

Prospectus Supplement to Prospectus dated December 29, 1992

\$500,500,000

Federal National Mortgage Association



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1994-79**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1994-79 (the "Trust"). The assets of the Trust 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 (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.

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
A	\$233,100,000	SEQ	7.0%	FIX	December 2016
B	85,600,000	SEQ	7.0	FIX	December 2019
C	54,900,000	SEQ	7.0	FIX	June 2021
D	10,000,000	SEQ	7.0	FIX	April 2024
E	20,450,000	AD/LIQ	7.0	FIX	April 1999
G	32,600,000	AD	7.0	FIX	November 2004
H	14,350,000	AD	7.0	FIX	September 2006
Z	49,000,000	SEQ	7.0	Z	April 2024
R	500,000	STP	7.0	FIX	April 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.

The Certificates will be offered by Goldman, Sachs & Co. and Blaylock & Partners, L.P. (the "Dealers") 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 Dealers, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that the Certificates, except for the R 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 Goldman, Sachs & Co., New York, New York, on or about the Settlement Date.

Goldman, Sachs & Co.

Blaylock & Partners, L.P.

The date of this Prospectus Supplement is April 5, 1994

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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 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 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.

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 Dealers intend to make a market for the Certificates but are 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, 1994 and the Fannie Mae Information Statement dated March 31, 1994 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-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Goldman, Sachs & Co. by writing or calling its Registration Department at 85 Broad Street, New York, New York 10004 (telephone 212-902-6685) and from Blaylock & Partners, L.P. by writing or calling its Prospectus Department at 245 Park Avenue, New York, New York 10167 (telephone 212-272-9450).

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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 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 Certificates (other than the R Class) 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 assets of the Trust will consist of 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 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 Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to any R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificates 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 any R 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 Class” herein.

Distributions 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 distribution to the Holders of the R Certificates of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of such Certificates at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The Certificates, other than the R 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 denominations of \$1,000 and integral multiples of \$100 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 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 Class, 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 Class, 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 Period.*" 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 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.

Liquid Asset. The E Class is intended to qualify as a "liquid asset" for purposes of the liquidity requirements applicable to federal savings associations, federal savings banks and state-chartered associations whose deposits are insured by the Federal Deposit Insurance Corporation.

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 30 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, 1994 (the “Issue Date”) are expected to be as follows:

Aggregate Unpaid Principal Balance	\$500,500,000
MBS Pass-Through Rate	7.00%
Range of WACs (per annum percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months
Approximate Weighted Average CAGE	1 month

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	All Classes
Accrual	Z

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All interest-bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

Accrual Class. The Z Class is an Accrual Class. Interest will accrue on the Accrual Class at the per annum rate set forth on the cover hereof. However, such interest will not be distributed until the Distribution Date following the Distribution Date on which the principal balance of the H Class has been reduced to zero. Interest so accrued and unpaid on the Accrual Class will be added as principal to the principal balance thereof on each Distribution Date. Distributions of principal of the Accrual Class will be distributed as described herein.

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>
Sequential Pay	A, B, C, D and Z
Accretion Directed	E, G and H
Liquid Asset	E
Strip	R

* 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 equal to the sum of (i) the aggregate distributions of principal concurrently made on the MBS (the “Cash Flow Distribution Amount”) and (ii) any interest accrued and added on such Distribution Date to the principal balance of the Accrual Class (the “Accrual Amount”).

Accrual Amount

On each Distribution Date, the Accrual Amount will be distributed, sequentially, as principal of the E, G and H Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the Z Class.

Accretion
Directed
Classes
and
Accrual
Class

Cash Flow Distribution Amount

On each Distribution Date, the R Class will receive 0.0999000999% of the Cash Flow Distribution Amount, which percentage is equal to the proportion that the original principal balance of the R Class bears to the aggregate original principal balance of the Certificates.

Strip
Class

On each Distribution Date, the excess of the Cash Flow Distribution Amount over the amount applied pursuant to the preceding paragraph will be distributed as principal of the Classes in the following order of priority:

- (i) sequentially, to the A, B and C Classes, until the respective principal balances thereof are reduced to zero; and
- (ii) to the D, E, G, H and Z Classes, in the order and proportions set forth in the table below, until the respective principal balances thereof are reduced to zero:

	<u>Allocated to</u>	
	<u>Class listed in the preceding column</u>	<u>D Class</u>
E	92.0886075950%	7.9113924050%
G	92.0886075950%	7.9113924050%
H	92.0886075950%	7.9113924050%
Z	92.0886075950%	7.9113924050%

Sequential
Pay and
Accretion
Directed
Classes

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 7.5% per annum and has an original term to maturity of 360 months, a CAGE of 1 month and a remaining term to maturity of 358 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, 165% 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.

Characteristics of the R Class

In addition to distributions of principal and interest, the Holders of the R Certificates 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. It is not anticipated that there will be any material assets remaining in such circumstance.

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 Certificates 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

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. 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 or that all of such Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate 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.

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.

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). 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 and the priority sequence of distributions of principal of the Classes. 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.

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 9.50% per annum and has an original and remaining term to maturity of 360 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 may 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 weighted average remaining term to maturity and the weighted average CAGE of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	99	95	93	90	82	100	100	100	100	100	100	100	100	100	100
April 1996	97	85	77	68	42	100	100	100	100	100	100	100	100	100	100
April 1997	96	71	57	40	0	100	100	100	100	86	100	100	100	100	100
April 1998	94	58	38	15	0	100	100	100	100	0	100	100	100	100	91
April 1999	92	45	21	0	0	100	100	100	84	0	100	100	100	100	0
April 2000	90	33	6	0	0	100	100	100	36	0	100	100	100	100	0
April 2001	87	22	0	0	0	100	100	79	0	0	100	100	100	93	0
April 2002	85	12	0	0	0	100	100	46	0	0	100	100	100	40	0
April 2003	82	2	0	0	0	100	100	16	0	0	100	100	100	0	0
April 2004	79	0	0	0	0	100	81	0	0	0	100	100	83	0	0
April 2005	76	0	0	0	0	100	57	0	0	0	100	100	46	0	0
April 2006	72	0	0	0	0	100	34	0	0	0	100	100	12	0	0
April 2007	68	0	0	0	0	100	13	0	0	0	100	100	0	0	0
April 2008	63	0	0	0	0	100	0	0	0	0	100	89	0	0	0
April 2009	58	0	0	0	0	100	0	0	0	0	100	60	0	0	0
April 2010	53	0	0	0	0	100	0	0	0	0	100	32	0	0	0
April 2011	47	0	0	0	0	100	0	0	0	0	100	6	0	0	0
April 2012	40	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2013	33	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2014	25	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2015	16	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2016	6	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2017	0	0	0	0	0	89	0	0	0	0	100	0	0	0	0
April 2018	0	0	0	0	0	57	0	0	0	0	100	0	0	0	0
April 2019	0	0	0	0	0	22	0	0	0	0	100	0	0	0	0
April 2020	0	0	0	0	0	0	0	0	0	0	75	0	0	0	0
April 2021	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0
April 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.1	4.8	3.4	2.7	1.8	24.2	11.4	7.9	5.8	3.4	26.4	15.4	10.9	7.9	4.4

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

Date	D Class					E Class					G Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	100	100	100	100	100	83	83	83	83	83	100	100	100	100	100
April 1996	100	100	100	100	100	64	64	64	64	64	100	100	100	100	100
April 1997	100	100	100	100	100	44	44	44	44	44	100	100	100	100	100
April 1998	100	100	100	100	100	23	23	23	23	23	100	100	100	100	100
April 1999	100	100	100	100	96	0	0	0	0	0	100	100	100	100	87
April 2000	100	100	100	100	67	0	0	0	0	0	85	85	85	85	0
April 2001	100	100	100	100	46	0	0	0	0	0	68	68	68	68	0
April 2002	100	100	100	100	32	0	0	0	0	0	50	50	50	50	0
April 2003	100	100	100	98	22	0	0	0	0	0	31	31	31	24	0
April 2004	100	100	100	81	15	0	0	0	0	0	11	11	11	0	0
April 2005	100	100	100	68	10	0	0	0	0	0	0	0	0	0	0
April 2006	100	100	100	56	7	0	0	0	0	0	0	0	0	0	0
April 2007	100	100	92	46	5	0	0	0	0	0	0	0	0	0	0
April 2008	100	100	81	38	3	0	0	0	0	0	0	0	0	0	0
April 2009	100	100	70	31	2	0	0	0	0	0	0	0	0	0	0
April 2010	100	100	61	26	1	0	0	0	0	0	0	0	0	0	0
April 2011	100	100	52	21	1	0	0	0	0	0	0	0	0	0	0
April 2012	100	92	45	17	1	0	0	0	0	0	0	0	0	0	0
April 2013	100	81	38	14	*	0	0	0	0	0	0	0	0	0	0
April 2014	100	72	32	11	*	0	0	0	0	0	0	0	0	0	0
April 2015	100	63	27	9	*	0	0	0	0	0	0	0	0	0	0
April 2016	100	54	22	7	*	0	0	0	0	0	0	0	0	0	0
April 2017	100	46	18	5	*	0	0	0	0	0	0	0	0	0	0
April 2018	100	38	14	4	*	0	0	0	0	0	0	0	0	0	0
April 2019	100	31	11	3	*	0	0	0	0	0	0	0	0	0	0
April 2020	100	24	8	2	*	0	0	0	0	0	0	0	0	0	0
April 2021	100	17	6	1	*	0	0	0	0	0	0	0	0	0	0
April 2022	72	11	3	1	*	0	0	0	0	0	0	0	0	0	0
April 2023	38	5	1	*	*	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.7	22.9	18.4	13.9	7.6	2.7	2.7	2.7	2.7	2.7	8.0	8.0	8.0	7.7	5.3

Date	H Class					Z Class					R Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 1995	100	100	100	100	100	107	107	107	107	107	99	98	97	95	92
April 1996	100	100	100	100	100	115	115	115	115	115	99	93	89	85	73
April 1997	100	100	100	100	100	123	123	123	123	123	98	86	80	72	51
April 1998	100	100	100	100	100	132	132	132	132	132	97	80	71	60	35
April 1999	100	100	100	100	100	142	142	142	142	142	96	74	63	51	24
April 2000	100	100	100	100	21	152	152	152	152	152	95	69	56	42	17
April 2001	100	100	100	100	0	163	163	163	163	109	94	64	50	36	12
April 2002	100	100	100	100	0	175	175	175	175	75	93	59	44	30	8
April 2003	100	100	100	100	0	187	187	187	187	51	92	54	39	25	5
April 2004	100	100	100	0	0	201	201	201	194	35	90	50	34	21	4
April 2005	75	75	75	0	0	215	215	215	161	24	89	46	30	17	3
April 2006	22	22	22	0	0	231	231	231	133	16	87	42	27	14	2
April 2007	0	0	0	0	0	238	238	219	110	11	85	39	23	12	1
April 2008	0	0	0	0	0	238	238	191	91	8	83	35	20	10	1
April 2009	0	0	0	0	0	238	238	167	74	5	81	32	18	8	1
April 2010	0	0	0	0	0	238	238	144	61	3	78	29	15	6	*
April 2011	0	0	0	0	0	238	238	124	50	2	75	26	13	5	*
April 2012	0	0	0	0	0	238	218	107	40	2	72	23	11	4	*
April 2013	0	0	0	0	0	238	194	91	32	1	69	21	10	3	*
April 2014	0	0	0	0	0	238	171	77	26	1	65	18	8	3	*
April 2015	0	0	0	0	0	238	149	64	20	*	61	16	7	2	*
April 2016	0	0	0	0	0	238	128	53	16	*	56	14	6	2	*
April 2017	0	0	0	0	0	238	109	43	12	*	51	12	5	1	*
April 2018	0	0	0	0	0	238	90	34	9	*	46	10	4	1	*
April 2019	0	0	0	0	0	238	73	27	7	*	40	8	3	1	*
April 2020	0	0	0	0	0	238	56	20	5	*	33	6	2	*	*
April 2021	0	0	0	0	0	238	41	14	3	*	26	4	1	*	*
April 2022	0	0	0	0	0	172	26	8	2	*	18	3	1	*	*
April 2023	0	0	0	0	0	90	11	3	1	*	10	1	*	*	*
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.5	11.5	11.5	9.6	5.9	28.7	22.9	18.4	14.8	8.8	21.3	11.6	8.8	6.6	3.8

* 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 Certificates, other than the R Class, 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.

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 Accrual Class and the D Class 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 165% 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.

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.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Certificates 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 any R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

General. Goldman, Sachs & Co. will receive the Certificates in exchange for the MBS pursuant to a Fannie Mae commitment. The Dealers propose 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 Dealers may effect such transactions to or through dealers.

Increase in Certificates. Fannie Mae and the Dealers 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.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealers by Cadwalader, Wickersham & Taft, New York, New York.

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 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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\$500,500,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1994-79**

PROSPECTUS SUPPLEMENT

**Goldman, Sachs & Co.
Blaylock & Partners, L.P.**

April 5, 1994