

\$591,000,000



FannieMae

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1996-43

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-43 (the "Trust"). The assets of the Trust will consist of three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Group 1 MBS," "Group 2 MBS" and "Group 3 MBS" and, together, the "MBS"). Each MBS represents a beneficial interest in a pool (each, a "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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

See "Additional Risk Factors" on page S-6 hereof and "Risk Factors" beginning on page 8 of the REMIC Prospectus attached hereto for a discussion of certain risks that should be considered in connection with an investment in the Certificates. *(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
A	\$ 15,625,000	PT	(2)	PO	31359KTU1	October 2003
FA	234,375,000	PT	(3)	FLT	31359KTV9	October 2003
SA	(4)	NTL	(3)	INV/IO	31359KTW7	October 2003
FB	100,625,000	PT	(3)	FLT	31359KTX5	October 2003
SB	14,375,000	PT	(3)	INV	31359KTY3	October 2003
PA	143,329,000	PAC	6.0%	FIX	31359KTZ0	October 2026
B	65,645,667	SUP/AD	6.0	FIX	31359KUA3	April 2022
Z	17,025,333	SUP	6.0	Z	31359KUB1	October 2026
R	0	NPR	0	NPR	31359KUC9	October 2026

(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) This Class will be a Principal Only Class and will bear no interest.

(3) These 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.

(4) The SA Class will be a Notional Class, will not have a principal balance and will bear interest on its notional principal balance (initially \$234,375,000). The notional principal balance of the SA Class will be calculated based upon the principal balance of the FA Class. See "Description of the Certificates—Distributions of Interest—Notional Class" herein.

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

The Certificates will be offered by the Dealer, subject to 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, subject to the right by the Dealer to reject any order in whole or in part 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 September 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, Seven World Trade Center, New York, New York 10048, on or about the Settlement Date.

Salomon Brothers Inc

The date of this Prospectus Supplement is August 19, 1996.

(Cover continued from previous page)

The yield to investors in the Group 1, Group 2 and Group 3 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Group 1, Group 2 and Group 3 MBS, respectively, which in turn will be determined by the rate of principal payments of the related Mortgage Loans and the characteristics of such Mortgage Loans. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class and, in the case of the 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 the 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.
- In the case of the Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- The 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 “Risk Factors—Yield Considerations” in the REMIC Prospectus and “Additional Risk Factors—Additional Yield and Prepayment 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 “Risk Factors—Suitability and Reinvestment Considerations” 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. 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 June 14, 1996 (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 Salomon Brothers Inc by writing or calling its Prospectus Department at Brooklyn Army Terminal, 140 58th Street, Suite 1-H, Brooklyn, New York 11220 (telephone 718-567-2005).

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Reference Sheet	S- 4	<i>Group 3 Accrual Amount</i>	S-11
Additional Risk Factors	S- 6	<i>Group 3 Cash Flow Distribution Amount</i>	S-12
Additional Yield and Prepayment Considerations	S- 6	Structuring Assumptions	S-12
Description of the Certificates	S- 6	<i>Pricing Assumptions</i>	S-12
General	S- 6	<i>Prepayment Assumptions</i>	S-12
<i>Structure</i>	S- 6	<i>Structuring Range</i>	S-12
<i>Fannie Mae Guaranty</i>	S- 7	<i>Initial Effective Range</i>	S-13
<i>Characteristics of Certificates</i>	S- 7	Principal Balance Schedule	S-14
<i>Authorized Denominations</i>	S- 7	Yield Tables	S-17
<i>Distribution Dates</i>	S- 7	<i>General</i>	S-17
<i>Record Date</i>	S- 7	<i>The Principal Only Class</i>	S-17
<i>REMIC Trust Factors</i>	S- 7	<i>The Inverse Floating Rate Classes</i>	S-17
<i>Optional Termination</i>	S- 8	Weighted Average Lives of the Certificates	S-18
The MBS	S- 8	Decrement Tables	S-19
Distributions of Interest	S- 9	Characteristics of the R Class	S-21
<i>Categories of Classes</i>	S- 9	Certain Additional Federal Income Tax Consequences	S-21
<i>General</i>	S- 9	REMIC Election and Special Tax Attributes	S-21
<i>Interest Accrual Periods</i>	S- 9	Taxation of Beneficial Owners of Regular Certificates	S-21
<i>Accrual Class</i>	S- 9	Taxation of Beneficial Owners of Residual Certificates	S-22
<i>Notional Class</i>	S-10	Plan of Distribution	S-22
<i>Floating Rate and Inverse Floating Rate Classes</i>	S-10	<i>General</i>	S-22
Calculation of LIBOR	S-10	<i>Increase in Certificates</i>	S-22
Distributions of Principal	S-11	Legal Matters	S-22
<i>Categories of Classes</i>	S-11		
<i>Principal Distribution Amount</i>	S-11		
<i>Group 1 Principal Distribution Amount</i>	S-11		
<i>Group 2 Principal Distribution Amount</i>	S-11		
<i>Group 3 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.

Assumed Characteristics of the Mortgage Loans (as of September 1, 1996)

<u>Mortgage Loan Group</u>	<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>
Group 1	\$250,000,000	81	3	8.0%
Group 2	\$115,000,000	81	3	7.5%
Group 3	\$226,000,000	320	35	6.5%

The actual remaining terms to maturity, calculated loan ages and interest rates of most of the related 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 Certificates 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 the initial Interest Accrual Period at the initial interest rates set forth 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>
FA	5.8375%	8.0%	0.40%	LIBOR + 40 basis points
SA	2.1625%	7.6%	0.00%	7.60% – LIBOR
FB	5.8375%	8.0%	0.40%	LIBOR + 40 basis points
SB	15.1375%	53.2%	0.00%	53.2% – (7 × LIBOR)

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

Notional Class

The notional principal balance of the Notional Class will be equal to the indicated percentage of the outstanding principal balance of the Class specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
SA	100% of FA Class

See “Description of the Certificates—Distributions of Interest—Notional Class” and “—Yield Tables—*The Inverse Floating Rate Classes*” herein.

Distributions of Principal

Group 1 Principal Distribution Amount

To the A and FA Classes, in proportion to their original principal balances, to zero.

Group 2 Principal Distribution Amount

To the FB and SB Classes, in proportion to their original principal balances, to zero.

Group 3 Principal Distribution Amount

Group 3 Accrual Amount

To the B Class, to zero, and then to the Z Class.

Group 3 Cash Flow Distribution Amount

- (i) to the PA Class to its Planned Balance,
- (ii) to the B and Z Classes, in that order, to zero, and
- (iii) to the PA Class to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>125%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
A, FA and SA	6.8	5.4	4.5	4.3	3.4

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>125%</u>	<u>250%</u>	<u>300%</u>	<u>500%</u>
FB and SB	6.8	5.4	4.6	4.3	3.3

<u>Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>65%</u>	<u>125%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
PA	17.0	8.8	8.8	8.8	6.5	3.9
B	15.9	10.1	3.5	1.4	0.8	0.5
Z	27.9	22.2	18.6	5.4	2.4	1.1

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

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Group 1, Group 2 and Group 3 Classes will be sensitive in varying degrees to the rate of principal distributions on the Group 1, Group 2 and Group 3 MBS, respectively, which in turn will reflect the rate of amortization (including prepayments) of the related Mortgage Loans. There can be no assurance that such Mortgage Loans will have the characteristics assumed herein. Because the rate of principal distributions on the Group 1, Group 2 and Group 3 Classes will be related to the rate of amortization of the related Mortgage Loans, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distributions on the Group 1, Group 2 and Group 3 Classes is likely to differ from the rate anticipated by an investor, even if such Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is highly unlikely that the Mortgage Loans underlying the Group 1, Group 2 or Group 3 MBS will prepay at a constant PSA rate until maturity or that all such Mortgage Loans will prepay at the same rate.

In addition, while the Mortgage Loans underlying the Group 1 and Group 2 MBS have original maturities of up to seven years, each such Mortgage Loan will provide for monthly payments based upon a 30-year amortization schedule, with a lump sum payment equal to the unpaid principal balance thereof due at maturity. In addition, such Mortgage Loans will provide that upon the satisfaction of certain conditions at maturity (or, at the lender's option, up to six months prior to maturity), the unpaid principal balances thereof may be refinanced for an additional period of 23 years.

Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates. See "Risk Factors—Prepayment Considerations" in the REMIC Prospectus and "Maturity and Prepayment Assumptions" in the MBS Prospectus.

The effective yield on the Delay Classes (as defined herein) 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.

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 September 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 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 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 Certificate of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of such Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The Certificates, other than the R Certificate, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R 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. See “Distributions of Interest—General” and “—Interest Accrual Periods” and “Distributions of Principal—Principal Distribution Amount” herein.

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

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

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust 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 Group 1, Group 2 and Group 3 MBS will have the aggregate unpaid principal balances and Pass-Through Rates set forth below and the general characteristics described in the MBS Prospectus. The Group 1, Group 2 and Group 3 MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, commencing on the 25th day of the month following the month of the initial issuance of such MBS (or, if such 25th day is not a business day, on the first business day next succeeding such 25th day). The Mortgage Loans underlying the Group 1 and Group 2 MBS 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 each providing for a balloon payment at maturity and each having an original maturity of up to seven years. The Mortgage Loans underlying the Group 3 MBS will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a single-family residential property and having an original maturity of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the Group 1, Group 2 and Group 3 MBS and the related Mortgage Loans as of September 1, 1996 (the “Issue Date”) are expected to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$250,000,000
MBS Pass-Through Rate	7.50%

Group 1 Mortgage Loans

Range of WACs (per annum percentages)	7.75% to 10.00%
Range of WAMs	60 months to 84 months
Approximate Weighted Average WAM	81 months
Approximate Weighted Average CAGE	3 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$115,000,000
MBS Pass-Through Rate	7.00%

Group 2 Mortgage Loans

Range of WACs (per annum percentages)	7.25% to 9.50%
Range of WAMs	60 months to 84 months
Approximate Weighted Average WAM	81 months
Approximate Weighted Average CAGE	3 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$226,000,000
MBS Pass-Through Rate	6.00%

Group 3 Mortgage Loans

Range of WACs (per annum percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	320 months
Approximate Weighted Average CAGE	35 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, B and Z
Accrual	Z
Floating Rate	FA and FB
Inverse Floating Rate	SA and SB
Interest Only	SA
Principal Only	A
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 (except with respect to the Accrual Class) in the month after the Settlement Date. Interest to be distributed or, in the case of the Accrual Class, added to principal on each interest-bearing Certificate on a Distribution Date will consist of one month’s interest on the outstanding principal balance of such Certificate immediately prior to such Distribution Date.

Interest Accrual 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>
FA, SA, FB and SB 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 Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors—Additional Yield and Prepayment Considerations” herein.

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

Notional Class. The SA Class will be a Notional Class. The Notional Class will not have a principal balance and will bear interest at the applicable per annum interest rate set forth herein during each Interest Accrual Period on the related notional principal balance. The notional principal balance of the Notional Class will be equal to the indicated percentage of the outstanding principal balance of the Class specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
SA	100% of FA 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 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 the Notional Class.

Floating Rate and Inverse Floating Rate Classes. The following Classes will bear interest during their initial Interest Accrual Period at the initial interest rates set forth 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>
FA	5.8375%	8.0%	0.40%	LIBOR + 40 basis points
SA	2.1625%	7.6%	0.00%	7.60% – LIBOR
FB	5.8375%	8.0%	0.40%	LIBOR + 40 basis points
SB	15.1375%	53.2%	0.00%	53.2% – (7 × LIBOR)

The yields 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 rates of interest for the applicable Classes 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 or notional principal balance of the FA, SA, FB and SB 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 equal to 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>
Group 1 Classes	
Pass-Through	A and FA
Notional	SA
Group 2 Classes	
Pass-Through	FB and SB
Group 3 Classes	
PAC	PA
Support	B and Z
Accretion Directed	B
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 sum of (i) the aggregate distributions of principal concurrently made on the Group 1 MBS (the “Group 1 Principal Distribution Amount”), (ii) the aggregate distributions of principal concurrently made on the Group 2 MBS (the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal concurrently made on the Group 3 MBS (the “Group 3 Cash Flow Distribution Amount”) and (iv) any interest accrued and added on such Distribution Date to the principal balance of the Accrual Class (the “Group 3 Accrual Amount” and together with the Group 3 Cash Flow Distribution Amount, the “Group 3 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution Date, the Group 1 Principal Distribution Amount will be distributed, concurrently, as principal of the A and FA Classes, in proportion to their original principal balances (or 6.25% and 93.75%, respectively), until the principal balances thereof are reduced to zero. } Pass-Through Classes

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed, concurrently, as principal of the FB and SB Classes, in proportion to their original principal balances (or 87.5% and 12.5%, respectively), until the principal balances thereof are reduced to zero. } Pass-Through Classes

Group 3 Principal Distribution Amount

Group 3 Accrual Amount

On each Distribution Date, the Group 3 Accrual Amount, if any, will be distributed as principal of the B Class, until the principal balance thereof is reduced to zero, and thereafter to the Z Class. } Accretion Directed and Accrual Classes

Group 3 Cash Flow Distribution Amount

On each Distribution Date, the Group 3 Cash Flow Distribution Amount will be distributed as principal of the Group 3 Classes in the following order of priority:

- (i) to the PA Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; } PAC Class
- (ii) sequentially, to the B and Z Classes, in that order, until the respective principal balances thereof are reduced to zero; and } Support Classes
- (iii) to the PA Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero. } PAC Class

Structuring Assumptions

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

- each Mortgage Loan underlying the Group 1 and Group 2 MBS provides for monthly payments based upon a 30-year amortization schedule with a lump sum payment equal to the unpaid principal balance thereof due at the maturity date;
- the Mortgage Loans underlying the Group 1, Group 2 and Group 3 MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

Group 1	84 months	81 months	3 months	8.0%
Group 2	84 months	81 months	3 months	7.5%
Group 3	360 months	320 months	35 months	6.5%

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

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

Structuring Range. The Principal Balance Schedule has been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans underlying the Group 3 MBS prepay at a *constant* PSA rate within the Structuring Range set forth below.

<u>Principal Balance Schedule Reference</u>	<u>Related Class</u>	<u>Structuring Range</u>
Planned Balance	PA	Between 65% and 200%

There is no assurance that the principal balance of the Class listed above will conform on any Distribution Date to the balance specified for such Distribution Date in the Principal Balance Schedule herein, or that distributions of principal on such Class 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 such Class to its scheduled balance will be distributed, the ability to so reduce such Class 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 such Class to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans underlying the Group 3 MBS (which may include recently originated Mortgage Loans), the Class specified above may not be reduced to its scheduled balance, even if prepayments occur at a *constant* rate within the Structuring Range specified above.

Initial Effective Range. 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 Range set forth in the table below is based upon the assumed characteristics of the Mortgage Loans specified in the Pricing Assumptions.

<u>Related Class</u>	<u>Initial Effective Range</u>
PA	Between 65% and 200%

The actual Effective Range at any time will be based upon the actual characteristics of the Mortgage Loans underlying the Group 3 MBS at such time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Range calculated on the basis of the actual characteristics likely will differ from the Initial Effective Range. As a result, the applicable Class might not be reduced to its scheduled balance even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range (particularly if such rate were at the lower or higher end of such range). In addition, even if prepayments occur at rates falling within the actual Effective Range, principal distributions may be insufficient to reduce the applicable Class to its scheduled balance 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 Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The principal payment stability of the PAC Class will be supported in part by the Support Classes. When the Support Classes are retired, the PAC Class may no longer have an Effective Range and will be more sensitive to prepayments.

Principal Balance Schedule

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
Initial Balance	\$143,329,000.00	June 2001	\$100,827,909.93
October 1996	143,329,000.00	July 2001	99,960,303.20
November 1996	143,329,000.00	August 2001	99,094,948.21
December 1996	143,329,000.00	September 2001	98,231,836.22
January 1997	143,329,000.00	October 2001	97,370,958.50
February 1997	143,329,000.00	November 2001	96,512,306.36
March 1997	143,329,000.00	December 2001	95,655,871.13
April 1997	143,329,000.00	January 2002	94,801,644.17
May 1997	143,329,000.00	February 2002	93,949,616.86
June 1997	143,329,000.00	March 2002	93,099,780.61
July 1997	143,329,000.00	April 2002	92,252,126.85
August 1997	143,329,000.00	May 2002	91,406,647.05
September 1997	142,347,883.61	June 2002	90,563,332.69
October 1997	141,369,451.35	July 2002	89,722,175.28
November 1997	140,393,693.17	August 2002	88,883,166.36
December 1997	139,420,599.03	September 2002	88,046,297.49
January 1998	138,450,158.94	October 2002	87,211,560.26
February 1998	137,482,362.93	November 2002	86,378,946.28
March 1998	136,517,201.06	December 2002	85,548,447.19
April 1998	135,554,663.43	January 2003	84,720,054.65
May 1998	134,594,740.16	February 2003	83,893,760.35
June 1998	133,637,421.41	March 2003	83,069,556.00
July 1998	132,682,697.36	April 2003	82,247,433.33
August 1998	131,730,558.22	May 2003	81,427,384.11
September 1998	130,780,994.24	June 2003	80,609,400.12
October 1998	129,833,995.69	July 2003	79,793,473.17
November 1998	128,889,552.88	August 2003	78,979,595.09
December 1998	127,947,656.14	September 2003	78,167,757.74
January 1999	127,008,295.83	October 2003	77,357,953.01
February 1999	126,071,462.34	November 2003	76,550,172.80
March 1999	125,137,146.10	December 2003	75,744,409.04
April 1999	124,205,337.55	January 2004	74,940,653.68
May 1999	123,276,027.17	February 2004	74,138,898.70
June 1999	122,349,205.48	March 2004	73,339,136.11
July 1999	121,424,863.01	April 2004	72,541,357.92
August 1999	120,502,990.32	May 2004	71,745,556.19
September 1999	119,583,578.01	June 2004	70,951,722.99
October 1999	118,666,616.71	July 2004	70,159,850.41
November 1999	117,752,097.06	August 2004	69,369,930.57
December 1999	116,840,009.75	September 2004	68,581,955.62
January 2000	115,930,345.48	October 2004	67,795,917.71
February 2000	115,023,094.99	November 2004	67,011,809.04
March 2000	114,118,249.05	December 2004	66,229,621.82
April 2000	113,215,798.45	January 2005	65,449,348.28
May 2000	112,315,734.00	February 2005	64,670,980.67
June 2000	111,418,046.56	March 2005	63,894,511.28
July 2000	110,522,727.00	April 2005	63,119,932.40
August 2000	109,629,766.23	May 2005	62,347,236.36
September 2000	108,739,155.17	June 2005	61,576,415.51
October 2000	107,850,884.79	July 2005	60,807,462.22
November 2000	106,964,946.07	August 2005	60,040,368.88
December 2000	106,081,330.02	September 2005	59,275,127.90
January 2001	105,200,027.68	October 2005	58,511,731.71
February 2001	104,321,030.12	November 2005	57,750,172.78
March 2001	103,444,328.43	December 2005	56,991,505.89
April 2001	102,569,913.73	January 2006	56,241,646.42
May 2001	101,697,777.17	February 2006	55,500,497.01

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
March 2006	\$ 54,767,961.37	March 2011	\$ 23,486,443.53
April 2006	54,043,944.24	April 2011	23,132,720.26
May 2006	53,328,351.39	May 2011	22,783,294.22
June 2006	52,621,089.62	June 2011	22,438,116.99
July 2006	51,922,066.73	July 2011	22,097,140.69
August 2006	51,231,191.52	August 2011	21,760,317.97
September 2006	50,548,373.78	September 2011	21,427,601.98
October 2006	49,873,524.27	October 2011	21,098,946.38
November 2006	49,206,554.72	November 2011	20,774,305.36
December 2006	48,547,377.81	December 2011	20,453,633.58
January 2007	47,895,907.17	January 2012	20,136,886.22
February 2007	47,252,057.36	February 2012	19,824,018.93
March 2007	46,615,743.88	March 2012	19,514,987.86
April 2007	45,986,883.13	April 2012	19,209,749.63
May 2007	45,365,392.42	May 2012	18,908,261.34
June 2007	44,751,189.95	June 2012	18,610,480.55
July 2007	44,144,194.82	July 2012	18,316,365.28
August 2007	43,544,326.99	August 2012	18,025,874.03
September 2007	42,951,507.30	September 2012	17,738,965.74
October 2007	42,365,657.44	October 2012	17,455,599.80
November 2007	41,786,699.96	November 2012	17,175,736.04
December 2007	41,214,558.23	December 2012	16,899,334.73
January 2008	40,649,156.47	January 2013	16,626,356.59
February 2008	40,090,419.71	February 2013	16,356,762.75
March 2008	39,538,273.80	March 2013	16,090,514.78
April 2008	38,992,645.39	April 2013	15,827,574.66
May 2008	38,453,461.93	May 2013	15,567,904.79
June 2008	37,920,651.65	June 2013	15,311,467.99
July 2008	37,394,143.57	July 2013	15,058,227.47
August 2008	36,873,867.46	August 2013	14,808,146.86
September 2008	36,359,753.88	September 2013	14,561,190.18
October 2008	35,851,734.12	October 2013	14,317,321.84
November 2008	35,349,740.22	November 2013	14,076,506.65
December 2008	34,853,704.97	December 2013	13,838,709.80
January 2009	34,363,561.88	January 2014	13,603,896.87
February 2009	33,879,245.18	February 2014	13,372,033.80
March 2009	33,400,689.83	March 2014	13,143,086.92
April 2009	32,927,831.47	April 2014	12,917,022.93
May 2009	32,460,606.47	May 2014	12,693,808.88
June 2009	31,998,951.86	June 2014	12,473,412.20
July 2009	31,542,805.38	July 2014	12,255,800.66
August 2009	31,092,105.44	August 2014	12,040,942.40
September 2009	30,646,791.11	September 2014	11,828,805.89
October 2009	30,206,802.13	October 2014	11,619,359.97
November 2009	29,772,078.89	November 2014	11,412,573.81
December 2009	29,342,562.44	December 2014	11,208,416.92
January 2010	28,918,194.46	January 2015	11,006,859.14
February 2010	28,498,917.27	February 2015	10,807,870.65
March 2010	28,084,673.81	March 2015	10,611,421.96
April 2010	27,675,407.65	April 2015	10,417,483.89
May 2010	27,271,062.97	May 2015	10,226,027.60
June 2010	26,871,584.56	June 2015	10,037,024.55
July 2010	26,476,917.81	July 2015	9,850,446.53
August 2010	26,087,008.70	August 2015	9,666,265.62
September 2010	25,701,803.81	September 2015	9,484,454.23
October 2010	25,321,250.29	October 2015	9,304,985.06
November 2010	24,945,295.86	November 2015	9,127,831.11
December 2010	24,573,888.83	December 2015	8,952,965.69
January 2011	24,206,978.06	January 2016	8,780,362.39
February 2011	23,844,512.97	February 2016	8,609,995.10

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
March 2016	\$ 8,441,837.99	November 2019	\$ 2,885,396.22
April 2016	8,275,865.52	December 2019	2,794,084.87
May 2016	8,112,052.44	January 2020	2,704,059.12
June 2016	7,950,373.76	February 2020	2,615,303.68
July 2016	7,790,804.78	March 2020	2,527,803.44
August 2016	7,633,321.07	April 2020	2,441,543.44
September 2016	7,477,898.47	May 2020	2,356,508.90
October 2016	7,324,513.08	June 2020	2,272,685.21
November 2016	7,173,141.27	July 2020	2,190,057.91
December 2016	7,023,759.68	August 2020	2,108,612.72
January 2017	6,876,345.19	September 2020	2,028,335.50
February 2017	6,730,874.94	October 2020	1,949,212.28
March 2017	6,587,326.33	November 2020	1,871,229.24
April 2017	6,445,677.01	December 2020	1,794,372.72
May 2017	6,305,904.87	January 2021	1,718,629.21
June 2017	6,167,988.05	February 2021	1,643,985.35
July 2017	6,031,904.93	March 2021	1,570,427.94
August 2017	5,897,634.14	April 2021	1,497,943.91
September 2017	5,765,154.52	May 2021	1,426,520.35
October 2017	5,634,445.17	June 2021	1,356,144.50
November 2017	5,505,485.41	July 2021	1,286,803.73
December 2017	5,378,254.80	August 2021	1,218,485.55
January 2018	5,252,733.11	September 2021	1,151,177.62
February 2018	5,128,900.34	October 2021	1,084,867.74
March 2018	5,006,736.72	November 2021	1,019,543.84
April 2018	4,886,222.69	December 2021	955,193.99
May 2018	4,767,338.91	January 2022	891,806.39
June 2018	4,650,066.26	February 2022	829,369.38
July 2018	4,534,385.83	March 2022	767,871.42
August 2018	4,420,278.91	April 2022	707,301.11
September 2018	4,307,727.01	May 2022	647,647.18
October 2018	4,196,711.84	June 2022	588,898.48
November 2018	4,087,215.32	July 2022	531,043.98
December 2018	3,979,219.56	August 2022	474,072.79
January 2019	3,872,706.87	September 2022	417,974.13
February 2019	3,767,659.77	October 2022	362,737.35
March 2019	3,664,060.96	November 2022	308,351.91
April 2019	3,561,893.34	December 2022	254,807.40
May 2019	3,461,140.00	January 2023	202,093.53
June 2019	3,361,784.21	February 2023	150,200.11
July 2019	3,263,809.44	March 2023	99,117.08
August 2019	3,167,199.34	April 2023	48,834.49
September 2019	3,071,937.73	May 2023 and thereafter	0.00
October 2019	2,978,008.63		

Yield Tables

General. The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of applicable 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. *There can be no assurance 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 principal distributions on the Certificates are likely to differ from those assumed, even if all such Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, 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 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 underlying the Group 1 MBS 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>
A	80.0%

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>125%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
A	3.7%	4.2%	5.2%	5.4%	7.0%

The Inverse Floating Rate Classes. **The yields to investors in the Inverse Floating Rate Classes will be very sensitive to the level of the Index and to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the related MBS Group. The Mortgage Loans generally can be prepaid at any time. As indicated in the tables below, it is possible that, under certain Index and prepayment scenarios, investors in the Inverse Floating Rate Classes would not fully recoup their initial investments.**

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 tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Classes for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based

on the indicated level of the Index and (ii) the aggregate purchase prices of the Inverse Floating Rate Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SA	4.25%
SB	106.0%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>125%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
3.4375%	112.1%	108.8%	102.4%	101.0%	91.9%
5.4375%	50.7%	47.3%	40.5%	39.1%	29.4%
7.4375%	(33.3)%	(36.3)%	(42.4)%	(43.7)%	(52.6)%
7.6000%	*	*	*	*	*

* The pre-tax yield to maturity will be less than (99.9%).

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>125%</u>	<u>250%</u>	<u>300%</u>	<u>500%</u>
3.4375%	28.3%	28.1%	27.8%	27.6%	27.1%
5.4375%	14.0%	13.9%	13.7%	13.6%	13.1%
7.4375%	0.3%	0.2%	0.0%	0.0%	(0.4)%
7.6000%	(0.8)%	(0.9)%	(1.0)%	(1.1)%	(1.4)%

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 and, in the case of the Group 3 Classes, the priority sequence of distributions of principal of the Group 3 Classes. The weighted average lives of the Group 3 Classes will also depend on the distribution of principal of the PA Class in accordance with the Principal Balance Schedule herein. In particular, if the amount distributable as principal of the Group 3 Classes on any Distribution Date exceeds the amount required to reduce the principal balance of the PA Class to its scheduled amount as set forth in the Principal Balance Schedule, such excess principal will be distributed on the remaining Group 3 Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce the PA Class to its scheduled amount, no principal will be distributed on the remaining Group 3 Classes on such

Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the Group 3 MBS is expected to have a greater effect on the weighted average lives of the B and Z Classes than on the weighted average life of the PA Class. See “—Distributions of Principal” herein.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan has an original and remaining term to maturity and bears interest at the per annum rate specified below:

<u>Mortgage Loans relating to the MBS specified below</u>	<u>Original and Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1	84 months	10.0%
Group 2	84 months	9.5%
Group 3	360 months	8.5%

It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans (which will include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the remaining terms to maturity and CAGEs specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A, FA and SA† Classes					FB and SB Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	125%	270%	300%	500%	0%	125%	250%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
September 1997	99	97	94	93	90	99	97	94	93	90
September 1998	99	91	82	81	70	99	91	83	80	70
September 1999	98	83	68	66	48	98	83	70	65	48
September 2000	97	76	57	53	34	97	76	59	53	33
September 2001	97	69	47	43	23	96	69	49	43	23
September 2002	96	63	39	35	16	95	63	41	35	16
September 2003	0	0	0	0	0	0	0	0	0	0
September 2004	0	0	0	0	0	0	0	0	0	0
September 2005	0	0	0	0	0	0	0	0	0	0
September 2006	0	0	0	0	0	0	0	0	0	0
September 2007	0	0	0	0	0	0	0	0	0	0
September 2008	0	0	0	0	0	0	0	0	0	0
September 2009	0	0	0	0	0	0	0	0	0	0
September 2010	0	0	0	0	0	0	0	0	0	0
September 2011	0	0	0	0	0	0	0	0	0	0
September 2012	0	0	0	0	0	0	0	0	0	0
September 2013	0	0	0	0	0	0	0	0	0	0
September 2014	0	0	0	0	0	0	0	0	0	0
September 2015	0	0	0	0	0	0	0	0	0	0
September 2016	0	0	0	0	0	0	0	0	0	0
September 2017	0	0	0	0	0	0	0	0	0	0
September 2018	0	0	0	0	0	0	0	0	0	0
September 2019	0	0	0	0	0	0	0	0	0	0
September 2020	0	0	0	0	0	0	0	0	0	0
September 2021	0	0	0	0	0	0	0	0	0	0
September 2022	0	0	0	0	0	0	0	0	0	0
September 2023	0	0	0	0	0	0	0	0	0	0
September 2024	0	0	0	0	0	0	0	0	0	0
September 2025	0	0	0	0	0	0	0	0	0	0
September 2026	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.8	5.4	4.5	4.3	3.4	6.8	5.4	4.6	4.3	3.3

Date	PA Class						B Class						Z Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	65%	125%	200%	300%	500%	0%	65%	125%	200%	300%	500%	0%	65%	125%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 1997	100	99	99	99	99	99	96	82	69	54	34	0	106	106	106	106	106	80
September 1998	99	91	91	91	91	75	94	80	57	30	0	0	113	113	113	113	98	0
September 1999	97	83	83	83	83	52	93	78	47	11	0	0	120	120	120	120	0	0
September 2000	96	76	76	76	67	35	91	76	37	0	0	0	127	127	127	107	0	0
September 2001	94	69	69	69	54	24	89	74	29	0	0	0	135	135	135	66	0	0
September 2002	92	61	61	61	43	17	86	72	22	0	0	0	143	143	143	36	0	0
September 2003	90	55	55	55	34	11	84	70	16	0	0	0	152	152	152	16	0	0
September 2004	88	48	48	48	28	8	82	67	11	0	0	0	161	161	161	5	0	0
September 2005	86	41	41	41	22	5	79	65	7	0	0	0	171	171	171	*	0	0
September 2006	83	35	35	35	17	4	76	62	3	0	0	0	182	182	182	*	0	0
September 2007	80	30	30	30	14	2	73	57	0	0	0	0	193	193	184	*	0	0
September 2008	77	25	25	25	11	2	70	51	0	0	0	0	205	205	175	*	0	0
September 2009	74	21	21	21	9	1	67	44	0	0	0	0	218	218	164	*	0	0
September 2010	70	18	18	18	7	1	64	35	0	0	0	0	231	231	153	*	0	0
September 2011	67	15	15	15	5	*	60	26	0	0	0	0	245	245	140	*	0	0
September 2012	62	12	12	12	4	*	56	16	0	0	0	0	261	261	127	*	0	0
September 2013	58	10	10	10	3	*	52	5	0	0	0	0	277	277	114	*	0	0
September 2014	53	8	8	8	2	*	47	0	0	0	0	0	294	270	101	*	0	0
September 2015	47	7	7	7	2	*	43	0	0	0	0	0	312	241	88	*	0	0
September 2016	41	5	5	5	1	*	38	0	0	0	0	0	331	212	75	*	0	0
September 2017	35	4	4	4	1	*	32	0	0	0	0	0	351	181	63	*	0	0
September 2018	28	3	3	3	1	*	27	0	0	0	0	0	373	150	51	*	0	0
September 2019	20	2	2	2	*	*	21	0	0	0	0	0	396	119	39	*	0	0
September 2020	12	1	1	1	*	*	14	0	0	0	0	0	421	87	28	*	0	0
September 2021	3	1	1	1	*	*	8	0	0	0	0	0	446	54	17	*	0	0
September 2022	*	*	*	*	*	*	0	0	0	0	0	0	412	22	7	*	0	0
September 2023	0	0	0	0	0	0	0	0	0	0	0	0	323	0	0	0	0	0
September 2024	0	0	0	0	0	0	0	0	0	0	0	0	225	0	0	0	0	0
September 2025	0	0	0	0	0	0	0	0	0	0	0	0	117	0	0	0	0	0
September 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.0	8.8	8.8	8.8	6.5	3.9	15.9	10.1	3.5	1.4	0.8	0.5	27.9	22.2	18.6	5.4	2.4	1.1

* 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.

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

Characteristics of the R Class

The R Class will not have a principal balance and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero. It is not anticipated that there will be any material assets remaining in such circumstance.

The R Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of the R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of the 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 may constitute a noneconomic residual interest under the Regulations. Any transferee of the 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 the 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 “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. The Small Business Job Protection Act of 1996 repeals the bad debt reserve method of accounting for mutual savings banks and domestic building and loan associations for tax years beginning after December 31, 1995. As a result, section 593(d) of the Code is no longer applicable to treat the Certificates as “qualifying real property loans.” See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Class, the Accrual Class and the Principal Only Class will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 270% PSA in the case of the Group 1 Classes, 250% PSA in

the case of the Group 2 Classes and 125% PSA in the case of the Group 3 Classes. 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 any of these rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Class will not have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of an R Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about August 20, 1996. 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. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Certificates in addition to those contemplated as of the date hereof. In such event, the MBS in the related MBS Group 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 Group 1, Group 2 and Group 3 Class bears to the aggregate original principal balance of all the Group 1, Group 2 and Group 3 Classes, respectively, will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedule with respect to any Group 3 Class will be increased in a pro rata amount that corresponds to the increase of the principal balances of the Group 3 Classes.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Cleary, Gottlieb, Steen & Hamilton.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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.

\$591,000,000



Guaranteed REMIC Pass-Through Certificates

Fannie Mae REMIC Trust 1996-43

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
Table of Contents	S- 3
Reference Sheet	S- 4
Additional Risk Factors	S- 6
Description of the Certificates	S- 6
Certain Additional Federal Income Tax Consequences	S-21
Plan of Distribution	S-22
Legal Matters	S-22
REMIC Prospectus	
Prospectus Supplement.....	2
Summary of Prospectus	3
Risk Factors	8
Description of the Certificates	10
The Trust Agreement Certain Federal Income Tax	23
Consequences	25
Legal Investment Considerations	37
Legal Opinion	37
ERISA Considerations	37
Glossary	39

Salomon Brothers Inc

**Prospectus Supplement
Dated August 19, 1996**