

\$183,903,523  
Federal National Mortgage Association



**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 1995-22**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1995-22 (the "Trust"). The assets of the Trust will consist of (i) certain REMIC Certificates specified herein (the "Underlying REMIC Certificates") evidencing beneficial ownership interests in the related Fannie Mae REMIC Trusts (the "Underlying REMIC Trusts") and (ii) certain "interest only" Fannie Mae Stripped Mortgage-Backed Securities described herein (the "Trust SMBS"). The Underlying REMIC Certificates and the Trust SMBS evidence indirect beneficial ownership interests in certain principal distributions and/or interest distributions made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"), certain of which are held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (a "Mega Certificate"). Each MBS will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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
A.....	\$75,763,000	SC/SEQ	7.00%	FIX	31359LZP3	August 2023
B.....	8,881,286	SC/SEQ	7.00	FIX	31359LZQ1	August 2023
C.....	(2)	NLT	8.00	IO/FIX	31359LZR9	August 2023
D.....	62,571,000	SC/SEQ	7.00	FIX	31359LZS7	August 2023
E.....	9,707,000	SC/SEQ	7.00	FIX	31359LZT5	August 2023
G.....	4,933,526	SC/SEQ	7.00	FIX	31359LZU2	August 2023
H.....	(2)	NLT	8.00	IO/FIX	31359LZV0	August 2023
J.....	22,047,711	SC/PT	6.50	FIX	31359LZW8	April 2023
R.....	0	NPR	0	NPR	31359LZX6	August 2023

(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 C and H Classes will be Notional Classes, will have no principal balances and will bear interest on their notional principal balances (initially, \$11,103,326 and \$1,181,232, respectively). The notional principal balances of the C and H Classes will be calculated as described herein under "Description of the Certificates—Distributions of Interest—Notional Classes."

The Certificates will be offered by Lehman Brothers 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 R Class, will be available through the book-entry system of the Federal Reserve Banks on or about October 30, 1995 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, Three World Financial Center, New York, New York 10285, on or about the Settlement Date.

**LEHMAN BROTHERS**

September 26, 1995

(Cover continued from previous page)

The yields to investors in each Class will be sensitive in varying degrees to, among other things, the rate of distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the actual characteristics of such Mortgage Loans and the priority sequence affecting principal distributions on the Underlying REMIC Certificates. The yields to investors in each Class will also be sensitive to 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:

- Certain of the Underlying REMIC Certificates are subordinate in priority of principal distribution to certain other classes of certificates evidencing beneficial ownership interest in the related Underlying REMIC Trusts and accordingly, there is no assurance that principal distributions will be made on such Underlying REMIC Certificates on any particular Distribution Date. In particular, the Class 1993-222-D REMIC Certificates are Support classes that are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trust. Accordingly, such Underlying REMIC Certificates may receive no principal payments for extended periods of time or may receive principal payments that vary widely from period to period. In addition, the Underlying REMIC Certificates (other than the Class 1993-222-D REMIC Certificates) have Principal Balance Schedules and, as a result, may receive principal distributions at a rate faster or slower than would otherwise be the case. Prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether any Underlying REMIC Certificates that have Principal Balance Schedules have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying Prospectus Supplements (as defined below), which may be obtained from Fannie Mae as described below.
- 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 Prospectus Supplements for the Underlying REMIC Trusts (the “Underlying Prospectus Supplements”), the SMBS Prospectus, the Mega Prospectus, or the MBS Prospectus. Any representation to the contrary is a criminal offense.

An election will be made to treat the Trust as a “real estate mortgage investment conduit” (“REMIC”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R Class will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R Class” and “Certain Additional Federal Income Tax Consequences” herein, and “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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”);
- Fannie Mae’s Information Statement dated March 31, 1995 and any supplements thereto (collectively, the “Information Statement”); and
- The Underlying Prospectus Supplements.

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying Prospectus Supplements, may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents, other than the Underlying Prospectus Supplements, 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 in their entirety.

### Characteristics of the Underlying REMIC Certificates and the Trust SMBS

The table contained in Exhibit A hereto sets forth information with respect to the Underlying REMIC Certificates and the Trust SMBS, including certain information regarding the underlying Mortgage Loans. Certain additional information as to the Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of the Underlying REMIC Certificates in the context of applicable information contained in the related Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

See “Description of the Certificates—The Underlying REMIC Certificates and the Trust SMBS” herein.

### Interest Rates

The Certificates will bear interest at the respective per annum interest rates set forth on the cover.

### Notional Classes

<u>Class</u>	<u>Calculation of Notional Principal Balance of Specified Class</u>
C .....	Group 1 Trust SMBS — (87.5% of A and B Classes)
H .....	Group 2 Trust SMBS — (87.5% of D, E and G Classes)

See “Description of the Certificates—Distributions of Interest—*Notional Classes*” herein and Exhibit A hereto for additional information regarding the Notional Classes and the Trust SMBS.

### Distributions of Principal

#### *Group 1 Principal Distribution Amount*

To the A and B Classes, in that order, to zero.

#### *Group 2 Principal Distribution Amount*

To the D, E, and G Classes, in that order, to zero.

#### *Group 3 Principal Distribution Amount*

To the J Class, to zero.

# **Weighted Average Lives (years) \***

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>165%</u>	<u>235%</u>	<u>300%</u>	<u>500%</u>
A .....	17.7	4.8	3.5	2.7	1.6
B .....	25.9	13.8	10.3	8.2	4.8
C .....	27.0	20.0	16.3	13.5	8.2
D .....	18.1	5.0	3.6	2.8	1.6
E .....	26.5	15.3	11.6	9.3	5.4
G .....	27.4	20.9	17.1	14.0	8.4
H .....	27.8	25.2	23.2	20.6	13.3
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>	<u>500%</u>
J .....	25.6	13.7	1.8	1.2	0.7

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

## 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 will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto, dated as of October 1, 1995 (together, 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 Class) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

*Fannie Mae Guaranty.* Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. The guarantee obligations of Fannie Mae with respect to the Trust SMBS and the Mega Certificates are described in the SMBS Prospectus and the Mega Prospectus, respectively. The guarantee obligations of Fannie Mae with respect to the Underlying REMIC Certificates are described in the related Underlying Prospectus Supplements. 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 guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates Fannie Mae’s Guaranty” in the Mega Prospectus, “Description of the Certificates—Fannie Mae Guaranty” in the related Underlying Prospectus Supplements and “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus.

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



The distribution to the Holder of the R Class of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of such 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, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R Certificate 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. 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.

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

*Voting the Underlying REMIC Certificates.* In the event any issue arises under the trust agreement governing any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates of the related Classes having principal balances aggregating not less than 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of such Certificateholders.

## **The Underlying REMIC Certificates and the Trust SMBS**

The Class 1993-216-A, Class 1993-216-B and Class 1993-216-C REMIC Certificates represent direct beneficial ownership interests in certain “principal only” Fannie Mae Stripped Mortgage-Backed Securities which, together with certain “interest only” Fannie Mae Stripped Mortgage-Backed Securities (such “interest only” securities, the “Group 1 Trust SMBS”), represent beneficial ownership interests in distributions of principal and interest on certain MBS held in the form of a Mega Certificate and included in Fannie Mae Stripped Mortgage-Backed Security Trusts 000203-CL and 000237-CL.

The Class 1993-222-A, Class 1993-222-B, Class 1993-222-C and Class 1993-222-D REMIC Certificates represent direct beneficial ownership interests in certain “principal only” Fannie Mae Stripped Mortgage-Backed Securities which, together with certain “interest only” Fannie Mae Stripped Mortgage-Backed Securities (such “interest only” securities, the “Group 2 Trust SMBS”), represent beneficial ownership interests in distributions of principal and interest on certain MBS held in the form of a Mega Certificate and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000237-CL.

The Class 1994-56-F and Class 1994-56-S REMIC Certificates represent direct beneficial ownership interests in distributions of principal and interest on certain MBS.

The general characteristics of the Underlying REMIC Certificates are described in the related Underlying Prospectus Supplements. The general characteristics of the SMBS, the Mega Certificate and the MBS are described in the SMBS Prospectus, Mega Prospectus and MBS Prospectus, respectively. Each of the MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family residential property and having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The Underlying REMIC Certificates and the Trust SMBS provide that distributions thereon will be passed through monthly, commencing on the 25th day of the month following the initial issuance thereof (or, in each case, if such 25th day is not a business day, on the first business day next succeeding such 25th day).

The table contained in Exhibit A hereto sets forth certain information with respect to each of the Underlying REMIC Certificates and Trust SMBS, including the numerical designation of the Underlying REMIC Trust and each SMBS Trust, the class designation, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance of the entire class, the percentage of such class in the Trust, the current principal factor for such class and the current principal balance of such class contained in the Trust as of October 1, 1995 (the “Issue Date”). The table also sets forth the approximate weighted average WAC, approximate weighted average WAM and approximate weighted average CAGE of the Mortgage Loans as of the Issue Date and the underlying security type.

To request information regarding the Underlying REMIC Certificates and the Trust SMBS, 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. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying Prospectus Supplements were prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such documents.

### **Prepayment Considerations and Risks**

The rate of distributions of principal of the Certificates will be determined by the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive to the rate of payments of principal of the related Mortgage Loans and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. As described in the Underlying Prospectus Supplements, certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. As illustrated in the Decrement Tables herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Classes for extended periods of time or, conversely, that investors in such Classes would receive distributions of principal earlier than they anticipated. In particular, the 1993-222-D REMIC Certificates are Support classes that are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trust. In addition, the Underlying REMIC Certificates (other than the Class 1993-222-D REMIC Certificates) have Principal Balance Schedules and, as a result, may receive distributions of principal during certain periods at a rate faster or slower than would otherwise be the case. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates



have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to particular Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of such Underlying REMIC Certificates in the context of applicable information contained in the Underlying Prospectus Supplements, which may be obtained from Fannie Mae as described herein.

## 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 except R
Interest Only	C and H
No Payment Residual	R

\* 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 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.

*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”).

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

See “Yield Considerations” herein.

*Notional Classes.* The C and H Classes will be Notional Classes. A 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 balances of the Notional Classes will be equal to the outstanding notional principal balances of the related Trust SMBS less the indicated percentages of the outstanding principal balances of the Classes specified below, in each case immediately prior to the related Distribution Date:

<u>Class</u>	<u>Formula for Calculation of Notional Principal Balance of Specified Class</u>
C . . . . .	Group 1 Trust SMBS* less (87.5% of A and B Classes)
H . . . . .	Group 2 Trust SMBS* less (87.5% of D, E and G Classes)

\* The definitions of “Group 1 Trust SMBS” and “Group 2 Trust SMBS” are set forth under “The Underlying REMIC Certificates and the Trust SMBS” herein. See Exhibit A hereto for further information regarding the Trust SMBS.

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 underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of

the Certificates generally shall be deemed to refer also to the notional principal balance of any Notional Class.

## 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>
<b>Group 1 Classes</b>	
Structured Collateral**	A and B
Sequential Pay	A and B
Notional	C
<b>Group 2 Classes</b>	
Structured Collateral**	D, E and G
Sequential Pay	D, E and G
Notional	H
<b>Group 3 Class</b>	
Structured Collateral**/Pass-Through	J
<b>No Payment Residual</b>	R

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

\*\* A Structured Collateral Class (“SC”) is designed to receive principal payments based on actual distributions on the related Underlying Securities (as defined 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 Class 1993-216-A, Class 1993-216-B and Class 1993-216-C REMIC Certificates (the “Group 1 Principal Distribution Amount”), (ii) the aggregate distribution of principal concurrently made on the Class 1993-222-A, Class 1993-222-B, Class 1993-222-C and Class 1993-222-D REMIC Certificates (the “Group 2 Principal Distribution Amount”) and (iii) the aggregate distributions of principal concurrently made on the Class 1994-56-F and Class 1994-56-S REMIC Certificates (the “Group 3 Principal Distribution Amount”). The portion of each class of Underlying REMIC Certificates held by the Trust will be as set forth in Exhibit A.

#### *Group 1 Principal Distribution Amount*

On each Distribution Date, the Group 1 Principal Distribution Amount will be applied, sequentially, as principal of the A and B Classes, in that order, until the respective principal balances thereof are reduced to zero.

Structured  
Collateral/  
Sequential  
Pay  
Classes

#### *Group 2 Principal Distribution Amount*

On each Distribution Date, the Group 2 Principal Distribution Amount will be applied, sequentially, as principal of the D, E and G Classes, in that order, until the respective principal balances thereof are reduced to zero.

Structured  
Collateral/  
Sequential  
Pay  
Classes

#### *Group 3 Principal Distribution Amount*

On each Distribution Date, the Group 3 Principal Distribution Amount will be applied as principal of the J Class, until the principal balance thereof is reduced to zero.

Structured  
Collateral/  
Pass-  
Through  
Class

## Structuring Assumptions

*Pricing Assumptions.* Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared, based on (i) the actual characteristics of each Pool underlying the

MBS and the priority sequence affecting the principal distributions on the Underlying REMIC Certificates, and (ii) the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- 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 herein is the Public Securities Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—Prepayment Considerations and Risks” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any PSA rate or at any other constant rate.

## **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 related Mortgage Loans, the actual characteristics of the related Mortgage Loans and the priority sequence affecting distributions on the Underlying REMIC Certificates. 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 rate of distributions of principal of the Certificates will be directly related to the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be related to the amortization (including prepayments) of the related Mortgage Loans and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. As described in the Underlying Prospectus Supplements, certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. As illustrated in the Decrement Tables herein, it is possible under certain prepayment scenarios that no principal distributions would be made on certain Classes for extended periods of time or, conversely, that investors in such Classes would receive distributions of principal earlier than they anticipated. In particular, the 1993-222-D REMIC Certificates are Support classes that are entitled to receive principal payments on any Distribution Date only if scheduled payments have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trust. In addition, the Underlying REMIC Certificates (other than the Class 1993-222-D REMIC Certificates) have Principal Balance Schedules and, as a result, may receive distributions of principal during certain periods at a slower rate than would otherwise have been the case. However, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether the Underlying REMIC Certificates otherwise have performed as originally anticipated. In general it is not likely that the Mortgage Loans will prepay at any constant PSA rate until maturity or that all of the Mortgage Loans will prepay at the same rate. Information regarding the Underlying REMIC Certificates may be obtained by performing an analysis of the current Fannie Mae principal factors for the Underlying REMIC Certificates in the context of

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

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

***The Interest Only Classes.*** As indicated in the tables below, the yields to investors in the Interest Only Classes will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the related Underlying REMIC Trusts, which Mortgage Loans generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the C and H Classes would be 0% if prepayments were to occur at constant rates of approximately 576% PSA and 811% PSA, respectively. If the actual prepayment rate of the Mortgage Loans were to exceed either of these levels for as little as one month while equaling such level for the remaining months, the investors in the C Class or H Class, as applicable, would not fully recoup their initial investment.

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

<u>Class</u>	<u>Prices*</u>
C .....	55.00%
H .....	55.00%

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

**Sensitivity of the C and H Classes to Prepayments  
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>165%</u>	<u>235%</u>	<u>300%</u>	<u>500%</u>
C .....	14.4%	13.7%	12.6%	11.1%	3.7%
H .....	14.5%	14.4%	14.2%	13.8%	11.2%

**Weighted Average Lives of the Certificates**

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

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Classes and the priority sequence of distributions of principal of the related Underlying REMIC Certificates. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying Prospectus Supplements.

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 the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the per annum rates specified below:

### Mortgage Loans relating to Trust SMBS and Underlying REMIC Trust specified below

	Original Terms to Maturity	Remaining Terms to Maturity	Interest Rates	Related Classes
000203-CL	360 months	328 months	10.5%	A, B and C
000237-CL	360 months	334 months	10.5%	A, B, C, D, E, G and H
1994-56	360 months	341 months	9.0%	J

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 could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the distributions of the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the distributions of the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

## Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	165%	235%	300%	500%	0%	165%	235%	300%	500%	0%	165%	235%	300%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1996 .....	99	86	81	76	61	100	100	100	100	100	100	100	100	100	100
October 1997 .....	98	74	64	56	33	100	100	100	100	100	100	100	100	100	100
October 1998 .....	97	62	50	40	14	100	100	100	100	100	100	100	100	100	100
October 1999 .....	96	52	38	27	1	100	100	100	100	100	100	100	100	100	100
October 2000 .....	95	43	28	16	0	100	100	100	100	30	100	100	100	100	100
October 2001 .....	93	35	19	7	0	100	100	100	100	0	100	100	100	100	83
October 2002 .....	92	27	12	*	0	100	100	100	100	0	100	100	100	100	57
October 2003 .....	90	21	5	0	0	100	100	100	55	0	100	100	100	100	39
October 2004 .....	88	15	0	0	0	100	100	98	16	0	100	100	100	100	27
October 2005 .....	86	10	0	0	0	100	100	58	0	0	100	100	100	89	18
October 2006 .....	84	5	0	0	0	100	100	25	0	0	100	100	100	70	12
October 2007 .....	81	1	0	0	0	100	100	0	0	0	100	100	98	56	8
October 2008 .....	78	0	0	0	0	100	72	0	0	0	100	100	81	44	6
October 2009 .....	75	0	0	0	0	100	42	0	0	0	100	100	66	35	4
October 2010 .....	71	0	0	0	0	100	16	0	0	0	100	100	54	27	3
October 2011 .....	67	0	0	0	0	100	0	0	0	0	100	95	44	21	2
October 2012 .....	63	0	0	0	0	100	0	0	0	0	100	80	36	16	1
October 2013 .....	58	0	0	0	0	100	0	0	0	0	100	67	28	12	1
October 2014 .....	52	0	0	0	0	100	0	0	0	0	100	55	22	9	*
October 2015 .....	46	0	0	0	0	100	0	0	0	0	100	45	17	7	*
October 2016 .....	39	0	0	0	0	100	0	0	0	0	100	35	13	5	*
October 2017 .....	32	0	0	0	0	100	0	0	0	0	100	27	9	3	*
October 2018 .....	24	0	0	0	0	100	0	0	0	0	100	19	6	2	*
October 2019 .....	14	0	0	0	0	100	0	0	0	0	100	13	4	1	*
October 2020 .....	4	0	0	0	0	100	0	0	0	0	100	7	2	1	*
October 2021 .....	0	0	0	0	0	36	0	0	0	0	100	2	1	*	*
October 2022 .....	0	0	0	0	0	0	0	0	0	0	50	*	*	*	*
October 2023 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	17.7	4.8	3.5	2.7	1.6	25.9	13.8	10.3	8.2	4.8	27.0	20.0	16.3	13.5	8.2

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

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

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

Date	D Class					E Class					G Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	165%	235%	300%	500%	0%	165%	235%	300%	500%	0%	165%	235%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1996	99	86	81	76	61	100	100	100	100	100	100	100	100	100	100
October 1997	98	74	65	57	35	100	100	100	100	100	100	100	100	100	100
October 1998	97	63	51	41	16	100	100	100	100	100	100	100	100	100	100
October 1999	96	53	39	28	3	100	100	100	100	100	100	100	100	100	100
October 2000	95	44	29	18	0	100	100	100	100	63	100	100	100	100	100
October 2001	94	36	21	10	0	100	100	100	100	23	100	100	100	100	100
October 2002	92	29	14	3	0	100	100	100	100	0	100	100	100	100	91
October 2003	91	23	7	0	0	100	100	100	81	0	100	100	100	100	54
October 2004	89	17	2	0	0	100	100	100	52	0	100	100	100	100	28
October 2005	87	12	0	0	0	100	100	84	29	0	100	100	100	100	10
October 2006	84	7	0	0	0	100	100	59	10	0	100	100	100	100	*
October 2007	82	3	0	0	0	100	100	38	0	0	100	100	100	89	*
October 2008	79	0	0	0	0	100	93	20	0	0	100	100	100	64	*
October 2009	76	0	0	0	0	100	72	5	0	0	100	100	100	44	*
October 2010	73	0	0	0	0	100	52	0	0	0	100	100	85	29	0
October 2011	69	0	0	0	0	100	35	0	0	0	100	100	64	16	0
October 2012	64	0	0	0	0	100	19	0	0	0	100	100	46	6	0
October 2013	60	0	0	0	0	100	6	0	0	0	100	100	31	0	0
October 2014	54	0	0	0	0	100	0	0	0	0	100	86	19	0	0
October 2015	49	0	0	0	0	100	0	0	0	0	100	65	8	0	0
October 2016	42	0	0	0	0	100	0	0	0	0	100	45	0	0	0
October 2017	35	0	0	0	0	100	0	0	0	0	100	28	0	0	0
October 2018	27	0	0	0	0	100	0	0	0	0	100	13	0	0	0
October 2019	18	0	0	0	0	100	0	0	0	0	100	0	0	0	0
October 2020	8	0	0	0	0	100	0	0	0	0	100	0	0	0	0
October 2021	0	0	0	0	0	85	0	0	0	0	100	0	0	0	0
October 2022	0	0	0	0	0	7	0	0	0	0	100	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average															
Life (years)**	18.1	5.0	3.6	2.8	1.6	26.5	15.3	11.6	9.3	5.4	27.4	20.9	17.1	14.0	8.4

Date	H† Class					J Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	165%	235%	300%	500%	0%	100%	150%	200%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
October 1996	100	100	100	100	100	100	100	73	49	49
October 1997	100	100	100	100	100	100	100	40	19	0
October 1998	100	100	100	100	100	100	100	14	0	0
October 1999	100	100	100	100	100	100	100	0	0	0
October 2000	100	100	100	100	100	100	100	0	0	0
October 2001	100	100	100	100	100	100	100	0	0	0
October 2002	100	100	100	100	100	100	100	0	0	0
October 2003	100	100	100	100	100	100	100	0	0	0
October 2004	100	100	100	100	100	100	100	0	0	0
October 2005	100	100	100	100	100	100	100	0	0	0
October 2006	100	100	100	100	93	100	100	0	0	0
October 2007	100	100	100	100	63	100	100	0	0	0
October 2008	100	100	100	100	43	100	75	0	0	0
October 2009	100	100	100	100	29	100	39	0	0	0
October 2010	100	100	100	100	19	100	2	0	0	0
October 2011	100	100	100	100	13	100	0	0	0	0
October 2012	100	100	100	100	8	100	0	0	0	0
October 2013	100	100	100	93	5	100	0	0	0	0
October 2014	100	100	100	69	3	100	0	0	0	0
October 2015	100	100	100	51	2	100	0	0	0	0
October 2016	100	100	97	37	1	100	0	0	0	0
October 2017	100	100	71	25	1	100	0	0	0	0
October 2018	100	100	49	17	*	100	0	0	0	0
October 2019	100	96	31	10	*	100	0	0	0	0
October 2020	100	52	16	5	*	100	0	0	0	0
October 2021	100	16	5	1	*	0	0	0	0	0
October 2022	100	*	*	*	*	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0
Weighted Average										
Life (years)**	27.8	25.2	23.2	20.6	13.3	25.6	13.7	1.8	1.2	0.7

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

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

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

## **Characteristics of the R Class**

The R Class will not have a principal balance 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. It is not anticipated that there will be any material assets remaining in such circumstance.

The R Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R Class will constitute a noneconomic residual interest under the Regulations. Any transferee of an R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Transferors of an R 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. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holder (i) such information as is necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the R 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 Election and Special Tax Attributes**

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

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

### **Taxation of Beneficial Owners of Regular Certificates**

The Notional Classes will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 235% PSA, in the case of the A, B, C, D, E, G and H Classes, and 150% PSA, in the case of the J Class. 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 Underlying REMIC Certificates or the Trust SMBS will prepay at either of those rates 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, the R Class will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of an R Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 7.91% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

The Prepayment Assumption that will be used to determine the accruals of OID on the Underlying REMIC Certificates is different from the Prepayment Assumption, as provided above, that will be used to determine the accruals of OID on the Regular Certificates. Because of the different Prepayment Assumptions and the tax characteristics of the Underlying REMIC Certificates, the beneficial owner of an R Certificate may be required to accrue OID on the Underlying REMIC Certificates without being entitled to a corresponding deduction for OID accrued on the Regular Certificates. Investors should refer to “Certain Additional Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates” in the Underlying Prospectus Supplement for the Prepayment Assumption that will be used to determine the accruals of OID on the Underlying REMIC Certificates. See also “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Taxable Income or Net Loss of a REMIC Trust*” in the REMIC Prospectus.

### **PLAN OF DISTRIBUTION**

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

### **LEGAL MATTERS**

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

## Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	Class % in the Trust	October 1995 Class Factor	Principal Balance in the Trust at the Issue Date	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
1993-216	A	October 1993	31359EK59	(2)	PO	August 2023	PAC	\$100,000,000	35.000000000000%	0.59723230	\$20,903,130	8.464%	317	36	MBS	1
1993-216	B	October 1993	31359EK67	(2)	PO	August 2023	PAC	60,000,000	35.000000000000	0.81487259	17,112,324	8.464	317	36	MBS	1
1993-216	C	October 1993	31359EK75	(2)	PO	January 2023	TAC	155,000,000	35.000000000000	0.85951764	46,628,832	8.464	317	36	MBS	1
1993-222	A	October 1993	31359EL41	(2)	PO	January 2022	PAC	87,457,200	75.5023020163	0.60120863	39,698,996	8.473	316	37	MBS	2
1993-222	B	October 1993	31359EL58	(2)	PO	July 2022	PAC	4,744,800	75.5023183274	1.00000000	3,582,434	8.473	316	37	MBS	2
1993-222	C	October 1993	31359EL66	(2)	PO	August 2023	PAC	11,702,400	75.5023072190	1.00000000	8,835,582	8.473	316	37	MBS	2
1993-222	D	October 1993	31359EL74	(2)	PO	July 2023	SUP	44,307,600	75.5023044498	0.75013660	25,094,514	8.473	316	37	MBS	2
1994-56	F	March 1994	31359HDA9	(3)	FLT	April 2023	PAC	21,356,000	100.000000000000	0.95859615	20,471,779	7.080	336	21	MBS	3
1994-56	S	March 1994	31359HDB7	(3)	INV	April 2023	PAC	1,644,000	100.000000000000	0.95859615	1,575,932	7.080	336	21	MBS	3

## Trust SMBS

Fannie Mae Stripped Mortgage Backed Security Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	Class % in the Trust	October 1995 Class Factor	Current National Principal Balance in the Trust	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	SMBS Class Group
000203-CL	2	February 1993	31364HUG0	8.00%	IO	February 2023	NTL	2,188,756,250	2.8542621493%	0.61716612	\$38,556,121	8.453%	317	35	MBS	1
000237-CL	2	August 1993	31364HBB89	8.00	IO	August 2023	NTL	1,725,000,000	4.1339952298	0.65562543	46,610,956	8.473	316	37	MBS	1
000237-CL	2	August 1993	31364HBB89	8.00	IO	August 2023	NTL	1,725,000,000	6.0967700446	0.65562543	68,741,318	8.473	316	37	MBS	2

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

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

(3) These Classes bear interest during their respective interest accrual periods, subject to the applicable Maximum and Minimum Interest Rates, at the respective rates determined as described below:

Class	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate
1994-56-F	7.000000%	4.000000%	LIBOR + 75 basis points
1994-56-S	38.97566	0.00486	81.19403% – (LIBOR × 12.99026764)



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**\$183,903,523**

**Federal National  
Mortgage Association**



**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 1995-22**

## PROSPECTUS SUPPLEMENT

**LEHMAN BROTHERS**

**September 26, 1995**