

\$377,000,000
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1996-21

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-21 (the "Trust"). The assets of the Trust will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"), each of which will represent a beneficial ownership interest in a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans with original maturities of up to 15 years (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.

(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.

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

Class	Original Principal Balance	Principal Type (1)	Interest Rate	Interest Type (1)	CUSIP Number	Final Distribution Date	Class	Original Principal Balance	Principal Type (1)	Interest Rate	Interest Type (1)	CUSIP Number	Final Distribution Date
PA	\$10,000,000	PAC	6.00%	FIX	31359KDJ3	April 2007	PK	\$ 5,432,600	PAC	6.00%	FIX	31359KDS3	February 2011
PB	72,409,400	PAC	6.00	FIX	31359KDK0	January 2002	PL	10,596,000	PAC	6.00	FIX	31359KDT1	May 2011
PC	33,361,800	PAC	6.00	FIX	31359KDL8	January 2004	A	34,447,440	TAC	7.50	FIX	31359KDU8	May 2011
PD	68,848,600	PAC	6.00	FIX	31359KDM6	April 2007	PO	8,611,860	TAC	(2)	PO	31359KDV6	May 2011
PE	46,629,100	PAC	6.00	FIX	31359KDN4	December 2008	F	13,441,895	SUP	(3)	FLT	31359KDW4	May 2011
PG	36,226,600	PAC	6.00	FIX	31359KDP9	February 2010	S	7,841,105	SUP	(3)	INV	31359KDX2	May 2011
PH	9,726,000	PAC	6.00	FIX	31359KDP7	May 2010	R	0	NPR	0	NPR	31359KDY0	May 2011
PJ	19,427,600	PAC	6.00	FIX	31359KDR5	December 2010							

- (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 PO Class will be a Principal Only Class and will bear no interest.
- (3) The F and S Classes will bear interest based on "LIBOR," as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus.

The Certificates will be offered by Bear, Stearns & Co. 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 issuance by Fannie Mae, 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 May 30, 1996 (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, 245 Park Avenue, New York, New York 10167, on or about the Settlement Date.

Bear, Stearns & Co. Inc.

May 6, 1996

(Cover continued from previous page)

The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Pool, the purchase price paid for such Class and, in the case of any Floating Rate and Inverse Floating Rate Classes, fluctuations in the level of the Index (as defined herein). 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 (including any Principal Only Class), 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.
- The yield on any Floating Rate or Inverse Floating Rate Class will be sensitive to the level of the Index. See “Description of the Certificates—Distributions of Interest—Floating Rate and Inverse Floating Rate Classes” herein.

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

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

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

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

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the REMIC Prospectus or the MBS Prospectus (as defined below). 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 Guaranteed Mortgage Pass-Through Certificates dated January 15, 1996 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated February 22, 1996 and any supplements thereto (collectively, the “Information Statement”).

The MBS Prospectus and the Information Statement are incorporated herein by reference and may be obtained from Fannie Mae by writing or calling its MBS Helpline at 3900 Wisconsin Avenue, N.W., Area 2H-3S, Washington, D.C. 20016 (telephone 1-800-BEST-MBS or 202-752-6547). Such documents may also be obtained from Bear, Stearns & Co. Inc. by writing or calling its Prospectus Department at One MetroTech Center North, Brooklyn, New York 11201 (telephone 212-272-1581).

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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.

Assumed Mortgage Loan Characteristics (as of May 1, 1996)

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$ 5,000,000	146	31	6.6000%
\$ 51,756,777	147	30	6.6000%
\$253,243,223	148	31	6.6603%
\$ 45,000,000	148	29	6.5800%
\$ 22,000,000	151	27	6.5760%

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

Interest Rates

The Fixed Rate Classes will bear interest at the applicable per annum interest rates set forth on the cover.

The Floating Rate and Inverse Floating Rate Classes will bear interest during their initial Interest Accrual Period at initial interest rates determined as described below, and will bear interest during each Interest Accrual Period thereafter, subject to the applicable maximum and minimum interest rates, at the rates determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
F.....	5.98750%	9.50000%	0.55%	LIBOR + 55 basis points
S.....	6.02142%	15.34285%	0.00%	15.34285% – (1.714286 × LIBOR)

See “Description of the Certificates—Distributions of Interest—Floating Rate and Inverse Floating Rate Classes” herein.

Distributions of Principal

Principal Distribution Amount

1. To the PA and PB Classes, in the proportions of 5.4165507386% and 94.5834492614%, respectively, until the principal balance of the PB Class is reduced to its Planned Balance.
2. To the PA and PC Classes, in the proportions of 5.4164315908% and 94.5835684092%, respectively, until the principal balance of the PC Class is reduced to its Planned Balance.
3. To the PA and PD Classes, in the proportions of 5.4165739359% and 94.5834260641%, respectively, to their Planned Balances.
4. To the PE, PG, PH, PJ, PK and PL Classes, in that order, to their Planned Balances.
5. To the A and PO Classes, in proportion to their original principal balances, to their Targeted Balances.

6. To the F and S Classes, in proportion to their original principal balances, to zero.
7. To the A and PO Classes, in proportion to their original principal balances, to zero.
8. To the PA and PB Classes, in the proportions specified in Step 1 above, until the principal balance of the PB Class is reduced to zero.
9. To the PA and PC Classes, in the proportions specified in Step 2 above, until the principal balance of the PC Class is reduced to zero.
10. To the PA and PD Classes, in the proportions specified in Step 3 above, to zero.
11. To the PE, PG, PH, PJ, PK and PL Classes, in that order, to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>90%</u>	<u>135%</u>	<u>210%</u>	<u>500%</u>
PA	5.5	2.5	2.5	2.5	1.4
PB	2.7	1.0	1.0	1.0	0.7
PC	5.9	2.5	2.5	2.5	1.3
PD	8.2	4.1	4.1	4.1	2.0
PE	10.4	6.0	6.0	6.0	3.1
PG	11.7	7.7	7.7	7.7	4.2
PH	12.4	9.0	9.0	9.0	5.2
PJ	12.8	10.0	10.0	10.0	6.2
PK	13.1	11.0	11.0	11.0	7.5
PL	13.3	11.8	11.8	11.8	9.3
A and PO	14.0	8.7	4.0	2.0	0.4
F and S	14.8	11.6	10.9	0.7	0.1

* Determined as specified under “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 May 1, 1996 (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. The assets of the Trust will consist of 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 Collateral Account. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the R 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 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), 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, 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.

The MBS

The MBS underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the underlying Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of the MBS (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day). The Mortgage Loans will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a one- to four-family (“single-family”) residential property and having an original maturity of up to 15 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the MBS and Mortgage Loans as of May 1, 1996 (the “Issue Date”) are expected to be as follows:

Aggregate Unpaid Principal Balance	\$377,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (per annum percentages)	6.25% to 8.50%
Range of WAMs	100 months to 180 months
Approximate Weighted Average WAM	148 months
Approximate Weighted Average CAGE	30 months

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

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	PA, PB, PC, PD, PE, PG, PH, PJ, PK, PL and A
Floating Rate	F
Inverse Floating Rate	S
Principal Only	PO
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 applicable 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 Periods. Interest to be distributed on a Distribution Date will accrue on the interest-bearing Certificates during the one-month periods set forth below (each, an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Periods</u>
F and S Classes (the “No Delay Classes”)	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date
All other interest-bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Yield Considerations” herein.

Floating Rate and Inverse Floating Rate Classes. The following Classes will bear interest during their initial Interest Accrual Period at the initial interest rates determined as described below, and will bear interest during each Interest Accrual Period thereafter, subject to the applicable maximum and minimum interest rates, at the rates determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
F	5.98750%	9.50000%	0.55%	LIBOR + 55 basis points
S	6.02142%	15.34285%	0.00%	$15.34285\% - (1.714286 \times \text{LIBOR})$

The yield with respect to such Classes will be affected by changes in the applicable index as set forth in the table above (the “Index”), which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an increase in the level of the Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of the Index.

The establishment of the Index value by Fannie Mae and Fannie Mae’s determination of the rate of interest for the applicable Class for the related Interest Accrual Period shall (in the absence of

manifest error) be final and binding. Each such rate of interest may be obtained by telephoning Fannie Mae at 1-800-BEST-MBS or 202-752-6547.

Calculation of LIBOR

On each Index Determination Date, until the principal balances of the F and S Classes have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*LIBOR*.”

If on the initial Index Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be 5.4375%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
PAC	PA, PB, PC, PD, PE, PG, PH, PJ, PK and PL
TAC	A and PO
Support	F and S
No Payment Residual	R

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

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the aggregate distributions of principal concurrently made on the MBS.

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

- | | | |
|--|---|----------------|
| <p>(i) concurrently, to the PA and PB Classes, in the proportions of 5.4165507386% and 94.5834492614%, respectively, until the principal balance of the PB Class is reduced to its Planned Balance for such Distribution Date;</p> <p>(ii) concurrently, to the PA and PC Classes, in the proportions of 5.4164315908% and 94.5835684092%, respectively, until the principal balance of the PC Class is reduced to its Planned Balance for such Distribution Date;</p> <p>(iii) concurrently, to the PA and PD Classes, in the proportions of 5.4165739359% and 94.5834260641%, respectively, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date;</p> <p>(iv) sequentially, to the PE, PG, PH, PJ, PK and PL Classes, in that order, until the principal balances thereof are reduced to their respective Planned Balances for such Distribution Date;</p> | } | PAC
Classes |
| <p>(v) concurrently, to the A and PO Classes, in proportion to their original principal balances (or 80% and 20%, respectively), until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date;</p> | } | TAC
Classes |

- | | |
|---|----------------------|
| (vi) concurrently, to the F and S Classes, in proportion to their original principal balances (or 63.1578959733% and 36.8421040267%, respectively), until the principal balances thereof are reduced to zero; | } Support
Classes |
| | |
| (vii) concurrently, to the A and PO Classes, in the proportions specified in clause (v) above, without regard to their Targeted Balances and until the principal balances thereof are reduced to zero; | } TAC
Classes |
| | |
| (viii) concurrently, to the PA and PB Classes, in the proportions specified in clause (i) above, without regard to their Planned Balances and until the principal balance of the PB Class is reduced to zero; | } PAC
Classes |
| (ix) concurrently, to the PA and PC Classes, in the proportions specified in clause (ii) above, without regard to their Planned Balances and until the principal balance of the PC Class is reduced to zero; | |
| (x) concurrently, to the PA and PD Classes, in the proportions specified in clause (iii) above, without regard to their Planned Balances and until the principal balances thereof are reduced to zero; and | |
| (xi) sequentially, to the PE, PG, PH, PJ, PK and PL Classes, in that order, without regard to their Planned Balances and until the respective principal balances thereof are reduced to zero. | |
| | |

Structuring Assumptions

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

- the Mortgage Loans have original terms to maturity of 180 months, and the following principal amounts of the Mortgage Loans have the remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

\$ 5,000,000	146 months	31 months	6.6000%
\$ 51,756,777	147 months	30 months	6.6000%
\$253,243,223	148 months	31 months	6.6603%
\$ 45,000,000	148 months	29 months	6.5800%
\$ 22,000,000	151 months	27 months	6.5760%

- the Mortgage Loans prepay at the *constant* percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

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

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

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range and Rate</u>
Planned Balances	PAC	Between 90% and 210%
Targeted Balances	TAC	135%

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

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

<u>Related Classes</u>	<u>Initial Effective Ranges</u>
PA, PD and PE	Between 90% and 210%
PB	Between 90% and 274%
PC	Between 90% and 232%
PG	Between 81% and 210%
PH	Between 52% and 210%
PJ	Between 37% and 210%
PK and PL	Between 1% and 210%
A and PO	135%

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

Principal Balance Schedules

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>	<u>PE Class Planned Balance</u>	<u>PG Class Planned Balance</u>
Initial Balance	\$10,000,000.00	\$72,409,400.00	\$33,361,800.00	\$68,848,600.00	\$46,629,100.00	\$36,226,600.00
June 1996	9,817,057.82	69,214,875.72	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
July 1996	9,634,690.74	66,030,393.89	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
August 1996	9,452,899.73	62,855,971.43	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
September 1996	9,271,868.37	59,694,813.91	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
October 1996	9,091,593.09	56,546,858.89	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
November 1996	8,912,070.32	53,412,044.18	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
December 1996	8,733,296.52	50,290,307.92	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
January 1997	8,555,268.16	47,181,588.49	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
February 1997	8,377,981.73	44,085,824.60	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
March 1997	8,201,433.73	41,002,955.18	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
April 1997	8,025,620.69	37,932,919.51	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
May 1997	7,850,539.14	34,875,657.09	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
June 1997	7,676,185.63	31,831,107.72	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
July 1997	7,502,556.74	28,799,211.52	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
August 1997	7,329,649.04	25,779,908.80	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
September 1997	7,157,459.14	22,773,140.20	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
October 1997	6,985,983.65	19,778,846.65	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
November 1997	6,815,219.21	16,796,969.29	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
December 1997	6,645,162.46	13,827,449.59	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
January 1998	6,475,810.06	10,870,229.24	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
February 1998	6,307,158.69	7,925,250.24	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
March 1998	6,139,205.04	4,992,454.84	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
April 1998	5,971,945.82	2,071,785.53	33,361,800.00	68,848,600.00	46,629,100.00	36,226,600.00
May 1998	5,805,378.81	0.00	32,524,984.07	68,848,600.00	46,629,100.00	36,226,600.00
June 1998	5,639,502.29	0.00	29,628,391.93	68,848,600.00	46,629,100.00	36,226,600.00
July 1998	5,474,310.40	0.00	26,743,755.03	68,848,600.00	46,629,100.00	36,226,600.00
August 1998	5,309,799.91	0.00	23,871,016.93	68,848,600.00	46,629,100.00	36,226,600.00
September 1998	5,145,967.60	0.00	21,010,121.46	68,848,600.00	46,629,100.00	36,226,600.00
October 1998	4,982,810.27	0.00	18,161,012.72	68,848,600.00	46,629,100.00	36,226,600.00
November 1998	4,820,324.73	0.00	15,323,635.00	68,848,600.00	46,629,100.00	36,226,600.00
December 1998	4,658,507.81	0.00	12,497,932.93	68,848,600.00	46,629,100.00	36,226,600.00
January 1999	4,497,356.35	0.00	9,683,851.34	68,848,600.00	46,629,100.00	36,226,600.00
February 1999	4,336,867.20	0.00	6,881,335.35	68,848,600.00	46,629,100.00	36,226,600.00
March 1999	4,177,037.24	0.00	4,090,330.30	68,848,600.00	46,629,100.00	36,226,600.00
April 1999	4,017,863.35	0.00	1,310,781.80	68,848,600.00	46,629,100.00	36,226,600.00
May 1999	3,859,340.24	0.00	0.00	67,391,237.89	46,629,100.00	36,226,600.00
June 1999	3,701,465.06	0.00	0.00	64,634,444.44	46,629,100.00	36,226,600.00
July 1999	3,544,236.71	0.00	0.00	61,888,945.83	46,629,100.00	36,226,600.00
August 1999	3,387,652.13	0.00	0.00	59,154,688.65	46,629,100.00	36,226,600.00
September 1999	3,231,708.28	0.00	0.00	56,431,619.76	46,629,100.00	36,226,600.00
October 1999	3,076,402.12	0.00	0.00	53,719,686.23	46,629,100.00	36,226,600.00
November 1999	2,921,730.64	0.00	0.00	51,018,835.41	46,629,100.00	36,226,600.00
December 1999	2,767,690.84	0.00	0.00	48,329,014.85	46,629,100.00	36,226,600.00
January 2000	2,614,279.73	0.00	0.00	45,650,172.37	46,629,100.00	36,226,600.00
February 2000	2,461,494.33	0.00	0.00	42,982,256.02	46,629,100.00	36,226,600.00

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>	<u>PE Class Planned Balance</u>	<u>PG Class Planned Balance</u>
March 2000	\$ 2,309,331.69	\$ 0.00	\$ 0.00	\$40,325,214.11	\$46,629,100.00	\$36,226,600.00
April 2000.....	2,157,788.85	0.00	0.00	37,678,995.15	46,629,100.00	36,226,600.00
May 2000	2,006,862.89	0.00	0.00	35,043,547.91	46,629,100.00	36,226,600.00
June 2000	1,856,550.88	0.00	0.00	32,418,821.39	46,629,100.00	36,226,600.00
July 2000	1,706,849.91	0.00	0.00	29,804,764.83	46,629,100.00	36,226,600.00
August 2000	1,557,757.09	0.00	0.00	27,201,327.69	46,629,100.00	36,226,600.00
September 2000.....	1,409,269.54	0.00	0.00	24,608,459.68	46,629,100.00	36,226,600.00
October 2000	1,261,384.39	0.00	0.00	22,026,110.72	46,629,100.00	36,226,600.00
November 2000	1,114,098.79	0.00	0.00	19,454,230.97	46,629,100.00	36,226,600.00
December 2000	967,409.90	0.00	0.00	16,892,770.84	46,629,100.00	36,226,600.00
January 2001	821,314.88	0.00	0.00	14,341,680.92	46,629,100.00	36,226,600.00
February 2001	675,810.93	0.00	0.00	11,800,912.07	46,629,100.00	36,226,600.00
March 2001	530,895.24	0.00	0.00	9,270,415.36	46,629,100.00	36,226,600.00
April 2001.....	386,565.02	0.00	0.00	6,750,142.09	46,629,100.00	36,226,600.00
May 2001	242,817.50	0.00	0.00	4,240,043.77	46,629,100.00	36,226,600.00
June 2001	99,879.28	0.00	0.00	1,744,077.34	46,629,100.00	36,226,600.00
July 2001	0.00	0.00	0.00	0.00	45,870,204.17	36,226,600.00
August 2001.....	0.00	0.00	0.00	0.00	43,302,964.02	36,226,600.00
September 2001.....	0.00	0.00	0.00	0.00	40,770,901.36	36,226,600.00
October 2001	0.00	0.00	0.00	0.00	38,273,586.46	36,226,600.00
November 2001	0.00	0.00	0.00	0.00	35,810,594.60	36,226,600.00
December 2001	0.00	0.00	0.00	0.00	33,381,506.00	36,226,600.00
January 2002	0.00	0.00	0.00	0.00	30,985,905.78	36,226,600.00
February 2002	0.00	0.00	0.00	0.00	28,623,383.90	36,226,600.00
March 2002	0.00	0.00	0.00	0.00	26,293,535.09	36,226,600.00
April 2002.....	0.00	0.00	0.00	0.00	23,995,958.82	36,226,600.00
May 2002	0.00	0.00	0.00	0.00	21,730,259.24	36,226,600.00
June 2002	0.00	0.00	0.00	0.00	19,496,045.11	36,226,600.00
July 2002	0.00	0.00	0.00	0.00	17,292,929.75	36,226,600.00
August 2002	0.00	0.00	0.00	0.00	15,120,531.03	36,226,600.00
September 2002.....	0.00	0.00	0.00	0.00	12,978,471.24	36,226,600.00
October 2002	0.00	0.00	0.00	0.00	10,866,377.11	36,226,600.00
November 2002	0.00	0.00	0.00	0.00	8,783,879.74	36,226,600.00
December 2002	0.00	0.00	0.00	0.00	6,730,614.52	36,226,600.00
January 2003	0.00	0.00	0.00	0.00	4,706,221.12	36,226,600.00
February 2003	0.00	0.00	0.00	0.00	2,710,343.42	36,226,600.00
March 2003	0.00	0.00	0.00	0.00	742,629.48	36,226,600.00
April 2003.....	0.00	0.00	0.00	0.00	0.00	35,029,331.46
May 2003	0.00	0.00	0.00	0.00	0.00	33,116,905.60
June 2003	0.00	0.00	0.00	0.00	0.00	31,231,612.16
July 2003	0.00	0.00	0.00	0.00	0.00	29,373,115.41
August 2003	0.00	0.00	0.00	0.00	0.00	27,541,083.51
September 2003.....	0.00	0.00	0.00	0.00	0.00	25,735,188.55
October 2003	0.00	0.00	0.00	0.00	0.00	23,955,106.43
November 2003	0.00	0.00	0.00	0.00	0.00	22,200,516.88
December 2003	0.00	0.00	0.00	0.00	0.00	20,471,103.37

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>PB Class Planned Balance</u>	<u>PC Class Planned Balance</u>	<u>PD Class Planned Balance</u>	<u>PE Class Planned Balance</u>	<u>PG Class Planned Balance</u>
January 2004	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$18,766,553.09
February 2004	0.00	0.00	0.00	0.00	0.00	17,086,556.91
March 2004	0.00	0.00	0.00	0.00	0.00	15,430,809.32
April 2004	0.00	0.00	0.00	0.00	0.00	13,799,008.39
May 2004	0.00	0.00	0.00	0.00	0.00	12,190,855.76
June 2004	0.00	0.00	0.00	0.00	0.00	10,606,056.57
July 2004	0.00	0.00	0.00	0.00	0.00	9,044,319.42
August 2004	0.00	0.00	0.00	0.00	0.00	7,505,356.33
September 2004	0.00	0.00	0.00	0.00	0.00	5,988,882.73
October 2004	0.00	0.00	0.00	0.00	0.00	4,494,617.39
November 2004	0.00	0.00	0.00	0.00	0.00	3,022,282.37
December 2004	0.00	0.00	0.00	0.00	0.00	1,571,603.04
January 2005	0.00	0.00	0.00	0.00	0.00	142,307.98
February 2005 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00

<u>Distribution Date</u>	<u>PH Class Planned Balance</u>	<u>PJ Class Planned Balance</u>	<u>PK Class Planned Balance</u>	<u>PL Class Planned Balance</u>	<u>A Class Targeted Balance</u>	<u>PO Class Targeted Balance</u>
Initial Balance	\$9,726,000.00	\$19,427,600.00	\$5,432,600.00	\$10,596,000.00	\$34,447,440.00	\$8,611,860.00
June 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	33,730,046.66	8,432,511.67
July 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	33,025,816.34	8,256,454.09
August 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	32,334,678.69	8,083,669.68
September 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	31,657,994.83	7,914,498.72
October 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	30,995,634.47	7,748,908.63
November 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	30,347,468.37	7,586,867.10
December 1996	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	29,713,368.31	7,428,342.09
January 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	29,093,207.13	7,273,301.80
February 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	28,486,858.66	7,121,714.68
March 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	27,894,197.79	6,973,549.46
April 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	27,315,100.36	6,828,775.10
May 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	26,749,443.25	6,687,360.82
June 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	26,197,104.34	6,549,276.09
July 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	25,657,962.43	6,414,490.61
August 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	25,131,897.38	6,282,974.35
September 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	24,618,789.97	6,154,697.50
October 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	24,118,521.93	6,029,630.49
November 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	23,630,976.00	5,907,744.01
December 1997	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	23,156,035.82	5,789,008.96
January 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	22,693,585.99	5,673,396.50
February 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	22,243,512.05	5,560,878.01
March 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	21,805,700.43	5,451,425.10
April 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	21,380,038.54	5,345,009.63
May 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	20,966,414.61	5,241,603.65
June 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	20,564,717.88	5,141,179.47
July 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	20,174,838.43	5,043,709.61
August 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	19,796,667.24	4,949,166.81
September 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	19,430,096.17	4,857,524.04
October 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	19,075,017.95	4,768,754.49
November 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	18,731,326.23	4,682,831.56
December 1998	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	18,398,915.46	4,599,728.87
January 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	18,077,681.00	4,519,420.26
February 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	17,767,519.02	4,441,879.76
March 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	17,468,326.57	4,367,081.65
April 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	17,180,001.50	4,295,000.38
May 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	16,902,442.54	4,225,610.64
June 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	16,635,549.21	4,158,887.31
July 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	16,379,221.86	4,094,805.47
August 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	16,133,361.65	4,033,340.42
September 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	15,897,870.55	3,974,467.64
October 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	15,672,651.34	3,918,162.84
November 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	15,457,607.56	3,864,401.89
December 1999	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	15,252,643.60	3,813,160.90
January 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	15,057,664.58	3,764,416.14
February 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	14,872,576.41	3,718,144.10

<u>Distribution Date</u>	<u>PH Class Planned Balance</u>	<u>PJ Class Planned Balance</u>	<u>PK Class Planned Balance</u>	<u>PL Class Planned Balance</u>	<u>A Class Targeted Balance</u>	<u>PO Class Targeted Balance</u>
March 2000	\$9,726,000.00	\$19,427,600.00	\$5,432,600.00	\$10,596,000.00	\$14,697,285.77	\$3,674,321.44
April 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	14,531,700.12	3,632,925.03
May 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	14,375,727.66	3,593,931.91
June 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	14,229,277.35	3,557,319.33
July 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	14,092,258.90	3,523,064.72
August 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,964,582.77	3,491,145.69
September 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,846,160.13	3,461,540.03
October 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,736,902.91	3,434,225.72
November 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,636,723.75	3,409,180.93
December 2000	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,545,535.99	3,386,383.99
January 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,463,253.73	3,365,813.42
February 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,389,791.75	3,347,447.92
March 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,325,065.51	3,331,266.36
April 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,268,991.21	3,317,247.78
May 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,221,485.72	3,305,371.41
June 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,179,078.94	3,294,769.71
July 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,124,759.69	3,281,189.90
August 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	13,058,758.35	3,264,689.56
September 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,981,302.11	3,245,325.50
October 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,892,614.93	3,223,153.70
November 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,792,917.61	3,198,229.37
December 2001	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,682,427.85	3,170,606.93
January 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,561,360.23	3,140,340.03
February 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,429,926.32	3,107,481.55
March 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,288,334.69	3,072,083.64
April 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	12,136,790.92	3,034,197.70
May 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	11,975,497.65	2,993,874.38
June 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	11,804,654.66	2,951,163.63
July 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	11,624,458.86	2,906,114.68
August 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	11,435,104.33	2,858,776.05
September 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	11,236,782.37	2,809,195.56
October 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	11,029,681.55	2,757,420.36
November 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	10,813,987.70	2,703,496.90
December 2002	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	10,589,883.98	2,647,470.97
January 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	10,357,550.91	2,589,387.70
February 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	10,117,166.39	2,529,291.57
March 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	9,868,905.74	2,467,226.41
April 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	9,612,941.72	2,403,235.41
May 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	9,349,444.62	2,337,361.14
June 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	9,078,582.21	2,269,645.54
July 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	8,800,519.82	2,200,129.94
August 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	8,515,420.36	2,128,855.08
September 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	8,223,444.35	2,055,861.08
October 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	7,924,749.95	1,981,187.48
November 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	7,619,493.00	1,904,873.24
December 2003	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	7,307,827.05	1,826,956.75

<u>Distribution Date</u>	<u>PH Class Planned Balance</u>	<u>PJ Class Planned Balance</u>	<u>PK Class Planned Balance</u>	<u>PL Class Planned Balance</u>	<u>A Class Targeted Balance</u>	<u>PO Class Targeted Balance</u>
January 2004	\$9,726,000.00	\$19,427,600.00	\$5,432,600.00	\$10,596,000.00	\$ 6,989,903.35	\$1,747,475.83
February 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	6,665,870.94	1,666,467.73
March 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	6,335,876.64	1,583,969.16
April 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	6,000,065.09	1,500,016.27
May 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	5,658,578.78	1,414,644.69
June 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	5,311,558.04	1,327,889.51
July 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	4,959,141.15	1,239,785.29
August 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	4,601,464.29	1,150,366.07
September 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	4,238,661.60	1,059,665.40
October 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	3,870,865.18	967,716.30
November 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	3,498,205.19	874,551.30
December 2004	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	3,120,809.77	780,202.45
January 2005	9,726,000.00	19,427,600.00	5,432,600.00	10,596,000.00	2,738,805.13	684,701.29
February 2005	8,460,128.97	19,427,600.00	5,432,600.00	10,596,000.00	2,352,315.59	588,078.90
March 2005	7,072,800.95	19,427,600.00	5,432,600.00	10,596,000.00	1,961,463.55	490,365.89
April 2005	5,706,062.01	19,427,600.00	5,432,600.00	10,596,000.00	1,566,369.54	391,592.39
May 2005	4,359,653.30	19,427,600.00	5,432,600.00	10,596,000.00	1,167,152.27	291,788.07
June 2005	3,033,319.04	19,427,600.00	5,432,600.00	10,596,000.00	763,928.61	190,982.16
July 2005	1,726,806.46	19,427,600.00	5,432,600.00	10,596,000.00	356,813.64	89,203.42
August 2005	439,865.77	19,427,600.00	5,432,600.00	10,596,000.00	0.00	0.00
September 2005	0.00	18,599,850.16	5,432,600.00	10,596,000.00	0.00	0.00
October 2005	0.00	17,351,315.69	5,432,600.00	10,596,000.00	0.00	0.00
November 2005	0.00	16,121,621.35	5,432,600.00	10,596,000.00	0.00	0.00
December 2005	0.00	14,910,528.94	5,432,600.00	10,596,000.00	0.00	0.00
January 2006	0.00	13,717,803.11	5,432,600.00	10,596,000.00	0.00	0.00
February 2006	0.00	12,543,211.27	5,432,600.00	10,596,000.00	0.00	0.00
March 2006	0.00	11,386,523.59	5,432,600.00	10,596,000.00	0.00	0.00
April 2006	0.00	10,247,512.97	5,432,600.00	10,596,000.00	0.00	0.00
May 2006	0.00	9,125,955.00	5,432,600.00	10,596,000.00	0.00	0.00
June 2006	0.00	8,021,627.90	5,432,600.00	10,596,000.00	0.00	0.00
July 2006	0.00	6,934,312.56	5,432,600.00	10,596,000.00	0.00	0.00
August 2006	0.00	5,863,792.45	5,432,600.00	10,596,000.00	0.00	0.00
September 2006	0.00	4,809,853.59	5,432,600.00	10,596,000.00	0.00	0.00
October 2006	0.00	3,772,284.57	5,432,600.00	10,596,000.00	0.00	0.00
November 2006	0.00	2,750,876.48	5,432,600.00	10,596,000.00	0.00	0.00
December 2006	0.00	1,745,422.87	5,432,600.00	10,596,000.00	0.00	0.00
January 2007	0.00	755,719.77	5,432,600.00	10,596,000.00	0.00	0.00
February 2007	0.00	0.00	5,214,165.63	10,596,000.00	0.00	0.00
March 2007	0.00	0.00	4,255,361.27	10,596,000.00	0.00	0.00
April 2007	0.00	0.00	3,311,709.91	10,596,000.00	0.00	0.00
May 2007	0.00	0.00	2,383,017.09	10,596,000.00	0.00	0.00
June 2007	0.00	0.00	1,469,090.68	10,596,000.00	0.00	0.00
July 2007	0.00	0.00	569,740.84	10,596,000.00	0.00	0.00
August 2007	0.00	0.00	0.00	10,280,779.96	0.00	0.00
September 2007	0.00	0.00	0.00	9,410,022.70	0.00	0.00
October 2007	0.00	0.00	0.00	8,553,285.92	0.00	0.00

<u>Distribution Date</u>	<u>PH Class Planned Balance</u>	<u>PJ Class Planned Balance</u>	<u>PK Class Planned Balance</u>	<u>PL Class Planned Balance</u>	<u>A Class Targeted Balance</u>	<u>PO Class Targeted Balance</u>
November 2007	\$ 0.00	\$ 0.00	\$ 0.00	\$ 7,710,388.66	\$ 0.00	\$ 0.00
December 2007	0.00	0.00	0.00	6,881,152.12	0.00	0.00
January 2008	0.00	0.00	0.00	6,065,399.62	0.00	0.00
February 2008	0.00	0.00	0.00	5,262,956.62	0.00	0.00
March 2008	0.00	0.00	0.00	4,473,650.65	0.00	0.00
April 2008	0.00	0.00	0.00	3,697,311.28	0.00	0.00
May 2008	0.00	0.00	0.00	2,933,770.16	0.00	0.00
June 2008	0.00	0.00	0.00	2,182,860.92	0.00	0.00
July 2008	0.00	0.00	0.00	1,444,419.18	0.00	0.00
August 2008	0.00	0.00	0.00	727,869.33	0.00	0.00
September 2008	0.00	0.00	0.00	120,995.46	0.00	0.00
October 2008	0.00	0.00	0.00	79,948.67	0.00	0.00
November 2008	0.00	0.00	0.00	39,587.88	0.00	0.00
December 2008 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00

Yield Considerations

General. The yield to maturity for each Certificate will depend upon the purchase price thereof, the level of the Index, if any, the rate of principal payments, including prepayments, on the Mortgage Loans, and the actual characteristics of the Mortgage Loans. An investor should purchase Certificates only after performing an analysis of such Certificates based upon the investor's own assumptions as to future rates of prepayment.

There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein or at any other particular rate, 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. In addition, there can be no assurance that the Index will correspond to the levels shown herein. Furthermore, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of the Index will remain constant.

The timing of changes in the rate of prepayments or the level of the Index may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments or the average level of the Index is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans or change in the level of the Index, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments or the level of the Index occurring at a rate or level higher (or lower) than the rate or level anticipated by the investor during the period immediately following the issuance of the Certificates will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments or level of the Index.

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 certain Classes to various constant percentages of PSA and, where specified, to changes in the Index. The yields set forth in the tables 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 Principal Only Class. **The Principal Only Class will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the Mortgage Loans will have a negative effect on the yield to investors in the Principal Only Class.**

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

<u>Class</u>	<u>Price</u>
PO	66.24872%

**Sensitivity of the Principal Only Class to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>90%</u>	<u>135%</u>	<u>210%</u>	<u>500%</u>
PO	4.1%	4.8%	12.3%	23.1%	120.4%

The Inverse Floating Rate Class. The yield to investors in the Inverse Floating Rate Class will be very sensitive to the level of the Index and to the rate of principal payments (including prepayments) of the Mortgage Loans. The Mortgage Loans generally can be prepaid at any time. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool.

Changes in the Index may not correlate with changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur concurrently with an increased level of the Index.

The information set forth in the following table was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rate applicable to the Inverse Floating Rate Class for each Interest Accrual Period subsequent to its initial Interest Accrual Period will be based on the indicated level of the Index and (ii) the aggregate purchase price of the Inverse Floating Rate Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
S	68.33143%

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

**Sensitivity of the S Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>90%</u>	<u>135%</u>	<u>210%</u>	<u>500%</u>
3.4375%	15.7%	15.7%	16.0%	86.4%	663.8%
5.4375%	11.0%	11.1%	11.3%	81.0%	656.7%
7.4375%	6.5%	6.6%	6.9%	75.7%	649.6%
8.9500%	3.3%	3.4%	3.6%	71.7%	644.2%

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 related 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 distribution of principal of certain Classes in accordance with the Principal Balance Schedules herein. In particular, if the amount distributable as principal of the Certificates on any Distribution Date exceeds the amount required to reduce the principal balances of certain Classes with higher principal payment priorities to their respective scheduled amounts as set forth in the Principal Balance Schedules, such excess principal will be distributed on the remaining Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce certain Classes to their respective scheduled amounts no principal will be distributed on the remaining Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans is expected to have a greater effect on the weighted average lives of the Support Classes and, under certain prepayment scenarios, the TAC Classes, than on the weighted average lives of the PAC Classes. See “Distributions of Principal” herein.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various constant PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each of the underlying Mortgage Loans bears interest at the per annum rate of 8.50% and has an original and remaining term to maturity of 180 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a constant PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans 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	PA Class					PB Class					PC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1997	93	79	79	79	66	83	48	48	48	18	100	100	100	100	100
May 1998	85	58	58	58	20	65	0	0	0	0	100	97	97	97	0
May 1999	77	39	39	39	0	44	0	0	0	0	100	0	0	0	0
May 2000	68	20	20	20	0	23	0	0	0	0	100	0	0	0	0
May 2001	58	2	2	2	0	0	0	0	0	0	97	0	0	0	0
May 2002	47	0	0	0	0	0	0	0	0	0	41	0	0	0	0
May 2003	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2004	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2005	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.5	2.5	2.5	2.5	1.4	2.7	1.0	1.0	1.0	0.7	5.9	2.5	2.5	2.5	1.3

* 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.

Date	PD Class					PE Class					PG Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1997	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1998	100	100	100	100	49	100	100	100	100	100	100	100	100	100	100
May 1999	100	98	98	98	0	100	100	100	100	55	100	100	100	100	100
May 2000	100	51	51	51	0	100	100	100	100	0	100	100	100	100	65
May 2001	100	6	6	6	0	100	100	100	100	0	100	100	100	100	0
May 2002	100	0	0	0	0	100	47	47	47	0	100	100	100	100	0
May 2003	90	0	0	0	0	100	0	0	0	0	100	91	91	91	0
May 2004	58	0	0	0	0	100	0	0	0	0	100	34	34	34	0
May 2005	23	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2006	0	0	0	0	0	75	0	0	0	0	100	0	0	0	0
May 2007	0	0	0	0	0	10	0	0	0	0	100	0	0	0	0
May 2008	0	0	0	0	0	0	0	0	0	0	22	0	0	0	0
May 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	8.2	4.1	4.1	4.1	2.0	10.4	6.0	6.0	6.0	3.1	11.7	7.7	7.7	7.7	4.2

Date	PH Class					PJ Class					PK Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1997	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1999	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2000	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2001	100	100	100	100	85	100	100	100	100	100	100	100	100	100	100
May 2002	100	100	100	100	0	100	100	100	100	58	100	100	100	100	100
May 2003	100	100	100	100	0	100	100	100	100	3	100	100	100	100	100
May 2004	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0
May 2005	100	45	45	45	0	100	100	100	100	0	100	100	100	100	0
May 2006	100	0	0	0	0	100	47	47	47	0	100	100	100	100	0
May 2007	100	0	0	0	0	100	0	0	0	0	100	44	44	44	0
May 2008	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2009	0	0	0	0	0	7	0	0	0	0	100	0	0	0	0
May 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.4	9.0	9.0	9.0	5.2	12.8	10.0	10.0	10.0	6.2	13.1	11.0	11.0	11.0	7.5

Date	PL Class					A and PO Classes					F and S Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%	0%	90%	135%	210%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 1997	100	100	100	100	100	100	100	78	78	0	100	100	100	25	0
May 1998	100	100	100	100	100	100	100	61	48	0	100	100	100	0	0
May 1999	100	100	100	100	100	100	100	49	20	0	100	100	100	0	0
May 2000	100	100	100	100	100	100	100	42	5	0	100	100	100	0	0
May 2001	100	100	100	100	100	100	100	38	*	0	100	100	100	0	0
May 2002	100	100	100	100	100	100	96	35	*	0	100	100	100	0	0
May 2003	100	100	100	100	100	100	85	27	*	0	100	100	100	0	0
May 2004	100	100	100	100	92	100	68	16	*	0	100	100	100	0	0
May 2005	100	100	100	100	51	100	47	3	*	0	100	100	100	0	0
May 2006	100	100	100	100	26	100	21	0	*	0	100	100	77	0	0
May 2007	100	100	100	100	11	100	0	0	*	0	100	85	45	0	0
May 2008	100	28	28	28	2	100	0	0	*	0	100	22	11	0	0
May 2009	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
May 2010	0	0	0	0	0	49	0	0	0	0	100	0	0	0	0
May 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	13.3	11.8	11.8	11.8	9.3	14.0	8.7	4.0	2.0	0.4	14.8	11.6	10.9	0.7	0.1

* 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.

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 PK, PL, PO and S 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 135% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners

of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate 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 7.98% (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.

PLAN OF DISTRIBUTION

General. 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.

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

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Stroock & Stroock & Lavan, Seven Hanover Square, New York, New York 10004-2696.

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

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\$377,000,000

**Federal National
Mortgage Association**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1996-21**

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

May 6, 1996