

\$69,941,139

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates Fannie Mae Multifamily REMIC Trust 1995-M3

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae Multifamily REMIC Trust 1995-M3 (the "Trust"). The assets of the Trust will consist of Fannie Mae Guaranteed Mortgage Pass-Through Certificates ("MBS"). Each MBS will represent a beneficial interest in a pool (each, a "Mortgage Pool") of either first lien balloon mortgage loans with original maturities of seven or ten years or, except for one interest only mortgage loan, fully amortizing first lien mortgage loans with original maturities of twenty-five years (the "Mortgage Loans") secured by multifamily properties (each, a "Mortgaged Property") consisting of five or more rental or cooperatively owned dwelling units. Certain information with respect to the Mortgage Loans and the Mortgaged Properties is set forth on Exhibit A hereto.

The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae and offered by Fannie Mae pursuant to its Prospectus for Guaranteed Mortgage Pass-Through Certificates (the "MBS Prospectus"), available as described herein and its Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates (the "Multifamily REMIC Prospectus"), accompanying this Prospectus Supplement. **Fannie Mae will not guarantee the collection from mortgagors or the servicer or the payment to Certificateholders of their allocable portion of any Prepayment Premiums. Accordingly, Certificateholders entitled to receive Prepayment Premiums will receive them only to the extent actually received by Fannie Mae from the servicer.** See "Description of the Certificates—General—Fannie Mae Guaranty" and "—Allocation of Prepayment Premiums" herein.

Each Class will be backed by a particular group of MBS (an "MBS Group") which, in turn, will be backed by a particular group of Mortgage Loans (a "Mortgage Loan Group").

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

(Cover continued on next page)

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

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

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	\$12,414,531	PT	6.65%	FIX	31359LWF 8	April 2002
B	33,534,429	PT	6.85	FIX	31359LWG 6	May 2005
C	23,992,179	PT	7.30	FIX	31359LWH 4	July 2019
AN	(2)	NTL	(3)	WAC/IO	31359LW J 0	April 2002
BN	(2)	NTL	(3)	WAC/IO	31359LWK 7	May 2005
CN	(2)	NTL	(3)	WAC/IO	31359LW L 5	July 2019
R	0	NPR	0	NPR	31359LWM 3	July 2019

(1) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.

(2) The AN, BN and CN Classes will be Notional Classes, will have no principal balance and will bear interest on their notional principal balances (for the initial Interest Accrual Period (as hereinafter defined) \$12,414,531, \$33,534,429 and \$23,992,179, respectively). The notional principal balances of the AN, BN and CN Classes will be calculated based on the principal balances of the related Pass-Through Classes. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.

(3) For the initial Interest Accrual Period, 1.812%, 1.688% and 0.912% per annum for the AN, BN and CN Classes, respectively. Thereafter, such Classes will bear interest at the per annum rates described under "Description of the Certificates—Distributions of Interest—Notional Classes" herein.

The Certificates are offered by Donaldson, Lufkin & Jenrette Securities Corporation (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates are offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about July 28, 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, 140 Broadway, New York, New York 10005 on or about the Settlement Date.

Donaldson, Lufkin & Jenrette
Securities Corporation

The date of this Prospectus Supplement is June 29, 1995.

(Cover continued from previous page)

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

- Subject to certain restrictions and/or the imposition of Prepayment Premiums on principal prepayments, Mortgage Loans generally may be prepaid in their entirety prior to their stated maturities. Accordingly, the rate of principal payments on such Mortgage Loans may vary considerably from time to time. Voluntary partial prepayments are prohibited by all Mortgage Loans.
- 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 Notional Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- The allocation to any Class of any Prepayment Premium may be insufficient to offset fully the adverse effects on the anticipated yield that may arise out of the corresponding Principal Prepayment.

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

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

- The actual final payment of any Class may occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Yield Considerations—Reinvestment Risk” in the Multifamily REMIC Prospectus and “Description of the Certificates—Yield Considerations” herein.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the Multifamily REMIC Prospectus.
- The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that a secondary market will develop for the Certificates 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 Multifamily REMIC 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—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences” in the Multifamily REMIC Prospectus, and “Description of the Certificates—Characteristics of the R Class” and “Certain Additional Federal Income Tax Consequences” herein.

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

- Fannie Mae’s Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates dated November 1, 1994 (the “Multifamily REMIC Prospectus”);
- 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, 1995 and any supplements thereto (the “Information Statement”).

The MBS Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-7547). Such documents may also be obtained from Donaldson, Lufkin & Jenrette Securities Corporation by writing or calling its Prospectus Department at 140 Broadway, 33rd Floor, New York, New York, 10005 (telephone 212-504-4525).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Group 2 Principal Distribution Amount</i>	S-11
Certain Aspects of Multifamily REMIC Pass-Through Certificates	S- 6	<i>Group 3 Principal Distribution Amount</i>	S-11
Description of the Certificates	S- 7	Allocation of Prepayment Premiums	S-11
General	S- 7	Structuring Assumptions	S-13
<i>Structure</i>	S- 7	<i>Pricing Assumptions</i>	S-13
<i>Fannie Mae Guaranty</i>	S- 7	<i>CPR Assumptions</i>	S-13
<i>Characteristics of Certificates</i>	S- 7	Yield Considerations	S-14
<i>Authorized Denominations</i>	S- 8	<i>General</i>	S-14
<i>Distribution Dates</i>	S- 8	<i>Prepayment Provisions</i>	S-15
<i>Record Date</i>	S- 8	<i>The Interest Only Classes</i>	S-16
<i>REMIC Trust Factors</i>	S- 8	Weighted Average Lives of the Certificates	S-17
<i>Optional Termination</i>	S- 8	Decrement Tables	S-18
The MBS	S- 8	Characteristics of the R Class	S-19
Distributions of Interest	S-10	Certain Additional Federal Income Tax Consequences	S-19
<i>Categories of Classes</i>	S-10	REMIC Election and Special Tax Attributes	S-19
<i>General</i>	S-10	Taxation of Beneficial Owners of Regular Certificates	S-20
<i>Interest Accrual Period</i>	S-10	Taxation of Beneficial Owners of Residual Certificates	S-20
<i>Notional Classes</i>	S-10	Plan of Distribution	S-20
Distributions of Principal	S-11	Legal Matters	S-20
<i>Categories of Classes</i>	S-11	Exhibit A	A- 1
<i>Principal Distribution Amount</i>	S-11		
<i>Group 1 Principal Distribution Amount</i>	S-11		

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 MBS* (as of July 1, 1995)

Group 1 MBS

Principal Balance	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Remaining Term to Balloon Payment (in months)	Weighted Average Coupon
\$12,414,531	351	75	9.3098%

Group 2 MBS

Principal Balance	Weighted Average Remaining Term to Maturity (in months)**	Weighted Average Remaining Term to Balloon Payment (in months)	Weighted Average Coupon
\$33,534,429	352	112	9.4878%

Group 3 MBS

Principal Balance	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Coupon
\$23,992,179	284	8.7921%

* The information set forth in the tables above is based upon the Pricing Assumptions defined herein. See "Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*" herein and Exhibit A attached hereto.

** The calculation of this characteristic of the Group 2 Mortgage Loans does not take into account MBS Mortgage Pool #073062, which consists of the Mortgage Loan that provides for the payment of interest only until its maturity. See Exhibit A for further information about this MBS Mortgage Pool.

See "Description of the Certificates—General—*REMIC Trust Factors* and—The MBS" herein.

Interest Rates

The Certificates will bear interest at the respective per annum interest rates set forth on the cover or as described herein. See "Description of the Certificates—*Distributions of Interest*" herein.

Notional Classes

The notional principal balances of the Notional Classes will be equal to the indicated percentages of the outstanding principal balances of the following Classes immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Classes</u>
AN	100% of the A Class
BN	100% of the B Class
CN	100% of the C Class

Distribution of Principal

Group 1 Principal Distribution Amount

To the A Class, to zero.

Group 2 Principal Distribution Amount

To the B Class, to zero.

Group 3 Principal Distribution Amount

To the C Class, to zero.

Weighted Average Lives (years)*

<u>Class</u>	<u>Prepayment Scenarios</u>				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>
A and AN**	6.1%	5.8%	5.6%	5.2%	4.2%
B and BN**†	9.0	8.7	8.4	7.8	6.8
C and CN**	15.7	14.7	14.0	13.0	11.7

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

** The Weighted Average Lives shown in the table for the AN, the BN and the CN Classes are based upon the original notional principal balances thereof which are equal to the initial principal balances of the A Class, the B Class and the C Class, respectively.

† The Weighted Average Lives of the B and the BN Classes have been calculated assuming that no prepayments are made on the MBS Mortgage Pool #073062 which consists of the Mortgage Loan that provides for the payment of interest only until its maturity. See Exhibit A for further information about this MBS Mortgage Pool.

CERTAIN ASPECTS OF MULTIFAMILY REMIC PASS-THROUGH CERTIFICATES

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

1. *Balloon Mortgage Loans.* Certain of the Mortgage Loans are not fully amortizing over their terms to maturity, and thus will have Balloon Payments due at their respective stated maturities. Such Mortgage Loans involve a greater risk of default because the ability of a Mortgagor to make a Balloon Payment typically will depend upon the ability of the Mortgagor either to refinance such a Mortgage Loan or to sell the related Mortgaged Property. The ability of a Mortgagor to accomplish either of these goals will be affected by a number of factors, including the level of available mortgage rates at the time of sale or refinancing, the Mortgagor's equity in the Mortgaged Property, the financial condition and operating history of the Mortgaged Property, tax laws and prevailing general economic conditions.

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

3. *Collection of Prepayment Premiums.* Fannie Mae will not guarantee the collection from mortgagors or the servicer or the payment to Certificateholders of their allocable portion of any Prepayment Premiums. Accordingly, Certificateholders entitled to receive Prepayment Premiums will receive them only to the extent actually received by Fannie Mae from the servicer. Certain state laws limit the amounts that a lender may collect from a Mortgagor as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for Prepayment Premiums upon an involuntary prepayment is unclear. See "Description of the Certificates—General—*Fannie Mae Guaranty*" and "—Allocation of Prepayment Premiums" herein.

4. *Repurchases Due to Breach of Representations and Warranties.* Each party that has sold a Mortgage Loan to Fannie Mae has made certain customary representations and warranties with respect to such Mortgage Loan. In the event of a material breach of any such representations and warranties, Fannie Mae may withdraw such Mortgage Loan from the MBS trust at a price equal to its stated principal balance together with interest thereon at the Pass-Through Rate (as hereinafter defined) of the related Mortgage Loan. Principal prepayments resulting from such repurchases of the Mortgage Loans due to breaches of representations and warranties will not be accompanied by Prepayment Premiums, and therefore such principal prepayments may significantly affect the yield to investors.

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 Multifamily REMIC Prospectus, the MBS Prospectus and the provisions of the Trust Agreement (as defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the respective meanings assigned to such terms in the Multifamily REMIC Prospectus (including the Glossary contained therein), the MBS Prospectus or the Trust Agreement (as the context may require).

General

Structure. The Trust will be created pursuant to a trust agreement dated as of July 1, 1995 (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.

The assets of the Trust will consist of the MBS, and the Certificates will evidence the entire beneficial ownership interest in the distributions of principal and interest on the MBS.

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 Trust Account. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus. **Fannie Mae will not guarantee the collection from mortgagors or the servicer or the payment to Certificateholders of their allocable portion of any Prepayment Premiums. Accordingly, Certificateholders entitled to receive Prepayment Premiums will receive them only to the extent actually received by Fannie Mae from the servicer.** See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus and “—Allocation of Prepayment Premiums” herein.

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 Multifamily 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 Certificate of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of the related 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 Class will be issued as a single certificate and will not have a principal balance.

Distribution Dates. Distributions on the Certificates will be made on the 25th day of each month or, if such 25th day is not a business day, on the first business day next succeeding such 25th day (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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 in the case of each such Class, when multiplied by the original principal balance of a Certificate of such Class, will be equal to the amount of principal remaining to be distributed with respect to such Certificate after giving effect to the distribution of principal to be made on the following Distribution Date.

Optional Termination. 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 the MBS unless the principal balance of the related Mortgage Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The MBS

The MBS underlying the Certificates will have the aggregate unpaid principal balances and Weighted Average Pass-Through Rates set forth below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the underlying Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of the MBS (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day). The MBS underlying the Certificates will consist of three groups of MBS (the “Group 1 MBS,” “Group 2 MBS” and “Group 3 MBS,” respectively, and collectively, the “MBS Groups”). The Mortgage Loans underlying the Group 1, Group 2 and Group 3 MBS (the “Group 1 Mortgage Loans,” “Group 2 Mortgage Loans” and “Group 3 Mortgage Loans,” respectively, and collectively, the “Mortgage Loan Groups”) will be fixed-rate Mortgage Loans (“Fixed-Rate Mortgage Loans”) and will have the characteristics described generally under “Description of the Mortgage Pools” and Exhibit A attached hereto.

The characteristics of the MBS Groups and the related Mortgage Loan Groups as of July 1, 1995 are as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$12,414,531
Weighted Average Pass-Through Rate	8.4618%

Group 1 Mortgage Loans

Weighted Average WAC (per annum percentage)	9.3098%
Weighted Average WAM	351 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$33,534,429
Weighted Average Pass-Through Rate	8.5383%

Group 2 Mortgage Loans

Weighted Average WAC (per annum percentage)	9.4878%
Weighted Average WAM*	352 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$23,992,179
Weighted Average Pass-Through Rate	8.2115%

Group 3 Mortgage Loans

Weighted Average WAC (per annum percentage)	8.7921%
Weighted Average WAM	284 months

* The calculation of this characteristic of the Group 2 Mortgage Loans does not take into account MBS Mortgage Pool #073062, which consists of the Mortgage Loan that provides for the payment of interest only until its maturity. See Exhibit A for further information about this MBS Mortgage Pool.

The “Weighted Average Pass-Through Rate” means, with respect to an MBS Group and any date of determination, the weighted average of the Pass-Through Rates of the MBS comprising such MBS Group as of such date; the “Weighted Average WAC” means, with respect to a number of Mortgage Pools, the weighted average of the WACs for such Mortgage Pools; the “Weighted Average WAM” means, with respect to a number of Mortgage Pools, the weighted average of the WAMs for such Mortgage Pools.

The Group 1, Group 2 and the Group 3 Mortgage Loans have original terms to maturity of seven (7), ten (10) and twenty-five (25) years, respectively. Each Group 1 and Group 2 Mortgage Loan has a balloon payment due at maturity. Each scheduled monthly payment of principal and interest (each, a “Monthly Payment”) for each Group 1 and Group 2 Mortgage Loan is constant and, except for one Group 2 Mortgage Loan which is described below, in an amount sufficient to pay interest and to amortize the principal amount of each such Mortgage Loan over an amortization period of thirty (30) years. One of the Group 2 Mortgage Loans requires monthly payments of interest only and does not amortize. The Monthly Payment for each Group 3 Mortgage Loan is constant and in an amount sufficient to pay interest and to amortize the principal amount of each such Mortgage Loan over an amortization period of twenty-five (25) years with no balloon payment.

The information with respect to the Mortgage Loans contained on Exhibit A hereto has been collected and summarized from the related Prospectus Supplements pursuant to which the MBS were originally sold (the “MBS Prospectus Supplements”). Except as set forth therein, all the information contained on Exhibit A is as of the original issue date of the MBS. Fannie Mae currently publishes, but has not committed to continue publishing, certain updated information about the Mortgage Loans periodically in electronic form. For any additional information relating to the MBS as of the issue date, investors may obtain copies of the related MBS Prospectus Supplements and any supplements thereto pursuant to which such MBS were originally issued from Fannie Mae. The Final Data Statement will not accompany this Prospectus Supplement but

will be made available by Fannie Mae. To request the MBS Prospectus Supplements or 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	A, B and C
Weighted Average Coupon	AN, BN and CN
Interest Only	AN, BN and CN
No Payment Residual	R

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing 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 each 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	Calendar month preceding the month in which the Distribution Date occurs

See "Description of the Certificates—Yield Considerations" herein.

Notional Classes. The AN, BN and CN Classes will be Notional Classes. The Notional Classes will have no principal balance and will bear interest during the initial Interest Accrual Periods at the initial interest rates set forth below:

<u>Class</u>	<u>Initial Interest Rate</u>
AN	1.812%
BN	1.688%
CN	0.912%

After the initial Interest Accrual Period, the AN, BN and CN Classes will bear interest for each Interest Accrual Period at a rate equal to the Weighted Average Pass-Through Rate of the Group 1 MBS, less 6.65%, the Weighted Average Pass-Through Rate of the Group 2 MBS, less 6.85% and the Weighted Average Pass-Through Rate of the Group 3 MBS, less 7.30%, respectively.

The notional principal balance of the Notional Classes will be equal to the indicated percentages of the outstanding principal balances of the following Classes immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Classes</u>
AN	100% of the A Class
BN	100% of the B Class
CN	100% of the C Class

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 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 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>
Group 1 Classes	
Pass-Through	A
Notional	AN
Group 2 Classes	
Pass-Through	B
Notional	BN
Group 3 Classes	
Pass-Through	C
Notional	CN
No Payment Residual	R

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

Principal Distribution Amount. On each Distribution Date, principal will be distributed on the Certificates in an amount equal to the aggregate distributions of principal concurrently made on the Group 1 MBS, Group 2 MBS and Group 3 MBS (the "Group 1 Principal Distribution Amount," "Group 2 Principal Distribution Amount" and "Group 3 Principal Distribution Amount," respectively).

Group 1 Principal Distribution Amount

On each Distribution Date, the Group 1 Principal Distribution Amount will be distributed as principal of the A Class until the outstanding principal balance thereof is reduced to zero.

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the B Class until the outstanding principal balance thereof is reduced to zero.

Group 3 Principal Distribution Amount

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

Allocation of Prepayment Premiums

In the event a borrower under a Mortgage Loan is required to pay any premium, penalty or fee in connection with a principal prepayment (such premium, penalty or fee, including any yield

maintenance fees, net of the cost of auditing the amount thereof, a "Prepayment Premium"), the amount of such premium collected will be allocated and distributed in respect of the related Classes of Certificates as follows.

Five of the MBS provide that any Prepayment Premiums collected by the servicers during any yield maintenance period, and the remaining seventeen MBS provide that any Prepayment Premiums collected by servicers at any time, will be passed through to holders of the MBS and therefore to Certificateholders only in a certain proportional amount as is described in the following two paragraphs. With respect to any Prepayment Premiums received by Fannie Mae from the MBS, each of the Class A, B and C Certificateholders is entitled to receive on any Distribution Date a distribution of any such Prepayment Premium actually received from the related mortgagors during the related Due Period with respect to the Group 1, Group 2 and Group 3 MBS, respectively, in a percentage equal to a fraction (x) the numerator of which is the interest rate of such affected Class less the Yield Rate (as defined below) and (y) the denominator of which for the five MBS described in the next paragraph is the MBS Pass-Through Rate less the Yield Rate and for the remaining seventeen MBS is the MBS Pass-Through Rate less both 0.250% and the Yield Rate. The remaining portion of any such Prepayment Premium from the Group 1, Group 2 and Group 3 MBS will be distributed on such Distribution Date to the AN, BN and CN Classes, respectively.

With respect to five of the MBS, a portion (the "Certificateholder's Portion") of the amount of any Prepayment Premiums collected from the mortgagors by the servicers during the related yield maintenance period and received by Fannie Mae from the MBS will be passed through to the Certificateholders, except as provided herein. The Certificateholder's Portion equals (1) the unpaid principal balance of the related Mortgage Note at the time of prepayment, times (2) the difference obtained by subtracting the Yield Rate from the Pass-Through Rate of the related MBS, times (3) the Present Value Factor. The Yield Rate is the rate reported in the *Wall Street Journal* on the fifth business day preceding the date the borrower notifies Fannie Mae of its intent to prepay on the U.S. Treasury Security with a maturity date and yield as set forth in Schedule A attached to the related MBS Prospectus Supplement. The Present Value Factor is calculated as a fraction, the numerator of which is $1 - (1 + r)^{-n}$ and the denominator of which is r ; where "r" is equal to the Yield Rate and "n" is equal to the number of years, and any fraction thereof, remaining between the date of the prepayment and the end of the related yield maintenance period. Fannie Mae shall pass through to Certificateholders the Certificateholder's Portion, but only to the extent actually received by Fannie Mae and only to the extent available after Fannie Mae has retained its portion. Fannie Mae's portion shall equal the difference obtained by subtracting the Certificateholder's Portion from the total of the Prepayment Premium due and payable. With respect to these five MBS, any Prepayment Premiums received following the related yield maintenance period will be retained by Fannie Mae and will not be passed through to holders of the MBS and therefore will not be passed through to the Certificateholders.

With respect to the remaining seventeen MBS, any Prepayment Premiums collected on each Mortgage Loan and received by Fannie Mae from the MBS will be passed through to Certificateholders, net of the portion of any yield maintenance fees to be retained by Fannie Mae, which portion shall equal the present value of 0.250% per annum as applied to the unpaid scheduled, not actual, principal balance of the related Mortgage Loan using the formula set forth above for calculating the Present Value Factor, except as provided herein.

All of the Mortgage Loans provide for payment of Prepayment Premiums in connection with principal prepayments (except in certain circumstances). See "Description of the Certificates—Yield Considerations—*Prepayment Provisions*" herein. A Prepayment Premium would not be paid in the event that a borrower defaults on payment of its Mortgage Loan and the proceeds of

liquidation of such Mortgage Loan are insufficient to allow for allocation of an amount thereof to such Prepayment Premium. The liquidation proceeds would be applied to the recovery of all principal, interest and liquidation expenses before any application to a Prepayment Premium in respect of the related Mortgage Loan.

In addition, certain state laws limit the amount of Prepayment Premium payable in connection with the prepayment of a Mortgage Loan, and under the laws of a number of states it is unclear whether the imposition of a Prepayment Premium in connection with an involuntary prepayment is enforceable. See “Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans” in the Multifamily REMIC Prospectus.

Fannie Mae does not guarantee that any Prepayment Premiums due under any Mortgage Loan will in fact be collected from mortgagors or the servicer or paid to holders of the MBS and therefore to Certificateholders. Accordingly, Certificateholders will receive them only to the extent actually received by Fannie Mae from the servicer. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus and “Description of the Certificates—Yield Considerations—*Prepayment Provisions*” herein.

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables under “Yield Considerations” and “Decrement Tables” has been prepared on the basis of the actual characteristics of the MBS (as described in Exhibit A hereto) and the following assumptions (the “Pricing Assumptions”):

- (i) each of the twenty-two MBS pools has the current principal balance, mortgage interest rate, original term to maturity, remaining term to maturity and the original balloon term as set forth in Exhibit A attached hereto;
- (ii) the Mortgage Loans backing the MBS prepay in accordance with the Prepayment Scenarios specified in the related table;
- (iii) Fannie Mae does not exercise its right of optional termination of the Trust as described herein;
- (iv) the closing date for the sale of the Certificates is the Settlement Date;
- (v) no Prepayment Premiums are received;
- (vi) no defaults, repurchases or purchases occur with respect to the Mortgage Loans; and
- (vii) no prepayments are received from the MBS Pool #073062 which consists of the Mortgage Loan that provides for the payment of interest only until its maturity.

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

In addition, where specifically indicated, the following prepayment scenarios (the “Prepayment Scenarios”) have been assumed in preparing the applicable tables in this Prospectus Supplement:

		<u>Group 1 Mortgage Loans</u>	<u>Group 2 Mortgage Loans</u>	<u>Group 3 Mortgage Loans</u>
Prepayment Scenario I	0% CPR			
Prepayment Scenario II	0% CPR for months: 5% CPR thereafter	1-36	1-60	1-144
Prepayment Scenario III	0% CPR for months: 10% CPR thereafter	1-36	1-60	1-144
Prepayment Scenario IV	0% CPR for months: 20% CPR thereafter	1-36	1-60	1-144
Prepayment Scenario V	0% CPR for months: 50% CPR thereafter	1-36	1-60	1-144

The Prepayment Scenarios specified above are intended solely as a means of illustrating the effect of certain hypothetical prepayment experiences on the applicable Classes. None of the Prepayment Scenarios, including their initial periods, purports to be based on any specific provisions of any pool of mortgage loans, or an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the rate of prepayment of any pool of mortgage loans, including the Mortgage Loans. It is highly unlikely that the Mortgage Loans will prepay at rates identical to any of the Prepayment Scenarios or at any 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 resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties) and the actual characteristics of the Mortgage Loans. There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as expected. 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 A, B and C Classes will be related to the rate of principal distributions on the Group 1, Group 2 and Group 3 MBS, respectively, which in turn will be related to the amortization (including prepayments) of the Group 1, Group 2 and Group 3 Mortgage Loans, respectively. It is not likely that the Mortgage Loans will prepay at the indicated CPR levels until maturity or that all of such Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on an investor’s yield to maturity. As a result, the effect on an investor’s yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the related Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. For a description of the prepayment provisions of the Mortgage Loans, see “—*Prepayment Provisions*” herein and Exhibit A hereto.

The effective yield on the interest bearing 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 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 interest bearing 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.

All of the Group 1 and Group 2 Mortgage Loans provide for balloon payments, unless prepaid. All of the Mortgage Loans provide for payment of Prepayment Premiums in connection with principal prepayments (except in certain circumstances). The required payment of Prepayment Premiums may not be a sufficient disincentive to prevent the voluntary prepayment of the Mortgage Loans and, even if collected, allocation thereof to any Class may be insufficient to offset fully the adverse effects on the anticipated yield thereon arising out of the corresponding payment.

Prepayment Provisions. The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of Prepayment Premiums and other economic, geographic and social factors. A principal prepayment is any payment of principal made by the borrower under a Mortgage Loan which is received in advance of its scheduled Due Date (other than the current installment of principal), whether voluntary or involuntary (in connection with the acceleration of the principal balance of the Mortgage Loan) or by satisfaction or release by foreclosure, deed in lieu of foreclosure or any other means, of the related Mortgage. However, the application of insurance proceeds or condemnation awards to a Mortgage Loan will not be deemed to constitute a principal prepayment and obligate the borrower to pay a Prepayment Premium.

Voluntary partial prepayments are prohibited by all Mortgage Loans. Each of the Mortgage Loans allows for voluntary prepayment of such Mortgage Loan in its entirety by the payment of a Prepayment Premium. Each Mortgage Loan has a yield maintenance period during which the Prepayment Premium equals the greater of (i) 1% of the unpaid principal balance of such Mortgage Loan and (ii) an expected yield calculated by using the yield (in the secondary market) on the United States Treasury Security that has a term to maturity similar to the related Mortgage Loan. The initial yield maintenance periods on the Mortgage Loans range from five to twenty years. After the yield maintenance period, the Prepayment Premium equals 1% of the unpaid principal balance of such Mortgage Loan except during the 90 days immediately preceding the maturity date of such Mortgage Loan, during which period the borrower may prepay the Mortgage Loan without any Prepayment Premium. All of the Group 1 Mortgage Loans, Group 2 Mortgage Loans and Group 3 Mortgage Loans are currently within a yield maintenance period. The yield maintenance periods applicable to the Group 1 Mortgage Loans, the Group 2 Mortgage Loans and the Group 3 Mortgage Loans are set forth on Exhibit A hereto.

The magnitude of a Prepayment Premium which is meant to be a measure of expected yield is a function of the market fluctuation of the Treasury Rate, as well as the difference between the Mortgage Interest Rate borne by a Mortgage Loan and the Treasury Rate. Unless the Mortgage Loan to be prepaid is relatively near its scheduled maturity or unless the sale price or the amount of the refinancing of the related Mortgaged Property is considerably higher than the current outstanding principal balance of such Mortgage Loan (due to an increase in the value of the Mortgaged Property or otherwise), the Prepayment Premium may, in a lower interest rate environment, offset entirely or render insignificant any economic benefit to be received by the borrower upon a refinancing or sale of the Mortgaged Property.

The Prepayment Premium provision of each Mortgage Loan is intended to create an economic disincentive for the borrower to voluntarily prepay such Mortgage Loan and, accordingly, the borrower might not elect to prepay such Mortgage Loan.

The servicer will not be permitted to modify any term of any Mortgage Loan, including the Mortgage Interest Rate or amortization period of the related Mortgage Note or the obligation to pay a Prepayment Premium in connection with any principal prepayment (except in certain circumstances where a Mortgage Loan is in default or where servicer's counsel determines that there is a substantial risk that the Prepayment Premium is unenforceable). See "Description of the Certificates—Allocation of Prepayment Premiums" herein and "Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans" in the Multifamily REMIC Prospectus for a description of certain possible limitations on the right to collect Prepayment Premiums.

If and to the extent collected and paid to the Trustee, Prepayment Premiums are distributable to certain Classes of Certificates as described herein under "Description of the Certificates—Allocation of Prepayment Premiums." Prepayment Premiums will not result from the purchase or repurchase of Mortgage Loans. See "Description of the Certificates—Allocation of Prepayment Premiums" herein.

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of certain Classes to various constant percentages of CPR. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on 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 table below, the yields to investors in the AN, BN and CN Classes will be sensitive, in varying degrees, to the rate of principal payments (including principal prepayments) of the related Mortgage Loans and, in particular, principal prepayments on the related Mortgage Loans bearing the relatively higher Mortgage Interest Rates. Subject to certain restrictions, the Mortgage Loans may be prepaid prior to their stated maturities. See "Description of the Mortgage Pools" herein.

On the basis of the assumptions described below (including the assumption that no Prepayment Premiums are received), the yield to maturity on the AN, BN and CN Classes would be 0% if prepayments were to occur at constant rates of approximately 9.5% CPR, 13.0% CPR and 9.9% CPR, respectively. If the actual prepayment rates of the Mortgage Loans related to such Interest Only Classes were to exceed the foregoing levels for as little as one month while equaling such level for the remaining months, investors in such Interest Only Classes would not fully recoup their initial investments. There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed below.

The information set forth in the following table was prepared on (i) the basis of the Pricing Assumptions and (ii) the assumption that the aggregate purchase prices of the AN, BN and CN Classes (expressed as a percentage of original principal balance) will be as follows:

<u>Class</u>	<u>Price*</u>
AN	8.10345%
BN	9.77432%
CN	6.56720%

* 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 Interest Only Classes to Prepayments
(Pre-Tax Yields to Maturity*)**

Class	Prepayment Scenarios				
	I	II	III	IV	V
AN	10.0%	8.8%	7.5%	5.0%	(2.9)%
BN	10.1%	9.4%	8.8%	7.5%	4.3%
CN	10.6%	10.2%	9.9%	9.4%	8.4%

* Calculated assuming no Prepayment Premiums are received.

Any Prepayment Premiums actually received will be allocated to certain of the Classes as described under “Description of the Certificates—Allocation of Prepayment Premiums” and will increase the yield on such Classes. However, any such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

Weighted Average Lives of the Certificates

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

The weighted average lives of the Certificates will depend, in varying degrees, on the rate of payment of principal of the related Mortgage Loans (including the timing of changes in such rate) which, in turn will depend on the characteristics of such Mortgage Loans, the level of prevailing interest rates, the existence of yield maintenance periods or the assessment of Prepayment Premiums and other economic, geographic and social factors.

The interaction of the foregoing factors may have an effect on the Certificates at different times during the lives of the Certificates. Accordingly, no assurance can be given as to the weighted average life of any Class. Further, to the extent the price of a Certificate represents a discount or premium to its respective original principal balance, any variability in the weighted average life of a Certificate in combination with such discount or premium could result in variability in its yield to maturity. For an example of how the weighted average life of a Certificate may be affected at various *constant* prepayment rates, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of the original principal balances or notional principal balances of the specified Classes that would be outstanding after each of the dates shown at various Prepayment Scenarios and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, including the assumption that MBS pool #073062 which consists of the Mortgage Loan that provides for the payment of interest only until its maturity prepays at a *constant* percentage of 0% CPR. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, and no representation is made that the Mortgage Loans will prepay at the CPRs shown or at any other constant prepayment rate. Moreover, partial prepayments of any of the Mortgage Loans which comprise the MBS pools are prohibited, and therefore it is even more unlikely that any particular constant prepayment rate will be applicable to the MBS. See “Description of the Mortgage Pools” herein.

Percent of Original Principal Balances Outstanding

Date	A and AN† Classes					B and BN† Classes					C and CN† Classes				
	Prepayment Scenarios***					Prepayment Scenarios***					Prepayment Scenarios***				
	I	II	III	IV	V	I	II	III	IV	V	I	II	III	IV	V
Initial Percent	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
July 1996	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
July 1997	99	99	99	99	99	99	99	99	99	99	97	97	97	97	97
July 1998	98	98	98	98	98	98	98	98	98	98	96	96	96	96	96
July 1999	97	92	87	77	48	97	97	97	97	97	94	94	94	94	94
July 2000	96	86	78	61	24	97	97	97	97	97	92	92	92	92	92
July 2001	58	49	42	29	7	96	92	88	80	56	90	90	90	90	90
July 2002	0	0	0	0	0	95	87	80	67	36	88	88	88	88	88
July 2003	0	0	0	0	0	94	83	73	56	27	85	85	85	85	85
July 2004	0	0	0	0	0	51	45	40	31	19	83	83	83	83	83
July 2005	0	0	0	0	0	0	0	0	0	0	80	80	80	80	80
July 2006	0	0	0	0	0	0	0	0	0	0	77	77	77	77	77
July 2007	0	0	0	0	0	0	0	0	0	0	73	73	73	73	73
July 2008	0	0	0	0	0	0	0	0	0	0	69	66	62	55	35
July 2009	0	0	0	0	0	0	0	0	0	0	65	59	53	42	16
July 2010	0	0	0	0	0	0	0	0	0	0	61	52	44	31	8
July 2011	0	0	0	0	0	0	0	0	0	0	56	45	37	23	3
July 2012	0	0	0	0	0	0	0	0	0	0	50	39	30	17	2
July 2013	0	0	0	0	0	0	0	0	0	0	45	33	24	12	1
July 2014	0	0	0	0	0	0	0	0	0	0	38	27	18	8	*
July 2015	0	0	0	0	0	0	0	0	0	0	31	21	13	5	*
July 2016	0	0	0	0	0	0	0	0	0	0	24	15	9	3	*
July 2017	0	0	0	0	0	0	0	0	0	0	15	9	5	2	*
July 2018	0	0	0	0	0	0	0	0	0	0	6	3	2	1	*
July 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.1	5.8	5.6	5.2	4.2	9.0	8.7	8.4	7.8	6.8	15.7	14.7	14.0	13.0	11.7

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

* 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” above.

*** As described under “Description of the Certificates—Structuring Assumptions—Pricing Assumptions” herein.

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

REMIC 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 Multifamily 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 Prepayment Scenario I (as described under “Description of the Certificates—Structuring Assumptions—*CPR Assumptions*” herein). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that or any other rate. See “Description of the Certificates—Weighted Average Life” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, 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 Multifamily 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 7.90% (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 Multifamily REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

The Dealer will receive the Certificates in exchange for the 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.

LEGAL MATTERS

Certain legal matters will be passed upon for Fannie Mae by Mayer, Brown & Platt, Chicago, Illinois; and an opinion with respect to certain tax matters will be delivered to Fannie Mae by Dewey Ballantine, Washington, D.C. Certain legal matters will be passed upon for the Dealer by Cleary, Gottlieb, Steen & Hamilton.

MBS Summary Data(1)
(See Applicable MBS Prospectus Supplements)

1995-M3 GROUP 1

Exhibit A

Pool Number	FNMA Loan Number	City	State	Zip Code	MBS Issue Date	MBS Issue Principal Balance	Current Principal Balance in the Trust as of July 1, 1995	Pass-Through Rate	Initial Mortgage Interest Rate	Mortgage Loan Maturity	Mortgage Loan First Monthly Payment Date	Original Amortization Term	Remaining Term to Maturity	Original Balloon Term	Mortgage Loan Initial Yield Maintenance Period	Total Number of Units	Annual Net Operating Income	LTV	Appraised Value	Occupancy	Debt Service Coverage
073066(2)	1662711800	Dallas	TX	75219	01/01/95	\$5,800,000	\$5,782,004.63	8.400%	9.355%	01/01/02	02/01/95	360	354	84	78	147	\$ 728,786	68.0%	\$ 8,500,000	93%	1.25
073084(2)	1662815078	Newberg	OR	97132	03/01/95	1,750,000	1,747,228.49	8.125	9.200	04/01/02	05/01/95	360	356	85	60	56	215,105	73.7	2,375,000	95	1.25
160237(3)	1662631768	Everett	WA	98203	11/01/94	1,393,218	1,386,037.67	8.055	8.625	03/01/01	04/01/94	360	344	84	72	56	169,056	64.0	2,170,000	98	1.30
160241(3)	1662631772	Albuquerque	NM	87112	11/01/94	1,853,092	1,844,728.98	8.680	9.250	04/01/01	05/01/94	360	345	84	72	120	229,792	66.0	2,825,000	98	1.26
160242(3)	1662631773	Tucson	AZ	85719	11/01/94	1,047,154	1,043,081.06	9.131	9.908(4)	05/01/01	06/01/94	360	347(4)	84	72	76	167,413	52.0	2,030,000	99	1.52
	1662631774	Tucson	AZ	85701	—	613,838	611,450.46	—	—	07/01/01	08/01/94	360	—	84	72	53	89,004	65.0	950,000	94	1.41

1995-M3 GROUP 2

073062(2)	1662640105	New York	NY	10003	12/01/94	\$5,700,000	\$5,700,000.00	8.700%	9.775%	12/01/04	01/01/95	0(5)	113	120	84	207	\$1,007,870	51.4%	\$11,100,000	95%	1.81
073090(2)	1662854114	Orlando	FL	32812	04/01/95	2,784,900	2,780,254.20	7.875	8.950(4)	04/01/05	05/01/95	360	357(4)	120	84	200	334,617	78.2	3,560,000	90	1.25
	1662854115	St. Petersburg	FL	33712	—	6,368,800	6,358,175.51	—	—	04/01/05	05/01/95	360	—	120	84	518	765,239	74.9	8,495,000	90	1.25
073100(2)	1662902365	Atlanta	GA	30329	05/01/95	3,600,000	3,595,923.36	7.770	8.845	05/01/05	06/01/95	360	358	120	84	130	451,821	80.0	4,500,000	94	1.32
160243(3)	1662631775	Fort Worth	TX	76120	11/01/94	1,743,156	1,734,883.71	8.430	9.000	04/01/04	05/01/94	360	345	120	108	76	222,507	70.0	2,500,000	95	1.32
160244(3)	1662631776	Albany	OR	97321	11/01/94	900,750	897,014.85	9.055	9.625	05/01/04	06/01/94	360	346	120	108	48	124,410	62.0	1,450,000	100	1.35
160245(3)	1662631777	Lakewood	CO	80228	11/01/94	3,036,052	3,024,464.88	9.150	9.994(4)	05/01/04	06/01/94	360	347(4)	120	108	96	392,387	72.0	4,200,000	100	1.25
	1662631778	Provo	UT	84604	—	7,483,573	7,455,011.87	—	—	06/01/04	07/01/94	360	—	120	108	200	1,077,932	70.0	10,750,000	94	1.35
	1662631779	Southfield	MI	48075	—	1,996,320	1,988,701.02	—	—	07/01/04	08/01/94	360	—	120	108	90	272,608	64.0	3,125,000	100	1.31

1995-M3 GROUP 3

160102(3)	1661927528	Boise	ID	83704	03/01/94	\$3,196,770	\$3,141,956.40	7.660%	8.250%	02/01/19	03/01/94	300	283	N/A	240	100	\$ 432,210	70.0%	\$ 4,575,000	100%	1.43
160104(3)	1661927534	Bellevue	WA	98007	03/01/94	3,838,729	3,774,417.20	7.910	8.500	12/01/18	01/01/94	300	281	N/A	120	148	466,767	70.0	5,500,000	100	1.26
160105(3)	1661927535	Albuquerque	NM	87110	03/01/94	992,807	976,832.36	8.035	8.625(4)	02/01/19	03/01/94	300	284(4)	N/A	240	60	129,141	75.0	1,325,000	100	1.33
	1661927536	Tacoma	WA	98466	—	1,300,000	1,279,082.51	—	—	03/01/19	04/01/94	300	—	N/A	240	179	185,746	58.0	2,250,000	97	1.46
160106(3)	1661927537	Colorado Springs	CO	80907	03/01/94	1,589,278	1,563,884.37	8.160	8.750(4)	01/01/19	02/01/94	300	282(4)	N/A	240	70	227,595	71.0	2,230,000	100	1.45
	1661927538	Thornton	CO	80229	—	1,991,277	1,959,460.20	—	—	01/01/19	02/01/94	300	—	N/A	240	100	280,228	75.0	2,660,000	95	1.43
160246(3)	1662631780	Boise	ID	83705	11/01/94	2,548,895	2,527,710.88	8.055	8.625(4)	03/01/19	04/01/94	300	284(4)	N/A	240	112	328,643	74.0	3,425,000	96	1.32
	1662631781	Boise	ID	83705	—	1,785,983	1,771,139.51	—	—	03/01/19	04/01/94	300	—	N/A	240	81	226,531	74.0	2,400,000	98	1.30
160247(3)	1662631782	Nampa	ID	83651	11/01/94	620,326	615,370.05	8.305	8.875	03/01/19	04/01/94	300	284	N/A	240	41	86,730	65.0	955,000	100	1.40
160248(3)	1662631783	Dallas	TX	75219	11/01/94	1,987,227	1,971,789.51	8.430	9.000	04/01/19	05/01/94	300	285	N/A	240	134	267,404	69.0	2,900,000	99	1.34
160249(3)	1662631784	Ellensburg	WA	98926	11/01/94	1,714,428	1,701,629.02	8.680	9.250	04/01/19	05/01/94	300	285	N/A	240	65	235,983	67.0	2,575,000	100	1.34
160250(3)	1662631785	Boise	ID	83704	11/01/94	1,408,540	1,398,726.36	9.055	9.625	05/01/19	06/01/94	300	286	N/A	240	44	187,408	66.0	2,150,000	100	1.26
160251(3)	1662631786	Milwaukie	OR	97222	11/01/94	820,195	814,818.68	9.430	10.000	05/01/19	06/01/94	300	286	N/A	240	36	112,340	62.0	1,320,000	94	1.30
160252(3)	1662631787	Pullman	WA	99163	11/01/94	498,505	495,362.00	9.555	10.125	07/01/19	08/01/94	300	288	N/A	240	22	83,349	58.0	864,000	100	1.57

- (1) Except with respect to the current principal balance and remaining term to maturity, all information set forth herein is as of the original issue date of the MBS pool identified herein.
- (2) Prepayment Premiums, passed through to Certificateholders in accordance with the calculation described in the third paragraph under "Description of the Certificates—Allocation of Prepayment Premiums."
- (3) Prepayment Premiums, passed through to Certificateholders in accordance with the calculation described in the fourth paragraph under "Description of the Certificates—Allocation of Prepayment Premiums."
- (4) Represents the weighted average for the MBS Pool, not the individual Mortgage Loans.
- (5) Provides for the payment of interest only until maturity.

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

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Certain Aspects of Multifamily REMIC	
Pass-Through Certificates	S- 6
Description of the Certificates	S- 7
Certain Additional Federal Income Tax	
Consequences	S-19
Plan of Distribution	S-20
Legal Matters	S-20
Exhibit A	A- 1

Multifamily REMIC Prospectus

Prospectus Supplement	2
Summary of Prospectus	3
The Series Trust	12
Yield Considerations	13
Maturity and Prepayment	
Considerations and Risks	18
Purchase Program	22
Description of the Certificates	23
The Trust Agreement	41
Certain Federal Income Tax	
Consequences	46
Legal Investment Considerations	58
Legal Opinion	58
ERISA Considerations	59
Glossary	60

\$69,941,139

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates

Fannie Mae Multifamily REMIC Trust 1995-M3

PROSPECTUS SUPPLEMENT

Donaldson, Lufkin & Jenrette
Securities Corporation

June 29, 1995