

\$262,501,000
Federal National Mortgage Association



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1995-3**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The LL and MM Classes (the "Retail Certificates"), having an aggregate original principal balance of \$37,499,000, are being offered by means of a separate Prospectus Supplement dated February 16, 1995 (the "Retail Classes Supplement"). The other Classes of Certificates are offered hereby. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1995-3 (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist of (i) a single "principal only" Fannie Mae Stripped Mortgage-Backed Security and a single "interest only" Fannie Mae Stripped Mortgage-Backed Security (together, the "SMBS") evidencing the beneficial ownership interest in certain principal distributions and interest distributions, respectively, made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the "Mega Certificate") and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000267-CL, (ii) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Trust MBS" and together with the Fannie Mae Guaranteed Mortgage Pass-Through Certificates underlying the SMBS, the "MBS"), each of which will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein, (iii) a non-interest bearing cash deposit of \$999.99 relating to the LL Class (the "LL Class Cash Deposit"), and (iv) a non-interest bearing cash deposit of \$999.99 relating to the MM Class (the "MM Class Cash Deposit"). The LL Class Cash Deposit and the MM Class Cash Deposit will be applied as described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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

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

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

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
PA	\$17,818,000	PAC	8.25%	FIX	31359LNV3	November 2009	LL	(2)	SEQ/RTL	7.75%	FIX	31359LNU5	April 2025
PB	94,706,000	PAC	8.25	FIX	31359LNW1	August 2023	MM	(2)	SEQ/RTL	8.00	FIX	31359LPC3	April 2025
A	18,085,000	PAC	8.25	FIX	31359LNY7	November 2023	D	(3)	NTL	8.50	FIX/IO	31359LPD1	April 2025
B	27,544,000	PAC	8.25	FIX	31359LNZ4	February 2024	M	(3)	NTL	8.50	FIX/IO	31359LPE9	April 2025
C	96,596,000	TAC	8.25	FIX	31359LPA7	December 2020	R	\$1,000	SEQ	8.25	FIX	31359LPF6	April 2025
Z	7,750,000	SUP	8.25	Z	31359LPB5	July 2024	RL	1,000	PAC	8.25	FIX	31359LNX9	April 2025

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) The LL and MM Certificates, with original principal balances of \$9,499,000 and \$28,000,000, respectively, are being offered by means of the Retail Classes Supplement and are not offered hereby.
- (3) The D and M Classes will be Notional Classes, will have no principal balances and will bear interest on their notional principal balances (initially, \$1,382,294 and \$5,441,176, respectively). The notional principal balance of the D Class will be calculated based on the principal balances of the Retail Classes. The notional principal balance of the M Class will be calculated based on the principal balance of the Trust MBS. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.

The Certificates will be offered by Lehman Brothers Inc., including Lehman Government Securities Inc. (the "Dealer"), from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. It is expected that the Certificates, except for the LL, MM, R and RL Classes, will be available through the book-entry system of the Federal Reserve Banks on or about March 24, 1995 (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, Three World Financial Center, New York, New York 10285, on or about the Settlement Date. It is expected that the LL and MM Classes will be available for delivery through the book-entry facilities of The Depository Trust Company on or about such date.

LEHMAN BROTHERS

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The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Pool, and the purchase price paid for the related Class. Accordingly, investors should consider the following risks:

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- 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.

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

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

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

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

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

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

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 REMIC Pass-Through Certificates dated April 7, 1994 (the “REMIC Prospectus”) which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Stripped Mortgage-Backed Securities dated December 31, 1993 (the “SMBS Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed MBS Pass-Through Certificates dated November 1, 1994 (the “Mega Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated November 1, 1994 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated March 31, 1994 and any supplements thereto (collectively, the “Information Statement”).

The MBS Prospectus, the SMBS Prospectus, the Mega 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 Lehman Brothers Inc. by writing or calling their Registration Department at 536 Broadhollow Road, Melville, New York 11747 (telephone 516-254-7106).

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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.

Assumed Mortgage Loan Characteristics (as of March 1, 1995)

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$300,000,000	354	5	9.0%

The actual remaining terms to maturity, calculated loan ages and interest rates of most of the Mortgage Loans will differ from the weighted averages shown above, perhaps significantly. See “Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*” herein.

Interest Rates

The Certificates will bear interest at the respective per annum interest rates set forth on the cover. Interest on the Z Class will not be distributed until the Distribution Date following the Distribution Date on which the principal balance of the B Class has been reduced to zero. See “Description of the Certificates—Distributions of Interest—*Accrual Class*.”

Notional Classes

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class or Trust MBS</u>
D	5.8823529412% of LL Class 2.9411764706% of MM Class
M	2.9411764706% of Trust MBS

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” and “—Yield Considerations—*The D and M Classes*” herein.

Distributions of Principal

Accrual Amount

1. To the C Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero.
2. To the B Class to its Planned Balance.
3. To the Z Class.

Cash Flow Distribution Amount

1. Commencing in April 1998, to the LL, MM and R Classes, in the proportions of 25.3306666667%, 74.6666666667% and 0.0026666666%, respectively, up to \$37,500 on each Distribution Date.
2. Commencing in April 1995, on each Distribution Date as follows:
 - a. To the PA, PB, RL and A Classes, in that order, to their respective Planned Balances.
 - b. To the C Class to its Targeted Balance.
 - c. To the B Class to its Planned Balance.
 - d. To the C Class until the principal balance thereof is reduced to zero.
 - e. To the Z Class until the principal balance thereof is reduced to zero.
 - f. To the B, A, PA, PB and RL Classes, in that order, until the principal balances thereof are reduced to zero.
 - g. To the LL, MM and R Classes, in the proportions set forth in step 1 above, until the principal balances thereof are reduced to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>65%</u>	<u>185%</u>	<u>325%</u>	<u>500%</u>
PA	5.4	1.2	1.2	1.2	1.2
PB	17.4	5.9	5.9	5.9	4.4
Z	28.0	24.0	15.1	3.6	2.4
LL**, MM**, D and R	25.4	24.3	19.9	13.7	9.2
RL	22.3	10.3	10.3	10.3	6.8

<u>Class</u>	<u>PSA Prepayment Assumption</u>								
	<u>0%</u>	<u>65%</u>	<u>100%</u>	<u>155%</u>	<u>185%</u>	<u>215%</u>	<u>275%</u>	<u>325%</u>	<u>500%</u>
A	22.9	11.0	10.7	10.7	10.7	10.7	10.7	6.6	3.4
B	26.2	20.3	17.4	12.7	12.7	12.7	6.2	4.6	2.8
M	22.1	14.0	11.7	9.1	8.1	7.2	6.0	5.2	3.6

<u>Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>65%</u>	<u>155%</u>	<u>185%</u>	<u>325%</u>	<u>500%</u>
C	20.2	14.4	5.4	3.6	1.9	1.3

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

** The weighted average lives shown in the table for the LL and MM Classes apply to each such Class taken as a whole. As a result of the distribution priorities and allocations applicable to the LL and MM Classes, the weighted average lives of the LL and MM Certificates beneficially owned by individual investors may vary significantly from the weighted average life of each such Class taken as a whole.

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 (defined below). 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 (as the context may require).

General

Structure. The Trust and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of March 1, 1995 (the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as Trustee, and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

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

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

The assets of the Lower Tier REMIC will consist of (i) the SMBS, (ii) the Trust MBS, (iii) a non-interest bearing cash deposit of \$999.99 relating to the LL Class (the “LL Class Cash Deposit”) and (iv) a non-interest bearing cash deposit of \$999.99 relating to the MM Class (the “MM Class Cash Deposit”), and the Lower Tier Regular Interests and the RL Class (collectively, the “Lower Tier Interests”) will in the aggregate evidence the entire beneficial ownership interest in the distributions of principal and interest on the SMBS and Trust MBS and in the LL Class Cash Deposit and the MM Class Cash Deposit (the “Retail Cash Deposits”). Each Retail Cash Deposit will be used, if necessary, to round any amount applied as principal of the LL Class or the MM Class, as applicable, to an amount equal to an integral multiple of \$1,000, as described in the Retail Classes Supplement. The Retail Cash Deposits will not be available for application to any distributions on the Classes of Certificates offered hereby.

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

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and interest and to distribute the principal balance of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are available in the Collateral Account. The guarantee obligations of Fannie Mae with respect to the SMBS and the Mega Certificate are described in the

SMBS Prospectus and the Mega Prospectus, respectively. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the LL, MM, 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 REMIC Prospectus.

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

Distributions on the R and RL Classes will be made by check mailed by the Paying Agent to the address of each person entitled thereto as it appears on the Certificate Register maintained by the Certificate Registrar (initially State Street) not later than each Distribution Date; provided, however, that the distribution to the Holders of the R and RL Classes of the proceeds of any remaining assets of the Trust and the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of the respective Certificates at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The Certificates, other than the R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R and RL Certificates will be issued as single certificates in a denomination of \$1,000 each.

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day), commencing in the month following the Settlement Date. See “Distributions of Interest—General” and “—Interest Accrual Period” and “Distributions of Principal—Principal Distribution Amount” herein.

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

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

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust or the Lower Tier REMIC through the exercise of its right to repurchase the Mortgage Loans underlying any MBS unless only one Mortgage Loan remains in the related Pool or

the principal balance of such Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The SMBS and Trust MBS

The SMBS underlying the Certificates will represent the aggregate of interest payments at a Pass-Through Rate of 8.50% on a notional principal amount of \$111,617,648 and principal payments on a principal amount of \$115,000,000 of MBS having the general characteristics described in the MBS Prospectus. Such MBS are held in the form of Mega Certificate CL-190267, the general characteristics of which are described in the Mega Prospectus. The Trust MBS underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The Mortgage Loans will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“single-family”) residential property and having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the SMBS, the Trust MBS and Mortgage Loans as of March 1, 1995 (the “Issue Date”) are expected to be as follows:

SMBS

Aggregate Unpaid Principal Balance	\$115,000,000
SMBS Pass-Through Rate	8.50%
WAC (per annum percentage)	9.00%
Approximate Weighted Average WAM	354 months
Approximate Weighted Average CAGE	5 months

Trust MBS

Aggregate Unpaid Principal Balance	\$185,000,000
Trust MBS Pass-Through Rate	8.50%
Range of WACs (per annum percentages)	8.75% to 11.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	354 months
Approximate Weighted Average CAGE	5 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the unpaid principal balance and notional principal balance of the SMBS and, with respect to the Trust MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each Trust MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the Trust MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	All Classes
Interest Only	D and M
Accrual	Z

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

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

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All Classes (collectively, the "Delay Classes")	Calendar month preceding the month in which the Distribution Date occurs

See "Yield Considerations" herein.

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

Notional Classes. The D and M Classes will be Notional Classes. Each Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover during each Interest Accrual Period on the related notional principal balance. The notional principal balance of each Notional Class will be equal to the indicated percentage of the outstanding principal balance of the following Classes or the Trust MBS immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Classes or Trust MBS</u>
D	5.8823529412% of LL Class 2.9411764706% of MM Class
M	2.9411764706% of Trust MBS

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

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
PAC I	PA, PB and RL
PAC II	A and B
TAC	C
Support	Z
Sequential	LL, MM and R
Accretion Directed	B and C
Notional	D and M
Retail	LL and MM

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

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal concurrently made on the SMBS and the Trust MBS (the “Cash Flow Distribution Amount”) and (ii) any interest accrued and added on such Distribution Date to the principal balance of the Accrual Class (the “Accrual Amount”).

Accrual Amount

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

- (i) to the C Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero;
- (ii) to the B Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; and
- (iii) to the Z Class.

Accretion
Directed
Classes
and
Accrual
Class

Cash Flow Distribution Amount

On each Distribution Date, the Cash Flow Distribution Amount will be distributed as principal of the Classes specified below in the following order of priority:

- (i) commencing with the Distribution Date in April 1998, the LL, MM and R Classes will receive up to \$37,500 of the Cash Flow Distribution Amount, in proportion to their original principal balances (or 25.3306666667%, 74.6666666667% and 0.0026666666%, respectively), until the principal balances thereof are reduced to zero;
- (ii) sequentially, to the PA, PB and RL Classes, in that order, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date;

Retail
Classes
and
R Class

PAC I
Classes

(iii) to the A Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date;	} PAC II Classes and TAC Class
(iv) to the C Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date;	
(v) to the B Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date;	
(vi) to the C Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero;	} TAC Class
(vii) to the Z Class, until the principal balance thereof is reduced to zero;	} Support Class
(viii) sequentially, to the B and A Classes, in that order, without regard to their Planned Balances and until the respective principal balances thereof are reduced to zero;	} PAC II Classes
(ix) sequentially, to the PA, PB and RL Classes, in that order, without regard to their Planned Balances and until the respective principal balances thereof are reduced to zero; and	} PAC I Classes
(x) concurrently, to the LL, MM and R Classes, in the proportions set forth in paragraph (i) above, until the respective principal balances thereof are reduced to zero.	} Retail Classes and R Class

Structuring Assumptions

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

- the Mortgage Loans bear interest at a rate of 9.0% per annum and have an original term to maturity of 360 months, a CAGE of 5 months and a remaining term to maturity of 354 months;
- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this Prospectus Supplement is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA (for example, 185% PSA) is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Considerations and Risks” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any PSA rate or at any other constant rate.

Structuring Ranges. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans prepay at a *constant* PSA rate within the Structuring Ranges or at the rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Ranges</u>
Planned Balances	PAC I	Between 65% and 325%
Planned Balance	A	Between 100% and 275%
Planned Balance	B	Between 155% and 215%
Targeted Balance	C	155%

There is no assurance that the principal balances of the Classes listed above will conform on any Distribution Date to the applicable balances specified for such Distribution Date in the Principal Balance Schedules herein, or that distributions of principal on the related Classes will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal distribution on any Distribution Date over the amount necessary to reduce the applicable Classes to their scheduled balances will be distributed, the ability to so reduce such Classes will not be enhanced by the averaging of high and low principal prepayments from month to month. In addition, even if prepayments occur at rates falling within the Structuring Ranges specified above, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans), the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the Structuring Ranges or at the rate specified above.

Initial Effective Ranges. The Effective Range for a Class is the range of prepayment rates (measured by *constant* PSA rates) that would reduce such Class to its Principal Balance Schedule on each Distribution Date. The Initial Effective Ranges set forth in the table below are based upon the assumed characteristics of the Mortgage Loans specified in the Pricing Assumptions.

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
PA	Between 65% and 960%
PB	Between 65% and 325%
RL	Between 65% and 325%
A	Between 100% and 275%
B	Between 155% and 215%
C	155%

The actual Effective Ranges at any time will be based upon the actual characteristics of the Mortgage Loans at such time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics likely will differ from the Initial Effective Ranges. As a result, the applicable Classes might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges (particularly if such rate were at the lower or higher end of such ranges). In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The principal payment stability of the PAC Classes and TAC Class will be supported in part by the Support Class. When the Support Class is retired, any outstanding PAC Classes and TAC Class will no longer have Effective Ranges and will be more sensitive to prepayments.

Principal Balance Schedules

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>RL Class Planned Balance</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C Class Targeted Balance</u>
Initial Balance	\$17,818,000.00	\$94,706,000.00	\$1,000.00	\$18,085,000.00	\$27,544,000.00	\$96,596,000.00
April 1995	17,450,455.76	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	96,269,564.15
May 1995	17,049,280.63	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	95,897,631.72
June 1995	16,614,556.10	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	95,480,432.33
July 1995	16,146,375.01	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	95,018,246.98
August 1995	15,644,841.54	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	94,511,407.90
September 1995	15,110,071.20	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	93,960,298.35
October 1995	14,542,190.75	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	93,365,352.35
November 1995	13,941,338.19	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	92,727,054.25
December 1995	13,307,662.70	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	92,045,938.37
January 1996	12,641,324.59	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	91,322,588.44
February 1996	11,942,495.25	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	90,557,636.97
March 1996	11,211,357.05	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	89,751,764.67
April 1996	10,448,103.32	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	88,905,699.61
May 1996	9,652,938.22	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	88,020,216.47
June 1996	8,826,076.69	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	87,096,135.59
July 1996	7,967,744.31	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	86,134,322.08
August 1996	7,078,177.29	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	85,135,684.70
September 1996	6,157,622.26	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	84,101,174.82
October 1996	5,206,336.25	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	83,031,785.23
November 1996	4,224,586.51	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	81,928,548.89
December 1996	3,212,650.44	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	80,792,537.63
January 1997	2,170,815.41	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	79,624,860.84
February 1997	1,099,378.69	94,706,000.00	1,000.00	18,085,000.00	27,544,000.00	78,426,663.96
March 1997	0.00	94,704,647.25	1,000.00	18,085,000.00	27,544,000.00	77,199,127.07
April 1997	0.00	93,574,937.64	1,000.00	18,085,000.00	27,544,000.00	75,943,463.33
May 1997	0.00	92,448,151.25	1,000.00	18,085,000.00	27,544,000.00	74,703,381.48
June 1997	0.00	91,324,274.98	1,000.00	18,085,000.00	27,544,000.00	73,478,738.14
July 1997	0.00	90,203,295.81	1,000.00	18,085,000.00	27,544,000.00	72,269,391.10
August 1997	0.00	89,085,200.72	1,000.00	18,085,000.00	27,544,000.00	71,075,199.35
September 1997	0.00	87,969,976.72	1,000.00	18,085,000.00	27,544,000.00	69,896,023.06
October 1997	0.00	86,857,610.85	1,000.00	18,085,000.00	27,544,000.00	68,731,723.54
November 1997	0.00	85,748,090.19	1,000.00	18,085,000.00	27,544,000.00	67,582,163.28
December 1997	0.00	84,641,401.84	1,000.00	18,085,000.00	27,544,000.00	66,447,205.90
January 1998	0.00	83,537,532.92	1,000.00	18,085,000.00	27,544,000.00	65,326,716.16
February 1998	0.00	82,436,470.60	1,000.00	18,085,000.00	27,544,000.00	64,220,559.94
March 1998	0.00	81,338,202.05	1,000.00	18,085,000.00	27,544,000.00	63,128,604.24
April 1998	0.00	80,280,214.48	1,000.00	18,085,000.00	27,544,000.00	62,050,717.17
May 1998	0.00	79,224,995.15	1,000.00	18,085,000.00	27,544,000.00	60,986,767.92
June 1998	0.00	78,172,531.30	1,000.00	18,085,000.00	27,544,000.00	59,936,626.80
July 1998	0.00	77,122,810.25	1,000.00	18,085,000.00	27,544,000.00	58,900,165.17
August 1998	0.00	76,075,819.30	1,000.00	18,085,000.00	27,544,000.00	57,877,255.47
September 1998	0.00	75,031,545.81	1,000.00	18,085,000.00	27,544,000.00	56,867,771.19
October 1998	0.00	73,989,977.15	1,000.00	18,085,000.00	27,544,000.00	55,871,586.89
November 1998	0.00	72,951,100.72	1,000.00	18,085,000.00	27,544,000.00	54,888,578.17
December 1998	0.00	71,914,903.96	1,000.00	18,085,000.00	27,544,000.00	53,918,621.63
January 1999	0.00	70,881,374.31	1,000.00	18,085,000.00	27,544,000.00	52,961,594.95
February 1999	0.00	69,850,499.26	1,000.00	18,085,000.00	27,544,000.00	52,017,376.78
March 1999	0.00	68,822,266.31	1,000.00	18,085,000.00	27,544,000.00	51,085,846.79
April 1999	0.00	67,796,663.00	1,000.00	18,085,000.00	27,544,000.00	50,166,885.67
May 1999	0.00	66,773,676.88	1,000.00	18,085,000.00	27,544,000.00	49,260,375.07
June 1999	0.00	65,753,295.54	1,000.00	18,085,000.00	27,544,000.00	48,366,197.64

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>RL Class Planned Balance</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C Class Targeted Balance</u>
July 1999	\$ 0.00	\$64,735,506.59	\$1,000.00	\$18,085,000.00	\$27,544,000.00	\$47,484,237.00
August 1999	0.00	63,720,297.67	1,000.00	18,085,000.00	27,544,000.00	46,614,377.74
September 1999	0.00	62,707,656.42	1,000.00	18,085,000.00	27,544,000.00	45,756,505.38
October 1999	0.00	61,697,570.54	1,000.00	18,085,000.00	27,544,000.00	44,910,506.43
November 1999	0.00	60,690,027.74	1,000.00	18,085,000.00	27,544,000.00	44,076,268.32
December 1999	0.00	59,685,015.75	1,000.00	18,085,000.00	27,544,000.00	43,253,679.40
January 2000	0.00	58,682,522.34	1,000.00	18,085,000.00	27,544,000.00	42,442,628.97
February 2000	0.00	57,682,535.27	1,000.00	18,085,000.00	27,544,000.00	41,643,007.22
March 2000	0.00	56,685,042.37	1,000.00	18,085,000.00	27,544,000.00	40,854,705.28
April 2000	0.00	55,690,031.46	1,000.00	18,085,000.00	27,544,000.00	40,077,615.16
May 2000	0.00	54,697,490.40	1,000.00	18,085,000.00	27,544,000.00	39,311,629.77
June 2000	0.00	53,707,407.07	1,000.00	18,085,000.00	27,544,000.00	38,556,642.89
July 2000	0.00	52,719,769.38	1,000.00	18,085,000.00	27,544,000.00	37,812,549.21
August 2000	0.00	51,734,565.24	1,000.00	18,085,000.00	27,544,000.00	37,079,244.26
September 2000	0.00	50,751,782.61	1,000.00	18,085,000.00	27,544,000.00	36,356,624.44
October 2000	0.00	49,771,409.47	1,000.00	18,085,000.00	27,544,000.00	35,644,587.03
November 2000	0.00	48,793,433.80	1,000.00	18,085,000.00	27,544,000.00	34,943,030.13
December 2000	0.00	47,817,843.64	1,000.00	18,085,000.00	27,544,000.00	34,251,852.69
January 2001	0.00	46,844,627.01	1,000.00	18,085,000.00	27,544,000.00	33,570,954.49
February 2001	0.00	45,873,771.99	1,000.00	18,085,000.00	27,544,000.00	32,900,236.15
March 2001	0.00	44,905,266.67	1,000.00	18,085,000.00	27,544,000.00	32,239,599.09
April 2001	0.00	43,939,099.15	1,000.00	18,085,000.00	27,544,000.00	31,588,945.55
May 2001	0.00	42,975,257.56	1,000.00	18,085,000.00	27,544,000.00	30,948,178.59
June 2001	0.00	42,013,730.07	1,000.00	18,085,000.00	27,544,000.00	30,317,202.05
July 2001	0.00	41,054,504.84	1,000.00	18,085,000.00	27,544,000.00	29,695,920.56
August 2001	0.00	40,097,570.07	1,000.00	18,085,000.00	27,544,000.00	29,084,239.55
September 2001	0.00	39,142,913.98	1,000.00	18,085,000.00	27,544,000.00	28,482,065.21
October 2001	0.00	38,190,524.82	1,000.00	18,085,000.00	27,544,000.00	27,889,304.52
November 2001	0.00	37,240,390.85	1,000.00	18,085,000.00	27,544,000.00	27,305,865.21
December 2001	0.00	36,292,500.34	1,000.00	18,085,000.00	27,544,000.00	26,731,655.76
January 2002	0.00	35,346,841.61	1,000.00	18,085,000.00	27,544,000.00	26,166,585.43
February 2002	0.00	34,403,402.98	1,000.00	18,085,000.00	27,544,000.00	25,610,564.20
March 2002	0.00	33,462,172.80	1,000.00	18,085,000.00	27,544,000.00	25,063,502.79
April 2002	0.00	32,523,139.42	1,000.00	18,085,000.00	27,544,000.00	24,525,312.65
May 2002	0.00	31,586,291.25	1,000.00	18,085,000.00	27,544,000.00	23,995,905.98
June 2002	0.00	30,651,616.68	1,000.00	18,085,000.00	27,544,000.00	23,475,195.67
July 2002	0.00	29,719,104.15	1,000.00	18,085,000.00	27,544,000.00	22,963,095.33
August 2002	0.00	28,788,742.10	1,000.00	18,085,000.00	27,544,000.00	22,459,519.27
September 2002	0.00	27,860,519.01	1,000.00	18,085,000.00	27,544,000.00	21,964,382.53
October 2002	0.00	26,934,423.35	1,000.00	18,085,000.00	27,544,000.00	21,477,600.80
November 2002	0.00	26,010,443.64	1,000.00	18,085,000.00	27,544,000.00	20,999,090.48
December 2002	0.00	25,088,568.40	1,000.00	18,085,000.00	27,544,000.00	20,528,768.67
January 2003	0.00	24,168,786.18	1,000.00	18,085,000.00	27,544,000.00	20,066,553.11
February 2003	0.00	23,251,085.55	1,000.00	18,085,000.00	27,544,000.00	19,612,362.22
March 2003	0.00	22,335,455.08	1,000.00	17,896,094.07	27,388,812.11	19,510,208.93
April 2003	0.00	21,421,883.39	1,000.00	17,710,482.14	27,238,896.05	19,407,353.32
May 2003	0.00	20,510,359.09	1,000.00	17,528,146.85	27,094,194.39	19,303,790.59
June 2003	0.00	19,600,870.83	1,000.00	17,349,070.96	26,954,650.28	19,199,515.86
July 2003	0.00	18,693,407.26	1,000.00	17,173,237.37	26,820,207.41	19,094,524.25
August 2003	0.00	17,787,957.06	1,000.00	17,000,629.10	26,690,810.01	18,988,810.81
September 2003	0.00	16,884,508.93	1,000.00	16,831,229.29	26,569,049.64	18,879,723.79
October 2003	0.00	15,983,051.58	1,000.00	16,665,021.20	26,456,719.35	18,765,410.48

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>RL Class Planned Balance</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C Class Targeted Balance</u>
November 2003	\$ 0.00	\$15,083,573.74	\$1,000.00	\$16,501,988.23	\$26,353,677.71	\$18,645,953.06
December 2003	0.00	14,186,064.17	1,000.00	16,350,918.91	26,250,980.12	18,521,432.43
January 2004	0.00	13,290,511.63	1,000.00	16,214,836.14	26,145,449.48	18,391,928.18
February 2004	0.00	12,396,904.90	1,000.00	16,093,492.25	26,037,181.16	18,257,518.64
March 2004	0.00	11,520,101.11	1,000.00	15,971,775.19	25,926,268.48	18,118,280.84
April 2004	0.00	10,660,423.93	1,000.00	15,849,110.15	25,812,802.75	17,974,290.58
May 2004	0.00	9,817,558.18	1,000.00	15,725,565.02	25,696,873.35	17,825,622.43
June 2004	0.00	8,991,194.41	1,000.00	15,601,205.69	25,578,567.71	17,672,349.72
July 2004	0.00	8,181,028.81	1,000.00	15,476,096.09	25,457,971.37	17,514,544.60
August 2004	0.00	7,386,763.12	1,000.00	15,350,298.25	25,335,168.02	17,352,278.01
September 2004	0.00	6,608,104.50	1,000.00	15,223,872.33	25,210,239.53	17,185,619.74
October 2004	0.00	5,844,765.45	1,000.00	15,096,876.67	25,083,265.98	17,014,638.40
November 2004	0.00	5,096,463.72	1,000.00	14,969,367.84	24,954,325.70	16,839,401.49
December 2004	0.00	4,362,922.20	1,000.00	14,841,400.69	24,823,495.29	16,659,975.34
January 2005	0.00	3,643,868.83	1,000.00	14,713,028.37	24,690,849.67	16,476,425.19
February 2005	0.00	2,939,036.53	1,000.00	14,584,302.38	24,556,462.09	16,288,815.18
March 2005	0.00	2,248,163.07	1,000.00	14,455,272.61	24,420,404.19	16,097,208.36
April 2005	0.00	1,570,991.02	1,000.00	14,325,987.41	24,282,746.00	15,901,666.68
May 2005	0.00	907,267.63	1,000.00	14,196,493.55	24,143,555.98	15,702,251.09
June 2005	0.00	256,744.77	1,000.00	14,066,836.36	24,002,901.06	15,499,021.44
July 2005	0.00	0.00	0.00	13,557,238.52	23,860,846.67	15,292,036.57
August 2005	0.00	0.00	0.00	12,802,536.62	23,717,456.73	15,081,354.30
September 2005	0.00	0.00	0.00	12,060,281.69	23,572,793.74	14,867,031.43
October 2005	0.00	0.00	0.00	11,330,282.90	23,426,918.76	14,649,123.80
November 2005	0.00	0.00	0.00	10,612,352.35	23,279,891.45	14,427,686.23
December 2005	0.00	0.00	0.00	9,906,304.96	23,131,770.09	14,202,772.57
January 2006	0.00	0.00	0.00	9,211,958.44	22,982,611.64	13,974,435.77
February 2006	0.00	0.00	0.00	8,529,133.31	22,832,471.72	13,742,727.75
March 2006	0.00	0.00	0.00	7,857,652.76	22,681,404.66	13,507,699.58
April 2006	0.00	0.00	0.00	7,197,342.70	22,529,463.51	13,269,401.33
May 2006	0.00	0.00	0.00	6,548,031.65	22,376,700.08	13,027,882.23
June 2006	0.00	0.00	0.00	5,909,550.74	22,223,164.97	12,783,190.57
July 2006	0.00	0.00	0.00	5,281,733.67	22,068,907.57	12,535,373.76
August 2006	0.00	0.00	0.00	4,664,416.64	21,913,976.07	12,284,478.36
September 2006	0.00	0.00	0.00	4,057,438.36	21,758,417.55	12,030,550.01
October 2006	0.00	0.00	0.00	3,460,639.96	21,602,277.94	11,773,633.55
November 2006	0.00	0.00	0.00	2,873,865.00	21,445,602.04	11,513,772.95
December 2006	0.00	0.00	0.00	2,296,959.40	21,288,433.59	11,251,011.36
January 2007	0.00	0.00	0.00	1,729,771.42	21,130,815.25	10,985,391.10
February 2007	0.00	0.00	0.00	1,172,151.64	20,972,788.64	10,716,953.65
March 2007	0.00	0.00	0.00	623,952.87	20,814,394.34	10,445,739.76
April 2007	0.00	0.00	0.00	85,030.19	20,655,671.93	10,171,789.31
May 2007	0.00	0.00	0.00	0.00	20,051,900.88	9,895,141.45
June 2007	0.00	0.00	0.00	0.00	19,371,840.53	9,615,834.53
July 2007	0.00	0.00	0.00	0.00	18,700,419.32	9,333,906.15
August 2007	0.00	0.00	0.00	0.00	18,037,536.67	9,049,393.15
September 2007	0.00	0.00	0.00	0.00	17,383,093.15	8,762,331.63
October 2007	0.00	0.00	0.00	0.00	16,736,990.47	8,472,756.95
November 2007	0.00	0.00	0.00	0.00	16,099,131.49	8,180,703.76
December 2007	0.00	0.00	0.00	0.00	15,469,420.17	7,886,205.96
January 2008	0.00	0.00	0.00	0.00	14,847,761.59	7,589,296.79
February 2008	0.00	0.00	0.00	0.00	14,234,061.92	7,290,008.74

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>RL Class Planned Balance</u>	<u>A Class Planned Balance</u>	<u>B Class Planned Balance</u>	<u>C Class Targeted Balance</u>
March 2008	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$13,628,228.39	\$ 6,988,373.65
April 2008	0.00	0.00	0.00	0.00	13,030,169.32	6,684,422.65
May 2008	0.00	0.00	0.00	0.00	12,439,794.10	6,378,186.21
June 2008	0.00	0.00	0.00	0.00	11,857,013.12	6,069,694.14
July 2008	0.00	0.00	0.00	0.00	11,281,737.84	5,758,975.57
August 2008	0.00	0.00	0.00	0.00	10,713,880.73	5,446,059.01
September 2008	0.00	0.00	0.00	0.00	10,153,355.25	5,130,972.31
October 2008	0.00	0.00	0.00	0.00	9,600,075.89	4,813,742.69
November 2008	0.00	0.00	0.00	0.00	9,053,958.10	4,494,396.75
December 2008	0.00	0.00	0.00	0.00	8,514,918.30	4,172,960.45
January 2009	0.00	0.00	0.00	0.00	7,982,873.90	3,849,459.17
February 2009	0.00	0.00	0.00	0.00	7,457,743.24	3,523,917.68
March 2009	0.00	0.00	0.00	0.00	6,939,445.60	3,196,360.13
April 2009	0.00	0.00	0.00	0.00	6,427,901.21	2,866,810.11
May 2009	0.00	0.00	0.00	0.00	5,923,031.20	2,535,290.61
June 2009	0.00	0.00	0.00	0.00	5,424,757.60	2,201,824.06
July 2009	0.00	0.00	0.00	0.00	4,933,003.38	1,866,432.31
August 2009	0.00	0.00	0.00	0.00	4,447,692.35	1,529,136.65
September 2009	0.00	0.00	0.00	0.00	3,968,749.23	1,189,957.82
October 2009	0.00	0.00	0.00	0.00	3,496,099.60	848,916.01
November 2009	0.00	0.00	0.00	0.00	3,029,669.88	506,030.88
December 2009	0.00	0.00	0.00	0.00	2,569,387.37	161,321.54
January 2010	0.00	0.00	0.00	0.00	2,115,180.19	0.00
February 2010	0.00	0.00	0.00	0.00	1,666,977.28	0.00
March 2010	0.00	0.00	0.00	0.00	1,224,708.41	0.00
April 2010	0.00	0.00	0.00	0.00	788,304.17	0.00
May 2010	0.00	0.00	0.00	0.00	357,695.93	0.00
June 2010 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00

Yield Considerations

General. The yield to maturity for each Certificate will depend upon the purchase price thereof, the rate of principal payments, including prepayments, on the Mortgage Loans, and the actual characteristics of the Mortgage Loans. 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.

There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein, or at any other particular rate. Because the rate of principal distributions on the Certificates will be related to the rate of amortization of the Mortgage Loans in each Pool, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distribution on the Certificates is likely to differ from the rate anticipated by an investor, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that all Mortgage Loans will prepay at a *constant* PSA rate until maturity or that all Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments may significantly affect the yield to an investor, even if the average rate of principal prepayments is consistent with such investor's expectations. 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 will not be offset by any subsequent equivalent reduction (or increase) in the rate of principal prepayments.

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

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

As indicated in the table below, the yields to investors in the D and M Classes will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans, which generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the D and M Classes would be 0% if prepayments were to occur at constant rates of approximately 642% PSA and 418% PSA, respectively. If the actual prepayment rate of the Mortgage Loans were to exceed the foregoing levels for as little as one month while equaling such levels for the remaining months, the investors in the D and M Classes, as applicable, would not fully recoup their initial investments.

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the D and M Classes (expressed as percentages of original notional principal balances) are as follows:

<u>Class</u>	<u>Price*</u>
D	60%
M	35%

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

Sensitivity of the D and M Classes to Prepayments (Pre-Tax Yields to Maturity)

<u>Class</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>65%</u>	<u>100%</u>	<u>185%</u>	<u>215%</u>	<u>275%</u>	<u>325%</u>	<u>500%</u>
D	13.3%	13.3%	13.2%	12.7%	12.4%	11.5%	10.5%	5.4%
M	21.1%	20.3%	18.3%	13.6%	11.9%	8.4%	5.5%	(5.0)%

Weighted Average Lives of the Certificates

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

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

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 11.0% per annum and has an original and remaining term to maturity of 360 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the weighted average remaining term to maturity and the weighted average CAGE of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	PA Class					PB Class					A Class						
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption						
	0%	65%	185%	325%	500%	0%	65%	185%	325%	500%	0%	65%	100%	185%	275%	325%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1996	92	63	63	63	63	100	100	100	100	100	100	100	100	100	100	100	100
March 1997	84	0	0	0	0	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	75	0	0	0	0	100	86	86	86	86	100	100	100	100	100	100	100
March 1999	67	0	0	0	0	100	73	73	73	62	100	100	100	100	100	100	0
March 2000	57	0	0	0	0	100	60	60	60	32	100	100	100	100	100	100	0
March 2001	47	0	0	0	0	100	47	47	47	10	100	100	100	100	100	68	0
March 2002	35	0	0	0	0	100	35	35	35	0	100	100	100	100	100	28	0
March 2003	21	0	0	0	0	100	24	24	24	0	100	100	99	99	99	7	0
March 2004	5	0	0	0	0	100	12	12	12	0	100	100	88	88	88	2	0
March 2005	0	0	0	0	0	98	2	2	2	0	100	93	80	80	80	1	0
March 2006	0	0	0	0	0	94	0	0	0	0	100	48	43	43	43	0	0
March 2007	0	0	0	0	0	90	0	0	0	0	100	3	3	3	3	0	0
March 2008	0	0	0	0	0	85	0	0	0	0	100	0	0	0	0	0	0
March 2009	0	0	0	0	0	79	0	0	0	0	100	0	0	0	0	0	0
March 2010	0	0	0	0	0	73	0	0	0	0	100	0	0	0	0	0	0
March 2011	0	0	0	0	0	66	0	0	0	0	100	0	0	0	0	0	0
March 2012	0	0	0	0	0	59	0	0	0	0	100	0	0	0	0	0	0
March 2013	0	0	0	0	0	50	0	0	0	0	100	0	0	0	0	0	0
March 2014	0	0	0	0	0	40	0	0	0	0	100	0	0	0	0	0	0
March 2015	0	0	0	0	0	29	0	0	0	0	100	0	0	0	0	0	0
March 2016	0	0	0	0	0	17	0	0	0	0	100	0	0	0	0	0	0
March 2017	0	0	0	0	0	3	0	0	0	0	100	0	0	0	0	0	0
March 2018	0	0	0	0	0	0	0	0	0	0	36	0	0	0	0	0	0
March 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.4	1.2	1.2	1.2	1.2	17.4	5.9	5.9	5.9	4.4	22.9	11.0	10.7	10.7	10.7	6.6	3.4

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

Date	B Class							C Class							Z Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption				
	0%	65%	155%	185%	215%	325%	500%	0%	65%	155%	185%	325%	500%	0%	65%	185%	325%	500%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
March 1996	100	100	100	100	100	100	100	99	99	93	91	81	68	109	109	109	109	109	
March 1997	100	100	100	100	100	100	100	99	99	80	74	46	13	118	118	118	118	118	
March 1998	100	100	100	100	100	100	6	98	98	65	55	11	0	128	128	128	128	0	
March 1999	100	100	100	100	100	85	0	97	97	53	39	0	0	139	139	139	0	0	
March 2000	100	100	100	100	100	22	0	96	96	42	27	0	0	151	151	151	0	0	
March 2001	100	100	100	100	100	0	0	95	95	33	16	0	0	164	164	164	0	0	
March 2002	100	100	100	100	100	0	0	94	94	26	8	0	0	178	178	178	0	0	
March 2003	100	100	99	99	99	0	0	93	93	20	1	0	0	193	193	193	0	0	
March 2004	100	100	94	94	94	0	0	91	91	19	0	0	0	210	210	206	0	0	
March 2005	100	100	89	89	89	0	0	90	90	17	0	0	0	228	228	200	0	0	
March 2006	100	100	82	82	82	0	0	88	88	14	0	0	0	247	247	191	0	0	
March 2007	100	100	76	76	76	0	0	87	84	11	0	0	0	268	268	181	0	0	
March 2008	100	100	49	49	49	0	0	85	73	7	0	0	0	291	291	169	0	0	
March 2009	100	100	25	25	25	0	0	83	61	3	0	0	0	316	316	157	0	0	
March 2010	100	100	4	4	4	0	0	80	49	0	0	0	0	343	343	144	0	0	
March 2011	100	100	0	0	0	0	0	78	37	0	0	0	0	373	373	84	0	0	
March 2012	100	100	0	0	0	0	0	76	25	0	0	0	0	405	405	18	0	0	
March 2013	100	100	0	0	0	0	0	73	13	0	0	0	0	439	439	0	0	0	
March 2014	100	100	0	0	0	0	0	70	1	0	0	0	0	477	477	0	0	0	
March 2015	100	60	0	0	0	0	0	66	0	0	0	0	0	518	518	0	0	0	
March 2016	100	16	0	0	0	0	0	63	0	0	0	0	0	562	562	0	0	0	
March 2017	100	0	0	0	0	0	0	59	0	0	0	0	0	610	506	0	0	0	
March 2018	100	0	0	0	0	0	0	55	0	0	0	0	0	663	394	0	0	0	
March 2019	100	0	0	0	0	0	0	40	0	0	0	0	0	719	284	0	0	0	
March 2020	100	0	0	0	0	0	0	16	0	0	0	0	0	781	173	0	0	0	
March 2021	64	0	0	0	0	0	0	0	0	0	0	0	0	848	62	0	0	0	
March 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	781	0	0	0	0	
March 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	452	0	0	0	0	
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	84	0	0	0	0	
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (years)**	26.2	20.3	12.7	12.7	12.7	4.6	2.8	20.2	14.4	5.4	3.6	1.9	1.3	28.0	24.0	15.1	3.6	2.4	

Date	LL**, MM**, D† and R Classes					M† Class										RL Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption										PSA Prepayment Assumption				
	0%	65%	185%	325%	500%	0%	65%	100%	155%	185%	215%	275%	325%	500%	0%	65%	185%	325%	500%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
March 1996	100	100	100	100	100	100	98	97	96	95	94	93	92	88	100	100	100	100	100	
March 1997	100	100	100	100	100	99	94	92	88	86	84	80	77	67	100	100	100	100	100	
March 1998	100	100	100	100	100	98	90	85	79	76	73	66	62	46	100	100	100	100	100	
March 1999	99	99	99	99	99	98	85	80	71	67	63	55	49	32	100	100	100	100	100	
March 2000	98	98	98	98	98	97	81	74	64	59	54	45	39	22	100	100	100	100	100	
March 2001	96	96	96	96	96	96	77	69	57	52	46	37	31	15	100	100	100	100	100	
March 2002	95	95	95	95	85	96	73	64	51	45	40	31	25	11	100	100	100	100	0	
March 2003	94	94	94	94	59	95	69	59	46	40	34	25	20	7	100	100	100	100	0	
March 2004	93	93	93	93	40	93	65	55	41	35	29	21	16	5	100	100	100	100	0	
March 2005	92	92	92	92	28	92	62	50	36	30	25	17	12	3	100	100	100	100	0	
March 2006	90	90	90	78	19	91	58	46	32	26	21	14	10	2	100	0	0	0	0	
March 2007	89	89	89	61	13	89	55	43	29	23	18	11	8	2	100	0	0	0	0	
March 2008	88	88	88	48	9	88	51	39	25	20	16	9	6	1	100	0	0	0	0	
March 2009	87	87	87	38	6	86	48	36	22	17	13	8	5	1	100	0	0	0	0	
March 2010	86	86	86	29	4	84	45	33	20	15	11	6	4	1	100	0	0	0	0	
March 2011	84	84	84	23	3	81	41	30	17	13	9	5	3	*	100	0	0	0	0	
March 2012	83	83	83	18	2	79	38	27	15	11	8	4	2	*	100	0	0	0	0	
March 2013	82	82	74	13	1	76	35	24	13	9	6	3	2	*	100	0	0	0	0	
March 2014	81	81	62	10	1	73	32	21	11	8	5	2	1	*	100	0	0	0	0	
March 2015	80	80	52	8	1	69	29	19	10	6	4	2	1	*	100	0	0	0	0	
March 2016	78	78	43	6	*	65	26	16	8	5	4	2	1	*	100	0	0	0	0	
March 2017	77	77	35	4	*	61	23	14	7	4	3	1	1	*	100	0	0	0	0	
March 2018	76	76	28	3	*	56	20	12	5	4	2	1	*	*	0	0	0	0	0	
March 2019	75	75	22	2	*	50	17	10	4	3	2	1	*	*	0	0	0	0	0	
March 2020	74	74	17	2	*	44	14	8	3	2	1	*	*	*	0	0	0	0	0	
March 2021	72	72	12	1	*	37	11	6	2	2	1	*	*	*	0	0	0	0	0	
March 2022	71	61	8	1	*	29	8	4	2	1	1	*	*	*	0	0	0	0	0	
March 2023	70	37	4	*	*	20	5	3	1	1	*	*	*	*	0	0	0	0	0	
March 2024	69	12	1	*	*	11	2	1	*	*	*	*	*	*	0	0	0	0	0	
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (years)**	25.4	24.3	19.9	13.7	9.2	22.1	14.0	11.7	9.1	8.1	7.2	6.0	5.2	3.6	22.3	10.3	10.3	10.3	6.8	

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

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

*** The weighted average lives shown in the table for the LL and MM Classes apply to each such Class taken as a whole. As a result of the distribution priorities and allocations applicable to the LL and MM Classes, the weighted average lives of the LL and MM Certificates beneficially owned by individual investors may vary significantly from the weighted average life of each such Class taken as a whole.

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

Characteristics of the R and RL Classes

In addition to distributions of principal and interest, the Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust after the principal balances of all Classes (other than the RL Class) have been reduced to zero, and the Holder of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, including the Retail Cash Deposits, after the principal balances of the Lower Tier Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

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

The Holder of the R 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 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 Class or the RL Class that may be required under the Code.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes and the Accrual 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 185% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R nor the RL 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 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 February 20, 1995. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

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

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

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Skadden, Arps, Slate, Meagher & Flom.

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

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\$262,501,000

Federal National
Mortgage Association



Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1995-3

PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

February 16, 1995