;
- the closing date for the sale of the Certificates is the Settlement Date;
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date; and
- the right to cause the optional liquidation of the Trust described herein is not exercised by the Holders of the R Class.

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 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 PSA levels applicable to the Mortgage Loans underlying the related Underlying REMIC Certificates and Trust SMBS for each of the four scenarios (each, a “Scenario”) used for purposes of the Sensitivity Table and Decrement Tables set forth herein are as follows:

<u>Underlying REMIC Trust</u>	<u>PSA Prepayment Assumption</u>			
	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
1993-202	90%	120%	155%	400%
1993-221	90%	120%	155%	400%
1994-027	90%	120%	155%	400%
1994-069	90%	120%	155%	400%
1993-228	120%	250%	350%	650%
1991-117	195%	450%	600%	950%
1991-139	195%	450%	600%	950%
1992-010	195%	450%	600%	950%
1992-024	195%	450%	600%	950%
1992-034	195%	450%	600%	950%
1992-093	195%	450%	600%	950%
1992-098	195%	450%	600%	950%
1992-112	195%	450%	600%	950%
1992-131	195%	450%	600%	950%
1992-141	195%	450%	600%	950%
1993-219	195%	450%	600%	950%
1993-244	195%	450%	600%	950%
1990-068	160%	300%	350%	600%
1991-G21	160%	300%	350%	600%
1991-097	160%	300%	350%	600%
1992-G19	160%	300%	350%	600%

<u>Fannie Mae Stripped Mortgage- Backed Security Trust</u>	<u>PSA Prepayment Assumption</u>			
	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
000001-CL	160%	300%	350%	600%
000086-CL	160%	300%	350%	600%

Characteristics of the R Class

The R Certificates will not have principal balances and will not bear interest. The Holders of the R Class will be entitled to receive the monthly distributions from the remaining assets of the Trust, if any, after the principal balance of the F Class has been reduced to zero.

The R Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R 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. Any transferee of an R 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. Transferees of an R Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holders of the R Class will be considered to be the holders of the “residual interest” in the REMIC constituted by the Trust. 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

There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the F Class will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of the F Class will be as assumed. In addition, there can be no assurance that LIBOR will correspond to the levels shown herein. The rate of distributions of principal of the F Class will be directly related to (i) the rate of principal distributions on the Trust SMBS and the Underlying REMIC Certificates, which in turn will be related to the amortization (including prepayments) of the related Mortgage Loans and the priority sequences affecting principal distributions on certain of the Underlying REMIC Certificates and (ii) the amount of any Excess Interest, which in turn will be sensitive to the rate of principal payments on the underlying Mortgage Loans and to the level of LIBOR. Certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. Certain of the Underlying REMIC Certificates have Principal Balance Schedules and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. As a result of the foregoing characteristics, distributions of principal in respect of the F Class during certain periods may occur at a slower rate than would otherwise have been the case. In addition, certain of the Underlying REMIC Certificates are support securities which are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal payments for extended periods of time or may receive principal payments that vary widely from period to period. As a result of the foregoing characteristics of the Underlying REMIC Certificates which are support securities, it is possible under certain prepayment scenarios that distributions of principal in respect of the F Class may occur at a rate slower than would otherwise have been the case or, conversely, at a rate faster than would otherwise have been the case. Notwithstanding the foregoing, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. Consequently, the Underlying REMIC Certificates which have Principal Balance Schedules may not adhere to their Principal Balance Schedules, any related support securities may not remain outstanding and the Underlying REMIC Certificates may not perform as originally anticipated. Further, 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 LIBOR will remain constant. This Prospectus Supplement contains no information as to whether any Underlying REMIC Certificates which have Principal Balance Schedules have adhered to their Principal Balance Schedules, whether any related support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus, which may be obtained from Fannie Mae as described herein.

The distributions of interest on the F Class will be sensitive to (i) the amount of interest distributed on the Trust SMBS and on the Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the level of any index on which the interest rate on any Underlying REMIC Certificate is based and to the rate of payments of principal of the related underlying Mortgage Loans and (ii) the level of LIBOR. Certain of the Underlying REMIC Certificates and certain of the Trust SMBS are “Interest Only” securities with nominal or notional principal balances. If such nominal or notional principal balances are reduced disproportionately faster than the principal

balances of the remaining Trust SMBS and Underlying REMIC Certificates (some of which are “Principal Only” securities), any such disproportionate reductions could significantly reduce the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates (and thus the interest rate on the F Class).

The yield on the F Class will also be sensitive to the level of LIBOR. Under certain LIBOR and prepayment scenarios, the aggregate distributions of interest concurrently made on the Trust SMBS and the Underlying REMIC Certificates will exceed the amount of interest accrued on the F Class during the preceding Interest Accrual Period. Such excess (herein defined as Excess Interest) will be applied as principal of the F Class which may cause the actual final payment of the F Class to occur much earlier than the Final Distribution Date for such Class specified on the cover.

The distributions on the R Class will be especially sensitive to the level of LIBOR and the rate of prepayments on the Mortgage Loans, since no distributions will be made on such Class until the principal balance of the F Class is reduced to zero. Under certain LIBOR and prepayment scenarios, little or no assets would remain in the Trust at such time.

The timing of changes in the rate of prepayments, the level of LIBOR, or the level of any other index on which the interest rate on any Underlying REMIC Certificate is based may affect the actual yield to maturity to investors, even if the average rate of principal prepayments, the average level of LIBOR or the average level of such other index is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, change in the level of LIBOR or change in the level of such other 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, the level of LIBOR or the level of such other 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 may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments, level of LIBOR or the level of such other index.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the F Class to various constant percentages of PSA and specified levels of LIBOR. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the F Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class 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 yield to investors in the F Class will be sensitive to the level of LIBOR and to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool.

Changes in LIBOR 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 LIBOR.

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 F Class for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based on the indicated level of LIBOR and (ii) the aggregate purchase price of the F Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
F	100%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>			
	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
1.5625%	4.6%	4.7%	4.7%	4.7%
3.5625%	6.7%	6.7%	6.7%	6.7%
5.5625%	7.9%	8.0%	8.5%	8.6%
7.5625%	6.1%	5.6%	6.0%	8.7%
9.5625%	4.9%	4.1%	4.4%	8.2%

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 Settlement Date 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). The weighted average life of a Certificate will be influenced by the level of LIBOR, the rate and distributions among Pools of prepayments of principal of the underlying Mortgage Loans, the level of any index on which the interest rate on any Underlying REMIC Certificate is based, whether the Holders of the R Class exercise their option to liquidate the Trust when the principal balance of the F Class is less than 10% of its original principal balance and other factors. See “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average life of a Certificate will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average life will depend upon a variety of other factors, including the level of LIBOR, the timing of changes in the rate of principal payments, the amount of any Excess Interest available for distribution on each Distribution Date, the priority sequences of principal distributions on the Underlying REMIC Certificates and the level of any index on which the interest rate on any Underlying REMIC Certificate is based. See “Distributions of Principal” herein.

The interaction of the foregoing factors may have varying effects at different times during the life of the F Class. Accordingly, no assurance can be given as to the weighted average life of the F Class. Further, to the extent the price of the F Class represents a discount or premium to its original principal balance, variability in the weighted average life of the F Class could result in variability in the yield to maturity. For an example of how the weighted average life of the F Class may be affected at various *constant* prepayment rates and levels of LIBOR, see the Decrement Tables below.

Decrement Tables

The following decrement tables indicate the percentages of original principal balance of the F Class that would be outstanding after each of the dates shown at various *constant* PSA levels comprising each Scenario and LIBOR levels and the corresponding weighted average life of such Class. Such tables have been prepared on the basis of (i) the Pricing Assumptions and (ii) the assumption that the interest rates applicable to the F Class for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be calculated based on the indicated level of LIBOR. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs, WALAs or remaining terms to maturity assumed, (ii) the Mortgage Loans underlying the related Trust SMBS and Underlying REMIC Certificates will prepay at the *constant* PSA levels comprising each Scenario or (iii) LIBOR will correspond to the levels shown herein. In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the table at the specified PSA levels comprising each Scenario, even if distributions of the weighted average remaining terms to maturity and CAGEs or WALAs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs or WALAs assumed.

Percent of Original Principal Balance of F Class Outstanding

Date	LIBOR = 1.5625%				LIBOR = 3.5625%			
	PSA Prepayment Assumption				PSA Prepayment Assumption			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Initial Percent	100	100	100	100	100	100	100	100
April 1995	89	83	75	52	92	86	77	55
April 1996	78	67	53	15	84	73	58	19
April 1997	68	55	39	2	77	64	47	7
April 1998	53	41	25	0	65	52	35	2
April 1999	38	24	11	0	53	38	23	0
April 2000	30	11	*	0	48	28	15	0
April 2001	22	0	0	0	44	19	8	0
April 2002	13	0	0	0	37	11	3	0
April 2003	2	0	0	0	29	5	0	0
April 2004	0	0	0	0	22	*	0	0
April 2005	0	0	0	0	14	0	0	0
April 2006	0	0	0	0	5	0	0	0
April 2007	0	0	0	0	0	0	0	0
April 2008	0	0	0	0	0	0	0	0
April 2009	0	0	0	0	0	0	0	0
April 2010	0	0	0	0	0	0	0	0
April 2011	0	0	0	0	0	0	0	0
April 2012	0	0	0	0	0	0	0	0
April 2013	0	0	0	0	0	0	0	0
April 2014	0	0	0	0	0	0	0	0
April 2015	0	0	0	0	0	0	0	0
April 2016	0	0	0	0	0	0	0	0
April 2017	0	0	0	0	0	0	0	0
April 2018	0	0	0	0	0	0	0	0
April 2019	0	0	0	0	0	0	0	0
April 2020	0	0	0	0	0	0	0	0
April 2021	0	0	0	0	0	0	0	0
April 2022	0	0	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.5	3.3	2.5	1.2	6.2	4.3	3.2	1.3

Date	LIBOR = 5.5625%				LIBOR = 7.5625%				LIBOR = 9.5625%			
	PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	95	89	80	57	97	90	82	58	97	90	82	58
April 1996	90	79	64	23	93	81	67	25	93	81	67	25
April 1997	87	73	56	13	90	75	58	15	90	75	58	15
April 1998	79	63	47	9	82	65	50	12	82	65	50	12
April 1999	70	52	38	5	73	54	41	9	73	54	41	9
April 2000	68	44	32	0	72	47	36	3	72	47	36	3
April 2001	66	38	29	0	71	41	33	0	71	41	33	0
April 2002	63	34	26	0	67	37	31	0	67	37	31	0
April 2003	58	31	25	0	63	35	29	0	63	35	29	0
April 2004	54	29	23	0	59	33	28	0	59	33	28	0
April 2005	49	28	21	0	55	32	27	0	55	32	27	0
April 2006	44	27	19	0	50	31	25	0	51	32	25	0
April 2007	39	24	15	0	46	29	22	0	46	29	22	0
April 2008	32	20	11	0	39	26	18	0	39	26	18	0
April 2009	26	18	8	0	34	24	16	0	34	24	16	0
April 2010	24	18	7	0	32	24	16	0	32	24	16	0
April 2011	21	17	6	0	30	23	15	0	30	24	15	0
April 2012	18	13	4	0	28	21	14	0	28	21	14	0
April 2013	16	10	3	0	26	18	13	0	26	18	13	0
April 2014	13	6	*	0	24	15	12	0	25	15	12	0
April 2015	11	3	0	0	23	12	10	0	23	12	10	0
April 2016	8	1	0	0	20	11	8	0	21	12	8	0
April 2017	3	*	0	0	16	11	6	0	17	11	7	0
April 2018	0	0	0	0	12	10	5	0	13	10	5	0
April 2019	0	0	0	0	11	7	3	0	11	8	4	0
April 2020	0	0	0	0	10	5	2	0	11	6	3	0
April 2021	0	0	0	0	6	3	1	0	7	4	1	0
April 2022	0	0	0	0	3	1	0	0	4	2	*	0
April 2023	0	0	0	0	0	0	0	0	1	*	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.9	7.7	5.7	1.6	12.9	9.1	7.2	1.8	12.9	9.2	7.2	1.8

* 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.

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 Election and Special Tax Attributes

An election will be made to treat the Trust as a REMIC for federal income tax purposes. The F Class will be designated as the “regular interest,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

As a consequence of the qualification of the Trust as a REMIC, 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 Class, 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 F Class will 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 the PSA levels for Scenario 2 as provided in “Description of the Certificates—Structuring Assumptions—*PSA Assumptions*” herein. 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 Trust SMBS or the Underlying REMIC Certificates 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.

The Treasury Department has issued final regulations relating to the tax treatment of debt instruments with original issue discount (the “OID Regulations”). These regulations replace proposed OID Regulations issued on December 22, 1992 (the “1992 Proposed OID Regulations”). The OID Regulations apply to debt instruments issued on or after April 4, 1994, and to sales or exchanges that occur on or after that date. Further, investors may rely on the OID Regulations for debt instruments issued after December 21, 1992, and for sales or exchanges that occur after that date. The OID Regulations do not provide guidance under section 1272(a)(6) of the Code, which contains special original issue discount rules applicable to the Regular Certificates.

The OID Regulations provide that for purposes of measuring the accrual of original issue discount on a debt instrument, Holders may use an interest accrual period of any length as long as each distribution date falls on either the final day or the first day of an accrual period. Fannie Mae intends to report original issue discount based on accrual periods of one month, beginning on a payment date and ending on the day before a payment date.

The F Class bears interest at a rate equal to the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates. It would appear, under the OID Regulations, that the F Class is considered to be a contingent debt instrument. The OID Regulations do not contain rules for the tax treatment of contingent debt instruments and no other definitive guidance

has been issued regarding such treatment. Proposed regulations governing contingent debt instruments were published in the Federal Register on April 8, 1986 (the “1986 Proposed Contingent Payment Regulations”). The 1986 Proposed Contingent Payment Regulations, however, are not binding on either taxpayers or the IRS and are subject to change before publication in final form. Absent further guidance, Fannie Mae intends to treat all interest payments on the F Class as “qualified stated interest.” See “Certain Federal Income Tax Consequences—*Original Issue Discount*” in the REMIC Prospectus. Further, the maximum interest rate for the F Class is reset each Interest Accrual Period to a rate based on LIBOR, and the initial interest rate on the F Class is its maximum stated interest rate. Neither of these facts, however, will cause the payments of interest on the F Class to fail to be treated as “qualified stated interest.” Investors are urged to consult their own tax advisors on the possible application to the F Class of the 1986 Proposed Contingent Payment Regulations.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Class will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of an R 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 that generally will not be treated as excess inclusions, the rate to be used is 7.89% (which is 120% of the “federal long-term rate”). 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 an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

The Dealer will receive the Certificates in exchange for the Trust SMBS and the Underlying REMIC Certificates 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.

LEGAL MATTERS

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

Trust SMBS (1)

<u>Fannie Mae Stripped Mortgage-Backed Security Trust</u>	<u>Class</u>	<u>Date of Issue</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Interest Type (2)</u>	<u>Final Distribution Date</u>	<u>Principal Type (2)</u>	<u>Original Principal Balance of Class</u>	<u>Class % in the Trust</u>	<u>April 1994 Class Factor</u>	<u>Current Principal Balance in the Trust</u>	<u>Approximate Weighted Average WAC</u>	<u>Approximate Weighted Average WAM (in months)</u>	<u>Approximate Weighted Average CAGE (in months)</u>	<u>Underlying Security Type</u>
000001-CL	1	February 1987	31364HBA4	(3)	PO	February 2017	STP	\$750,223,233	0.0373222000%	0.17326873	\$ 48,515	9.683%	258	91	MBS
000001-CL	2	February 1987	31364HBB2	9.00%	IO	February 2017	NTL	750,223,233	10.1264015000	0.17326873	13,163,332	9.683	258	91	MBS
000086-CL	1	November 1990	31364HJC2	(3)	PO	November 2020	STP	200,000,000	0.1000000000	0.24920209	49,840	10.552	306	49	MBS
000086-CL	2	November 1990	31364HJD0	10.00%	IO	November 2020	NTL	200,000,000	40.2500000000	0.24920209	20,060,768	10.552	306	49	MBS

- (1) Assuming a level of LIBOR of 3.5625%, 3-Month Treasury Index of 3.52% and COFI of 3.71%, the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates for the initial Interest Accrual Period would be 12.12697%.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
- (3) These Trust SMBS are “principal only” SMBS and bear no interest.

Underlying REMIC Certificates (1)

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (2)	Final Distribution Date	Principal Type (2) (3)	Original Principal Balance of Class	Class % in the Trust	April 1994 Class Factor	Current Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WARM OR WARM (4) (in months)	Approximate Weighted Average WALA OR WALA (4) (in months)	Underlying Security Type
1990-068	K	July 1990	31358EPLO	275.00000%	FIX/IO	July 2020	PAC	\$ 525,000	100.00000000%	0.54928084	\$ 288,372	10.545%	307	47	MBS
1991-G21	L	July 1991	31358HPZ2	949.50000	FIX/IO	July 2021	PAC	147,000	100.00000000	0.19772054	29,065	10.500	273	79	GNMA
1991-097	KA	August 1991	31358HE50	1009.25000	FIX/IO	August 2021	PAC	574,938	75.66033136	0.43755628	190,337	9.960	319	36	MBS
1991-117 (5)	H	September 1991	31358JCZ2	760.07500	FIX/IO	September 2006	PAC	200,000	10.00000000	0.28596085	5,319	9.148	143	34	MBS
1991-139	PS	October 1991	31358JL74	1075.12260	FIX/IO	August 2020	PAC	550,000	13.63636363	0.31448844	23,587	9.198	318	35	MBS
1992-G19	N	April 1992	31358MQU1	922.77964	FIX/IO	April 2022	PAC	875,000	29.71428570	0.40040536	104,105	9.527	284	68	GNMA
1992-010	VH	January 1992	31358LRP3	1001.30035	FIX/IO	July 2011	SUP/AD	141,500	54.41696110	0.77807314	59,912	9.075	314	40	MBS
1992-024 (5)	N	March 1992	31358LM94	789.00000	FIX/IO	March 2007	STP	160,000	100.00000000	0.44022131	70,435	8.508	149	27	MBS
1992-034	H	March 1992	31358MDP6	982.77500	FIX/IO	July 2020	PAC	1,129,600	5.31161470	0.52494758	31,497	8.619	324	30	MBS
1992-093 (5)	M	June 1992	31358NKK7	997.74108	FIX/IO	November 2006	PAC	309,000	24.27184470	0.40070961	30,053	8.545	153	24	MBS
1992-098	PH	June 1992	31358NUM2	1008.00000	FIX/IO	March 2018	PAC	317,752	15.10612050	0.54207303	26,020	8.622	326	27	MBS
1992-112	JA	July 1992	31358NN81	999.47580	FIX/IO	June 2018	PAC	992,000	1.61290320	0.53486235	8,558	8.617	329	25	MBS
1992-131	JG	August 1992	31358PUW5	1009.00000	FIX/IO	April 2019	PAC	25,000	100.00000000	1.00000000	25,000	8.929	330	25	MBS
1992-141 (5)	K	August 1992	31358PWD5	1178.01782	FIX/IO	August 2006	PAC	244,000	100.00000000	0.21064398	51,397	9.049	139	38	MBS
1993-202	SW	November 1993	31359FDH8	(6)	INV	November 2023	PAC	11,136,658	58.36580420	1.00000000	6,500,000	7.085	351	8	MBS
1993-219	E	October 1993	31359EH79	(7)	PO	August 2023	PAC/SUP	56,250,000	100.00000000	0.66168853	37,219,980	8.476	338	19	MBS
1993-221 (5)	SH	December 1993	31359FB31	(6)	INV	December 2008	SUP	17,772,956	38.75551150	1.00000000	6,888,000	6.569	174	6	MBS
1993-228	B	October 1993	31359ED24	(7)	PO	March 2023	PAC	18,740,000	26.68089650	1.00000000	5,000,000	7.488	349	9	MBS
1993-228	E	October 1993	31359ED57	(7)	PO	September 2023	TAC	15,300,000	57.18954250	0.96455142	8,439,825	7.488	349	9	MBS
1993-244	B	November 1993	31359FGE2	(7)	PO	November 2023	PAC	50,322,000	64.08131630	0.90224596	29,094,726	8.476	338	19	MBS
1994-027	S	February 1994	31359GVC7	(6)	INV	February 2024	SUP/AD	6,458,000	25.70396410	0.90996272	1,659,900	7.105	356	4	MBS
1994-027	SC	February 1994	31359GVG8	(6)	INV	December 2023	SUP	2,296,410	100.00000000	1.00000000	2,296,410	7.063	353	6	MBS
1994-027	SE	February 1994	31359GUY0	(6)	INV	March 2023	SUP	2,755,318	100.00000000	0.99287592	2,735,689	7.105	356	4	MBS
1994-069	S	April 1994	31359HWQ3	(6)	INV	February 2024	SUP	15,899,356	100.00000000	1.00000000	15,899,356	7.095	356	4	MBS

- (1) Assuming a level of LIBOR of 3.5625%, 3-Month Treasury Index of 3.52% and COFI of 3.71%, the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates for the initial Interest Accrual Period would be 12.12697%.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
- (3) Certain of the Underlying REMIC Certificates have Principal Balance Schedules and, in some cases, may not be scheduled to receive principal payments in accordance with their Principal Balance Schedules for extended periods. Certain of the Underlying REMIC Certificates are support securities which are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Notwithstanding the foregoing, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether any Underlying REMIC Certificates which have Principal Balance Schedules have adhered to their Principal Balance Schedules, whether any related support securities remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus which may be obtained from Fannie Mae as described herein.
- (4) “WARM” is the weighted average remaining maturity (in months) of the Mortgage Loans in each Pool underlying a GNMA Certificate, and “WALA” is the weighted average loan age (in months) of the Mortgage Loans in each such Pool.
- (5) The Mortgage Loans in these Underlying REMIC Trusts have original maturities of up to fifteen years.
- (6) These Classes bear interest during their respective interest accrual periods, subject to the applicable Maximum and Minimum Interest Rates, at the respective rates determined as described below:

Class	Actual Current Interest Rate	Assumed Current Interest Rate*	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
1993-202 SW	10.82250%	11.14750%	20.41000%	0.00000%	20.41% – (2.6 × LIBOR)
1993-221 SH	8.91000	9.21000	17.76000	0.00000	17.76% – (2.4 × LIBOR)
1994-27 S	12.38377	12.97035	14.01315	0.00053	24.44115% – (3.25874883 × 3-Month Treasury Index)
1994-27 SC	9.00000	9.00000	9.00000	0.00070	105.42116% – (12.85615374 × 3-Month Treasury Index)
1994-27 SE	10.00000	10.00000	10.00000	0.00000	51.47057% – (5.88235187 × COFI)
1994-69 S	10.69783	10.69783	18.41645	0.00000	18.41645% – (2.16662859 × LIBOR)

See “Description of the Certificates—Distributions of Interest” in the related Underlying Prospectuses and “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes” in the REMIC Prospectus for descriptions of LIBOR, 3-Month Treasury Index and COFI.

* The Assumed Current Interest Rates set forth above are used for the purpose of calculating the weighted average of the interest rates on the Trust SMBS and the Underlying REMIC Certificates for the initial Interest Accrual Period set forth in footnote (1) above.

- (7) These Classes are Principal Only Classes and bear no interest.

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, the REMIC Prospectus, the MBS Prospectus, the SMBS Prospectus, the Mega Prospectus, the Underlying Prospectuses and the Information Statement and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the aforementioned documents 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 aforementioned documents 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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\$116,775,898

**Federal National
Mortgage Association**



**Guaranteed
REMIC Pass-Through
Certificates
Fannie Mae REMIC Trust
1994-74**

PROSPECTUS SUPPLEMENT

Prudential Securities Incorporated

March 21, 1994