PROSPECTUS SUPPLEMENT
(To Prospectus dated November 1, 1994)

$108,404,000 (Approximate)

Federal National Mortgage Association

FannieMae

Guaranteed ACES[SM] REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 1994-M4

The Guaranteed ACES[SM] REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae Multifamily REMIC Trust 1994-M4 (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist primarily of (i) (A) one entire class of senior, private-label, mortgage pass-through certificates that will (1) evidence a portion (initially 87.7%) of the beneficial ownership interest of a REMIC trust (the "Underlying REMIC Trust") to be created by Structured Mortgage Securities Corporation (the "Underlying Depositor"), and (2) be designated as the Class A Certificates of such Underlying REMIC Trust (the "Underlying SB Class A Certificates") and (B) the proceeds of such Underlying SB Class A Certificates and (ii) the Trust Account (as hereinafter defined) and all cash and investments held therein. The assets of the Lower Tier REMIC will also include one entire class of interest only, senior, private-label, mortgage pass-through certificates that will be designated as the Class IO Certificates of the Underlying REMIC Trust (the "Related SB Class IO Certificates"). The primary assets of the Underlying REMIC Trust will consist of a pool (the "Mortgage Pool") of first lien mortgage loans (each, a "Mortgage Loan") secured by multifamily projects (each, a "Mortgaged Property") consisting of five or more rental units. The Mortgage Loans and the Mortgaged Properties are more fully described herein under "Description of the Mortgage Pool" and on Exhibit A hereto.

The Certificates will be issued and guaranteed by Fannie Mae as to timely distribution of interest. Fannie Mae will also guarantee all principal to Certificateholders; however, unlike the Fannie Mae guaranty of MBS, the receipt of certain principal payments by the Certificateholders may be delayed under certain circumstances described herein. **Fannie Mae will not guarantee the collection from Mortgagors or the Underlying Servicer or the payment to Certificateholders of any Prepayment Premiums or Yield Maintenance Charges.** See "Description of the Certificates—General—*Fannie Mae's Guaranty*" herein.

Investors should not purchase the Certificates before reading this Prospectus Supplement and the additional Disclosure Documents listed at the bottom of page S-2.

(Cover continued on next page)

THE CERTIFICATES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE CERTIFICATES UNLESS SUCH INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE EXTENSION, PREPAYMENT, YIELD, LIQUIDITY AND OTHER RISKS ASSOCIATED WITH SUCH CERTIFICATES. PROSPECTIVE INVESTORS IN ANY CLASS OF CERTIFICATES SHOULD CAREFULLY CONSIDER WHETHER SUCH AN INVESTMENT IS APPROPRIATE FOR THEIR INVESTMENT OBJECTIVES. SEE "DESCRIPTION OF THE CERTIFICATES" HEREIN.

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(1)	Original Principal Balance(2)	Principal Type(3)	Interest Rate	Interest Type(3)	CUSIP Number	Final Distribution Date(4)
A	$29,168,000	SEQ	(5)	WAC	31359LKL8	August 2026
B	47,388,000	SEQ	8.55%(5)	WAC	31359LKM6	August 2026
C	20,461,000	SEQ	8.55%(5)	WAC	31359LKN4	August 2026
D	11,387,000	SEQ	8.65%(5)	WAC	31359LKP9	August 2026
N	(6)	NTL	(7)	WAC/IO	31359LKQ7	August 2026
R	0	NPR	0	NPR	31359LKR5	August 2026
RL	0	NPR	0	NPR	31359LKS3	August 2026

(1) The Classes (other than the R and RL Classes) will be entitled to receive distributions of Prepayment Premiums and Yield Maintenance Charges which may be received with respect to Mortgage Loans for which a principal prepayment is received, to the extent described under "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein.
(2) Subject to a permitted variance of plus or minus 5%.
(3) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
(4) The latest maturing Mortgage Loan is scheduled to mature in July 2024. See Exhibit A hereto. The Final Distribution Date reflects (i) the Underlying Servicer's ability, pursuant to the Underlying Pooling and Servicing Agreement, to extend the maturity of a Mortgage Loan for two years beyond its original stated maturity date, and (ii) an additional two year period for the Underlying Servicer to foreclose upon or liquidate such Mortgage Loan. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*" herein.
(5) The A Class will bear interest at a rate per annum equal to the Underlying SB Class A Pass-Through Rate. Each of the B, C and D Classes will bear interest at a rate per annum equal to the lesser of (i) the rate set forth in the table above and (ii) the Underlying SB Class A Pass-Through Rate. The Underlying SB Class A Pass-Through Rate is, with respect to any Distribution Date, the Weighted Average Net Mortgage Interest Rate for such Distribution Date. See "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" herein.
(6) The N Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially $79,236,000). The notional principal balance of the N Class will be calculated based on the aggregate principal balance of the B, C and D Classes. See "Description of the Certificates—Distributions of Interest—*Notional Class*" herein.
(7) Initially, 0.4914% per annum. The N Class will bear interest at a variable rate per annum equal to the weighted average of (A) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the B Certificate Rate, (B) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the C Certificate Rate and (C) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the D Certificate Rate. See "Description of the Certificates—Distributions of Interest—*Certificate Rates*" and "—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" herein.

The Certificates will be offered by Smith Barney Inc. (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at time of sale. The Certificates are offered by the Dealer, when, as and if issued, delivered to and accepted by the Dealer, and subject to the Dealer's right to reject any order in whole or in part. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry system of the Federal Reserve Banks on or about December 30, 1994 (the "Settlement Date"). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York on or about the Settlement Date.

Smith Barney Inc.

November 17, 1994

(Cover continued from previous page)

The yield to investors in each Class of Certificates 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 Mortgage Pool, and the purchase price paid for the related Class. Accordingly, investors should consider the following risks:

- **Subject to certain restrictions (including the imposition of Prepayment Premiums and Yield Maintenance Charges (as hereinafter defined) on principal prepayments (as hereinafter defined), Mortgage Loans generally may be prepaid prior to their stated maturities. Accordingly, the rate of principal payments on such Mortgage Loans may 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 from their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.**
- **In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.**
- **In the case of any Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.**
- **The allocation to any Class of any Prepayment Premium or Yield Maintenance Charge may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.**
- **The Underlying Pooling and Servicing Agreement (as hereinafter defined) permits the modification (including an extension) of a Mortgage Loan under certain circumstances. Any extension of a Mortgage Loan is likely to cause an extension of the weighted average life of a Certificate. In addition, failure of a Mortgagor to make a timely Balloon Payment (as hereinafter defined) is also likely to cause an extension of the weighted average life of a Certificate.**

For a more detailed description of the characteristics of the Mortgage Loans that may affect 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 may 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 ''Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates'' in the Multifamily 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 ''Yield Considerations—Reinvestment Risk'' in the Multifamily REMIC Prospectus and ''Description of the Certificates—Yield Considerations'' herein.**
- **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 Multifamily REMIC Prospectus.**
- **The Dealer intends to make a market in the Certificates but is not obligated to do so. There is currently no secondary market for the Certificates and there can be no assurance that such a market will develop or continue if it does develop. 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 or the Multifamily REMIC Prospectus. Any representation to the contrary is a criminal offense.

Elections will be made to treat the Trust, the Lower Tier REMIC and the Underlying REMIC Trust as ''real estate mortgage investment conduits'' (''REMICs'') pursuant to the Internal Revenue Code of 1986, as amended (the ''Code''). The R and RL Classes will be subject to transfer restrictions. See ''Description of the Certificates—Characteristics of the R Class and the RL 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 Multifamily REMIC Prospectus.

Investors should purchase the Certificates only if they have read and understood this Prospectus Supplement and the following documents (collectively, the ''Disclosure Documents''):

- Fannie Mae's Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates dated November 1, 1994 (the ''Multifamily REMIC Prospectus''); and
- Fannie Mae's Information Statement dated March 31, 1994 and any supplements thereto published by Fannie Mae through the date of purchase (collectively, the ''Information Statement'').

The Multifamily REMIC 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 Smith Barney Inc. by writing or calling its Prospectus Department at Brooklyn Arms Terminal, 140 58th Street, 8th Floor, Brooklyn, New York 11220 (telephone 718-921-8466).

TABLE OF CONTENTS

REFERENCE SHEET

This reference sheet is not a summary of the REMIC transaction and it does not contain complete information about the Certificates. Investors should purchase the Certificates only after reading this Prospectus Supplement and each of the additional Disclosure Documents described herein in their entirety. Capitalized terms defined in the Glossary and not otherwise defined herein shall have the meanings assigned thereto in the Glossary.

The Certificates

Description

The Certificates, other than the RL Class, will represent beneficial ownership interests in the Trust. The assets of the Trust will consist of the "regular interests" in the Lower Tier REMIC. The assets of the Lower Tier REMIC will consist of, among other things, one entire class of senior, private label, mortgage pass-through certificates that will (1) evidence a portion (initially 87.7%) of the beneficial ownership interest of a REMIC trust (the "Underlying REMIC Trust") to be created by Structured Mortgage Securities Corporation (the "Underlying Depositor"), and (2) be designated as the Class A Certificates of such Underlying REMIC Trust (the "Underlying SB Class A Certificates"). The assets of the Lower Tier REMIC will also include one entire class of interest only, senior, private-label, mortgage pass-through certificates that will be designated as the Class IO Certificates of the Underlying REMIC Trust (the "Related SB Class IO Certificates"). The primary assets of the Underlying REMIC Trust will consist of a pool of Mortgage Loans secured by multifamily projects. See "Description of the Underlying REMIC Trust" and "Description of the Mortgage Pool" herein and Exhibit A hereto. The Certificates will be guaranteed by Fannie Mae as to timely distribution of interest. Fannie Mae will also guarantee all principal to Certificateholders; however, the receipt of certain principal payments by the Certificateholders may be delayed under certain circumstances described herein. Fannie Mae will not guarantee the collection from Mortgagors or the Underlying Servicer or the payment to Certificateholders of any Prepayment Premium or Yield Maintenance Charge. The Certificates are not guaranteed by, and are not a debt or obligation of, the United States or of any agency or instrumentality thereof other than Fannie Mae. See "Description of the Certificates—General—*Fannie Mae's Guaranty*" herein.

Interest Rates

The A Class will bear interest on its outstanding principal balance (the "A Class Balance") at a rate per annum (the "A Certificate Rate") equal to the Underlying SB Class A Pass-Through Rate. Each of the B and C Classes will bear interest on its respective outstanding principal balance (respectively, the "B Class Balance" and the "C Class Balance") at a rate per annum (respectively, the "B Certificate Rate" and the "C Certificate Rate") equal to the lesser of (i) 8.55% and (ii) the Underlying SB Class A Pass-Through Rate. The D Class will bear interest on its outstanding principal balance (the "D Class Balance") at a rate per annum (the "D Certificate Rate") equal to the lesser of (i) 8.65% and (ii) the Underlying SB Class A Pass-Through Rate.

The N Class will bear interest at a variable rate per annum (the "N Certificate Rate") on a notional amount equal to the sum of the B Class Balance, the C Class Balance and the D Class Balance. The N Certificate Rate will equal the weighted average of (A) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the B Certificate Rate, (B) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the C Certificate Rate and (C) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the D Certificate Rate. See "Description of the Certificates—Distributions of Interest—*Certificate Rates*" and "—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" herein. The initial N Certificate Rate will be 0.4914% per annum.

Neither the R Class nor the RL Class will bear interest.

Distributions of Principal

On each Distribution Date, principal will be distributed first to the A Class until the sum of such distributions has reduced the A Class Balance to zero, then to the B Class until the sum of such distributions has reduced the B Class Balance to zero, then to the C Class until the sum of such distributions has reduced the C Class Balance to zero, and then to the D Class until the sum of such distributions has reduced the D Class Balance to zero, in an amount (the "Principal Distribution Amount") generally equal to the sum of (i) the Underlying SB Class A Principal Distribution Amount for such Distribution Date, and (ii) an amount equal to the Underlying Realized Losses allocated to the Underlying SB Class A Certificates on such Distribution Date. Fannie Mae's guaranty will cover the amount, if any, of Underlying Realized Losses allocated to the Underlying SB Class A Certificates. See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" herein. If Fannie Mae has covered any portion of an Underlying SB Class A Principal Shortfall on a Distribution Date, then Fannie Mae will be entitled to reimburse itself out of payments in respect of the Underlying Aggregate SB Class A Principal Shortfall.

Weighted Average Lives (years)*

	CPR Prepayment Assumption				
Class	**0%**	**3%**	**5%**	**10%**	**15%**
A	4.7	2.7	2.0	1.1	0.8
B	8.2	6.5	5.9	4.5	3.2
C	21.6	14.2	10.9	7.5	6.3
D	27.9	25.7	23.4	17.2	12.7
N**	14.5	11.2	9.7	7.1	5.4

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

** The Weighted Average Lives shown in the table for the N Class are based upon the original notional principal balance thereof which is equal to the initial aggregate principal balance of the B, C and D Classes.

Characteristics of the Underlying SB Class A Certificates and the Related SB Subordinated Certificates

Characteristics of the Underlying SB Class A Certificates

The initial outstanding principal balance of the Underlying SB Class A Certificates is $108,404,000, subject to a permitted variance of plus or minus 5%, and the Underlying SB Class A Pass-Through Rate is, with respect to any Distribution Date, the Weighted Average Net Mortgage Interest Rate for such Distribution Date. The initial Underlying SB Class A Pass-Through Rate is approximately 9.0558% per annum.

Characteristics of the Related SB Subordinated Certificates

The initial outstanding principal balance of the Related SB Subordinated Certificates is $15,204,614, subject to a permitted variance of plus or minus 5%.

Generally, all payments (or advances in lieu thereof) and other collections of principal on or in respect of the Mortgage Loans will be distributed to the Underlying SB Class A Certificateholders on each Distribution Date until the product of (a) the aggregate Unpaid Principal Balances of the Mortgage Loans and (b) the percentage interest of the Related SB Subordinated Certificateholders in the Underlying REMIC Trust (the "Related SB Subordinated Interest") is equal to the greater of (i) 35% of the aggregate Unpaid Principal Balances of the Mortgage Loans and (ii) the aggregate Unpaid Principal Balances of the two Mortgage Loans having the then largest Unpaid Principal Balances (the greater of the amounts in clause (i) and clause (ii) being referred to herein as the "Trigger Amount"), after which time, on each Distribution Date, all payments of principal will be distributed pro rata to the Underlying SB Class A Certificateholders and the Related SB Subordinated Certificateholders based on their outstanding Class Balances until such Class Balances have been reduced to zero. However, in the event the Related SB Subordinated Interest should thereafter become less than the Trigger Amount, then all such payments and other collections of principal will be distributed to the Underlying SB Class A Certificateholders until the Related SB Subordinated Interest is again equal to the Trigger Amount. See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" herein.

Characteristics of Mortgage Loans in the Mortgage Pool

The table set forth on Exhibit A hereto sets forth certain information regarding the Mortgage Loans underlying the Underlying SB Class A Certificates and the Related SB Subordinated Certificates. In addition, the following table provides certain specific summary information regarding the Mortgage Pool as of the Cut-Off Date after application of payments due on that date. The information with respect to the Mortgage Loans set forth on Exhibit A hereto, and contained in the following table, has been collected and summarized by the Underlying Depositor and provided to Fannie Mae. Fannie Mae makes no representation regarding the accuracy or completeness of such information.

Number of Loans	46
Total Current Unpaid Principal Balance	$123,608,614
Average Unpaid Principal Balance	$2,687,144
Minimum Unpaid Principal Balance	$236,182
Maximum Unpaid Principal Balance	$14,832,002
Weighted Average Debt Service Coverage Ratio	1.33
Minimum Debt Service Coverage Ratio	.82*
Maximum Debt Service Coverage Ratio	2.47
Weighted Average Loan-to-Value Ratio	66.22%
Minimum Loan-to-Value Ratio	25.80%
Maximum Loan-to-Value Ratio	87.77%
Weighted Average Remaining Amortization Term	348 months
Weighted Average Original Term to Stated Maturity	224 months
Minimum Original Term to Stated Maturity	60 months
Maximum Original Term to Stated Maturity	360 months
Weighted Average Remaining Term to Stated Maturity	214 months
Minimum Remaining Term to Stated Maturity	24 months
Maximum Remaining Term to Stated Maturity	355 months
Weighted Average Mortgage Interest Rate	9.5308%
Minimum Mortgage Interest Rate	6.875%
Maximum Mortgage Interest Rate	10.5%
Weighted Average Net Mortgage Interest Rate	9.0558%
Minimum Net Mortgage Interest Rate	6.4%
Maximum Net Mortgage Interest Rate	10.025%
Percentage of Mortgage Loans With Prepayment Premiums	11%
Percentage of Mortgage Loans With Yield Maintenance Charges	76%

* The Mortgage Loan having the indicated Debt Service Coverage Ratio is secured by a cooperatively owned Mortgaged Property. The gross revenue for such Mortgaged Property included in the indicated Debt Service Coverage Ratio was calculated based on the monthly maintenance payments that the cooperative is projected to receive from all units rather than what would be the fair market rental income of such units. As a result, such gross revenue is lower than it would otherwise be, as is the corresponding Debt Service Coverage Ratio.

For additional information as to the Mortgage Pool, including Debt Service Coverage Ratios and Cut-off Date LTV Ratios, see "Description of the Mortgage Pool" herein.

CERTAIN ASPECTS OF MULTIFAMILY REMIC PASS-THROUGH CERTIFICATES

Prospective Certificateholders should consider the following factors in connection with a purchase of the Certificates.

1. *Balloon Mortgage Loans and Extension Risk.* Certain of the Mortgage Loans are not fully amortizing over their terms to maturity, and thus will have Balloon Payments due at their respective stated maturities. Such Mortgage Loans involve a greater risk of default because the ability of a Mortgagor to make a Balloon Payment typically will depend upon the ability of the Mortgagor either to refinance such a Mortgage Loan or to sell the related Mortgaged Property. The ability of a Mortgagor to accomplish either of these goals will be affected by a number of factors, including the level of available mortgage rates at the time of sale or refinancing, the Mortgagor's equity in the Mortgaged Property, the financial condition and operating history of the Mortgaged Property, tax laws and prevailing general economic conditions. If the Mortgagor were unable to either refinance such a Mortgage Loan or to sell the related Mortgaged Property and such inability to refinance or sell led to a default under the terms of the Mortgage Loan, the Underlying Servicer may modify or amend the terms of such Mortgage Loan, which modification may extend the maturity of the Mortgage Loan up to two years. Any such extension of a Mortgage Loan may cause the weighted average lives of the Certificates to be longer than if the Mortgage Loan had paid under its original terms. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*" herein.

2. *Other Risks of Multifamily Lending.* Multifamily lending is generally viewed as exposing the lender to a greater risk of loss than one- to four-family residential lending. Multifamily lending typically involves larger loans to single Mortgagors or groups of related Mortgagors than residential one- to four-family mortgage loans. Furthermore, the repayment of Mortgage Loans secured by income producing properties is typically dependent upon the successful operation of the related real estate project. If the cash flow from the project is reduced (for example, if leases are not obtained or renewed), the Mortgagor's ability to repay the Mortgage Loan may be impaired. Multifamily real estate can be affected significantly by supply and demand in the market for the type of property securing the Mortgage Loan and, therefore, may be subject to adverse economic conditions. Market values may vary as a result of economic events or governmental regulations outside the control of the Mortgagor or lender such as rent control laws, which impact the future cash flow of the property. Due to Fannie Mae's guaranty, Certificateholders will continue to receive the Interest Distribution Amount and Principal Distribution Amount on each Distribution Date regardless of whether sufficient funds have been collected from the Mortgagors; however, the receipt of certain principal payments by Certificateholders may be significantly delayed in the event of any defaulted Balloon Payments. See "Description of the Certificates—General—*Fannie Mae's Guaranty*" herein. In addition, principal prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties, or purchases of Mortgage Loans out of the Underlying REMIC Trust due to breaches of representations may significantly affect the yield to investors. See "Description of the Certificates—Yield Considerations" and "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*" herein.

3. *Collection of Prepayment Premiums and Yield Maintenance Charges.* Fannie Mae will not guarantee the collection from Mortgagors or the Underlying Servicer or the payment to Certificateholders of any Prepayment Premiums or Yield Maintenance Charges. Certain state laws limit the amounts that a lender may collect from a Mortgagor as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for Prepayment Premiums or Yield Maintenance Charges upon an involuntary prepayment is unclear. See "Description of the Certificates—General—*Fannie Mae's Guaranty*" and "—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein.

4. *Repurchases Due to Breach of Representations and Warranties or Upon Default.* The Underlying Depositor will make certain customary representations and warranties for the benefit of the Underlying Trustee and the Underlying Certificateholders with respect to each Mortgage Loan. If a breach is discovered which materially and adversely affects the value of any Mortgage Loan, the Underlying Depositor will be required to either cure in all material respects such breach or purchase the affected Mortgage Loan from the Underlying Trustee at the applicable Purchase Price. Principal prepayments resulting from purchases of Mortgage Loans out of the Underlying REMIC Trust due to breaches of representations and warranties will not be accompanied by Prepayment Premiums or Yield Maintenance Charges and therefore such principal prepayments may significantly affect the yield to investors. See "Description of the Certificates—Yield Considerations" and "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*" herein. The holder of a majority interest in the Related SB Subordinated Certificates (other than the Related SB Class R Certificates) will be entitled to purchase a Defaulted Mortgage Loan as described under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*." If a Defaulted Mortgage Loan is so purchased, the applicable investors will not receive any Prepayment Premiums or Yield Maintenance Charges in connection with such principal prepayment.

5. *Permitted Variance Factor.* The Initial Mortgage Pool Balance and initial original principal balances of the Certificates are subject to a permitted variance of plus or minus 5%. Therefore, investors should be aware that the characteristics of the Mortgage Loans actually included in the Mortgage Pool may differ from the characteristics of the Mortgage Loans set forth in the discussions and tables in this Prospectus Supplement.

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 remaining provisions of this Prospectus Supplement, the additional Disclosure Documents and the provisions of the Trust Agreement (as defined below). In addition, the summary description below of certain aspects of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates do not purport to be complete and are subject to, and qualified in their entirety by reference to, the Underlying Pooling and Servicing Agreement. Capitalized terms used and not otherwise defined in this Prospectus Supplement have the meanings assigned to such terms in the applicable Disclosure Document or the Trust Agreement or the Underlying Pooling and Servicing Agreement (as the context may require).

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement to be dated as of December 1, 1994 (the "Trust Agreement"), executed by the Federal National Mortgage Association ("Fannie Mae") in its corporate capacity and in its capacity as trustee (the "Trustee"), and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

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

The interests in the Lower Tier REMIC other than the RL Class (the "Lower Tier Regular Interests"), will be designated as the "regular interests," and the RL Class will be designated as the "residual interest" in the Lower Tier REMIC.

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

Fannie Mae's Guaranty. Fannie Mae will guarantee the timely payment, on each Distribution Date, to Holders of the A Class, B Class, C Class, D Class and the N Class of the amount of their respective Interest Distribution Amounts, whether or not sufficient funds are available therefor in the Trust Account. See "—Distributions of Interest" herein.

Fannie Mae will not guarantee the Underlying SB Class A Certificates or the timely payment of Balloon Payments on the stated maturity dates of the related Mortgage Loans. Whether or not sufficient funds are available therefor in the Trust Account, Fannie Mae will guarantee to the Holders of the A Class, the B Class, the C Class and the D Class, the related Principal Distribution Amount; however, such payments may be significantly delayed in the event of any defaulted Balloon Payments. See "—Distributions of Principal—*Principal Distribution Amount*" herein. In the case of defaulted Balloon Payments, the related Mortgage Loan will be treated as a Mortgage Loan that amortizes in accordance with its prior amortization schedule, and Certificateholders will be entitled to distributions in respect of a deemed payment (an "Assumed Payment") that is generally equal to the prior scheduled principal and interest payments, and not the entire Balloon Payment. See "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest*" herein. Fannie Mae will be obligated to distribute the principal balance of the A, B, C and D Classes in full no later than the related Final Distribution Date, whether or not sufficient funds are available in the Trust Account.

Fannie Mae will not guarantee the collection from Mortgagors or the Underlying Servicer or the payment to Certificateholders of any Prepayment Premiums or Yield Maintenance Charges (referred to collectively as "Prepayment Premiums" in the Multifamily REMIC Prospectus). Accordingly, Certificateholders entitled to receive Prepayment Premiums or Yield Maintenance Charges will receive them only to the extent actually received by the Trustee from the Underlying Servicer. See "Description of the Certificates—Fannie Mae's Guaranty" in the Multifamily REMIC Prospectus and "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein. For a description of the Prepayment Premiums and Yield Maintenance Charges, see "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" herein. Certain state laws may affect the collectibility of Prepayment Premiums and Yield Maintenance Charges. See "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein.

The compensation of Fannie Mae for its guaranty of the Certificates will be an expense of the Trust and will be paid out of Accrued Certificate Interest on the Related SB Class IO Certificates.

The guaranties of Fannie Mae are not backed by the full faith and credit of the United States.

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

Neither the R Certificate nor the RL Certificate will be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate and the RL Certificate, "Holder" or "Certificateholder" refers to the registered owner thereof. The R Certificate and the RL Certificate will be transferable and exchangeable, if applicable, 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 exchange, if applicable, or registration of transfer of the R Certificate or RL Certificate, and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also "Characteristics of the R Class and the RL Class" herein.

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

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

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day) (each, a "Distribution Date"), commencing in the month following the Settlement Date. Distributions on the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates also will be made on the Distribution Date.

Record Date. Each monthly distribution on the Certificates will be made to Holders of record on the last day of the immediately 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 amount of principal remaining to be distributed with respect to such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date.

Optional Termination. Fannie Mae will agree not to effect an early termination of the Trust through the exercise of its right to repurchase the Underlying SB Class A Certificates and the Related SB Class IO Certificates unless the Underlying SB Class A Balance at the time of such repurchase is less than one percent of the original Underlying SB Class A Balance. There may also be an early termination of the Trust in the event the Underlying Servicer or Underlying Depositor effects the retirement of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates by exercising its right to purchase the Mortgage Loans and the REO Properties in the Underlying REMIC Trust at any time when the aggregate Stated Principal Balance of such Mortgage Loans and the REO Loans is less than five percent of the Initial Mortgage Pool Balance. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*" herein.

Structure of the Underlying REMIC Trust

General

The Underlying REMIC Trust will be created pursuant to a pooling and servicing agreement, to be dated as of December 1, 1994 (the "Underlying Pooling and Servicing Agreement"), among Structured Mortgage Securities Corporation, as depositor (the "Underlying Depositor"), Bankers Trust Company, as master servicer (the "Underlying Servicer"), and State Street Bank and Trust Company, as trustee (the "Underlying Trustee").

The assets of the Underlying REMIC Trust will consist generally of (i) the Mortgage Loans and all payments under and proceeds of the Mortgage Loans received after the Cut-off Date (exclusive of payments of principal and interest due on or before the Cut-off Date), (ii) the Mortgage Notes, Mortgages and certain other documents related to the Mortgage Loans, (iii) any Mortgaged Property acquired on behalf of the Underlying REMIC Trust through foreclosure or deed in lieu of foreclosure (upon acquisition, an "REO Property") and (iv) the rights of the mortgagee under all insurance policies with respect to the Mortgage Loans. The entire beneficial ownership interest in the Underlying REMIC Trust will be evidenced by the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the other Classes issued therewith (such other Classes being referred to collectively herein as the "Related SB Subordinated Certificates"). The Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates are not offered hereby or guaranteed by Fannie Mae. See "Reference Sheet—Characteristics of the Underlying SB Class A Certificates and the Related SB Subordinated Certificates" herein.

A REMIC election will be made with respect to the Underlying REMIC Trust. The Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates (other than the Class R Certificates issued by the Underlying REMIC Trust, which shall be referred to herein as the "Related SB Class R Certificates") will evidence the "regular interests" (the "Underlying REMIC Regular Interests"), and the Related SB Class R Certificates will evidence the sole class of "residual interests" (the "Underlying REMIC Residual Interests"), in the Underlying REMIC Trust. The Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates that evidence Underlying REMIC Regular Interests are herein referred to from time to time as the "Underlying REMIC Regular Certificates." See "Description of the Underlying REMIC Trust" herein.

The Mortgage Pool

The "Cut-off Date" for the Mortgage Pool is December 1, 1994. There are forty-six Mortgage Loans in the Mortgage Pool and the aggregate unpaid principal balance thereof as of the Cut-off Date (the "Initial Mortgage Pool Balance") is $123,608,614, subject to a permitted variance of plus or minus 5%, after application of all payments of principal due on or before the Cut-off Date, whether or not received. Each Mortgage Loan is evidenced by a note (or, in the case of certain Mortgage Loans, a copy of the related note and a lost note affidavit), bond or other evidence of indebtedness (a "Mortgage Note") and is secured by a first mortgage, deed of trust or other similar security instrument (each, a "Mortgage") that creates a first lien on a multifamily project (a "Mortgaged Property") consisting of five or more rental units. Forty-four of the Mortgage Loans (the "Fixed Rate Mortgage Loans"), which represent 99% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates that are in each case, as of the Cut-off Date, fixed for the particular Mortgage Loan's remaining term to stated maturity. Two of the Mortgage Loans (the "ARM Mortgage Loans"), which represent the remaining 1% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates which are in each case subject to periodic adjustments following the Cut-off Date. Twenty-three of the Mortgage Loans, which represent 50% of the Initial Mortgage Pool Balance, provide for monthly payments of principal based on amortization schedules significantly longer than the remaining terms of such Mortgage Loans (each, a "Balloon Mortgage Loan"), thereby leaving substantial principal amounts then due and payable (each, a "Balloon Payment") on their respective maturity dates.

All scheduled payments of principal and interest under the Mortgage Loans will be due on the first day of each month. See "The Series Trust—The Mortgage Pools" in the Multifamily REMIC Prospectus and "Description of the Mortgage Pool" herein.

The Underlying SB Class A Certificates and the Mortgage Loans

The Underlying SB Class A Certificates, which initially represent a 87.7% senior interest in the Mortgage Loans, initially will have an aggregate unpaid principal balance of $108,404,000 (the initial "Underlying SB Class A Balance"), subject to a permitted variance of plus or minus 5%, an initial Underlying SB Class A Pass-Through Rate of approximately 9.0558% per annum and the other general and detailed characteristics described in the Multifamily REMIC Prospectus and under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates" herein. The "Underlying SB Class A Pass-Through Rate" is the rate at which interest accrues on the Underlying SB Class A Certificates, which rate, for any Distribution Date, is equal to the Weighted Average Net Mortgage Interest Rate for such Distribution Date.

The "Weighted Average Net Mortgage Interest Rate" for any Distribution Date is the rate per annum equal to the weighted average, expressed as a percentage and rounded to five decimal places, of the respective Net Mortgage Interest Rates in effect for the Mortgage Loans and REO Loans during the related Due Period, weighted on the basis of the respective Stated Principal Balances of such Mortgage Loans and REO Loans immediately prior to such Distribution Date.

The "Net Mortgage Interest Rate" for any Mortgage Loan or REO Loan, as of any date of determination, will be the rate per annum equal to (i) the applicable Mortgage Interest Rate (without regard to any modification thereof made in connection with a bankruptcy proceeding or in connection with a default or a threatened default) minus (ii) the sum of the applicable Servicing Fee Rate, the Underlying Trustee's Fee Rate and the fixed rate per annum applicable to the accrual of interest on the Related SB Class IO Certificates. For information as to the Net Mortgage Interest Rates applicable to the Mortgage Loans, see Exhibit A.

The "Due Period" with respect to the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates and any Distribution Date is the period commencing on the second business day of the month preceding the month in which such Distribution Date occurs and ending on the first business day of the month in which such Distribution Date occurs. See "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest*" herein.

The Mortgage Loans will include Fixed Rate Mortgage Loans and ARM Mortgage Loans. The Mortgage Loans will have the characteristics described under "The Series Trust—The Mortgage Pools" and "Yield Considerations" in the Multifamily REMIC Prospectus and "Description of the Mortgage Pool" and "Description of the Certificates—Yield Considerations" herein. The characteristics of the Underlying SB Class A Certificates, the Related SB Subordinated Certificates and the Mortgage Loans as of December 1, 1994 (the "Issue Date") are expected to be as follows:

Aggregate Unpaid Principal Balance of the Underlying SB Class A Certificates	$108,404,000
Aggregate Unpaid Principal Balance of the Related SB Subordinated Certificates	$15,204,614
Aggregate Unpaid Principal Balance of the Mortgage Loans	$123,608,614
Underlying SB Class A Pass-Through Rate	9.0558%
Range of Net Mortgage Interest Rates	6.4 to 10.025%
WAC	9.5308%
Range of Remaining Terms to Stated Maturity (in months)	24 to 355
WAM (in months)	214

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the Underlying SB Class A Balance. 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 Underlying SB Class A 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:

Interest Type*	Classes
Weighted Average Coupon	A, B, C, D and N
Interest Only	N
No Payment Residual	R and RL

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates described on the cover and set forth under "—*Certificate Rates*" herein. Interest on the interest-bearing Certificates will be 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 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 (each such payment, the "Interest Distribution Amount").

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

Classes	Interest Accrual Period
All interest-bearing Classes (collectively, the "Delay Classes")	Calendar month preceding the month in which the Distribution Date occurs

See "—Yield Considerations" herein.

Certificate Rates. The rate per annum at which interest will accrue on the A Class for each Distribution Date will equal the Underlying SB Class A Pass-Through Rate. The rate per annum at which interest will accrue on each of the B Class and the C Class for each Distribution Date will equal the lesser of (i) 8.55% and (ii) the Underlying SB Class A Pass-Through Rate. The rate per annum at which interest will accrue on the D Class for each Distribution Date will equal the lesser of (i) 8.65% and (ii) the Underlying SB Class A Pass-Through Rate. The rate at which interest will accrue on the N Class (the "N Certificate Rate") for each Distribution Date will equal the weighted average of (A) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the B Certificate Rate, (B) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the C Certificate Rate and (C) the difference between (i) the Underlying SB Class A Pass-Through Rate, less (ii) the D Certificate Rate. Such weighted average will be based on the aggregate Class Balances of the B, C and D Classes. The initial N Certificate Rate is 0.4914% per annum. In the event that the Underlying SB Class A Pass-Through Rate is less than or equal to 8.55%, the N Certificate Rate will equal 0%.

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

Class	Percentage of Principal Balance of Specified Classes
N	100% of aggregate of the B, C and D Classes

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

Distributions of Principal

Categories of Classes

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

Principal Type*	Classes
Sequential Pay	A, B, C and D
Notional	N
No Payment Residual	R and RL

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

Principal Distribution Amount

Principal will be distributed monthly on the A Class and, after the A Class Balance is reduced to zero, on the B Class and, after the B Class Balance is reduced to zero, on the C Class and, after the C Class Balance is reduced to zero, on the D Class in an amount (the "Principal Distribution Amount") generally equal to the sum of (i) the Underlying SB Class A Principal Distribution Amount for the applicable Distribution Date, and (ii) an amount equal to the Underlying Realized Losses allocated to the Underlying SB Class A Certificates on the applicable Distribution Date. Fannie Mae's guaranty will cover the amount, if any, of Underlying Realized Losses allocated to the Underlying SB Class A Certificates. If Fannie Mae has covered any portion of an Underlying SB Class A Principal Shortfall on a Distribution Date, then Fannie Mae will be entitled to reimburse itself out of payments in respect of the Underlying Aggregate SB Class A Principal Shortfall.

With respect to any Distribution Date, the "Underlying SB Class A Principal Distribution Amount" will constitute an amount equal to the lesser of (i) the Underlying SB Class A Balance immediately prior to such Distribution Date and (ii) a percentage (the "Underlying SB Class A Principal Distribution Percentage") of the sum, without duplication, of the following: (a) the aggregate of the principal portions of all Scheduled Payments (other than Balloon Payments) due, and of any Assumed Payments deemed due, in respect of the Mortgage Loans on the Due Date during the related Due Period, whether or not received or advanced and, in each case, regardless of whether the related Mortgage Loan was included in the Underlying REMIC Trust as of the end of the related Due Period or a Liquidation Event had occurred with respect thereto during the related Due Period, but not for any Due Period occurring after a Final Recovery Determination in respect of such related Mortgage Loan; (b) the aggregate of the principal portions of all Assumed Payments deemed due in respect of any REO Loans on the Due Date during the related Due Period, whether or not collections received or advances made in respect of the related REO Properties are sufficient to cover such Assumed Payments and, in each case, regardless of whether the related REO Property was included in the Underlying REMIC Trust as of the end of the related Due Period or a Liquidation Event had occurred with respect thereto during the related Due Period, but not for any Due Period occurring after a Final Recovery Determination in respect of such related REO Property; (c) the aggregate of all payments (including voluntary principal prepayments and Balloon Payments), insurance proceeds, condemnation proceeds and liquidation proceeds received on or in respect of the Mortgage Loans during the related Due Period (regardless of whether such Mortgage Loans were included in the Underlying REMIC Trust as of the end of the related Due Period or whether a Liquidation Event had occurred with respect to any such Mortgage Loan during such Due Period), which payments and proceeds were applied by the Underlying Servicer as recoveries of principal of such Mortgage Loans in accordance with the Underlying Pooling and Servicing Agreement, in each case net of any portion of such amounts that represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due, in respect of the related Mortgage Loan on a Due Date during or prior to the related Due Period and not previously received; and (d) the aggregate of all income, rent, profits, insurance proceeds, condemnation proceeds and liquidation proceeds received in respect of any REO Properties during the related Due Period (regardless of whether such REO Properties were included in the Underlying REMIC Trust as of the end of the related Due Period or whether a Liquidation Event had occurred with respect to any such REO Property during such Due Period), which revenues and proceeds were applied by the Underlying Servicer as recoveries of principal of the related REO Loans in accordance with the Underlying Pooling and Servicing Agreement, in each case net of any portion of such amounts that represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due, in respect of the related REO Loan or the predecessor Mortgage Loan on a Due Date during or prior to the related Due Period and not previously received.

The Underlying SB Class A Principal Distribution Percentage will equal 100% until the Related SB Subordinated Interest is equal to the Trigger Amount, and thereafter generally will equal 65%. The "Related SB Subordinated Interest" will be calculated as the product of (a) the aggregate Unpaid Principal Balances of the Mortgage Loans and (b) the percentage interest of the Related SB Subordinated Certificateholders in the Underlying REMIC Trust. The "Trigger Amount" will equal the greater of (i) 35% of the aggregate Unpaid Principal Balances of the Mortgage Loans and (ii) the aggregate Unpaid Principal Balances of the two Mortgage Loans having the then largest Unpaid Principal Balances. On each Distribution Date on which the Related SB Subordinated Interest is equal to the Trigger Amount, all payments of principal will be distributed pro rata to the Underlying SB Class A Certificateholders and the Related SB Subordinated Certificateholders based on their outstanding Class Balances until such Class Balances have been reduced to zero. However, in the event the Related SB Subordinated Interest should thereafter become less than the Trigger Amount, then all such payments and other collections of principal will be distributed to the Underlying SB Class A Certificateholders until the Related SB Subordinated Interest is again equal to the Trigger Amount. Whether the Related SB Subordinated Interest is equal to or less than the Trigger Amount will be measured during the application of funds described under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Priority*" herein. Accordingly, for example, if as a result of such applications of funds on a Distribution Date the Related SB Subordinated Interest becomes equal to the Trigger Amount, then at the time of such occurrence any remaining payments and other collections of principal to be distributed on such Distribution Date will be shared between the Underlying SB Class A Certificateholders and the Related SB Subordinated Certificateholders as described above.

The allocation of principal described above is intended to accelerate principal payments to the holders of the Underlying SB Class A Certificates (the "Underlying SB Class A Certificateholders"), and at the same time increase the relative level of subordination provided by the Related SB Subordinated Certificates on any Distribution Date to the extent the Related SB Subordinated Interest is less than the Trigger Amount. See "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest*" and the "Glossary" herein.

Allocation of Prepayment Premiums and Yield Maintenance Charges

In the event a Mortgagor is required to pay any Yield Maintenance Charge or any Prepayment Premium, the amount of such Yield Maintenance Charge or Prepayment Premium actually collected will be distributed in respect of the Underlying SB Class A Certificates for so long as they are outstanding and thereafter in respect of the Related SB Subordinated Certificates. For a description of Prepayment Premiums and Yield Maintenance Charges, see "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" herein.

On each Distribution Date, 50% of any Prepayment Premiums and Yield Maintenance Charges actually received during the related Due Period will be distributed first to the A Class so long as the A Class Balance is greater than zero, then to the B Class so long as the B Class Balance is greater than zero, then to the C Class so long as the Class C Balance is greater than zero, and then to the D Class so long as the D Class Balance is greater than zero. The remaining 50% of such Prepayment Premiums and Yield Maintenance Charges will be distributed to the N Class on such Distribution Date.

Fannie Mae does not guarantee that any Prepayment Premiums or Yield Maintenance Charges due under any Mortgage Loan will in fact be collected. In certain circumstances, the Underlying Servicer may have the right to waive collection of any Prepayment Premiums or Yield Maintenance Charges. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*" herein. In addition, it is uncertain whether the provisions of the Mortgage Loans requiring the payment of Prepayment Premiums or Yield Maintenance Charges are enforceable in all jurisdictions. See "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" herein. It should be noted that the Underlying Depositor's repurchase of a Mortgage Loan pursuant to the Underlying Pooling and Servicing Agreement will not be accompanied by payment of any Prepayment Premium or Yield Maintenance Charge. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*" herein. Further, certain state laws limit the amounts that a lender may collect from a borrower as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for Prepayment Premiums or Yield Maintenance Charges upon an involuntary prepayment is unclear. No assurance can be given that, at the time a Prepayment Premium or a Yield Maintenance Charge is required to be made on a Mortgage Loan in connection with an involuntary prepayment, the obligation to pay such Prepayment Premium or Yield Maintenance Charge will be enforceable under applicable state law. See "Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans" in the Multifamily REMIC Prospectus.

Structuring Assumptions

Pricing Assumptions. The information in the tables under "Description of the Certificates—Yield Considerations" and "Description of the Certificates—Decrement Tables" has been prepared on the basis of the actual characteristics of the Mortgage Loans (as described in "Description of the Mortgage Pool" and Exhibit A hereto) and the following assumptions (such characteristics and assumptions, collectively, the "Pricing Assumptions"):

(i) scheduled interest and principal payments on the Mortgage Loans are received in a timely manner;

(ii) prepayments will be made on each Mortgage Loan at the indicated percentages of CPR;

(iii) there are no repurchases of Mortgage Loans and neither the Underlying Depositor nor the Underlying Servicer exercises its right of optional termination of the Underlying REMIC Trust described herein, and Fannie Mae does not exercise its right of optional termination of the Trust as described herein;

(iv) no modifications, extensions, waivers or amendments regarding the payment by the Mortgagors of principal and interest on the Mortgage Loans occur;

(v) each Distribution Date occurs on the 25th day of each month, and the first Distribution Date occurs in January, 1995;

(vi) there are no defaults, losses or delinquencies on the Mortgage Loans;

(vii) the closing date for the sale of the Certificates is the Settlement Date;

(viii) the Due Date for each Mortgage Loan is the first day of each month;

(ix) all Mortgage Loans bear interest on the basis of a 360-day year consisting of twelve 30-day months;

(x) no Prepayment Premiums or Yield Maintenance Charges are received; and

(xi) the Mortgage Interest Rates on the two ARM Mortgage Loans remain constant at their current rates.

CPR Assumptions. Prepayments on mortgage loans may be measured by a prepayment standard or model. The model used herein is the "Constant Prepayment Rate" or "CPR" model. The CPR model represents an assumed constant annual rate of prepayment each month, expressed as a per annum percentage of the then outstanding principal balance of the pool of mortgage loans. *CPR does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans underlying the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates.* See "—Yield Considerations" and "—Decrement Tables" herein and "Yield Considerations" and "Maturity and Prepayment Considerations and Risks" in the Multifamily REMIC Prospectus.

Yield Considerations

General. The yield to maturity for each Certificate will depend upon the purchase price thereof, the rate of principal payments (including prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties, or purchases out of the Underlying REMIC Trust), and the actual characteristics of the Mortgage Loans. There can be no assurance that the pre-tax yields shown herein will be realized or that the aggregate purchase prices of the Certificates will be as assumed. An investor should purchase Certificates only after performing an analysis of such Certificates based upon the investor's own assumptions as to future rates of prepayment.

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. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The timing of changes in the rate of principal prepayments (including prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties, or purchases of Mortgage Loans out of the Underlying REMIC Trust), may significantly affect the yield to an investor, even if the average rate of principal prepayments is consistent with such investor's expectations. Payments of principal to investors will also be made earlier than otherwise due when the Related SB Subordinated Interest is less than the Trigger Amount. See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" herein. In general, the earlier the payment of principal, 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 Settlement Date may not be offset by any subsequent equivalent reduction (or increase) in the rate of principal prepayments.

The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of Prepayment Premiums or Yield Maintenance Charges and other economic, geographic and social factors. Certain of the Mortgage Loans provide for balloon payments, unless prepaid prior to maturity; and certain of the Mortgage Loans provide for the payment of either a Prepayment Premium or Yield Maintenance Charge in connection with voluntary principal prepayments. See "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans" herein. The required payment of Prepayment Premiums or Yield Maintenance Charges may not be a sufficient disincentive to prevent the voluntary prepayment of the Mortgage Loans and, even if collected, allocation thereof to any Class may be insufficient to offset fully the adverse effects on the anticipated yield thereon arising out of the corresponding principal prepayment.

The Underlying Pooling and Servicing Agreement permits extensions of the maturities of Mortgage Loans as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*." Such extensions, if made, would likely cause an extension of the weighted average lives of the Certificates and therefore effect the yield to investors.

There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein, or at any other particular rate. The rate and timing of principal payments on the A, B, C and D Classes will be directly related to the rate and timing of principal payments (including principal prepayments) on the Mortgage Loans and the extent to which such payments are in turn distributed on the Underlying SB Class A Certificates. See "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Calculations of Principal*" herein.

The N Class. The table set forth below indicates the sensitivity of the pre-tax corporate bond equivalent yield to maturity of the N Class to prepayments on the Mortgage Loans occurring in accordance with the Pricing Assumptions at various constant percentages of CPR. 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 such 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 N Class Certificates and consequently do not purport to reflect the return on any investment in the N Class Certificates when such reinvestment rates are considered.

As indicated in the table below, the yield to investors in the N Class will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. Certain Mortgage Loans permit prepayment subject to the payment of Prepayment Premiums or Yield Maintenance Charges. There can be no assurance that such Prepayment Premiums or Yield Maintenance Charges will reduce the actual rate of prepayments of the Mortgage Loans. Any Prepayment Premiums and Yield Maintenance Charges actually received will be allocated to investors in the manner described above. See "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein. Such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

On the basis of the assumptions described below *(including the assumption that no Prepayment Premiums or Yield Maintenance Charges are received)*, the yield to maturity on the N Class would be 0% if prepayments were to occur at a constant rate of approximately 11% CPR. If the actual prepayment rate of the Mortgage Loans were to exceed the foregoing level for as little as one month while equaling such level for the remaining

months, the investors in the N Class would not fully recoup their initial investments. 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 N Class will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of the N Class will be as assumed below.

The information set forth in the following sensitivity table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the N Class (expressed as a percentage of original notional principal balance) is as follows:

Class	Price*
N	3.0625%

* 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 N Class to Prepayments
(Pre-Tax Yields to Maturity*)

	CPR Prepayment Assumption				
Class	0%	3%	5%	10%	15%
N	11.4%	8.8%	6.9%	1.3%	(5.0)%

* Calculated assuming no Prepayment Premiums or Yield Maintenance Charges are received.

See generally "Yield Considerations" in the Multifamily REMIC Prospectus.

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 "Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates" in the Multifamily 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. The Underlying Pooling and Servicing Agreement permits Modifications (as hereinafter defined), including extensions, of the Mortgage Loans under certain circumstances. Any extension of a Mortgage Loan is likely to cause an extension of the weighted average life of a Certificate. In addition, failure of a Mortgagor to timely make a Balloon Payment is also likely to cause an extension of the expected weighted average lives of the Certificates.

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 from 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 balance of the specified Classes that would be outstanding after each of the dates shown at various *constant* CPR levels and the corresponding weighted average lives of such Classes. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, and no representation is made that the Mortgage Loans will prepay at the CPRs shown or at any other *constant* prepayment rate.

Percent of Original Principal Balances Outstanding

Date	A Class CPR Prepayment Assumption 0%	3%	5%	10%	15%	B Class CPR Prepayment Assumption 0%	3%	5%	10%	15%	C Class CPR Prepayment Assumption 0%	3%	5%	10%	15%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1995	97	84	76	55	34	100	100	100	100	100	100	100	100	100	100
December 1996	86	62	46	8	0	100	100	100	100	83	100	100	100	100	100
December 1997	80	45	22	0	0	100	100	100	82	53	100	100	100	100	100
December 1998	76	30	2	0	0	100	100	100	62	29	100	100	100	100	100
December 1999	44	0	0	0	0	100	95	76	34	1	100	100	100	100	100
December 2000	40	0	0	0	0	100	87	65	20	0	100	100	100	100	71
December 2001	0	0	0	0	0	33	8	0	0	0	100	100	84	40	8
December 2002	0	0	0	0	0	30	2	0	0	0	100	100	74	28	0
December 2003	0	0	0	0	0	28	0	0	0	0	100	94	65	19	0
December 2004	0	0	0	0	0	19	0	0	0	0	100	75	51	6	0
December 2005	0	0	0	0	0	16	0	0	0	0	100	69	43	0	0
December 2006	0	0	0	0	0	14	0	0	0	0	100	63	36	0	0
December 2007	0	0	0	0	0	11	0	0	0	0	100	56	30	0	0
December 2008	0	0	0	0	0	7	0	0	0	0	100	49	23	0	0
December 2009	0	0	0	0	0	4	0	0	0	0	100	43	16	0	0
December 2010	0	0	0	0	0	*	0	0	0	0	100	37	10	0	0
December 2011	0	0	0	0	0	0	0	0	0	0	92	30	5	0	0
December 2012	0	0	0	0	0	0	0	0	0	0	82	24	0	0	0
December 2013	0	0	0	0	0	0	0	0	0	0	75	18	0	0	0
December 2014	0	0	0	0	0	0	0	0	0	0	67	11	0	0	0
December 2015	0	0	0	0	0	0	0	0	0	0	59	5	0	0	0
December 2016	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0
December 2017	0	0	0	0	0	0	0	0	0	0	39	0	0	0	0
December 2018	0	0	0	0	0	0	0	0	0	0	28	0	0	0	0
December 2019	0	0	0	0	0	0	0	0	0	0	15	0	0	0	0
December 2020	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
December 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
December 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.7	2.7	2.0	1.1	0.8	8.2	6.5	5.9	4.5	3.2	21.6	14.2	10.9	7.5	6.3

Date	D Class CPR Prepayment Assumption 0%	3%	5%	10%	15%	N Class† CPR Prepayment Assumption 0%	3%	5%	10%	15%
Initial Percent	100	100	100	100	100	100	100	100	100	100
December 1995	100	100	100	100	100	100	100	100	100	100
December 1996	100	100	100	100	100	100	100	100	100	90
December 1997	100	100	100	100	100	100	100	100	89	72
December 1998	100	100	100	100	100	100	100	100	77	58
December 1999	100	100	100	100	100	100	97	85	61	41
December 2000	100	100	100	100	100	100	92	79	52	33
December 2001	100	100	100	100	100	60	45	36	25	16
December 2002	100	100	100	100	95	58	41	33	22	14
December 2003	100	100	100	100	80	57	39	31	19	11
December 2004	100	100	100	100	63	51	34	27	16	9
December 2005	100	100	100	98	52	50	32	26	14	8
December 2006	100	100	100	87	44	49	31	24	12	6
December 2007	100	100	100	76	36	47	29	22	11	5
December 2008	100	100	100	66	30	45	27	20	9	4
December 2009	100	100	100	58	24	43	25	19	8	4
December 2010	100	100	100	50	20	40	24	17	7	3
December 2011	100	100	100	43	16	38	22	16	6	2
December 2012	100	100	98	37	13	36	21	14	5	2
December 2013	100	100	89	32	11	34	19	13	5	2
December 2014	100	100	79	27	9	32	17	11	4	1
December 2015	100	100	70	22	7	30	16	10	3	1
December 2016	100	97	61	19	5	27	14	9	3	1
December 2017	100	84	52	15	4	24	12	8	2	1
December 2018	100	72	44	12	3	21	10	6	2	*
December 2019	100	59	35	9	2	18	9	5	1	*
December 2020	100	47	27	7	2	15	7	4	1	*
December 2021	76	33	19	4	1	11	5	3	1	*
December 2022	47	20	11	2	*	7	3	2	*	*
December 2023	14	6	3	1	*	2	1	*	*	*
December 2024	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.9	25.7	23.4	17.2	12.7	14.5	11.2	9.7	7.1	5.4

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

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

Characteristics of the R Class and the RL Class

The R and RL Classes will not have principal balances and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero and all interest thereon has been paid in full, Fannie Mae is reimbursed for all amounts due and owing to it in respect of its guaranty and of performance of its administrative duties under the Trust Agreement, and all reasonable and customary costs and expenses of the Trust have been paid in full. The Holder of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in the Trust after payment of the foregoing items.

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

The Holder of the R Class will be considered to be the holder of the "residual interest" in the REMIC constituted by the Trust, and the Holder of the RL Class will be considered to be the holder of the "residual interest" in the REMIC constituted by the Lower Tier REMIC. See "Certain Federal Income Tax Consequences" in the Multifamily 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 R and RL Classes that may be required under the Code.

THE TRUST AGREEMENT

Transfer of Interests in Underlying SB Class A Certificates and the Related SB Class IO Certificates to the Trust

On or prior to the Settlement Date, Fannie Mae, acting in its corporate capacity, will assign to Fannie Mae, acting in its capacity as Trustee for the Lower Tier REMIC, all of its right, title and interest in and to the Underlying SB Class A Certificates and the Related SB Class IO Certificates, including all payments of principal and interest thereon, provided that Fannie Mae, in its corporate capacity, has expressly reserved exclusively for itself certain voting and consent rights granted to the registered holders of Underlying SB Class A Certificates under the Underlying Pooling and Servicing Agreement, as described under "—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement." Payments on the Related SB IO Certificates will be applied to pay the administrative expenses of the Trust, including compensation of Fannie Mae for its guaranty of the Certificates. On and after the Settlement Date, all of the Lower Tier Regular Interests will be held by Fannie Mae, acting in its capacity as Trustee for the Trust and for the benefit of the Certificateholders.

Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement

The Underlying Certificateholders have been granted and allocated certain voting rights under the Underlying Pooling and Servicing Agreement (the "Underlying Voting Rights").

One hundred percent of the Underlying Voting Rights have been allocated to the Underlying Certificateholders, other than the Related SB Class IO and R Certificateholders, in accordance with their respective Class Balances. Fannie Mae, in its corporate capacity and in partial consideration for its guaranty obligations under the Trust Agreement, will have the right to exercise or refrain from exercising all of the Underlying Voting Rights allocated to the Underlying SB Class A Certificates (including, without limitation, with respect to amendments to the Underlying Pooling and Servicing Agreement), provided that it is not in default of its guaranty obligations under the Trust Agreement. The Underlying Voting Rights initially allocated to the Underlying SB Class A Certificates constitute approximately 87.7% of the Underlying Voting Rights and, for so long as the Underlying SB Class A Balance is equal to or greater than the Class Balances of the Related SB Subordinated Certificates, will constitute at least a majority of the Underlying Voting Rights. Accordingly, during this period Fannie Mae will control all decisions under the Underlying Pooling and Servicing Agreement that require the consent or approval of Underlying Certificateholders, or permit direction of the Underlying Servicer or Underlying Trustee, by Underlying Certificateholders, that possess a majority of the Underlying Voting Rights. These decisions include, among others, whether (i) to seek from the Internal Revenue Service an extension of the permitted two-year holding period for REO Property, (ii) to waive certain events of default under the Underlying Pooling and Servicing Agreement and, thereby, prevent a termination of the Underlying Servicer or (iii) to remove the Underlying Trustee.

In addition, during any Underlying SB Class A Control Period for a Mortgage Loan, Fannie Mae, as the "Majority Underlying SB Class A Voteholder" under the Underlying Pooling and Servicing Agreement will have certain additional voting rights with respect to such Mortgage Loan, including, but not limited to, the right, but not the obligation, (i) in the case of a defaulted Mortgage Loan, to direct the course of action to be followed by the Underlying Servicer with respect to the relevant default, (ii) in the case of a Mortgage Loan with a due-on-sale clause, to approve any transferee of the related Mortgaged Property, (iii) to consent to allowance of any subordinate financing, (iv) to release a Mortgaged Property from the lien of the related Mortgage(s) in the event of the existence of certain environmental conditions with respect to such Mortgaged Property, (v) to evaluate and determine the advisability of certain extensions to such Mortgage Loan and (vi) to consent to Modifications to such Mortgage Loan.

Under certain circumstances, the holder of Related SB Subordinated Certificates, as the Underlying Directing Holder, may direct the Underlying Servicer to commence a foreclosure proceeding or to delay a foreclosure sale in respect of a Defaulted Mortgage Loan. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*" herein.

Termination

Pursuant to the Trust Agreement, Fannie Mae, in its corporate capacity, is entitled to purchase all of the Underlying SB Class A Certificates and the Related SB Class IO Certificates and effect an early termination of the Trust at any time that the Underlying SB Class A Balance is less than one percent of the original Underlying SB Class A Balance, for a purchase price equal to the aggregate outstanding principal balance of the A, B, C and D Classes plus all accrued interest remaining unpaid on the A, B, C and D Class Certificates, and all accrued and unpaid interest on the N Class Certificates. There also may be an early termination of the Trust in the event the Underlying Servicer or the Underlying Depositor purchases the Mortgage Loans and any REO Loans in the Underlying REMIC Trust. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination.*"

DESCRIPTION OF THE UNDERLYING REMIC TRUST

Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates

General

The Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates will represent in the aggregate the entire beneficial ownership in the Underlying REMIC Trust. The principal assets of the Underlying REMIC Trust are the Mortgage Loans in the Mortgage Pool. See "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*."

The initial Underlying SB Class A Balance will be $108,404,000, representing 87.7% of the Initial Mortgage Pool Balance; and the initial Class Balances of the Related SB Subordinated Certificates will collectively be $15,204,614, representing 12.3% of the Initial Mortgage Pool Balance. The initial Class Balances of the Underlying SB Class A Certificates and the Related SB Subordinated Certificates will be subject to a permitted variance of plus or minus 5%. The "Class Balance" of the Underlying SB Class A Certificates or any Class of the Related SB Subordinated Certificates outstanding at any time represents the maximum amount that the holders thereof are entitled to receive as distributions allocable to principal from the cash flow on the Mortgage Loans and the other assets in the Underlying REMIC Trust. The Class Balance of each Class of Underlying REMIC Regular Certificates will be (i) reduced by amounts actually distributed on such Class that are allocable to principal and (ii) further reduced by amounts allocated to such Class in respect of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses. See "*—Distributions of Principal and Interest—Allocation of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses*" below.

The Related SB Class IO Certificates will bear interest at a per annum rate set forth in the Underlying Pooling and Servicing Agreement on a notional principal balance equal to the aggregate Stated Principal Balance of the Mortgage Loans and the REO Loans. Until such aggregate Stated Principal Balance is zero, the Related SB Class IO Certificates will remain outstanding. See generally "Description of the Certificates—General—*Fannie Mae's Guaranty*" and "—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" herein.

The Related SB Class R Certificates will have no economic value, and it is not expected that any distributions will be made thereon.

The Related SB Subordinated Certificates will be subordinate to the Underlying SB Class A Certificates and the Related SB Class IO Certificates, to the extent described herein under "*—Distributions of Principal and Interest—Subordination*."

Distributions of Principal and Interest

Amount. The aggregate distribution to be made on the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates on any Distribution Date will equal the Available Distribution Amount for such date plus any Prepayment Premiums and Yield Maintenance Charges received during the related Due Period. See the "Glossary" herein.

Calculations of Interest. The "Accrued Certificate Interest" in respect of any Class of Underlying REMIC Regular Certificates for any Distribution Date is equal to 30 days' interest at the Underlying Pass-Through Rate applicable to such Class of Underlying REMIC Regular Certificates for such Distribution Date accrued on the Class Balance or notional amount thereof outstanding immediately prior to such Distribution Date. See "Description of the Certificates—Structure of the Underlying REMIC Trust" herein.

Calculations of Principal. The Underlying SB Class A Certificateholders are entitled to receive on a monthly basis on each Distribution Date an amount equal to the Underlying SB Class A Principal Distribution Amount. See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" herein.

Allocation of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses. On each Distribution Date, a determination will be made of the aggregate amount of losses on the Mortgage Loans (hereinafter referred to as "Underlying Realized Losses") and certain expenses of the Underlying REMIC Trust (hereinafter referred to as "Extraordinary Underlying REMIC Trust Expenses") that were incurred at any time following the Cut-off Date through the end of the related Due Period, and in any event that were not previously allocated on any prior Distribution Date. See the "Glossary" herein for more detailed definitions of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses. On each Distribution Date, following the distributions to be made to Underlying Certificateholders, the aggregate amount of such previously unallocated Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses will be allocated to the Underlying REMIC Regular Certificates, but only to the extent that (i) the aggregate of the Class Balances of the Underlying REMIC Regular Certificates as of such Distribution Date (after taking into account all of the distributions made on such Distribution Date, but prior to taking into account any allocations to be made on such Distribution Date as described in this paragraph), exceeds (ii) the aggregate Stated Principal Balance of the Mortgage Loans and any REO Loans that will be outstanding immediately following such Distribution Date. The allocation of the Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses will be made to the Related SB Subordinated Certificates until their respective Class Balances have been reduced to zero, before any such allocation will be made to the Underlying SB Class A Certificates. Any allocation of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses to a Class of Underlying REMIC Regular Certificates will be made by reducing the Underlying Class Balance thereof by the amount so allocated. The foregoing manner of allocating Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses will reduce the likelihood that such losses and expenses will be allocated to the Underlying SB Class A Certificates. See "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Subordination*" herein.

Priority. On each Distribution Date, the Underlying Trustee is required to apply amounts on deposit in the Underlying Distribution Account, to the extent of the Available Distribution Amount for such Distribution Date, in the following order of priority, in each case subject to remaining available funds:

(i) to distributions of interest to the Underlying SB Class A Certificateholders and the Related SB Class IO Certificateholders in an amount equal to all Accrued Certificate Interest in respect of such Classes for such Distribution Date and, to the extent not previously paid, for all prior Distribution Dates;

(ii) to distributions of principal to the Underlying SB Class A Certificateholders in an amount (not to exceed the Underlying SB Class A Balance) equal to the sum of (A) the Underlying SB Class A Principal Distribution Amount for such Distribution Date and (B) the Underlying Aggregate SB Class A Principal Shortfall, if any, for such Distribution Date;

(iii) to distributions to the Underlying SB Class A Certificateholders until all Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses previously allocated to the Underlying SB Class A Certificates, but not previously reimbursed, have been reimbursed in full (such reimbursements, together with payments of past due principal and interest on the Underlying SB Class A Certificates, being generally payable as reimbursements to Fannie Mae of amounts paid in respect of its guaranty);

(iv) to payments to the Underlying Servicer, until all unpaid interest that may have accrued on unreimbursed P&I Advances and/or on unreimbursed Servicing Advances described in the immediately following clause (v), has been paid in full; and

(v) to payments to the Underlying Servicer, until all outstanding unreimbursed P&I Advances and Servicing Advances (each, an "Advance") that it has previously made in respect of defaulted Mortgage Loans and/or REO Properties as to which a Final Recovery Determination was made during or prior to the related Due Period, have been reimbursed in full.

The remainder of the Available Distribution Amount for such Distribution Date will be distributed on the Related SB Subordinated Certificates in respect of payments of principal and interest as well as reimbursement of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses previously allocated to such Related SB Subordinated Certificates and, in the event of any excess remaining thereafter, in respect of payments of principal on the Underlying SB Class A Certificates and the Related SB Subordinated Certificates, in that order, until the Class Balances, if any, thereof are reduced to zero and thereafter to the Related SB Class R Certificateholders.

On each Distribution Date, the Underlying Trustee shall apply that portion of amounts on deposit in the Underlying Distribution Account that represent Prepayment Premiums or Yield Maintenance Charges as described under "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein.

Subordination. The rights of the Underlying SB Subordinated Certificateholders to receive distributions with respect to the Mortgage Loans and REO Properties will be subordinate to the rights of the Underlying SB Class A Certificateholders, to the extent described herein. This subordination (other than the subordination of the Related SB Class R Certificates, which are not expected to receive any significant distributions from the Underlying Distribution Account) is intended to enhance the likelihood of regular receipt by the Underlying SB Class A Certificateholders of the full amount of monthly distributions due them and to protect the Underlying SB Class A Certificateholders against losses.

The protection afforded to the Underlying SB Class A Certificateholders by means of the subordination of the Related SB Subordinated Certificates will be accomplished and preserved through: (i) application of the Available Distribution Amount for each Distribution Date in accordance with the order of priority described under "*—Distributions of Principal and Interest—Priority*" above and (ii) the allocation of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses to the Related SB Subordinated Certificates (other than the Related SB Class R Certificates) until their Class Balances are reduced to zero, before such an allocation is made to the Underlying SB Class A Certificates. The rate and timing of principal payments on the A, B, C and D Classes will be directly related to the entitlement of the Underlying SB Class A Certificateholders to receive principal payments as described in the preceding sentence. See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" and "Description of the Certificates—Yield Considerations" herein.

P&I Advances. On the business day immediately prior to each Distribution Date (the "P&I Advance Date"), the Underlying Servicer will be obligated to make advances (each, a "P&I Advance") equal to the aggregate of all Scheduled Payments (other than Balloon Payments) and any Assumed Payments, net of related Servicing Fees, due or deemed due, as the case may be, in respect of the Mortgage Loans (including, without limitation, Balloon Mortgage Loans delinquent as to their respective Balloon Payments) and any REO Loans on the immediately preceding Due Date, in each case to the extent such amount was not paid by or on behalf of the related Mortgagor as of the close of business on a date specified in the Underlying Pooling and Servicing Agreement or otherwise collected as of the close of business on the last day of the related Due Period.

Notwithstanding the foregoing, the Underlying Servicer will not be obligated to make any P&I Advance that it determines in its reasonable good faith judgment would, if made, constitute a Nonrecoverable P&I Advance. See the "Glossary" herein.

The Underlying Servicer may make withdrawals from the Underlying Certificate Account to reimburse itself for certain unreimbursed Advances and, at such time as it reimburses itself for any unreimbursed Advances, the Underlying Servicer may make withdrawals from the Underlying Certificate Account to pay itself unpaid interest accrued and payable on such Advances. Such reimbursements and payments would effectively take priority over subsequent distributions to the Underlying SB Class A Certificateholders from the Underlying Distribution Account because available amounts on deposit in the Underlying Certificate Account are used to fund the Underlying Distribution Account for purposes of making distributions to the Underlying Certificateholders. In addition, on each Distribution Date, the Underlying Servicer is entitled to receive reimbursement for certain Advances (and payment of interest thereon) from amounts otherwise distributable on the Related SB Subordinated Certificates. See "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Priority*" herein.

Payment of Certain Interest Shortfalls. The Underlying Servicer is responsible for the payment from its own funds, without any right of reimbursement, of any shortfall in the collection of a full month's (*i.e.*, 30 days') interest on a Mortgage Loan resulting from (i) any principal prepayment or (ii) any partial or full late payment of the Balloon Payment, in either case other than on a Due Date. The amount of any such shortfall is herein referred to as a "Prepayment Interest Shortfall" if it occurs with respect to a principal prepayment and a "Balloon Payment Interest Shortfall" if it occurs with respect to a partial or full late payment of a Balloon Payment. See the "Glossary" herein. The Underlying Servicer is required to pay the aggregate of these shortfalls on each P&I Advance Date.

Treatment of REO Properties. Notwithstanding that a Mortgaged Property securing any Mortgage Loan may be acquired on behalf of the Underlying REMIC Trust as REO Property, such Mortgage Loan (after the date of such acquisition, an "REO Loan") will, for purposes of determining amounts payable (including the Underlying SB Class A Principal Distribution Amount) on, and losses allocable to, the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates, be treated as having remained outstanding until such REO Property is liquidated, and each such REO Loan will be deemed to have the same terms and conditions as its predecessor Mortgage Loan. An unpaid principal balance, as well as a Stated Principal Balance, will continue to be calculated for each REO Loan. See the "Glossary" herein. The Underlying Servicer will be obligated to continue to make P&I Advances on REO Loans, unless any such advances would be Nonrecoverable P&I Advances.

Description of the Underlying Pooling and Servicing Agreement

General

The Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates will be issued pursuant to the Underlying Pooling and Servicing Agreement. The following summary descriptions of certain provisions of the Underlying Pooling and Servicing Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to, the provisions of the Underlying Pooling and Servicing Agreement. When particular sections of or terms used in the Underlying Pooling and Servicing Agreement are referred to, those sections and terms are incorporated by reference as part of such summaries.

The Parties

The Underlying Depositor. Structured Mortgage Securities Corporation.

The Underlying Servicer. The master servicer of the Mortgage Loans will be Bankers Trust Company.

The Underlying Trustee. State Street Bank and Trust Company, a Massachusetts banking corporation, will act as the Underlying Trustee pursuant to the Underlying Pooling and Servicing Agreement.

Assignment of the Mortgage Loans

On or prior to the Settlement Date, the Underlying Depositor will assign the Mortgage Loans, without recourse, to the Underlying Trustee for the benefit of the Underlying Certificateholders. Prior to the Settlement Date, the Underlying Depositor will deliver to the Underlying Trustee, or a custodian appointed thereby, the original Mortgage Notes (or, in the case of certain Mortgage Loans, a copy of the related note and a lost note affidavit), the original Mortgages (or copies thereof, subject to the terms of the Underlying Pooling and Servicing Agreement) and, except as otherwise provided in the Underlying Pooling and Servicing Agreement, originals or copies of all of the other documents that constitute the Mortgage Files. (Article I and Section 2.01.)

Servicing of the Mortgage Loans

The Underlying Pooling and Servicing Agreement requires the Underlying Servicer to service and administer diligently the Mortgage Loans on behalf of the Underlying Trustee and in the best interests of and for the benefit of the Underlying Certificateholders (as determined by the Underlying Servicer in its good faith and reasonable judgment and without regard to any differing payment priorities among the respective Classes of Underlying SB Class A Certificates, Related SB Class IO Certificates and Related SB Subordinated Certificates) in accordance with applicable law, the terms of the Underlying Pooling and Servicing Agreement and the terms of the respective Mortgage Loans and otherwise in accordance with the Servicing Standard. (Section 3.01(a).) See the "Glossary" herein.

Notwithstanding the Servicing Standard or any provision in the Underlying Pooling and Servicing Agreement to the contrary, during any Underlying SB Class A Control Period for any Mortgage Loan or REO Property, Fannie Mae, as the Majority Underlying SB Class A Voteholder, will have the right and authority, but not the obligation, to direct the Underlying Servicer in all matters relating to servicing and enforcement of such Mortgage Loan or REO Property. (Section 3.01(d).)

In certain circumstances, the holder of a designated Class of the Related SB Subordinated Certificates may be entitled to direct the Underlying Servicer to commence a foreclosure proceeding or to delay a foreclosure sale in respect of a Mortgaged Property. See "*—Realization Upon Defaulted Mortgage Loans*" below.

Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Assumption Agreements; Subordinate Financing. All of the Mortgage Loans have "due-on-sale" clauses generally providing that such Mortgage Loan will (or may at the mortgagee's option) become due and payable upon the sale or other transfer of an interest in the related Mortgaged Property. In general, the Underlying Pooling and Servicing Agreement prohibits enforcement of any such due-on-sale clause upon transfer of a Mortgaged Property if certain conditions (generally related to the creditworthiness and responsibility of the proposed transferee, the condition of the Mortgaged Property and the establishment of adequate maintenance and replacement reserves) are satisfied. With respect to Mortgage Loans which have due-on-sale provisions and as to which the conditions described in the preceding sentence are not satisfied, the Underlying Pooling and Servicing Agreement generally requires the Underlying Servicer to exercise any right it may have with respect to such Mortgage Loan to accelerate the payments thereon or to withhold its consent to the applicable sale or transfer, as applicable, unless there is a reasonable basis to believe that such provision is unenforceable under applicable law. (Section 3.08(a).)

All of the Mortgage Loans also have "due-on-encumbrance" clauses generally providing that such Mortgage Loan will (or may at the mortgagee's option) become due and payable upon the creation of any additional lien or other encumbrance on the Mortgaged Property that is not permitted by the related Mortgage; provided, however, that two of the Mortgage Loans do not specifically prohibit voluntary subordinate liens. Pursuant to the Underlying Pooling and Servicing Agreement, the Underlying Servicer is not permitted to consent to any subordinate financing unless required by the Mortgage Loan. If the Mortgage Loan requires the consent of the mortgagee to any subordinate financing and, pursuant to applicable law or the provisions of the Mortgage Loan, such consent must be reasonably exercised, then the Underlying Servicer may consider requests by a Mortgagor to permit subordinate financing provided that certain conditions (generally relating to the term of the subordinate loan, the requirement that the interest be payable on the subordinate loan on a current basis and at a fixed rate, and the requirement that there be a minimum combined debt service coverage ratio and loan-to-value ratio for the Mortgage Loan and the subordinate loan) are satisfied and, during any Underlying SB Class A Control Period for such Mortgage Loan, the Underlying Servicer has obtained the consent of Fannie Mae, as the Majority Underlying SB Class A Voteholder. (Section 3.08(b).)

Modifications, Waivers and Amendments. The Underlying Servicer may agree to any modification, waiver or amendment (each, a "Modification") of any term of any Mortgage Loan without the consent of the Underlying Depositor, the Underlying Trustee or any Underlying Certificateholder, subject to compliance with the REMIC Provisions and the other limitations set forth in the Underlying Pooling and Servicing Agreement, certain of which are described below. (Section 3.20(a) and Section 3.20(j).)

The extension of the maturity of a Mortgage Loan is subject to the following limitations, among others: (i) no more than two such extensions may be granted, and any such extension may not result in a final scheduled payment date that is more than 12 months beyond the date on which it was previously due or that is more than a total of 24 months beyond its original stated maturity date; and (ii) the contract interest rate (coupon rate) for each month during the extension period shall not be less than the contract interest rate (coupon rate) due on such Mortgage Loan in the month prior to the month in which the final payment was originally scheduled to be due thereon. (Section 3.20(a).)

The Underlying Servicer may not waive or modify payment of any applicable Prepayment Premium or Yield Maintenance Charge due to be paid under the terms of any Mortgage Loan, unless (A) it determines that the Mortgage Loan is in default due to bona fide cash flow deficiencies and not an effort to avoid payment of a Prepayment Premium or Yield Maintenance Charge, or (B) there is a substantial risk that the Prepayment Premium or Yield Maintenance Charge provisions would be found unenforceable by a court with jurisdiction of the action, or (C) the prepayment of the Mortgage Loan is made due to a casualty loss or a condemnation. (Section 3.20(a).)

During any Underlying SB Class A Control Period for a Mortgage Loan, or during any Underlying Subordinate Control Period for a Mortgage Loan, the Underlying Servicer may not agree to certain Modifications of such Mortgage Loan, even though such Modifications would be permitted pursuant to the preceding paragraphs, unless it obtains the written consent of Fannie Mae, as the Majority Underlying SB Class A Voteholder (during an Underlying SB Class A Control Period), or the Underlying Directing Holder (during an Underlying Subordinate Control Period). (Section 3.20(b).)

If the Mortgagor reasonably requests a partial release of a Mortgaged Property, then the Underlying Servicer may grant such partial release provided that (a) it is consistent with the Servicing Standard, (b) during any Underlying SB Class A Control Period for the related Mortgage Loan, Fannie Mae, as the Majority Underlying SB Class A Voteholder gives its consent to any such partial release and (c)(i) the Mortgagor pays, for application to the unpaid principal balance of the related Mortgage Loan, an amount equal to the appraised value of the released portion of the Mortgaged Property, (ii) the lien of the related Mortgage on the remaining property is not adversely affected and the remaining property can, practically and economically continue to be used for its intended purposes and (iii) the income of the Mortgaged Property is not adversely affected by such release. (Section 3.20(e).)

Realization Upon Defaulted Mortgage Loans. Promptly after any Mortgage Loan is two payments delinquent, the Underlying Servicer is required, subject to the foregoing, to begin the foreclosure process as set forth in the Fannie Mae Policies and Procedures for "Multifamily REO" concurrent with pursuing any Mortgagor request for a Modification, as described above under "*—Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*" (the "dual track approach"). Promptly upon commencement of a foreclosure action the Underlying Servicer is required to seek the appointment of a receiver to collect the rents and other revenues of each related Mortgage Property and manage the property for the benefit of Underlying Certificateholders. (Section 3.09(c).)

The Underlying Pooling and Servicing Agreement requires the Underlying Servicer to exercise reasonable and diligent efforts, consistent with the Servicing Standard, to sell a defaulted Mortgage Loan or to foreclose upon or otherwise comparably convert the ownership of the related Mortgaged Property or Properties, if no satisfactory arrangements can be made for collection of delinquent payments, subject to the limitations described below. (Section 3.09(d).)

However, during any Underlying SB Class A Control Period for a Mortgage Loan, Fannie Mae, as the Majority Underlying SB Class A Voteholder, has the right but not the obligation to direct the course of action to be followed by the Underlying Servicer upon the occurrence of a payment default or a material performance default with respect to a Mortgage Loan, and, during any Underlying Subordinate Control Period for a Mortgage Loan, the Underlying Directing Holder will be entitled to exercise the rights described in the next sentence. (Section 3.09(b).)

The Underlying Directing Holder will have the right, under certain circumstances, to direct the Underlying Servicer to commence a foreclosure proceeding or to delay for two years a foreclosure proceeding in respect of a Mortgaged Property, as well as the right to direct the servicing of the related Mortgage Loan. (Sections 12.03 and 12.04.) The "Underlying Directing Holder" will be the Underlying Eligible Subordinate Holder that makes an election to delay foreclosure, or an election to foreclose, in respect of a Defaulted Mortgage Loan; provided, however, that the Underlying Directing Holder must meet certain requirements specified in the Underlying Pooling and Servicing Agreement. The "Underlying Eligible Subordinate Holder" will be the holder of the Related SB Subordinated Certificates (other than the Related SB Class R Certificates) at the time a determination of the Underlying Directing Holder shall be made. If, at such time, the Related SB Subordinated Certificates (other than the Related SB Class R Certificates) shall be held by more than one holder, there shall be no Underlying Eligible Subordinate Holder for purposes of the Underlying Pooling and Servicing Agreement. (Section 12.01.)

At any time the outstanding balance of the Related SB Subordinated Certificates (other than the Related SB Class R Certificates) is greater than zero, the holder, if any, of a majority interest in such Related SB Subordinated Certificates will be entitled to purchase a Defaulted Mortgage Loan for an amount equal to the greater of (A) the applicable Purchase Price of such Defaulted Mortgage Loan and (B) the fair market value of such Defaulted Mortgage Loan. (Section 3.09(b).) Such holder's exercise of such purchase right could result in a large prepayment of principal which would not be accompanied by payment of a Prepayment Premium or Yield Maintenance Charge.

The Underlying Servicer may not, and neither Fannie Mae, as Majority Underlying Class A Voteholder, nor any Underlying Directing Holder may direct the Underlying Servicer to, initiate foreclosure proceedings, obtain title to a Mortgaged Property in lieu of foreclosure or otherwise, or take any other action with respect to any Mortgaged Property, if, as a result of any such action, the Underlying Trustee, on behalf of Underlying Certificateholders, would be considered to hold title to, to be a "mortgagee-in-possession" of, or to be an "owner" or "operator" of such Mortgaged Property within the meaning of CERCLA or any comparable law, unless the Underlying Servicer has previously determined in accordance with the Servicing Standard, based on a current or currently updated environmental assessment meeting the standards prescribed by the Underlying Pooling and Servicing Agreement (an "Environmental Assessment") of such Mortgaged Property, that each of the following conditions ("Environmental Conditions Precedent to Foreclosure") is satisfied:

(i) the Mortgaged Property is in compliance with applicable environmental laws and regulations or, if not, taking such actions as are necessary to bring the Mortgaged Property in compliance therewith is reasonably likely to produce a greater recovery on a present value basis than not taking such actions; and

(ii) there are no circumstances or conditions present at the Mortgaged Property relating to the use, management or disposal of any hazardous, toxic or dangerous waste, substance or material for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations or, if such circumstances or conditions are present for which any such action could be required, taking such actions with respect to such Mortgaged Property is reasonably likely to produce a greater recovery on a present value basis than not taking such actions. (Section 3.09(f).)

If the environmental testing described above establishes that either of the Environmental Conditions Precedent to Foreclosure has not been satisfied, the Underlying Servicer is required to take such action as it deems to be in the best economic interest of the Underlying REMIC Trust (other than proceeding to acquire title to the Mortgaged Property) and, provided that it has obtained the consent of Fannie Mae, as Majority Underlying SB Class A Voteholder, during any Underlying SB Class A Control Period for the affected Mortgage Loan(s), the Underlying Servicer is authorized to direct the Trustee to release such Mortgaged Property from the lien of the related Mortgage(s) and cancel the debt. (Section 3.09(g).) The cost of any remedial, corrective or other further action related to an Environmental Condition Precedent to Foreclosure will be an expense of the Underlying REMIC Trust. (Section 3.09(f).)

If the Underlying Servicer acquires any REO Property on behalf of the Underlying REMIC Trust, it is required to diligently attempt to maximize the value of such REO Property by, among other things, stabilizing the tenancy of the REO Property and repairing and restoring the REO Property to marketable condition. The Underlying Servicer is required to sell such REO Property within two years after the Underlying REMIC Trust acquires ownership of such REO Property, unless the Underlying Servicer (a) either (i) is granted an extension of time (an "REO Extension") by the Internal Revenue Service to sell such REO Property or (ii) obtains for the Underlying Trustee an opinion of counsel to the effect that the holding by the Underlying REMIC Trust of such REO Property subsequent to the second anniversary of such acquisition will not result in the imposition of taxes on "prohibited transactions" of the Underlying REMIC Trust as defined in Section 860F of the Code or cause the Underlying REMIC Trust to fail to qualify as a REMIC at any time that any Underlying SB Class A Certificates or Related SB Subordinated Certificates are outstanding and (b) in taking the action in clause (a)(i) or clause (a)(ii), it has received the consent of or direction from the Underlying Certificateholders entitled to a majority of the Underlying Voting Rights. (Section 3.16(a).)

Representations and Warranties; Repurchases

In the Underlying Pooling and Servicing Agreement, the Underlying Depositor will make certain customary representations and warranties for the benefit of the Underlying Trustee and the Underlying Certificateholders with respect to each Mortgage Loan. (Section 2.03.) The representations and warranties in the Underlying Pooling and Servicing Agreement will continue in effect throughout the term of the Underlying Pooling and Servicing Agreement. Within 90 days following the discovery of a breach of any of such representations and warranties, which breach materially and adversely affects the value of any Mortgage Loan or the interest of Underlying SB Class A Certificateholders, the Related SB Class IO Certificateholders and Related SB Subordinated Certificateholders therein, the

Underlying Depositor, at its option, will be required (i) to cure in all material respects such breach or (ii) to purchase the affected Mortgage Loan from the Underlying Trustee at the applicable Purchase Price. (Section 2.04.) See the "Glossary" herein.

Underlying Servicer and Trustee Compensation

The principal compensation to be paid to the Underlying Servicer will be a fee with respect to each Mortgage Loan and REO Loan (the "Servicing Fee") that will accrue monthly at a rate specified in the Underlying Pooling and Servicing Agreement (the "Servicing Fee Rate") and will be computed on the basis of the same principal amount and for the same period respecting which any related interest payment due on such Mortgage Loan or deemed to be due on such REO Loan is computed. (Section 3.11(a).)

The Underlying Trustee will be entitled to withdraw from the Underlying Distribution Account as compensation, prior to any distributions to be made from such account on each Distribution Date to Underlying Certificateholders, an amount equal to 30 days' interest accrued at 0.01% per annum (the "Underlying Trustee's Fee Rate") on the aggregate Stated Principal Balance of the Mortgage Loans and REO Loans immediately prior to such Distribution Date, together with any such amount remaining unpaid from any prior Distribution Date. (Section 8.05(a).)

Rights Upon Underlying Events of Default

If any "event of default" in respect of the Underlying Servicer should occur and be continuing under the Underlying Pooling and Servicing Agreement, then, so long as such event of default is not remedied, the Underlying Trustee may, and, at the direction of the Underlying Certificateholders entitled to a majority of the Underlying Voting Rights, the Underlying Trustee will, terminate all of the rights and obligations of the Underlying Servicer in such capacity under the Underlying Pooling and Servicing Agreement and in and to the Mortgage Loans and the proceeds thereof. (Section 7.01(b).)

Underlying Certificateholders representing a majority of the Underlying Voting Rights allocated to the Classes of Underlying SB Class A Certificates, Related SB Class IO Certificates and Related SB Subordinated Certificates affected by any such event of default may waive such event of default. However, an event of default involving the failure by the Underlying Servicer to make required deposits into the Underlying Certificate Account or Underlying Distribution Account may be waived only by the Underlying Certificateholders representing a majority of the Underlying Voting Rights allocated to each Class of Underlying SB Class A Certificates, Related SB Class IO Certificates and Related SB Subordinated Certificates. (Section 7.04.)

Amendment

The Underlying Pooling and Servicing Agreement may be amended from time to time for certain limited purposes by the mutual agreement of the Underlying Depositor, the Underlying Servicer and the Underlying Trustee, without the consent of any of the Underlying Certificateholders. (Section 11.01(a).)

The Underlying Pooling and Servicing Agreement may also be amended from time to time by the mutual agreement of the Underlying Depositor, the Underlying Servicer and the Underlying Trustee with the consent of the Underlying Certificateholders entitled to a majority of the Underlying Voting Rights allocated to the affected Classes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Underlying Pooling and Servicing Agreement or of modifying in any manner the rights of the Underlying Certificateholders. However, no such amendment may (i) reduce in any manner the amount of, or delay the timing of, payments received or advanced on the Mortgage Loans that are required to be distributed on any Underlying SB Class A Certificate, Related SB Class IO Certificate or Related SB Subordinated Certificate without the consent of the holder of such Underlying Certificate, (ii) affect adversely in any material respect the interests of the holders of any Class of Underlying SB Class A Certificates, Related SB Class IO Certificates and Related SB Subordinated Certificates in a manner other than as described in (i) without the consent of the holders of all Underlying SB Class A Certificates, Related SB Class IO Certificates or Related SB Subordinated Certificates of such Class, or (iii) modify the provisions of the Underlying Pooling and Servicing Agreement described in this paragraph without the consent of the holders of all Underlying SB Class A Certificates, Related SB Class IO Certificates and Related SB Subordinated Certificates then outstanding. (Section 11.01(b).)

Termination

The obligations and responsibilities created by the Underlying Pooling and Servicing Agreement will terminate upon payment (or provision for payment) to the Underlying Certificateholders of all amounts held by or on behalf of the Underlying Trustee and required under the Underlying Pooling and Servicing Agreement to be so paid on the Distribution Date following the earlier to occur of (i) the purchase by the Underlying Servicer or the Underlying Depositor of all of the Mortgage Loans and REO Properties remaining in the Underlying REMIC Trust, and (ii) the final payment (or any advance with respect thereto) on or other liquidation of the last Mortgage Loan or REO Property remaining in the Underlying REMIC Trust. The purchase price payable by the Underlying Servicer or the Underlying Depositor pursuant to clause (i) of the preceding sentence will be equal to the greater of (A) the aggregate Purchase Price of all of the Mortgage Loans included in the Underlying REMIC Trust, plus the appraised value of each REO Property, if any, included in the Underlying REMIC Trust, minus, in the event the purchaser is the Underlying Servicer, the aggregate amount of any unreimbursed Advances (together with any unpaid interest accrued and payable to the Underlying Servicer on such Advances) and unpaid Servicing Fees remaining outstanding (which items will be deemed to have been paid or reimbursed to the Underlying Servicer in connection with such purchase), and (B) the aggregate fair market value of all of the assets of the Underlying REMIC Trust. (Section 9.01.) See the "Glossary" herein.

The Underlying Servicer or the Underlying Depositor may, at its option, elect to purchase all of the Mortgage Loans and REO Properties remaining in the Underlying REMIC Trust as contemplated by clause (i) of the preceding paragraph only if the aggregate Stated Principal Balance of the Mortgage Loans and any REO Loans remaining in the Underlying REMIC Trust as of the date of such election is less than five percent of the Initial Mortgage Pool Balance. (Section 9.01.)

On the final Distribution Date, the Underlying Trustee will distribute to each Underlying Certificateholder that presents and surrenders its Underlying SB Class A Certificates, Related SB Class IO Certificates or Related SB Subordinated Certificates such Underlying Certificateholder's portion of the amounts then on deposit in the Underlying Distribution Account that are allocable to payments on the Class of Underlying SB Class A Certificates, Related SB Class IO Certificates or Related SB Subordinated Certificates so presented and surrendered. Amounts on deposit in the Underlying Distribution Account as of the final Distribution Date, to the extent of the Available Distribution Amount for the final Distribution Date, will be allocated in the following order, in each case subject to remaining available funds: (i) to distributions of interest to the Underlying SB Class A Certificateholders and the Related SB Class IO Certificateholders, in an amount equal to all Accrued Certificate Interest in respect of the Underlying SB Class A Certificates and the Related SB Class IO Certificates for such Distribution Date and, to the extent not previously paid, for all prior Distribution Dates; (ii) to distributions of principal to the Underlying SB Class A Certificateholders, in an amount equal to the Underlying SB Class A Balance outstanding immediately prior to such Distribution Date; (iii) to distributions to the Underlying SB Class A Certificateholders, until all Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses previously allocated to the Underlying SB Class A Certificates, but not previously reimbursed, have been reimbursed in full; and (iv) to similar distributions to the Related SB Subordinated Certificateholders (other than the Related SB Class R Certificateholders), with any remaining excess to distributions to the Related SB Class R Certificateholders. In addition, amounts on deposit in the Underlying Distribution Account as of the final Distribution Date that constitute Prepayment Premiums and/or Yield Maintenance Charges will be allocated to the Underlying SB Class A Certificates unless they have been retired prior to such Distribution Date. (Section 9.01.)

DESCRIPTION OF THE MORTGAGE POOL

General

The Underlying REMIC Trust will consist primarily of forty-six Mortgage Loans with an aggregate Cut-off Date Balance of $123,608,614 (the "Initial Mortgage Pool Balance"), subject to a permitted variance of plus or minus 5%. The "Cut-off Date Balance" of each Mortgage Loan is the unpaid principal balance thereof as of the Cut-off Date, after application of all payments of principal due on or before such date, whether or not received.

Each Mortgage Loan is evidenced by a Mortgage Note. Each Mortgage Loan is secured by a first mortgage, deed of trust or other similar security instrument (each, a "Mortgage") that creates a first mortgage lien on a multifamily project (a "Mortgaged Property") consisting of five or more rental units. Each Mortgage covers a Mortgagor's fee simple estate in the Mortgaged Property. None of the Mortgage Loans is insured or guaranteed by the United States, any governmental agency or any private mortgage insurer.

Thirty-two of the Mortgage Loans, constituting $108,349,993 of the Initial Mortgage Pool Balance, were underwritten by Remsen Partners Ltd., and were originated by Value Line Mortgage Corporation, in 1994, and were acquired by Smith Barney Mortgage Capital Group, Inc. ("SBMCG") from Value Line Mortgage Corporation at or shortly after the time of origination, and will be acquired by the Underlying Depositor from SBMCG on or before the closing date (the "Remsen Mortgage Loans"). Fourteen of the Mortgage Loans, constituting $15,258,621 of the Initial Mortgage Pool Balance, were acquired by SBMCG in October 1993 from the FDIC, which was acting in its capacity as receiver for certain financial institutions, and will be acquired by the Underlying Depositor from SBMCG on or before the closing date (the "FDIC Mortgage Loans"). The FDIC made seven of the FDIC Mortgage Loans in order to facilitate sales of the related Mortgaged Properties.

The information with respect to the Mortgage Loans set forth on Exhibit A hereto has been collected and summarized by the Underlying Depositor and provided to Fannie Mae. Fannie Mae makes no representation regarding the accuracy or completeness of such information.

Certain Terms and Conditions of the Mortgage Loans

Due Dates. All Monthly Payments under the Mortgage Loans (including any Balloon Payments at their respective stated maturity dates) will be due on the first day of each month. As of the Settlement Date, no Monthly Payment on any Mortgage Loan will be more than thirty (30) days past due.

Mortgage Interest Rates. Forty-four of the Mortgage Loans (the "Fixed Rate Mortgage Loans"), which represent 99% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates that are in each case, as of the Cut-off Date, fixed for the particular Mortgage Loan's remaining term to stated maturity. Two of the Mortgage Loans (the "ARM Mortgage Loans"), which represent the remaining 1% of the Initial Mortgage Pool Balance, bear interest at Mortgage Interest Rates which are in each case subject to periodic adjustments following the Cut-off Date (the date of each such adjustment, a "Mortgage Interest Rate Adjustment Date") by adding a specified number of basis points (a "Gross Margin") to the applicable value of a base index (an "Index"). The Index for the ARM Mortgage Loans is the monthly weighted average cost of savings, borrowings and advances by the Federal Home Loan Bank of San Francisco to Eleventh District members of such Bank. The Gross Margin for one of the ARM Mortgage Loans is 250 basis points; the maximum Mortgage Interest Rate for such Mortgage Loan is 14.5%; and the minimum Mortgage Interest Rate for such Mortgage Loan is 9.5%. The Gross Margin for the other ARM Mortgage Loan is 300 basis points; the maximum Mortgage Interest Rate for such Mortgage Loan is 18.434%; and the minimum Mortgage Interest Rate for such Mortgage Loan is 6.875%.

The Mortgage Loans have original terms to maturity ranging from approximately 5 to 30 years. See the table titled "Original Terms to Stated Maturity (in Months)" under "—Additional Mortgage Loan Information" below.

Monthly Payments. The Monthly Payments on the ARM Mortgage Loans are subject to adjustment in response to changes in the related Mortgage Interest Rate. Such ARM Mortgage Loans, which represent 1% of the Initial Mortgage Pool Balance, provide for negative amortization up to a stated cap of 110% of the respective original principal balances of such Mortgage Loans. Twenty-three of the Mortgage Loans, which represent 50% of the Initial Mortgage Pool Balance, provide for monthly payments of interest and monthly payments of principal based on amortization schedules which are significantly longer than the respective remaining terms of such Mortgage Loans, thereby leaving substantial principal amounts due and payable (each such payment, a "Balloon Payment") on their respective maturity dates, unless prepaid prior thereto. Twenty-three of the Mortgage Loans, which represent 50% of the Initial Mortgage Pool Balance, provide for monthly payments of interest and principal based on amortization schedules which are as long as the respective remaining terms of such Mortgage Loans.

Prepayment Provisions. One of the Mortgage Loans has a period ending at the end of 1994 during which voluntary principal prepayments are prohibited. See Exhibit A hereto.

Thirty-five of the Mortgage Loans, representing 89.5% of the Initial Mortgage Pool Balance provide that any principal prepayment made during a specified period of time, generally eighteen months to nine years after the Cut-off Date (the "yield maintenance period"), must be accompanied by a Yield Maintenance Charge (unless in certain cases the prepayment resulted from a condemnation of, or casualty on, the related Mortgaged Property). In the case of thirty-three Mortgage Loans representing 88.41% of the Initial Mortgage Pool Balance, the "Yield Maintenance Charge" will generally be equal to the product of (A) the ratio of the amount of the principal balance of the Mortgage Loan being prepaid over the outstanding principal balance of the Mortgage Loan on the date on which the prepayment is to be made or, if such date is not a scheduled payment date, as of the next scheduled payment date (either such date, the "Applicable Date") (after subtracting the scheduled principal payment on such Applicable Date), multiplied by (B) the present value as of the Applicable Date of the remaining scheduled payments of principal and interest from the Applicable Date through the Maturity Date determined by discounting such payments at the Discount Rate, less the amount of the outstanding principal balance of the Mortgage Loan on the Applicable Date (after subtracting the scheduled principal payment on such Prepayment Date). See Exhibit A hereto. The "Discount Rate" is the rate which, when compounded monthly, is equivalent to the Treasury Rate, when compounded semiannually (plus, in the case of one Mortgage Loan, 0.5%). The "Treasury Rate" is the yield calculated by linear interpolation of the yields, as reported in Federal Reserve Statistical Release H.15-Selected Interest Rates under the heading U.S. government securities/Treasury constant maturities, for the week ending prior to the Applicable Date, of U.S. Treasury constant maturities with maturity dates (one longer and one shorter) most nearly approximating the Maturity Date.

Forty of the Mortgage Loans, representing 96.13% of the Initial Mortgage Pool Balance, require that for certain periods of time (up to fifteen years) following the Cut-off Date (each, a "prepayment premium period"), any principal prepayment in respect of any such Mortgage Loan (unless in certain cases the prepayment resulted from a condemnation of, or casualty on, the related Mortgaged Property) must be accompanied by payment of a prepayment premium (a "Prepayment Premium"). The Prepayment Premium in respect of these Mortgage Loans is initially equal to a percentage of the principal amount prepaid and generally declines by 1% or 2% of the principal amount prepaid for each full year that has elapsed during such prepayment premium period. However, there is a period, generally six months to fifteen years before the Maturity Date of certain of such Mortgage Loans, during which a principal prepayment of such Mortgage Loan need not be accompanied by a Prepayment Premium.

Five of the Mortgage Loans, representing 3.47% of the Initial Mortgage Pool Balance, may be prepaid at any time without payment of a Yield Maintenance Charge or Prepayment Premium.

A description of prepayment premium periods and yield maintenance periods applicable to the Mortgage Loans is set forth in the table below and on Exhibit A hereto.

Unless the Mortgage Loan to be prepaid is relatively near its Maturity Date or unless the sale price or the amount of the refinancing of the related Mortgaged Property is considerably higher than the current outstanding principal balance of such Mortgage Loan (due to an increase in the value of the Mortgaged Property or otherwise), the Yield Maintenance Charge or Prepayment Premium may, in a lower interest rate environment, offset entirely or render insignificant any economic benefit to be received by the Mortgagor upon a refinancing or sale of the Mortgaged Property. The Yield Maintenance Charge or Prepayment Premium provision of a Mortgage Loan creates an economic disincentive for the Mortgagor to prepay such Mortgage Loan voluntarily and, accordingly, the Mortgagor may not elect to prepay such Mortgage Loan. However, there can be no assurance that the imposition of a Yield Maintenance Charge or Prepayment Premium will provide a sufficient disincentive to prevent a voluntary principal prepayment.

The Underlying Servicer will not be permitted to waive or modify any term of a Mortgage Loan that requires the payment of a Prepayment Premium or a Yield Maintenance Charge in connection with any principal prepayment thereon except in certain circumstances. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*" herein. If and to the extent received, Prepayment Premiums and Yield Maintenance Charges are distributable to investors as described herein under "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges." Certain state laws limit the amounts that a lender may collect from a borrower as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for Prepayment Premiums or Yield Maintenance Charges upon an involuntary prepayment is unclear. No assurance can be given that, at the time a Prepayment Premium or a Yield Maintenance Charge is required to be made on a Mortgage Loan in connection with an involuntary prepayment, the obligation to pay such Prepayment Premium or Yield Maintenance Charge will be enforceable under applicable state law. See "Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans" in the Multifamily REMIC Prospectus.

The following table sets forth an analysis of the percentage of the declining balance of the Mortgage Pool that, immediately following December 1 of each of the years indicated, will be (i) within a period in which principal prepayments must be accompanied by a Yield Maintenance Charge, and (ii) within a period in which principal prepayments must be accompanied by the indicated Prepayment Premium. The table was prepared on the assumption that the Mortgage Loans will amortize according to their respective amortization schedules, if any, and that Balloon Payments will be made when due, but that no Mortgage Loan will be prepaid, voluntarily or involuntarily. There can be no assurance that the Mortgage Loans will not be prepaid and, in fact, it is unlikely that there will be no such prepayments. The sum in any column of the following tables may not equal the indicated total due to rounding.

Prepayment Premium and Yield Maintenance Analysis

Prepayment Premium or Restriction	Current Dec-94	12 (mo.) Dec-95	24 (mo.) Dec-96	36 (mo.) Dec-97	48 (mo.) Dec-98	60 (mo.) Dec-99	72 (mo.) Dec-00	84 (mo.) Dec-01
	Percentage of Mortgage Pool By Prepayment Restriction Assuming No Prepayments							
Yield Maintenance	89.51%	88.95%	89.99%	90.59%	90.66%	58.70%	58.17%	91.33%
5%	0	0	0	0	0	0	0	0
4%	0	0	0	0	0	0	0	0
3%	6.63	0	0.73	0	0	0	0.55	5.77
2%	0	6.61	6.72	0.70	0	38.97	0.00	0.92
1%	0	0.59	0.60	0.60	1.27	0.64	30.93	1.06
0%	3.87*	3.85	1.96	8.11	8.07	1.69	10.35	0.93
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Mortgage Pool Balance	$123,608,614	$122,739,800	$119,460,945	$117,733,517	$116,614,483	$107,200,150	$105,986,358	$62,717,085
% of Initial Mortgage Pool Balance**	100.00%	99.30%	96.64%	95.25%	94.34%	86.73%	85.74%	50.74%

Prepayment Premium or Restriction	96 (mo.) Dec-02	108 (mo.) Dec-03	120 (mo.) Dec-04	132 (mo.) Dec-05	144 (mo.) Dec-06	156 (mo.) Dec-07	168 (mo.) Dec-08	180 (mo.) Dec-09
	Percentage of Mortgage Pool By Prepayment Restriction Assuming No Prepayments							
Yield Maintenance	92.20%	92.21%	0%	0%	0%	0%	0%	0%
5%	0	0	97.91	0	0	0	0	0
4%	0	0	0	97.92	0	0	0	0
3%	0	0	0	0	97.94	0	0	0
2%	5.81	0	0	0	0	97.96	0	0
1%	1.99	1.06	1.11	1.10	1.09	1.07	100.00	1.04
0%	0	6.73	0.98	0.97	0.97	0.97	0	98.96
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Mortgage Pool Balance	$ 61,286,511	$60,353,064	$55,885,117	$54,827,191	$53,664,232	$52,385,806	$50,488,265	$48,959,987
% of Initial Mortgage Pool Balance**	49.58%	48.83%	45.21%	44.36%	43.41%	42.36%	40.85%	39.61%

* The indicated percentage includes the Mortgage Loan which has a period ending at the end of 1994 during which voluntary principal prepayments are prohibited. See Exhibit A hereto.

** Represents the percentage of the Initial Mortgage Pool Balance that will remain outstanding at the indicated date based upon the assumptions used in the preparation of this table.

"Due-on-Sale" and "Due-on-Encumbrance" Provisions. All of the Mortgages contain "due-on-sale" and "due-on-encumbrance" clauses that in each case permit the holder of the Mortgage to accelerate the maturity of the related Mortgage Loan if the Mortgagor sells or otherwise transfers or encumbers the related Mortgaged Property, or prohibit the Mortgagor from doing so, without the consent of the holder of the Mortgage or, in the case of certain due-on-sale and due-on-encumbrance provisions, without satisfying certain conditions specified in the related Mortgage. See "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Assumption Agreements; Subordinate Financing*" herein.

Additional Mortgage Loan Information

The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Cut-off Date. The sum in any column of the following tables, or in the table set forth on Exhibit A hereto, may not equal the indicated total due to rounding.

The following table sets forth the range of Mortgage Interest Rates on the Mortgage Loans as of the Cut-off Date. Both of the ARM Mortgage Loans have a minimum and maximum lifetime Mortgage Interest Rate.

Mortgage Interest Rates as of the Cut-off Date

Range of Mortgage Interest Rates (%)	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
6.75 to 8.49	1	$ 524,808	.43%
8.50 to 8.74	1	621,866	.50
8.75 to 9.24	7	10,522,093	8.51
9.25 to 9.49	12	35,668,763	28.86
9.50 to 9.74	13	43,872,066	35.49
9.75 to 10.24	8	28,576,413	23.12
10.25 to 10.49	2	963,250	.78
10.50 to 10.74	2	2,859,357	2.31
Total	46	$123,608,614	100.00%

Weighted Average Mortgage Interest Rate (All Mortgage Loans): 9.531% per annum

Weighted Average Mortgage Interest Rate (Fixed Rate Mortgage Loans): 9.542% per annum

Weighted Average Mortgage Interest Rate (ARM Mortgage Loans): 8.344% per annum

The following table sets forth the range of Net Mortgage Interest Rates on the Mortgage Loans as of the Cut-off Date.

Net Mortgage Interest Rates as of the Cut-off Date

Range of Net Mortgage Interest Rates (%)	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
6.25 to 7.99	1	$ 524,808	.43%
8.00 to 8.24	1	621,866	.50
8.25 to 8.74	7	10,522,093	8.51
8.75 to 8.99	12	35,668,763	28.86
9.00 to 9.24	13	43,872,066	35.49
9.25 to 9.74	8	28,576,413	23.12
9.75 to 9.99	2	963,250	.78
10.00 to 10.50	2	2,859,357	2.31
Total	46	$123,608,614	100.00%

Weighted Average Net Mortgage Interest Rate (All Mortgage Loans): 9.056% per annum

Weighted Average Net Mortgage Interest Rate (Fixed Rate Mortgage Loans): 9.067% per annum

Weighted Average Net Mortgage Interest Rate (ARM Mortgage Loans): 7.869% per annum

The following table sets forth the range of Cut-off Date Balances of the Mortgage Loans.

Cut-off Date Balances

Range of Cut-off Date Balances ($)	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
$ 0 to $ 499,999	2	$ 726,442	.59%
500,000 to 999,999	6	3,980,359	3.22
1,000,000 to 1,499,999	3	3,742,381	3.03
1,500,000 to 1,999,999	7	12,037,675	9.74
2,000,000 to 2,499,999	10	22,966,603	18.58
2,500,000 to 2,999,999	4	11,045,770	8.94
3,000,000 to 3,499,999	5	16,263,137	13.16
3,500,000 to 3,999,999	4	14,923,595	12.07
5,000,000 to 5,499,999	2	10,445,708	8.45
6,000,000 to 6,499,999	2	12,644,943	10.23
14,500,000 to 14,999,999	1	14,832,002	12.00
Total	46	$123,608,614	100.00%

Average Cut-off Date Balance: $2,687,144

The following tables set forth the range of original and remaining terms to stated maturity (in months) of the Mortgage Loans.

Original Terms to Stated Maturity (in Months)

Range of Original Terms (in Months)*	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
60 to 71	2	$ 2,594,741	2.10%
72 to 83	3	16,388,051	13.26
84 to 119	11	36,157,945	29.25
120 to 167	3	4,368,681	3.53
168 to 179	1	621,866	.50
180 to 181	3	1,692,997	1.37
182 to 360	23	61,784,333	49.98
Total	46	$123,608,614	100.00%

Weighted Average Original Term to Stated Maturity: 224 months

* Four of the Mortgage Loans matured and were extended prior to the Cut-off Date so that their stated maturities are not less than 84 nor more than 360 months after the dates of such respective modifications. Such extended Mortgage Loans have an aggregate Cut-off Date Balance of $2,777,621, which represents 2.25% of the Initial Mortgage Pool Balance.

Remaining Terms to Stated Maturity (in Months)
as of the Cut-off Date

Range of Remaining Terms (in Months)	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
24 to 47	3	$ 3,085,001	2.50%
48 to 71	6	8,718,068	7.05
72 to 83	10	44,853,533	36.29
84 to 107	1	667,392	.54
108 to 167	2	3,878,421	3.14
168 to 299	1	621,866	.50
300 to 347	1	727,067	.59
348 to 360	22	61,057,266	49.40
Total	46	$123,608,614	100.00%

Weighted Average Remaining Term to Stated Maturity: 214 months

The following table sets forth the respective years in which the Mortgage Loans are scheduled to mature.

Years of Scheduled Maturity

Years	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
1996	1	$ 2,358,559	1.91%
1997	2	726,442	.59
1999	6	8,718,068	7.05
2001	10	44,853,533	36.29
2002	1	667,392	.54
2004	2	3,878,421	3.14
2008	1	621,866	.50
2020	1	727,067	.59
2024	22	61,057,266	49.40
Total	46	$123,608,614	100.00%

The following table sets forth the range of Cut-off Date LTV Ratios of the Mortgage Loans. With respect to the Remsen Mortgage Loans, the "Cut-off Date LTV Ratio" is a fraction, expressed as a percentage, the numerator of which is the Cut-off Date Balance of a Mortgage Loan, and the denominator of which is the appraised value of the related Mortgaged Property as determined by the appraisal made in connection with the origination of such Mortgage Loan. With respect to the FDIC Mortgage Loans, the "Cut-off Date LTV Ratio" is a fraction, expressed as a percentage, the numerator of which is the Cut-off Date Balance of the related Mortgage Loan, and the denominator of which is the "Underwriting Value." The "Underwriting Value" is determined by dividing the "Underwriting NOI" by the capitalization rate set forth in a short-form appraisal made no earlier than January 1, 1993 with respect to such FDIC Mortgage Loan (each, an "FDIC Appraisal"). The "Underwriting NOI" was calculated by reducing revenues by expenses and replacement reserves, each as determined below. The factors which determine Underwriting NOI were generally estimated according to the following methodology: (i) establish an estimated one-year revenue for the related Mortgaged Property, by taking into account prior years' historical revenue data and the FDIC Appraisal's revenue assumptions and applying a vacancy factor based on (a) the historical vacancy rate of the property or (b) the FDIC Appraisal's vacancy rate (if no historical vacancy/credit loss was provided, revenue was projected off the historical net rent income); (ii) establish estimated expenses, by taking into account prior years' historical operating expenses of the property and the expenses estimated in the FDIC Appraisal; and (iii) establish estimated replacement reserves, by taking into account the replacement reserve determined by an engineer who did an analysis of the Mortgaged Property not earlier than January 1, 1994. A Cut-off Date LTV Ratio, because it is based on the value of a Mortgaged Property determined as of loan origination or, in the case of the FDIC Loans, based upon the calculation of Underwriting Value, is not necessarily a reliable measure of the Mortgagor's current equity, if any, in that Mortgaged Property. In evaluating the Mortgage Loans, Fannie Mae used a different methodology for calculating loan to value ratios than that described herein. Application of such different methodology with regard to certain Mortgage Loans produced results which differ from those set forth in the following table and on Exhibit A.

Cut-off Date LTV Ratios

Range of Cut-off Date LTV Ratios (%)	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
20.01 to 40.00	1	$ 490,259	.40%
40.01 to 50.00	5	4,805,494	3.89
50.01 to 60.00	5	18,718,408	15.14
60.01 to 70.00	16	51,783,241	41.89
70.01 to 80.00	18	46,268,175	37.43
80.01 to 90.00	1	1,543,036	1.25
Total	46	$123,608,614	100.00%

Weighted Average Cut-off Date LTV Ratio: 66.22%

The following table sets forth information regarding the number of residential units at the respective Mortgaged Properties.

Number of Residential Units at the Mortgaged Properties

Number of Residential Units	Number of Mortgaged Properties	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
10 to 19	1	$ 667,392	.54%
20 to 29	1	524,808	.42
30 to 39	5	2,932,672	2.37
40 to 49	1	727,067	.59
50 to 59	1	938,429	.76
80 to 89	5	10,823,943	8.76
90 to 99	1	2,488,019	2.01
100 to 109	2	5,831,053	4.72
110 to 119	2	4,923,574	3.98
120 to 129	4	7,804,854	6.31
130 to 139	1	5,380,151	4.35
140 to 149	1	2,153,044	1.74
150 to 159	3	6,222,018	5.03
160 to 169	1	3,699,011	2.99
170 to 179	1	2,476,168	2.00
190 to 199	2	6,188,684	5.01
200 to 209	4	14,043,145	11.36
210 to 219	1	3,485,452	2.82
220 to 229	2	5,545,258	4.49
240 to 249	1	3,622,381	2.93
250 to 259	1	2,094,175	1.69
280 to 289	1	1,543,036	1.25
310 to 319	1	6,288,421	5.09
330 to 339	2	8,373,856	6.77
730 to 739	1	14,832,002	12.00
Total	46	$123,608,614	100.00%

Weighted Average Number of residential units: 244 units

The following table sets forth the range of Debt Service Coverage Ratios as of the Cut-off Date for the Mortgage Loans. The "Debt Service Coverage Ratio" for any Remsen Mortgage Loan is the ratio of (a) the Net Operating Income (after replacement reserves) from the related Mortgaged Property for a 12-month period, estimated as described below, to (b) the product of (i) the amount of the actual Monthly Payment as of the date of determination for such Mortgage Loan and (ii) 12. "Net Operating Income" for a Remsen Mortgage Loan is the revenue derived from the use and operation of the related Mortgaged Property, estimated as described below (consisting primarily of rental income, deposit forfeitures and fees derived from the use of parking areas and laundry facilities, if any) less estimated operating expenses (such as utilities, general administrative expenses, management fees, advertising, repairs and maintenance) and estimated fixed expenses (such as insurance and real estate taxes) for such Mortgaged Property. Net Operating Income for the Remsen Mortgage Loans generally does not reflect capital expenditures, except that a deduction from Net Operating Income is generally made for any amounts required to fund any replacement reserve for capital items. Net Operating Income for the Remsen Mortgage Loans generally was estimated by employing the following methodology: (i) establish estimated revenue, by taking into account the most recently-available total monthly rent roll multiplied by 12, and applying a vacancy factor, which vacancy factor was generally equal to no less than the greater of (A) the then current vacancy rate of the Mortgaged Property and (B) the market vacancy rate identified by the appraiser in the appraisal prepared in connection with the origination of the Mortgage Loan, but in no event less than five percent (5%), and any ancillary income (such as laundry, vending, etc.) was added to this figure; and (ii) establish estimated expenses, by taking into account prior years' historical operating expenses of the Mortgaged Property and the expenses estimated by the appraiser considering: (A) any expected changes in the costs of obtaining services and materials and (B) any anticipated changes in the day-to-day operation of the Mortgaged Property (such as changes in the number of employees and frequency of maintenance tasks). The "Debt Service Coverage Ratio" for any FDIC Mortgage Loan is the ratio of (a) Underwriting NOI to (b) the product of (i) the amount of the Monthly Payment in effect as of the Cut-off Date for such FDIC Mortgage Loan and (ii) 12. A Debt Service Coverage Ratio, because it is based on the estimated Net Operating Income or, in the case of the FDIC Mortgage Loans, based on estimated Underwriting NOI, is not necessarily a reliable measure of what such ratio would be as of the Cut-off Date of the related Mortgage Loan. In evaluating the Mortgage Loans, Fannie Mae used a different methodology for calculating net operating income and debt service coverage ratios than that described herein. Application of such different methodology with regard to certain Mortgage Loans produced results which differ from those set forth in the following table and on Exhibit A.

Cut-off Date Debt Service Coverage Ratios of the Mortgage Loans

Range of Debt Service Coverage Ratios (x)	Number of Mortgage Loans	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
.80 to .99*	2	$ 1,217,327	0.98%
1.00 to 1.29	21	76,188,398	61.64
1.30 to 1.39	9	24,101,263	19.50
1.40 to 1.59	7	14,993,725	12.13
1.60 to 1.79	2	1,439,226	1.16
1.80 to 1.99	1	1,268,411	1.03
2.00 to 2.39	3	3,778,398	3.06
2.40 to 2.59	1	621,865	.50
Total	46	$123,608,614	100.00%

Weighted Average Debt Service Coverage Ratio (All Mortgage Loans): 1.33x

Weighted Average Debt Service Coverage Ratio (Mortgage Loans secured by mortgage rental properties): 1.34x

Weighted Average Debt Service Coverage Ratio (Mortgage Loans secured by cooperatively owned properties): 0.83x

* The two indicated Mortgage Loans are secured by cooperatively owned Mortgaged Properties. The gross revenues for such Mortgaged Properties included in the indicated Debt Service Coverage Ratios were calculated based on the monthly maintenance payments that the cooperatives are projected to receive from all units rather than what would be the fair market rental income of such units. As a result, such gross revenues are lower than they would otherwise be, as are the corresponding Underwriting NOI and Debt Service Coverage Ratios.

The following table sets forth information regarding the occupancy levels at the Mortgaged Properties. The table was prepared on the basis of the most recent rent roll available to the Underlying Depositor for each such Mortgaged Property, the dates of which rent rolls are no earlier than January 1, 1994 with respect to the Remsen Mortgage Loans and January 1, 1993 with respect to the FDIC Mortgage Loans.

Occupancy Levels at the Mortgaged Properties

Occupancy (%)	Number of Mortgaged Properties	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
80.01 to 89.99	3	$ 8,607,477	6.96%
90.00 to 94.99	16	55,218,325	44.67
95.00 to 99.99	21	49,931,508	40.40
100.00	6	9,851,304	7.97
Total	46	$123,608,614	100.00%

Weighted Average Occupancy Level (All Mortgaged Properties): 94.79%

Weighted Average Occupancy Level (Mortgage Loans secured by mortgage rental properties): 94.75%

Weighted Average Occupancy Level (Mortgage Loans secured by cooperatively owned properties): 98.79%

The Mortgage Loans are secured by Mortgaged Properties located in seventeen different states. The following table sets forth the states in which the Mortgaged Properties are located.

Geographic Distribution of the Mortgaged Properties (by State)

State	Number of Mortgaged Properties	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
Alaska	1	$ 621,866	.50%
Alabama	1	3,186,699	2.58
Arizona	3	9,239,889	7.48
California	2	6,047,543	4.89
Colorado	3	4,574,116	3.70
Massachusetts	1	3,402,302	2.75
Michigan	3	10,727,951	8.68
Minnesota	1	1,971,958	1.60
New Jersey	3	7,460,061	6.04
Nevada	2	10,031,529	8.12
New York	3	2,155,756	1.75
Oklahoma	1	2,990,721	2.42
Oregon	1	500,797	.41
Pennsylvania	1	2,680,111	2.17
Texas	18	54,505,439	44.10
Washington	1	1,268,411	1.03
Wyoming	1	2,243,464	1.82
Total	46	$123,608,614	100.00%

Eighteen of the Mortgaged Properties are located in Texas. The following table sets forth the location of such Mortgaged Properties.

Geographic Distribution of the Mortgaged Properties within Texas (by City)

City	Number of Mortgaged Properties	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
Bryan	1	$ 3,485,452	2.82%
Corpus Christi	1	2,476,168	2.00
Dallas	1	1,543,036	1.25
El Paso	1	1,524,882	1.23
Houston	1	14,832,002	12.00
Killeen	1	2,153,044	1.74
New Braunfels	1	1,550,456	1.26
Portland	1	3,062,219	2.48
San Angelo	3	8,018,546	6.49
San Antonio	5	12,375,676	10.01
Temple	1	1,644,361	1.33
Waco	1	1,839,597	1.49
Total	18	$54,505,439	44.10%

The following table sets forth the respective years in which the Mortgaged Properties were built.

Years in Which the Mortgaged Properties were Built

Year of Construction	Number of Mortgaged Properties	Aggregate Cut-off Date Balance	Percent of Initial Mortgage Pool Balance
1935	1	$ 727,067	.59%
1945	1	2,517,399	2.04
1955	1	667,392	.54
1960	1	490,259	.40
1963	3	6,106,559	4.94
1964	2	2,712,351	2.19
1965	1	1,963,384	1.59
1966	1	5,065,557	4.10
1968	2	7,558,106	6.12
1969	1	1,390,402	1.13
1970	2	5,101,298	4.13
1972	5	8,987,331	7.27
1973	2	4,125,002	3.34
1974	3	8,492,382	6.87
1975	2	5,266,742	4.26
1978	3	20,334,788	16.45
1979	1	3,126,465	2.53
1980	2	10,031,529	8.12
1981	1	2,464,713	1.99
1982	2	8,783,891	7.11
1983	2	3,883,441	3.14
1984	4	3,487,067	2.82
1985	1	1,543,036	1.25
1986	1	5,380,151	4.35
1989	1	3,402,302	2.75
Total	46	$123,608,614	100.00%

Changes in Mortgage Pool Characteristics

The description herein of the Mortgage Pool and the Mortgaged Properties is based upon the Mortgage Pool as expected to be constituted at the time the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates are issued, as adjusted for the scheduled principal payments due on or before the Cut-off Date. Prior to the issuance of the Certificates, a Mortgage Loan may be removed from the Mortgage Pool if the Underlying Depositor deems such removal necessary or appropriate or if it is prepaid. A limited number of other mortgage loans may be included in the Mortgage Pool prior to the issuance of the Certificates, unless the inclusion of such mortgage loans would materially alter the characteristics of the Mortgage Pool as described herein. The Underlying Depositor believes that the information set forth herein will be representative of the characteristics of the Mortgage Pool as it will be constituted at the time the Certificates are issued, although the range of Mortgage Interest Rates and maturities, as well as the other characteristics of the Mortgage Loans described herein, may vary. The Initial Mortgage Pool Balance will be subject to a permitted variance of plus or minus 5%.

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 Multifamily REMIC Prospectus, describes the current federal income tax treatment of investors in the Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Certificates.

REMIC Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

The Notional 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 5% CPR. See "Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*" in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Underlying REMIC Trust will prepay at that or any other rate. See "Description of the Certificates—Weighted Average Lives of the Certificates" herein and "Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates" in the Multifamily 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 Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R nor the RL Class will 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 or RL Certificate may not use its allowable deductions to offset any "excess inclusions" with respect to such Certificate. See "Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*" in the Multifamily REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the "federal long-term rate." The rate will be published on or about November 20, 1994. See "Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*" and "—Foreign Investors—*Residual Certificates*" in the Multifamily REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

Smith Barney Inc. will receive the Certificates in exchange for the Underlying SB Class A Certificates and the Related SB Class IO Certificates pursuant to a Fannie Mae commitment. Smith Barney Inc. 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. Smith Barney Inc. may effect such transactions to or through dealers.

LEGAL MATTERS

Certain legal matters will be passed upon for Fannie Mae by Mayer, Brown & Platt, Chicago, Illinois; and an opinion with respect to certain tax matters will be delivered to Fannie Mae by Dewey Ballantine, Washington, D.C. Any purchaser of Certificates will be furnished upon request an opinion by the General Counsel or Deputy General Counsel of Fannie Mae as to the validity of the Certificates and the Trust Agreement.

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GLOSSARY

A Certificate Rate: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

A Class: As defined herein on the Prospectus Supplement cover page.

A Class Balance: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

Accrued Certificate Interest: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Calculations of Interest*" on page S-24.

Advance: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Priority*" on page S-26.

Applicable Date: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

ARM Mortgage Loans: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Mortgage Pool*" on page S-11.

Assigned Asset Value: With respect to any Mortgage Loan (other than a Seriously Delinquent Loan or a Materially Modified Loan), as of any date of determination, the Stated Principal Balance of such Mortgage Loan as of such date of determination. With respect to any Mortgage Loan that is a Seriously Delinquent Loan or a Materially Modified Loan, the lesser of (a) the Stated Principal Balance of such Mortgage Loan as of such date of determination and (b) the appraised value of the related Mortgaged Property as of such date of determination, each reduced (to not less than zero) by the aggregate of (i) to the extent not previously advanced by the Underlying Servicer, all unpaid interest on such Mortgage Loan at a per annum rate equal to the Mortgage Interest Rate minus the related Servicing Fee Rate, (ii) all unpaid Servicing Fees and unreimbursed Advances in respect of such Mortgage Loan and (iii) all currently due but unpaid real estate taxes and assessments and insurance premiums in respect of the related Mortgaged Property. With respect to any REO Property, the appraised value of such REO Property as of such date of determination, reduced (to not less than zero) by the aggregate of (i) to the extent not previously advanced by the Underlying Servicer, all unpaid interest on the related REO Loan at a per annum rate equal to the Mortgage Interest Rate minus the Servicing Fee Rate, (ii) all unpaid Servicing Fees and unreimbursed Advances in respect of such REO Property and/or the related REO Loan and (iii) all currently due but unpaid real estate taxes, assessments and insurance premiums in respect of such REO Property.

Assumed Payment: With respect to any Balloon Mortgage Loan, for its stated maturity date (provided that it has not been paid in full on or before such date and no other Liquidation Event has occurred in respect thereof) and for any subsequent Due Date as of which it remains outstanding and part of the Underlying REMIC Trust, the scheduled monthly payment of principal and/or interest deemed to be due in respect thereof on such Due Date equal to the Scheduled Payment in respect of such Balloon Mortgage Loan for the Due Date immediately prior to its stated maturity date. With respect to any REO Loan, for any Due Date as of which the related REO Property remains part of the Underlying REMIC Trust, the scheduled monthly payment of principal and/or interest deemed to be due in respect thereof on such Due Date equal to the Scheduled Payment that would have been applicable in respect of the predecessor Mortgage Loan for such Due Date had it remained outstanding (or, if such Due Date coincides with or follows what had been the stated maturity date for the predecessor Mortgage Loan, the Assumed Payment that would have been deemed due in respect of the predecessor Mortgage Loan on such Due Date had it remained outstanding).

Available Distribution Amount: With respect to any Distribution Date, an amount equal to (a) the sum, without duplication, of (i) the aggregate of the amounts on deposit in the Underlying Certificate Account and the Underlying Distribution Account as of the close of business on the last day of the related Due Period, (ii) the aggregate of any amounts that were on deposit in the Underlying Certificate Account and held for future distribution to Underlying Certificateholders, were used to make P&I Advances in respect of the preceding Distribution Date and were replaced by the Underlying Servicer after the last day of the related Due Period but on or before the related P&I Advance Date, (iii) the aggregate of all payments made by Mortgagors after the last day of the related Due Period but on or before the date specified in the Underlying Pooling and Servicing Agreement, to the extent that such payments constitute late collections of Scheduled Payments (other than Balloon Payments) due and Assumed Payments deemed due on a Due Date during or prior to the related Due Period, (iv) the aggregate amount of any P&I Advances made by the Underlying Servicer for such Distribution Date, as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—P&I Advances*", (v) the aggregate amount transferred from the Underlying REO Account (if established) to the Underlying Certificate Account after the last day of the related Due Period but on or before the related P&I Advance Date, (vi) the aggregate amount deposited by the Underlying Servicer in the Underlying Distribution Account for such Distribution Date (without any right of reimbursement therefor) in connection with Prepayment Interest Shortfalls and Balloon Payment Interest Shortfalls related to principal prepayments and late payments of Balloon Payments, respectively, during the most recent Due Period, and (vii) in the case of the final Distribution Date, if applicable, any amounts paid by the Underlying Servicer or Underlying Depositor in connection with the purchase of all the Mortgage Loans and REO Properties then remaining in the Underlying REMIC Trust as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*," net of (b) the aggregate portion of the amounts described in subclause (a)(i) hereof and, if and to the extent appropriate, any other subclause of clause (a) hereof that represents one or more of the following: (i) Monthly Payments paid by the Mortgagors that are due on a Due Date following the end of the related Due Period, (ii) any amounts payable or reimbursable to any person (other than the Underlying Certificateholders) from the Underlying Certificate Account or the Underlying Distribution Account, including to pay Servicing Fees, to reimburse P&I Advances and Servicing Advances and to cover Extraordinary Underlying REMIC Trust Expenses, (iii) Prepayment Premiums and/or Yield Maintenance Charges, or (iv) any amounts deposited in the Underlying Certificate Account or the Underlying Distribution Account, as the case may be, in error.

B Certificate Rate: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

B Class: As defined herein on the Prospectus Supplement cover page.

B Class Balance: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

Balloon Mortgage Loan: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Mortgage Pool*" on page S-11.

Balloon Payment: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Mortgage Pool*" on page S-11.

Balloon Payment Interest Shortfall: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Payment of Certain Interest Shortfalls*" on page S-27.

C Certificate Rate: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

C Class: As defined herein on the Prospectus Supplement cover page.

C Class Balance: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

CERCLA: The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

Certificates: As defined herein on the Prospectus Supplement cover page.

Certificate Rate: The A Certificate Rate, the B Certificate Rate, the C Certificate Rate, the D Certificate Rate or the N Certificate Rate.

Certificateholder or Holder: As defined herein under "Description of the Certificates—General—*Characteristics of Certificates*" on page S-9.

Class: Collectively with respect to the Certificates, all of the Certificates bearing the same alphabetical class designation and, with respect to the Underlying SB Class A Certificates, the Related SB Class IO Certificates or the Related SB Subordinated Certificates, all of the Underlying SB Class A Certificates, Related SB Class IO Certificates or Related SB Subordinated Certificates bearing the same alphabetical class designation.

Class Balance: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*General*" on page S-24.

Code: As defined herein on page S-2.

CPR: As defined herein under "Description of the Certificates—Structuring Assumptions—*CPR Assumptions*" on page S-17.

Cut-off Date: December 1, 1994. Information set forth herein as of the Cut-off Date reflects application of payments due on the Mortgage Loans on or before such date, whether or not received.

Cut-off Date Balance: As defined herein under "Description of the Mortgage Pool—General" on page S-34.

Cut-off Date LTV Ratio: As defined herein under "Description of the Mortgage Pool—Additional Mortgage Loan Information" on page S-40.

D Certificate Rate: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

D Class: As defined herein on the Prospectus Supplement cover page.

D Class Balance: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

Dealer: As defined herein on the Prospectus Supplement cover page.

Debt Service Coverage Ratio: As defined herein under "Description of the Mortgage Pool—Additional Mortgage Loan Information" on page S-42.

Defaulted Mortgage Loan: A Mortgage Loan that is at least 30 days delinquent in respect of any Scheduled Payment (such delinquency to be determined without regard to any grace period permitted by the related Mortgage or Mortgage Note), provided that no suitable arrangements have been made for the collection of the delinquent payments pursuant to the Underlying Pooling and Servicing Agreement and the Underlying Servicer has determined, in its reasonable and good faith judgment, that such Mortgage Loan will become the subject of foreclosure or similar proceedings.

Delay Classes: As defined herein under "Description of the Certificates—Distributions of Interest—*Interest Accrual Period*" on page S-13.

Disclosure Documents: As defined herein on page S-2.

Discount Rate: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

Distribution Date: As defined herein under "Description of the Certificates—General—*Distribution Dates*" on page S-10.

Due Date: With respect to each Mortgage Loan, including, without limitation, a Mortgage Loan that is 30 days or more delinquent in respect of its Balloon Payment, and with respect to each REO Loan, the first day of each month.

Due Period: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" on page S-12.

Environmental Assessment: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*" on page S-31.

Environmental Conditions Precedent to Foreclosure: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*" on page S-31.

Exempted Securities: As defined herein on the Prospectus Supplement cover page.

Extraordinary Underlying REMIC Trust Expense: Any of the following expenses of the Underlying REMIC Trust, among others: (i) interest payable to the Underlying Servicer in respect of any outstanding Advances, (ii) the cost of conducting a "phase II environmental assessment" and of any remedial, corrective or other action with respect to certain actual or potential adverse environmental conditions or circumstances at a Mortgaged Property securing a defaulted Mortgage Loan, (iii) any indemnification amounts payable to the Underlying Servicer, the Underlying Trustee, the Underlying Depositor and the directors, officers, employees and agents thereof, (iv) certain unanticipated federal, state and local taxes imposed on the Underlying REMIC Trust or its assets and transactions, (v) the cost of obtaining an REO Extension, and (vi) expenses related to certain opinions of counsel.

Fannie Mae: As defined herein under "Description of the Certificates—General—*Structure*" on page S-8.

FDIC: The Federal Deposit Insurance Corporation or any successor.

FDIC Appraisal: As defined herein under "Description of the Mortgage Pool—Additional Mortgage Loan Information" on page S-40.

FDIC Mortgage Loans: As defined herein under "Description of the Mortgage Pool—General" on page S-34.

Final Distribution Date: As defined herein on the Prospectus Supplement cover page.

Final Due Period: With respect to any Mortgage Loan or any REO Property (and the related REO Loan), the Due Period during which a Liquidation Event has occurred in respect thereof.

Final Recovery Determination: With respect to any defaulted Mortgage Loan or REO Property (other than a Mortgage Loan or REO Property, as the case may be, that was purchased by the Underlying Depositor as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*" or by the Underlying Depositor or Underlying Servicer as summarized herein under

"Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*"), a determination by the Underlying Servicer that there has been a recovery of all insurance proceeds, liquidation proceeds and other payments or recoveries that the Underlying Servicer, in its reasonable and good faith judgment, exercised without regard to any obligation of the Underlying Servicer to make payments from its own funds to cover certain deductible amounts under insurance policies covering the Mortgaged Property or REO Property but taking into account any amounts that may be available in any related collateral account established by the Underlying Directing Holder, expects to be ultimately recoverable.

Fixed Rate Mortgage Loans: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Mortgage Interest Rates*" on page S-34.

Information Statement: As defined herein on page S-2.

Initial Mortgage Pool Balance: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Mortgage Pool*" on page S-11.

Interest Accrual Period: As defined herein under "Description of the Certificates—Distributions of Interest—*Interest Accrual Period*" on page S-13.

Interest Distribution Amount: As defined herein under "Description of the Certificates—Distributions of Interest—*General*" on page S-13.

Issue Date: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" on page S-12.

Liquidation Event: With respect to any Mortgage Loan, any of the following events: (i) such Mortgage Loan is paid in full; (ii) a Final Recovery Determination is made with respect to such Mortgage Loan; (iii) such Mortgage Loan is repurchased by the Underlying Depositor as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*;" or (iv) such Mortgage Loan is purchased by the Underlying Depositor or Underlying Servicer as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*." With respect to any REO Property (and the related REO Loan), any of the following events: (i) a Final Recovery Determination is made with respect to such REO Property; or (ii) such REO Property is purchased by the Underlying Servicer or Underlying Depositor as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*."

Loan-to-Value Ratio: With respect to any Mortgage Loan as of any date of determination, the fraction, expressed as a percentage, the numerator of which is the then Unpaid Principal Balance of such Mortgage Loan or the then aggregate Unpaid Principal Balance of such Mortgage Loans, as the case may be, and the denominator of which is the appraised value of the related Mortgaged Property or Properties based on the most recent appraisal(s) available to the Underlying Depositor or, following the closing date, the Underlying Servicer.

Lower Tier Regular Interests: As defined herein under "Description of the Certificates—General—*Structure*" on page S-8.

Lower Tier REMIC: As defined herein on the Prospectus Supplement cover page.

Majority Underlying SB Class A Voteholder: As defined herein under "The Trust Agreement—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement" on page S-23.

Materially Modified Loan: Any Mortgage Loan as to which, by reason of a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Underlying Servicer as summarized herein under "Description of the Underlying REMIC Trust—Description of the Pooling and Servicing Agreement—*Servicing of the Mortgage*

Loans—Modifications, Waivers and Amendments," (i) the Mortgage Interest Rate in effect therefor is more than 100 basis points less than the Mortgage Interest Rate that would otherwise be in effect, (ii) the Monthly Payment due thereon is more than 10% less than the Monthly Payment that would otherwise be due thereon, or (iii) the scheduled maturity date therefor has been extended for more than six months beyond the stated maturity date therefor.

Maturity Date: With respect to any Mortgage Loan, the stated maturity date of such Mortgage Loan.

Modification: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*" on page S-29.

Monthly Payment: With respect to any Mortgage Loan, for any Due Date as of which it is outstanding, the scheduled monthly payment of principal and/or interest on such Mortgage Loan that is actually payable by the related Mortgagor from time to time under the terms of the related Mortgage Note (as such terms may be changed or modified in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Underlying Servicer as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*").

Mortgage: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Mortgage Pool*" on page S-11.

Mortgage File: With respect to any Mortgage Loan, the related Mortgage Note, Mortgage and certain other related documents specified in the Underlying Pooling and Servicing Agreement.

Mortgage Interest Rate: The rate at which a Mortgage Loan bears interest.

Mortgage Interest Rate Adjustment Date: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Mortgage Interest Rates*" on page S-34.

Mortgage Loan: As defined herein on the Prospectus Supplement cover page.

Mortgage Loan Schedule: The list of Mortgage Loans transferred to the Underlying Trustee as part of the Underlying REMIC Trust and attached to the Underlying Pooling and Servicing Agreement as Schedule I.

Mortgage Note: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Mortgage Pool*" on page S-11.

Mortgage Pool: As defined herein on the Prospectus Supplement cover page.

Mortgaged Property: As defined herein on the Prospectus Supplement cover page.

Mortgagor: The obligor or obligors on a Mortgage Note, including, without limitation, any person that purchased the related Mortgaged Property subject to the Mortgage and any person that has assumed the obligations of the original obligor under the Mortgage Note.

Multifamily REMIC Prospectus: As defined herein on page S-2.

N Certificate Rate: As defined herein under "Reference Sheet—The Certificates—*Interest Rates*" on page S-4.

N Class: As defined herein on the Prospectus Supplement cover page.

Net Mortgage Interest Rate: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" on page S-12.

Net Operating Income: As defined herein under "Description of the Mortgage Pool—Additional Mortgage Loan Information" on page S-42.

Nonrecoverable Advance: A Nonrecoverable P&I Advance or a Nonrecoverable Servicing Advance.

Nonrecoverable P&I Advance: Any P&I Advance previously made in respect of a Mortgage Loan or REO Loan which, in the reasonable and good faith judgment of the Underlying Servicer, will not be ultimately recoverable either (i) from expected late collections (from whatever source) of interest (net of Servicing Fees) on and principal of such Mortgage Loan or the REO Loan, as applicable, or (ii) out of amounts otherwise distributable on the Related SB Subordinated Certificates on any current or future Distribution Date.

Nonrecoverable Servicing Advance: Any Servicing Advance previously made in respect of a Mortgage Loan or REO Property which, in the reasonable and good faith judgment of the Underlying Servicer, will not be ultimately recoverable either (i) from payments, insurance proceeds, liquidation proceeds or other amounts expected to be collected on or in respect of such Mortgage Loan or REO Property, or (ii) out of amounts otherwise distributable on the Related SB Subordinated Certificates on any current or future Distribution Date.

P&I Advance: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—P&I Advances*" on page S-26.

P&I Advance Date: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—P&I Advances*" on page S-26.

P&I Advance Determination Date: With respect to any Distribution Date, the 15th day of the month in which such Distribution Date occurs, or, if such 15th day is not a business day, the business day immediately preceding.

Prepayment Interest Shortfall: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Payment of Certain Interest Shortfalls*" on page S-27.

Prepayment Premium: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

prepayment premium period: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

Pricing Assumptions: As defined herein under "Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*" on page S-16.

Principal Distribution Amount: As defined herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" on page S-14.

principal prepayment: Any payment or other collection of principal on a Mortgage Loan which is received in advance of its scheduled due date and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of payment.

Purchase Price: With respect to any Mortgage Loan to be purchased by (i) the Underlying Depositor as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Representations and Warranties; Repurchases*,"

(ii) the Underlying Depositor or Underlying Servicer as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*," or (iii) a holder of Related SB Subordinated Certificates as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*," a price generally equal to the unpaid principal balance of such Mortgage Loan as of the date of purchase, together with (a) all accrued and unpaid interest on such Mortgage Loan at the related Mortgage Interest Rate in effect from time to time to but not including the Due Date in the Due Period of purchase, and (b) all related unreimbursed Servicing Advances.

R Class: As defined herein on the Prospectus Supplement cover page.

Record Date: With respect to each Distribution Date, the last day of the immediately preceding month.

Regular Interests: As defined herein under "Description of the Certificates—General—*Structure*" on page S-8.

Regulations: As defined herein under "Description of the Certificates—Characteristics of the R Class and the RL Class" on page S-22.

Related SB Class IO Certificates: As defined herein on the Prospectus Supplement cover page.

Related SB Class IO Certificateholders: The holders of the Related SB Class IO Certificates.

Related SB Class R Certificates: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-11.

Related SB Class R Certificateholders: The holders of the Related SB Class R Certificates.

Related SB Subordinated Certificateholders: The holders of the Related SB Subordinated Certificates.

Related SB Subordinated Certificates: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-11.

Related SB Subordinated Interest: As defined herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" on page S-15.

REMICs: As defined herein on page S-2.

REMIC Provisions: Provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at Sections 860A through 860G of Subchapter M of Chapter 1 of the Code, and related provisions, and proposed, temporary and final Treasury regulations and any rulings promulgated thereunder, as the foregoing may be in effect from time to time.

Remsen Mortgage Loans: As defined herein under "Description of the Mortgage Pool—General" on page S-34.

REO Acquisition: The acquisition of an REO Property in accordance with the procedures summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*."

REO Extension: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*" on page S-31.

REO Loan: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates—*Distributions of Principal and Interest—Treatment of REO Properties*" on page S-27.

REO Property: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-11.

Residual Interest: As defined herein under "Description of the Certificates—General—*Structure*" on page S-8.

RL Class: As defined herein on the Prospectus Supplement cover page.

Scheduled Payment: With respect to any Mortgage Loan, for any Due Date following the Cut-off-Date as of which it is outstanding, the scheduled monthly payment of principal and/or interest on such Mortgage Loan that is or would be, as the case may be, payable by the related Mortgagor on such Due Date under the terms of the related Mortgage Note as in effect on the closing date, without regard to any subsequent change in or modification of such terms in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Underlying Servicer, as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*," and assuming that each prior Scheduled Payment has been made in a timely manner.

Seriously Delinquent Loan: Any Mortgage Loan that is at least 90 days delinquent in respect of its Balloon Payment or 90 days delinquent in respect of any other Scheduled Payment (such delinquency to be determined without regard to any grace period permitted by the related Mortgage or Mortgage Note), provided that no suitable arrangements have been made for the collection of the delinquent payments as summarized herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Modifications, Waivers and Amendments*."

Servicing Advances: All customary, reasonable and necessary "out-of-pocket" costs and expenses (including attorneys' fees and expenses and fees of real estate brokers) incurred by the Underlying Servicer in connection with the servicing and administering of (a) a Mortgage Loan in respect of which a default, delinquency or other unanticipated event has occurred (without regard to any grace or cure period available to the applicable Mortgagor) or as to which a default is imminent or (b) an REO Property.

Servicing Fee: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Underlying Servicer and Trustee Compensation*" on page S-32.

Servicing Fee Rate: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Underlying Servicer and Trustee Compensation*" on page S-32.

Servicing Standard: The diligent servicing and administration of the Mortgage Loans on behalf of the Underlying Trustee and in the best interests of and for the benefit of the Underlying Certificateholders (as determined by the Underlying Servicer in its good faith and reasonable judgment and without regard to any differing payment priorities among the respective Classes of Underlying Certificateholders) in accordance with applicable law, the terms of the Underlying Pooling and Servicing Agreement and the terms of the respective Mortgage Loans and, to the extent consistent with the foregoing, in the same manner as would prudent institutional mortgage lenders and loan servicers servicing mortgage loans comparable to the Mortgage Loans in the jurisdictions where the Mortgaged Properties are located and as would a prudent institutional mortgage lender if it were the owner of the Mortgage Loans, and with a view to the maximization of timely and complete recovery of principal and interest on the Mortgage Notes, but without regard to: (i) any relationship that the Underlying Servicer or any of its affiliates may have with the related Mortgagor; (ii) the ownership of any Underlying Certificate by the Underlying Servicer or any of its affiliates; (iii) the Underlying Servicer's obligation to make P&I Advances and Servicing Advances; or (iv) the Underlying Servicer's right to receive compensation for its services under the Underlying Pooling and Servicing Agreement or with respect to any particular transaction.

Settlement Date: As defined herein on the Prospectus Supplement cover page.

State Street: As defined herein under "Description of the Certificates—General—*Characteristics of Certificates*" on page S-10.

Stated Principal Balance: With respect to any Mortgage Loan, a principal amount that is initially equal to the Cut-off Date Balance of such Mortgage Loan and that is reduced on each Distribution Date (to not less than zero) by, without duplication: (a) the aggregate of all payments, insurance proceeds and liquidation proceeds received in respect of such Mortgage Loan during the related Due Period that were applied by the Underlying Servicer as recoveries of principal of such Mortgage Loan, in each case net of any portion of the particular payment or other collection that represents a late collection of principal due on or before the Cut-off Date or for which a P&I Advance was previously made for a prior Distribution Date; (b) any payments made by the related Mortgagor subsequent to the most recent Due Date through and including the related P&I Advance Determination Date that represent late collections of principal not otherwise reimbursable to the Underlying Servicer for a P&I Advance made in respect of such Mortgage Loan for a prior Distribution Date; (c) the principal portion of any P&I Advance made by the Underlying Servicer in respect of such Mortgage Loan for such Distribution Date; and (d) the principal portion of any Underlying Realized Loss incurred in respect of such Mortgage Loan during the related Due Period. With respect to any REO Loan, a principal amount that is initially equal to the Stated Principal Balance of the predecessor Mortgage Loan as of the date of the related REO Acquisition and that is reduced on each subsequent Distribution Date (to not less than zero) by, without duplication: (x) the principal portion of any P&I Advance made by the Underlying Servicer in respect of such REO Loan (or, if applicable, the predecessor Mortgage Loan) for such Distribution Date; (y) if such Distribution Date occurs in a Due Period subsequent to the Due Period in which the related REO Acquisition occurred, the aggregate of all revenues, insurance proceeds and liquidation proceeds, if any, received in respect of the related REO Property during the Due Period for such Distribution Date that were applied by the Underlying Servicer as recoveries of principal of such REO Loan, in each case net of any portion of the particular collection that represents a late collection of principal for which a P&I Advance was previously made for a prior Distribution Date; and (z) if such Distribution Date occurs in a Due Period subsequent to the Due Period in which the related REO Acquisition occurred, the principal portion of any Underlying Realized Loss incurred in respect of such REO Loan during the Due Period for such Distribution Date. Notwithstanding the foregoing, if a Liquidation Event occurs in respect of any Mortgage Loan or REO Property, then the "Stated Principal Balance" of such Mortgage Loan or of the related REO Loan, as the case may be, shall be zero commencing as of the Distribution Date in the Due Period next following the Due Period in which such Liquidation Event occurred.

Treasury Rate: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

Trigger Amount: As defined herein under "Reference Sheet—Characteristics of the Underlying SB Class A Certificates and the Related SB Subordinated Certificates—*Characteristics of the Related SB Subordinated Certificates*" on page S-5.

Trust: As defined herein on the Prospectus Supplement cover page.

Trust Account: The one or more trust accounts created pursuant to the Trust Agreement into which will be deposited all distributions on the Underlying SB Class A Certificates and all investments of, and investment income from, such moneys.

Trust Agreement: As defined herein under "Description of the Certificates—General—*Structure*" on page S-8.

Trustee: As defined herein under "Description of the Certificates—General—*Structure*" on page S-8.

Underlying Aggregate SB Class A Principal Shortfall: With respect to any Distribution Date, the aggregate amount of Underlying SB Class A Principal Shortfall, if any, occurring after the Cut-off Date but prior to such Distribution Date, reduced by the aggregate amounts, if any, distributed as principal on prior Distribution Dates to the Underlying SB Class A Certificateholders.

Underlying Certificate Account: The segregated account or accounts created and maintained by the Underlying Servicer into which payments (other than escrow payments) and certain other collections on or in respect of Mortgage Loans, including insurance proceeds and liquidation proceeds, will initially be deposited.

Underlying Certificate Balance: With respect to any Underlying SB Class A Certificate or Related SB Subordinated Certificate, as of any date of determination, the then outstanding principal amount of such Underlying SB Class A Certificate or Related SB Subordinated Certificate equal to the product of (a) the Underlying Percentage Interest evidenced by such Underlying SB Class A Certificate or Related SB Subordinated Certificate, multiplied by (b) the then Class Balance of the Class of Underlying SB Class A Certificates or Related SB Subordinated Certificates to which such Underlying SB Class A Certificate or Related SB Subordinated Certificate belongs.

Underlying Certificateholders: The Underlying SB Class A Certificateholders, the Related SB Class IO Certificateholders and the Related SB Subordinated Certificateholders.

Underlying Certificates: The Underlying SB Class A Certificates, the Related SB Class IO Certificates and the Related SB Subordinated Certificates.

Underlying Depositor: As defined herein on the Prospectus Supplement cover page.

Underlying Directing Holder: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*" on page S-30.

Underlying Distribution Account: The segregated account or accounts created and maintained by the Underlying Trustee in trust for Underlying Certificateholders into which amounts to be distributed to Underlying Certificateholders are deposited, including amounts transferred monthly from the Underlying Certificate Account, amounts deposited by the Underlying Servicer in connection with Prepayment Interest Shortfalls, Balloon Payment Interest Shortfalls and P&I Advances and, in the event the Underlying Depositor or the Underlying Servicer purchases all the Mortgage Loans and the REO Properties remaining in the Underlying REMIC Trust, as described herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Termination*," the relevant aggregate purchase price, net of certain amounts reimbursable therefrom.

Underlying Pass-Through Rate: The rate at which interest accrues on any Class of the Underlying SB Class A Certificates, Related SB Class IO Certificates or Related SB Subordinated Certificates.

Underlying Percentage Interest: With respect to any Underlying REMIC Regular Certificate other than the Related SB Class IO Certificates, the portion of the relevant Class evidenced by such Underlying Certificate, expressed as a percentage, the numerator of which is the Underlying Certificate Balance of such Underlying REMIC Regular Certificate as of the Settlement Date, as specified on the face thereof, and the denominator of which is the original Class Balance of the relevant Class. With respect to a Related SB Class R Certificate, the percentage interest in distributions to be made with respect to such Class, as stated on the face of such Related SB Class R Certificate.

Underlying Pooling and Servicing Agreement: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-10.

Underlying Realized Loss: With respect to any Mortgage Loan as to which there has been made, or any REO Loan as to which there has been made with respect to the related REO Property, a Final Recovery Determination, an amount equal to the sum of: (i) the amount, if any, by which (A) the Stated Principal Balance of such Mortgage Loan or such REO Loan, as the case may be, immediately following the Distribution Date in the applicable Final Due Period, together with interest on such Stated Principal Balance at the related Mortgage Interest Rate (calculated without regard to any increase therein in connection with any Modification granted or agreed to by the Underlying Servicer) in effect from time to time (net of the related Servicing Fee Rate) from the most recent Due Date prior to the applicable Final Due Period to which interest on such Mortgage Loan or such REO Loan, as the case may be, was last collected or advanced, to but not including the Due Date in the applicable Final Due Period, exceeds (B) the aggregate amount of net liquidation proceeds, net insurance proceeds and, if applicable, net revenues, in each case, if any, received in respect of such Mortgage Loan or such REO Loan, as the case may be, during the applicable Final Due Period, and (ii) the aggregate of all related Nonrecoverable P&I Advances and Nonrecoverable Servicing Advances remaining unreimbursed from the liquidation proceeds, insurance proceeds and, if applicable, revenues, in each case if any, received in respect of such Mortgage Loan or such REO Loan, as the case may be, during the applicable Final Due Period. In addition, "Underlying Realized Losses" include any principal of a Mortgage Loan that is forgiven, and any reduction of interest on a Mortgage Loan, in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a Modification granted or agreed to by the Underlying Servicer in compliance with the Underlying Pooling and Servicing Agreement.

Underlying REMIC Regular Certificate: Any Underlying SB Class A Certificate, Related SB Class IO Certificate or Related SB Subordinated Certificate (other than a Related SB Class R Certificate).

Underlying REMIC Regular Interests: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-11.

Underlying REMIC Residual Interests: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-11.

Underlying REMIC Trust: As defined herein on the Prospectus Supplement cover page.

Underlying REO Account: The segregated custodial account or accounts maintained by the Underlying Servicer into which are deposited the revenues, insurance proceeds and liquidation proceeds received in respect of an REO Property.

Underlying Servicer: As defined under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-10.

Underlying SB Class A Balance: The Class Balance of the Underlying SB Class A Certificates.

Underlying SB Class A Certificateholders: As defined herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" on page S-15.

Underlying SB Class A Certificates: As defined herein on the Prospectus Supplement cover page.

Underlying SB Class A Control Event: With respect to any Mortgage Loan, the occurrence of both of the following when the Underlying SB Class A Balance is greater than zero: (i) a payment default or material performance default in respect of such Mortgage Loan; and (ii) a determination by the Underlying Servicer, in its reasonable and good faith judgment, that the course of action to be taken in respect of such Mortgage Loan, and the default referred to in the immediately preceding clause (i), shall result in an Underlying Realized Loss or an aggregate amount of Underlying Realized Losses that is in excess of the aggregate of the outstanding Class Balances of the Related SB Subordinated Certificates. An "Underlying SB Class A Control Event" shall cease to exist with respect to any Mortgage Loan if: (i) all payment defaults and material performance defaults under such Mortgage Loan are cured; or (ii) the Underlying Servicer grants or agrees to a modification, waiver or amendment of the terms of such Mortgage Loan and no payment default or material performance default occurs under such modified terms for a certain period of consecutive months; or (iii) the Underlying Servicer establishes that its determination described in clause (ii) of the preceding sentence was in error; or (iv) the Underlying SB Class A Balance shall be reduced to zero.

Underlying SB Class A Control Period: With respect to any Mortgage Loan or REO Property, any period (exclusive of an Underlying Subordinate Control Period) during which there is a Majority Underlying Class A Voteholder and (i) the Underlying SB Class A Balance is greater than zero and, as a result of the allocation of Underlying Realized Losses and Extraordinary Underlying REMIC Trust Expenses, the Class Balances of the Related SB Subordinated Certificates are equal to zero, or (ii) the Underlying SB Class A Balance exceeds the aggregate Assigned Asset Value of all the Mortgage Loans and REO Properties, or (iii) an Underlying SB Class A Control Event shall have occurred and be continuing. For purposes of determining whether the excess described in clause (ii) of the preceding sentence exists on any Distribution Date, the Underlying SB Class A Balance shall reflect all distributions of principal to be made on the Underlying SB Class A Certificates on such Distribution Date and the Stated Principal Balances of the Mortgage Loans shall reflect all reductions to be made thereto on such Distribution Date.

Underlying SB Class A Pass-Through Rate: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" on page S-12.

Underlying SB Class A Principal Distribution Amount: As defined herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" on page S-14.

Underlying SB Class A Principal Distribution Percentage: As defined herein under "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" on page S-14.

Underlying SB Class A Principal Shortfall: With respect to any Distribution Date, an amount equal to the excess, if any, of (a) the Underlying SB Class A Principal Distribution Amount for such Distribution Date, over (b) the aggregate distributions of principal actually made to the Underlying SB Class A Certificateholders on such Distribution Date.

Underlying Subordinate Control Period: With respect to any Defaulted Mortgage Loan as to which the Underlying Directing Holder has directed the Underlying Servicer to commence a foreclosure proceeding or to delay a foreclosure proceeding (see "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Servicing of the Mortgage Loans—Realization Upon Defaulted Mortgage Loans*" herein), the period (x) commencing on the date on which the Underlying Directing Holder is required under the Pooling and Servicing Agreement to make an initial deposit in a specified account in respect of such Mortgage Loan and (y) ending upon the earlier of (i) the occurrence of a Liquidation Event in respect of such Defaulted Mortgage Loan or REO Property and (ii) a termination of the applicable Underlying Directing Holder's related rights in accordance with the Underlying Pooling and Servicing Agreement.

Underlying Trustee: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*General*" on page S-10.

Underlying Trustee's Fee Rate: As defined herein under "Description of the Underlying REMIC Trust—Description of the Underlying Pooling and Servicing Agreement—*Underlying Servicer and Trustee Compensation*" on page S-32.

Underlying Voting Rights: As defined herein under "The Trust Agreement—Voting by Fannie Mae Under the Underlying Pooling and Servicing Agreement" on page S-23.

Underwriting NOI: As defined herein under "Description of the Mortgage Pool—Additional Mortgage Loan Information" on page S-40.

Underwriting Value: As defined herein under "Description of the Mortgage Pool—Additional Mortgage Loan Information" on page S-40.

Unpaid Principal Balance: With respect to any Mortgage Loan, as of any date of determination, a principal amount (not less than zero) equal to the Cut-off Date Balance of such Mortgage Loan, minus the aggregate of, without duplication: (a) all payments, insurance proceeds and liquidation proceeds received in respect of such Mortgage Loan subsequent to the Cut-off Date but on or before such date of determination that were applied by the Underlying Servicer as recoveries of principal of such Mortgage Loan, net of any portion thereof that represents a late collection of principal due on or before the Cut-off Date; and (b) the principal portion of any Underlying Realized Loss incurred in respect of such Mortgage Loan subsequent to the Cut-off Date but on or before such date of determination. With respect to any REO Loan, as of any date of determination, a principal amount (not less than zero) equal to the Unpaid Principal Balance of the predecessor Mortgage Loan as of the date of the related REO Acquisition, minus the aggregate of, without duplication: (x) all revenues, insurance proceeds and liquidation proceeds received in respect of the related REO Property on or after the date of the related REO Acquisition but on or before such date of determination that were applied by the Underlying Servicer as recoveries of principal of such REO Loan; and (y) the principal portion of any Underlying Realized Loss incurred in respect of such REO Loan on or after the date of the related REO Acquisition but on or before such date of determination. Notwithstanding the foregoing, if a Liquidation Event occurs in respect of any Mortgage Loan or REO Property, the "Unpaid Principal Balance" of such Mortgage Loan or of the related REO Loan, as the case may be, shall thereafter be zero.

U.S. Person: A citizen or resident of the United States, a corporation, partnership or other entity created or organized in, or under the laws of, the United States or any political subdivision thereof, or an estate or trust whose income from sources without the United States is includible in gross income for United States federal income tax purposes regardless of its connection with the conduct of a trade or business within the United States.

Weighted Average Net Mortgage Interest Rate: As defined herein under "Description of the Certificates—Structure of the Underlying REMIC Trust—*The Underlying SB Class A Certificates and the Mortgage Loans*" on page S-12.

Yield Maintenance Charge: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

yield maintenance period: As defined herein under "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" on page S-35.

Exhibit A

	Property Name	City	State	Zip Code	Original Balance	Cut-off Date Balance	Scheduled Monthly Principal & Interest	Mortgage Interest Rate	Net Mortgage Interest Rate	Maturity	First Monthly Payment Date	Original Amortization Term (Months)	Original Term (Months)	Mortgage Loan Age (Months)	Current Pre-payment Status*	Prepayment Code**	Number of Units	Annual Net Operating Income	Cut-off Date LTV Ratio	Original Appraised Value	Occu-pancy	Debt Service Coverage Ratio
310020	HUNTER'S RIDGE	SAN ANTONIO	TX	78231	$ 1,400,000	$ 1,390,402	$ 11,134	8.870%	8.395%	02/01/2004	03/01/94	360	120	10	YM	YM-74 mos.,3,2,1***	81	$ 193,241	64.67%	$ 2,150,000	98.77%	1.45
310030	TANGLEWOOD	SAN ANTONIO	TX	78209	2,500,000	2,488,019	20,603	9.270	8.795	03/01/2004	04/01/94	360	120	9	YM	YM-75 mos.,3,2,1***	98	356,245	69.11	3,600,000	98.99	1.44
310040	SUNSET I	SAN ANGELO	TX	76904	2,475,000	2,464,713	20,577	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	128	327,493	74.69	3,300,000	92.97	1.33
310050	SOUTHERN OAKS	MOBILE	AL	36609	3,200,000	3,186,699	26,604	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	224	439,640	63.10	5,050,000	85.71	1.38
310060	PLAZA SQUARE	SAN ANGELO	TX	76904	3,138,981	3,126,465	26,555	9.570	9.095	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	193	382,388	75.34	4,150,000	96.89	1.20
310070	LAND'S END	PORTLAND	TX	78374	3,075,000	3,062,219	25,565	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	194	394,050	74.69	4,100,000	88.66	1.28
310080	GRUENEWOOD	NEW BRAUNFELS	TX	78130	1,556,927	1,550,456	12,944	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	80	194,161	73.83	2,100,000	97.50	1.25
310090	GRANDON MANOR	KILLEEN	TX	76541	2,162,219	2,153,044	17,819	9.270	8.795	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	144	320,749	64.27	3,350,000	93.75	1.50
310100	COUNTRY PLACE	BRYAN	TX	77801	3,500,000	3,485,452	29,099	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	212	510,412	71.86	4,850,000	100.00	1.46
310110	CONCORD SQUARE	SAN ANTONIO	TX	78229	2,869,466	2,857,539	23,856	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	152	357,845	71.44	4,000,000	94.08	1.25
310120	SUMMERVIEW	SAN ANTONIO	TX	78223	3,637,500	3,622,381	30,242	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	244	487,588	74.69	4,850,000	93.03	1.34
310130	SUNSET II	SAN ANGELO	TX	76904	2,437,500	2,427,369	20,265	9.370	8.895	04/01/2024	05/01/94	360	360	8	YM	YM-112 mos.,5,4,3,2,1	128	306,376	74.69	3,250,000	94.53	1.26
310140	MEDICAL CENTER COURT	ANN ARBOR	MI	48105	5,083,036	5,065,557	43,187	9.620	9.145	05/01/2024	06/01/94	360	360	7	YM	YM-113 mos.,5,4,3,2,1	201	699,624	69.87	7,250,000	97.01	1.35
310150	THE VILLAGE	TEMPLE	TX	76502	1,650,000	1,644,361	14,055	9.650	9.175	05/01/2024	06/01/94	360	360	7	YM	YM-113 mos.,5,4,3,2,1	120	220,849	68.52	2,400,000	100.00	1.31
310170	HILLCREST	ANN ARBOR	MI	48103	1,970,159	1,963,384	16,739	9.620	9.145	05/01/2024	06/01/94	360	360	7	YM	YM-113 mos.,5,4,3,2,1	88	251,084	72.72	2,700,000	98.86	1.25
310180	THE WILLOWS	ESCONDIDO	CA	92027	5,400,000	5,380,151	44,620	9.300	8.825	05/01/2001	06/01/94	360	84	7	YM	YM-53 mos.,2,1***	137	673,525	67.67	7,950,000	94.89	1.26
310190	SPRUCE KNOB	ANN ARBOR	MI	48108	3,709,902	3,699,011	31,520	9.620	9.145	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	168	472,803	69.79	5,300,000	95.24	1.25
310200	CREEKSIDE	CHEYENNE	WY	82009	2,250,000	2,243,464	19,199	9.670	9.195	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	112	305,128	66.97	3,350,000	100.00	1.32
310210	LOS PUEBLOS	OKLAHOMA CITY	OK	73139	3,000,000	2,990,721	24,942	9.370	8.895	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	200	388,314	74.77	4,000,000	96.50	1.30
310220	CAMBRIDGE ARMS	HACKENSACK	NJ	07601	3,870,747	3,859,095	32,547	9.500	9.025	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	101	488,210	72.81	5,300,000	97.03	1.25
310230	BELLEVUE COURT	PENNDEL	PA	19047	2,688,203	2,680,111	22,604	9.500	9.025	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	114	339,058	69.61	3,850,000	94.74	1.25
310240	RAE REALTY	LODI	NJ	07644	1,086,839	1,083,567	9,139	9.500	9.025	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	30	137,081	67.72	1,600,000	100.00	1.25
310250	RED BANK TERRACE	RED BANK	NJ	07701	2,525,000	2,517,399	21,232	9.500	9.025	06/01/2024	07/01/94	360	360	6	YM	YM-114 mos.,5,4,3,2,1	86	323,038	71.93	3,500,000	97.67	1.27
310260	RUSTIC HILLS	COLORADO SPRINGS	CO	80909	2,100,000	2,094,175	18,259	9.890	9.415	06/01/2001	07/01/94	360	84	6	YM	YM-54 mos.,2,1***	258	310,388	52.68	3,975,000	97.29	1.42
310270	WHISPERING PINES	COLORADO SPRINGS	CO	80910	2,250,000	2,243,759	19,563	9.890	9.415	06/01/2001	07/01/94	360	84	6	YM	YM-54 mos.,2,1***	207	300,650	70.67	3,175,000	97.58	1.28
310280	LAKESIDE PLACE	HOUSTON	TX	77042	14,868,382	14,832,002	126,108	9.600	9.125	07/01/2001	08/01/94	360	84	5	YM	YM-55 mos.,2,1***	734	1,891,614	64.49	23,000,000	94.00	1.25
310290	WESTVIEW VILLAGE	HASTINGS	MN	55033	1,976,635	1,971,958	16,997	9.760	9.285	07/01/2024	08/01/94	360	360	5	YM	YM-115 mos.,5,4,3,2,1	108	254,953	70.43	2,800,000	90.74	1.25
310300	NORMANDY VILLAGE	CORPUS CHRISTI	TX	78412	2,480,651	2,476,168	21,696	9.960	9.485	08/01/2001	09/01/94	360	84	4	YM	YM-56 mos.,2,1***	179	325,443	66.03	3,750,000	91.62	1.25
310310	SUN RIVER	TEMPE	AZ	85283	6,368,226	6,356,522	55,322	9.880	9.405	07/01/2001	09/01/94	360	83	4	YM	YM-55 mos.,2,1***	334	829,828	54.10	11,750,000	96.11	1.25
310320	ST. CHARLESTON VILLAGE	LAS VEGAS	NV	89102	6,300,000	6,288,421	54,729	9.880	9.405	07/01/2001	09/01/94	360	83	4	YM	YM-55 mos.,2,1***	312	845,056	52.19	12,050,000	91.03	1.29
310330	TORREY PINES VILLAGE	LAS VEGAS	NV	89102	3,750,000	3,743,108	32,577	9.880	9.405	07/01/2001	09/01/94	360	83	4	YM	YM-55 mos.,2,1***	204	499,603	51.28	7,300,000	90.20	1.28
310340	THE MILLS AT NATICK	NATICK	MA	01760	3,410,185	3,402,302	29,600	9.870	9.395	07/01/2024	08/01/94	360	360	5	YM	YM-115 mos.,5,4,3,2,1	83	443,996	70.88	4,800,000	97.59	1.25
9006546	BROOKSIDE	PHOENIX	OR	97502	534,000	500,797	4,885	10.500	10.025	09/01/2001	10/01/86	360	180	99	None	None	32	99,083	48.02	1,042,979	95.00	1.69
9015054	235 EAST 83RD STREET	NEW YORK	NY	10028	1,000,000	938,429	9,537	8.750	8.275	06/01/2001	06/01/84	180	84	127	YM	YM-17 mos.,3,2,1	55	186,628	47.77	1,964,505	95.00	1.63
9060581	111 WEST 94TH STREET††	NEW YORK	NY	10025	750,000	727,067	6,791	10.375	9.9	02/01/2020	03/01/90	360	360	58	YM	YM-2 mos.,1% thereafter	48	68,419	40.39	1,800,000	100.00	0.84
9061541	LOS PORTICOS†	SCOTTSDALE	AZ	85257	581,000	524,808	4,053	6.875	6.4	09/01/1999	10/01/84	360	180	123	None	None	24	65,613	77.99	672,954	92.00	1.35
9092983	14504 AVIS AVENUE†	LAWNDALE	CA	90260	712,400	667,392	6,010	9.500	9.025	04/01/2002	05/01/87	360	180	92	None	None	19	87,762	60.84	1,097,025	100.00	1.22
9109559	212-214 EAST 77TH STREET††	NEW YORK	NY	10021	525,000	490,259	4,479	9.650	9.175	01/01/1997	02/01/87	360	120	95	L	L-1 mo.	39	43,995	25.80	1,900,000	97.00	0.82
9119110	EAGLE CREST	ANCHORAGE	AK	99516	661,385	621,866	4,870	8.625	8.15	12/01/2008	08/01/89	360	179	65	YM	YM-72 mos.,3,2,1	31	144,047	49.65	1,252,584	97.00	2.47
9124365	FOUNTAIN OAKS	PHOENIX	AZ	85016	2,400,000	2,358,559	21,928	10.500	10.025	12/06/1996	02/01/92	360	60	35	None	None	224	352,390	70.28	3,356,105	85.00	1.34
9800005	WOODBINE	COLORADO SPRINGS	CO	80909	240,000	236,182	2,151	10.250	9.775	03/01/1997	04/01/92	360	60	33	None	None	36	56,110	54.72	431,615	94.00	2.17
9800013	SAGEWOOD	SAN ANTONIO	TX	78229	2,060,625	2,017,334	16,344	8.840	8.365	02/06/1999	04/01/92	360	84	33	3%	3%-3 mos.,2,2	336	403,462	45.00	4,482,911	93.00	2.06
9800022	THE CLUSTERS	DALLAS	TX	75220	1,575,000	1,543,036	12,492	8.840	8.365	03/05/1999	05/01/92	360	84	32	3%	3%-4 mos.,2,2	282	210,973	87.77	1,758,108	94.00	1.41
9800045	HERITAGE PARK	OLYMPIA	WA	98502	1,293,750	1,268,411	10,261	8.840	8.365	04/01/1999	06/01/92	360	84	31	3%	3%-5 mos.,2,2	129	226,686	67.15	1,889,058	96.00	1.84
9800058	TIFFANY	EL PASO	TX	79924	1,575,000	1,524,882	12,492	8.840	8.365	03/18/1999	05/01/92	360	84	32	3%	3%-4 mos.,2,2	158	303,524	65.31	2,334,800	97.00	2.02
9800087	BRAZOS PARK	WACO	TX	76704	1,875,000	1,839,597	14,871	8.840	8.365	05/14/1999	07/01/92	360	84	30	3%	3%-6 mos.,2,2	158	262,387	77.12	2,385,336	97.00	1.47
		Total/Weighted Average			$124,473,718	$123,608,614		9.5308%	9.0558%			358.6335	224.3842	11.7192			244	$16,781,512	66.2235%		94.7909%	1.3326

* YM means yield maintenance; L means lockout period; and a percentage (e.g., 3%) means the specified percentage Prepayment Premium.

** YM means yield maintenance; L means lockout period; a percentage (e.g., 3%) means a specified Prepayment Premium; and a number (e.g., 5, 4, 3, 2, 1) means the specified percentage Prepayment Premium for a twelve month period.

*** Borrower may prepay the entire principal balance of the Note on any date within six months prior to the Maturity Date without any fee.

† The indicated Mortgage Loans are ARM Mortgage Loans.

†† The two indicated Mortgage Loans are secured by cooperatively owned Mortgaged Properties. The gross revenues for such Mortgaged Properties included in the indicated Debt Service Coverage Ratios were calculated based on the monthly maintenance payments that the cooperatives are projected to receive from all units rather than what would be the fair market rental income of such units. As a result, such gross revenues are lower than they would otherwise be, as are the corresponding Underwriting NOI and Debt Service Coverage Ratios.

NOTE: The information with respect to the Mortgage Loans set forth on this Exhibit A has been collected and summarized by the Underlying Depositor and provided to Fannie Mae. In evaluating the Mortgage Loans, Fannie Mae used a different methodology for calculating loan to value ratios, net operating income and debt service coverage ratios than that described in the Prospectus Supplement. Application of such different methodology with respect to certain Mortgage Loans produced results which differ from those set forth on this Exhibit A.

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 Multifamily REMIC 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.

TABLE OF CONTENTS

$108,404,000
(Approximate)

Federal National Mortgage Association

FannieMae

Guaranteed ACES℠ REMIC Pass-Through Certificates

Fannie Mae Multifamily REMIC Trust 1994-M4

PROSPECTUS SUPPLEMENT
November 17, 1994

Smith Barney Inc.