

**\$550,000,000****FannieMae**

## Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1996-49

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-49 (the "Trust"). The assets of the Trust will consist of two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Group 1 MBS" and "Group 2 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.**

<b>Class</b>	<b>Original Principal Balance</b>	<b>Principal Type (1)</b>	<b>Interest Rate</b>	<b>Interest Type (1)</b>	<b>CUSIP Number</b>	<b>Final Distribution Date</b>
PA .....	\$230,819,000	PAC	6.00%	FIX	31359KYS0	October 2011
A .....	50,031,000	SUP	6.00	FIX	31359KYT8	April 2011
B .....	19,149,000	SUP	6.00	FIX	31359KYU5	October 2011
BA .....	131,737,000	SEQ	7.00	FIX	31359KYV3	August 2020
BJ .....	35,854,000	SEQ	7.00	FIX	31359KYW1	November 2022
BC .....	7,863,000	SEQ/AD/LIQ	7.00	FIX	31359KYY9	October 2001
BD .....	14,098,000	SEQ/AD	7.00	FIX	31359KYY7	October 2007
BZ .....	19,015,000	SEQ	7.00	FIX/Z	31359KYZ4	January 2025
BE .....	5,169,000	SEQ/AD/LIQ	7.00	FIX	31359KZA8	October 2001
BG .....	8,521,000	SEQ/AD	7.00	FIX	31359KZB6	June 2007
BH .....	15,243,000	SEQ/AD	7.00	FIX	31359KZC4	January 2014
BX .....	12,500,000	SEQ	7.00	FIX/Z	31359KZD2	October 2026
R .....	1,000	STP	6.00	FIX	31359KZE0	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.

The Certificates will be offered by Goldman, Sachs & Co. (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, 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 October 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, New York, New York, on or about the Settlement Date.

## Goldman, Sachs & Co.

The date of this Prospectus Supplement is September 19, 1996

*(Cover continued from previous page)*

The yield to investors in the Group 1 and Group 2 Classes (as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Group 1 and Group 2 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. Accordingly, investors should consider the following risks:

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

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 Goldman, Sachs & Co. by writing or calling its Registration Department at 85 Broad Street, New York, New York 10004 (telephone 212-902-6685).

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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 Characteristics of the Mortgage Loans (as of October 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 Weighted Average Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1	\$300,000,000	145	31	6.48%
Group 2	250,000,000	344	14	7.65

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

See “Description of the Certificates—Distributions of Interest” herein.

### Distributions of Principal

#### *Group 1 Principal Distribution Amount*

On each Distribution Date, 0.0003333333% of such amount will be distributed to the R Class.

On each Distribution Date, the remaining amount will be applied as follows:

- (i) beginning in May 1997, to the PA Class to its Planned Balance;
- (ii) to the A and B Classes, in that order, to zero; and
- (iii) to the PA Class to zero.

#### *Group 2 Principal Distribution Amount*

##### *BZ Class Accrual Amount*

To the BC and BD Classes, in that order, to zero, and then to the BZ Class.

##### *BX Class Accrual Amount*

To the BE, BG and BH Classes, in that order, to zero, and then to the BX Class.

#### *Group 2 Cash Flow Distribution Amount*

To the BA, BJ, BC, BD, BZ, BE, BG, BH and BX Classes, in that order, to zero.

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

<u>Class</u>	<b>PSA Prepayment Assumption</b>				
	<u>0%</u>	<u>75%</u>	<u>135%</u>	<u>200%</u>	<u>500%</u>
PA .....	7.9	5.1	5.1	5.1	2.9
A .....	12.4	6.1	2.0	0.7	0.2
B .....	14.8	11.3	10.2	2.9	0.6
R .....	9.1	5.7	4.9	4.2	2.3

<u>Class</u>	<b>PSA Prepayment Assumption</b>				
	<u>0%</u>	<u>75%</u>	<u>140%</u>	<u>250%</u>	<u>500%</u>
BA .....	16.0	5.7	3.6	2.2	1.2
BJ .....	25.0	14.1	9.3	5.6	2.9
BC .....	2.6	2.6	2.6	2.6	2.4
BD .....	8.2	8.2	8.2	6.7	3.7
BZ .....	27.2	19.1	13.5	8.7	4.6
BE .....	2.6	2.6	2.6	2.6	2.6
BG .....	8.0	8.0	8.0	8.0	5.5
BH .....	14.2	14.2	14.1	11.3	6.4
BX .....	29.2	25.3	21.6	16.8	9.8

\* 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 and Group 2 Classes will be sensitive in varying degrees to the rate of principal distributions on the Group 1 and Group 2 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 and Group 2 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 and Group 2 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 or Group 2 MBS will prepay at a constant PSA rate until maturity or that all such Mortgage Loans will prepay at the same rate.

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 October 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.

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

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

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

*Optional Termination.* Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust 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.

*Liquid Assets.* The BC and BE Classes are intended to qualify as “liquid assets” for purposes of the liquidity requirements applicable to federal savings associations, federal savings banks and state chartered associations whose deposits are insured by the Federal Deposit Insurance Corporation.

## **The MBS**

The Group 1 and Group 2 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 and Group 2 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 and having an original maturity of up to 15 years, in the case of the Group 1 Mortgage Loans, and up to 30 years, in the case of the Group 2 Mortgage Loans. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the Group 1 and Group 2 MBS and the related Mortgage Loans as of October 1, 1996 (the “Issue Date”) are expected to be as follows:

### **Group 1 MBS**

Aggregate Unpaid Principal Balance .....	\$300,000,000
MBS Pass-Through Rate .....	6.00%

### **Group 1 Mortgage Loans**

Range of WACs (per annum percentages) .....	6.25% to 8.50%
Range of WAMs .....	100 months to 180 months
Approximate Weighted Average WAM .....	145 months
Approximate Weighted Average CAGE .....	31 months

### **Group 2 MBS**

Aggregate Unpaid Principal Balance .....	\$250,000,000
MBS Pass-Through Rate .....	7.00%

### **Group 2 Mortgage Loans**

Range of WACs (per annum percentages) .....	7.25% to 9.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	344 months
Approximate Weighted Average CAGE .....	14 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	All Classes
Accrual	BZ and BX

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

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

*Interest Accrual Period.* Interest to be distributed on a Distribution Date will accrue on the interest-bearing Certificates during the one-month period set forth below (an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
All 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 Classes.* The BZ and BX Classes are Accrual Classes. Interest will accrue on each Accrual Class at the applicable per annum rate set forth on the cover hereof; however, such interest will not be distributed thereon until (x) in the case of the BZ Class, the Distribution Date following the Distribution Date on which the principal balance of the BD Class is reduced to zero, and (y) in the case of the BX Class, the Distribution Date following the Distribution Date on which the principal balance of the BH Class is reduced to zero. Interest so accrued and unpaid on the Accrual Classes will be added as principal to the respective principal balances thereof on each Distribution Date. Distributions of principal of the Accrual Classes will be made as described herein.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	PA
Support	A and B
Strip	R
<b>Group 2 Classes</b>	
Sequential Pay	BA, BJ, BC, BD, BZ, BE, BG, BH and BX
Accretion Directed	BC, BD, BE, BG and BH
Liquid Asset	BC and BE

\* 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 Cash Flow Distribution Amount”) and (iii) any interest accrued and added on such Distribution Date to the principal balances of the BZ and BX Classes (the “BZ Class Accrual Amount” and “BX Class Accrual Amount,” respectively, and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”).

### *Group 1 Principal Distribution Amount*

On each Distribution Date, an amount equal to 0.0003333333% of the Group 1 Principal Distribution Amount will be distributed as principal of the R Class. } Strip Class

On each Distribution Date, an amount equal to 99.9996666667% of the Group 1 Principal Distribution Amount will be distributed as principal of the remaining Group 1 Classes in the following order of priority:

(i) beginning in May 1997, 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 A and B 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

### *Group 2 Principal Distribution Amount*

#### *BZ Class Accrual Amount*

On each Distribution Date, the BZ Class Accrual Amount, if any, will be distributed, sequentially, as principal of the BC and BD Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the BZ Class. } Accretion Directed and Accrual Classes

#### *BX Class Accrual Amount*

On each Distribution Date, the BX Class Accrual Amount, if any, will be distributed, sequentially, as principal of the BE, BG and BH Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the BX Class. } Accretion Directed and Accrual Classes

### *Group 2 Cash Flow Distribution Amount*

On each Distribution Date, the Group 2 Cash Flow Distribution Amount will be distributed sequentially, as principal of the BA, BJ, BC, BD, BZ, BE, BG, BH and BX Classes, in that order, until the respective principal balances thereof are reduced to zero. } Sequential Pay Classes

## 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”):

- the Mortgage Loans underlying the Group 1 and Group 2 MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

Group 1	180 months	145 months	31 months	6.48%
Group 2	360 months	344 months	14 months	7.65%

- 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 1 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 75% 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 1 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.

**Related Class**

PA

**Initial Effective Range**

Between 75% and 200%

The actual Effective Range at any time will be based upon the actual characteristics of the Mortgage Loans underlying the Group 1 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 will 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 .....	\$230,819,000.00	July 2001 .....	\$113,658,413.30
November 1996 .....	230,819,000.00	August 2001 .....	111,526,014.48
December 1996 .....	230,819,000.00	September 2001 .....	109,399,473.74
January 1997 .....	230,819,000.00	October 2001 .....	107,278,765.07
February 1997 .....	230,819,000.00	November 2001 .....	105,163,862.57
March 1997 .....	230,819,000.00	December 2001 .....	103,067,293.74
April 1997 .....	230,819,000.00	January 2002 .....	100,998,100.69
May 1997 .....	228,351,022.21	February 2002 .....	98,955,966.22
June 1997 .....	225,890,362.93	March 2002 .....	96,940,576.64
July 1997 .....	223,436,990.82	April 2002 .....	94,951,621.74
August 1997 .....	220,990,874.68	May 2002 .....	92,988,794.73
September 1997 .....	218,551,983.39	June 2002 .....	91,051,792.21
October 1997 .....	216,120,285.96	July 2002 .....	89,140,314.13
November 1997 .....	213,695,751.53	August 2002 .....	87,254,063.76
December 1997 .....	211,278,349.32	September 2002 .....	85,392,747.66
January 1998 .....	208,868,048.70	October 2002 .....	83,556,075.62
February 1998 .....	206,464,819.11	November 2002 .....	81,743,760.67
March 1998 .....	204,068,630.13	December 2002 .....	79,955,518.99
April 1998 .....	201,679,451.45	January 2003 .....	78,191,069.91
May 1998 .....	199,297,252.87	February 2003 .....	76,450,135.87
June 1998 .....	196,922,004.29	March 2003 .....	74,732,442.40
July 1998 .....	194,553,675.73	April 2003 .....	73,037,718.03
August 1998 .....	192,192,237.31	May 2003 .....	71,365,694.35
September 1998 .....	189,837,659.27	June 2003 .....	69,716,105.88
October 1998 .....	187,489,911.95	July 2003 .....	68,088,690.12
November 1998 .....	185,148,965.81	August 2003 .....	66,483,187.47
December 1998 .....	182,814,791.41	September 2003 .....	64,899,341.19
January 1999 .....	180,487,359.41	October 2003 .....	63,336,897.42
February 1999 .....	178,166,640.58	November 2003 .....	61,795,605.10
March 1999 .....	175,852,605.82	December 2003 .....	60,275,215.96
April 1999 .....	173,545,226.11	January 2004 .....	58,775,484.49
May 1999 .....	171,244,472.54	February 2004 .....	57,296,167.92
June 1999 .....	168,950,316.31	March 2004 .....	55,837,026.15
July 1999 .....	166,662,728.72	April 2004 .....	54,397,821.77
August 1999 .....	164,381,681.19	May 2004 .....	52,978,320.00
September 1999 .....	162,107,145.23	June 2004 .....	51,578,288.68
October 1999 .....	159,839,092.44	July 2004 .....	50,197,498.23
November 1999 .....	157,577,494.56	August 2004 .....	48,835,721.62
December 1999 .....	155,322,323.41	September 2004 .....	47,492,734.35
January 2000 .....	153,073,550.90	October 2004 .....	46,168,314.43
February 2000 .....	150,831,149.08	November 2004 .....	44,862,242.32
March 2000 .....	148,595,090.06	December 2004 .....	43,574,300.95
April 2000 .....	146,365,346.07	January 2005 .....	42,304,275.64
May 2000 .....	144,141,889.46	February 2005 .....	41,051,954.15
June 2000 .....	141,924,692.65	March 2005 .....	39,817,126.55
July 2000 .....	139,713,728.18	April 2005 .....	38,599,585.30
August 2000 .....	137,508,968.67	May 2005 .....	37,399,125.15
September 2000 .....	135,310,386.86	June 2005 .....	36,215,543.14
October 2000 .....	133,117,955.57	July 2005 .....	35,048,638.59
November 2000 .....	130,931,647.74	August 2005 .....	33,898,213.05
December 2000 .....	128,751,436.40	September 2005 .....	32,764,070.29
January 2001 .....	126,577,294.67	October 2005 .....	31,646,016.27
February 2001 .....	124,409,195.77	November 2005 .....	30,543,859.13
March 2001 .....	122,247,113.02	December 2005 .....	29,457,409.15
April 2001 .....	120,091,019.83	January 2006 .....	28,386,478.72
May 2001 .....	117,940,889.73	February 2006 .....	27,330,882.35
June 2001 .....	115,796,696.32	March 2006 .....	26,290,436.60

<u>Distribution Date</u>	<u>PA Class Planned Balance</u>	<u>Distribution Date</u>	<u>PA Class Planned Balance</u>
April 2006 .....	\$ 25,264,960.12	September 2007 .....	\$ 9,955,915.68
May 2006 .....	24,254,273.55	October 2007 .....	9,171,083.56
June 2006 .....	23,258,199.57	November 2007 .....	8,398,136.50
July 2006 .....	22,276,562.83	December 2007 .....	7,636,929.83
August 2006 .....	21,309,189.96	January 2008 .....	6,887,320.49
September 2006 .....	20,355,909.53	February 2008 .....	6,149,167.04
October 2006 .....	19,416,552.01	March 2008 .....	5,422,329.64
November 2006 .....	18,490,949.81	April 2008 .....	4,706,670.02
December 2006 .....	17,578,937.20	May 2008 .....	4,002,051.47
January 2007 .....	16,680,350.32	June 2008 .....	3,308,338.84
February 2007 .....	15,795,027.13	July 2008 .....	2,625,398.50
March 2007 .....	14,922,807.44	August 2008 .....	1,953,098.32
April 2007 .....	14,063,532.83	September 2008 .....	1,291,307.69
May 2007 .....	13,217,046.70	October 2008 .....	639,897.44
June 2007 .....	12,383,194.18	November 2008 and	
July 2007 .....	11,561,822.14	thereafter .....	0.00
August 2007 .....	10,752,779.21		

### 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 the priority sequence of distributions of principal of the Group 1 and Group 2 Classes, as applicable. The weighted average lives of the Group 1 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 1 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 certain remaining Group 1 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 certain remaining Group 1 Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the Group 1 MBS is expected to have a greater effect on the weighted average lives of the Support 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	180 months	8.5%
Group 2	360 months	9.5%

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 may include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the weighted average remaining 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	PA Class					A Class					B Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	135%	200%	500%	0%	75%	135%	200%	500%	0%	75%	135%	200%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1997	98	94	94	94	86	90	70	50	28	0	100	100	100	100	0
October 1998	93	81	81	81	56	90	70	34	0	0	100	100	100	93	0
October 1999	88	69	69	69	37	90	70	24	0	0	100	100	100	40	0
October 2000	82	58	58	58	23	90	70	17	0	0	100	100	100	10	0
October 2001	75	46	46	46	15	90	70	14	0	0	100	100	100	*	0
October 2002	69	36	36	36	9	90	68	11	0	0	100	100	100	*	0
October 2003	61	27	27	27	6	90	60	7	0	0	100	100	100	*	0
October 2004	53	20	20	20	3	90	47	0	0	0	100	100	100	*	0
October 2005	44	14	14	14	2	90	31	0	0	0	100	100	79	*	0
October 2006	35	8	8	8	1	90	11	0	0	0	100	100	55	*	0
October 2007	24	4	4	4	*	90	0	0	0	0	100	70	29	*	0
October 2008	13	*	*	*	*	90	0	0	0	0	100	6	2	*	0
October 2009	*	0	0	0	0	90	0	0	0	0	100	0	0	0	0
October 2010	0	0	0	0	0	29	0	0	0	0	100	0	0	0	0
October 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.9	5.1	5.1	5.1	2.9	12.4	6.1	2.0	0.7	0.2	14.8	11.3	10.2	2.9	0.6

Date	BA Class					BJ Class					BC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	140%	250%	500%	0%	75%	140%	250%	500%	0%	75%	140%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1997	99	92	87	79	59	100	100	100	100	100	83	83	83	83	83
October 1998	98	82	71	52	14	100	100	100	100	100	64	64	64	64	64
October 1999	96	73	56	30	0	100	100	100	100	35	44	44	44	44	44
October 2000	95	63	42	10	0	100	100	100	100	0	22	22	22	22	0
October 2001	93	54	29	0	0	100	100	100	78	0	0	0	0	0	0
October 2002	91	46	17	0	0	100	100	100	28	0	0	0	0	0	0
October 2003	89	37	7	0	0	100	100	100	0	0	0	0	0	0	0
October 2004	87	29	0	0	0	100	100	88	0	0	0	0	0	0	0
October 2005	84	22	0	0	0	100	100	56	0	0	0	0	0	0	0
October 2006	81	14	0	0	0	100	100	26	0	0	0	0	0	0	0
October 2007	78	7	0	0	0	100	100	0	0	0	0	0	0	0	0
October 2008	75	*	0	0	0	100	100	0	0	0	0	0	0	0	0
October 2009	71	0	0	0	0	100	76	0	0	0	0	0	0	0	0
October 2010	67	0	0	0	0	100	52	0	0	0	0	0	0	0	0
October 2011	63	0	0	0	0	100	29	0	0	0	0	0	0	0	0
October 2012	58	0	0	0	0	100	7	0	0	0	0	0	0	0	0
October 2013	53	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2014	47	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2015	41	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2016	34	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2017	26	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2018	17	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2019	8	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	91	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	49	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.0	5.7	3.6	2.2	1.2	25.0	14.1	9.3	5.6	2.9	2.6	2.6	2.6	2.6	2.4

\* 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	BD Class					BZ Class					BE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	140%	250%	500%	0%	75%	140%	250%	500%	0%	75%	140%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1997 .....	100	100	100	100	100	107	107	107	107	107	83	83	83	83	83
October 1998 .....	100	100	100	100	100	115	115	115	115	115	64	64	64	64	64
October 1999 .....	100	100	100	100	100	123	123	123	123	123	44	44	44	44	44
October 2000 .....	100	100	100	100	0	132	132	132	132	127	22	22	22	22	22
October 2001 .....	99	99	99	99	0	142	142	142	142	20	0	0	0	0	0
October 2002 .....	86	86	86	86	0	152	152	152	152	0	0	0	0	0	0
October 2003 .....	71	71	71	34	0	163	163	163	163	0	0	0	0	0	0
October 2004 .....	55	55	55	0	0	175	175	175	121	0	0	0	0	0	0
October 2005 .....	38	38	38	0	0	187	187	187	64	0	0	0	0	0	0
October 2006 .....	20	20	20	0	0	201	201	201	16	0	0	0	0	0	0
October 2007 .....	0	0	0	0	0	215	215	212	0	0	0	0	0	0	0
October 2008 .....	0	0	0	0	0	215	215	165	0	0	0	0	0	0	0
October 2009 .....	0	0	0	0	0	215	215	122	0	0	0	0	0	0	0
October 2010 .....	0	0	0	0	0	215	215	83	0	0	0	0	0	0	0
October 2011 .....	0	0	0	0	0	215	215	47	0	0	0	0	0	0	0
October 2012 .....	0	0	0	0	0	215	215	14	0	0	0	0	0	0	0
October 2013 .....	0	0	0	0	0	215	187	0	0	0	0	0	0	0	0
October 2014 .....	0	0	0	0	0	215	148	0	0	0	0	0	0	0	0
October 2015 .....	0	0	0	0	0	215	109	0	0	0	0	0	0	0	0
October 2016 .....	0	0	0	0	0	215	72	0	0	0	0	0	0	0	0
October 2017 .....	0	0	0	0	0	215	35	0	0	0	0	0	0	0	0
October 2018 .....	0	0	0	0	0	215	0	0	0	0	0	0	0	0	0
October 2019 .....	0	0	0	0	0	215	0	0	0	0	0	0	0	0	0
October 2020 .....	0	0	0	0	0	215	0	0	0	0	0	0	0	0	0
October 2021 .....	0	0	0	0	0	215	0	0	0	0	0	0	0	0	0
October 2022 .....	0	0	0	0	0	215	0	0	0	0	0	0	0	0	0
October 2023 .....	0	0	0	0	0	127	0	0	0	0	0	0	0	0	0
October 2024 .....	0	0	0	0	0	23	0	0	0	0	0	0	0	0	0
October 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	8.2	8.2	8.2	6.7	3.7	27.2	19.1	13.5	8.7	4.6	2.6	2.6	2.6	2.6	2.6

Date	BG Class					BH Class					BX Class					R Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	140%	250%	500%	0%	75%	140%	250%	500%	0%	75%	140%	250%	500%	0%	75%	135%	200%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1997 .....	100	100	100	100	100	100	100	100	100	100	107	107	107	107	107	97	90	87	83	66
October 1998 .....	100	100	100	100	100	100	100	100	100	100	115	115	115	115	115	93	81	75	68	43
October 1999 .....	100	100	100	100	100	100	100	100	100	100	123	123	123	123	123	89	71	64	56	28
October 2000 .....	100	100	100	100	100	100	100	100	100	100	132	132	132	132	132	84	62	54	45	18
October 2001 .....	99	99	99	99	99	100	100	100	100	100	142	142	142	142	142	79	54	44	36	11
October 2002 .....	84	84	84	84	0	100	100	100	100	80	152	152	152	152	152	74	45	36	28	7
October 2003 .....	68	68	68	68	0	100	100	100	100	7	163	163	163	163	163	68	37	29	21	4
October 2004 .....	51	51	51	51	0	100	100	100	100	0	175	175	175	175	118	62	30	22	15	2
October 2005 .....	32	32	32	32	0	100	100	100	100	0	187	187	187	187	81	55	22	16	11	1
October 2006 .....	13	13	13	13	0	100	100	100	100	0	201	201	201	201	55	48	15	10	6	1
October 2007 .....	0	0	0	0	0	95	95	95	66	0	215	215	215	215	38	40	8	5	3	*
October 2008 .....	0	0	0	0	0	82	82	82	11	0	231	231	231	231	26	31	1	*	*	*
October 2009 .....	0	0	0	0	0	69	69	69	0	0	248	248	248	201	17	22	0	0	0	0
October 2010 .....	0	0	0	0	0	54	54	54	0	0	266	266	266	165	12	11	0	0	0	0
October 2011 .....	0	0	0	0	0	38	38	38	0	0	285	285	285	135	8	0	0	0	0	0
October 2012 .....	0	0	0	0	0	21	21	21	0	0	305	305	305	110	5	0	0	0	0	0
October 2013 .....	0	0	0	0	0	3	3	0	0	0	328	328	308	89	4	0	0	0	0	0
October 2014 .....	0	0	0	0	0	0	0	0	0	0	331	331	266	71	2	0	0	0	0	0
October 2015 .....	0	0	0	0	0	0	0	0	0	0	331	331	229	57	2	0	0	0	0	0
October 2016 .....	0	0	0	0	0	0	0	0	0	0	331	331	194	45	1	0	0	0	0	0
October 2017 .....	0	0	0	0	0	0	0	0	0	0	331	331	163	35	1	0	0	0	0	0
October 2018 .....	0	0	0	0	0	0	0	0	0	0	331	331	134	27	*	0	0	0	0	0
October 2019 .....	0	0	0	0	0	0	0	0	0	0	331	278	108	20	*	0	0	0	0	0
October 2020 .....	0	0	0	0	0	0	0	0	0	0	331	227	85	14	*	0	0	0	0	0
October 2021 .....	0	0	0	0	0	0	0	0	0	0	331	177	63	10	*	0	0	0	0	0
October 2022 .....	0	0	0	0	0	0	0	0	0	0	331	127	44	6	*	0	0	0	0	0
October 2023 .....	0	0	0	0	0	0	0	0	0	0	331	79	26	4	*	0	0	0	0	0
October 2024 .....	0	0	0	0	0	0	0	0	0	0	331	31	10	1	*	0	0	0	0	0
October 2025 .....	0	0	0	0	0	0	0	0	0	0	192	0	0	0	0	0	0	0	0	0
October 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	8.0	8.0	8.0	8.0	5.5	14.2	14.2	14.1	11.3	6.4	29.2	25.3	21.6	16.8	9.8	9.1	5.7	4.9	4.2	2.3

\* 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.

## **Characteristics of the R Class**

In addition to distributions of principal and interest, the Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, 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 Accrual 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 in the case of the Group 1 Classes, and 140% PSA in the case of the Group 2 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. Special rules regarding the treatment of “excess inclusions” by certain thrift institutions no longer apply because of the amendment of section 593 of the Code by the Small Business Job Protection Act of 1996. 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 September 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 and Group 2 Class bears to the aggregate original principal balance of all the Group 1 and Group 2 Classes, respectively, will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedule with respect to any Group 1 Class will be increased in a pro rata amount that corresponds to the increase of the principal balances of the Group 1 Classes.

## **LEGAL MATTERS**

Certain legal matters will be passed upon for the Dealer by Cadwalader, Wickersham & Taft.

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.

**\$550,000,000**



**FannieMae**

**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 1996-49**

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## **PROSPECTUS SUPPLEMENT**

**Goldman, Sachs & Co.**

**September 19, 1996**