

\$1,582,500,000



FannieMae

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1996-51

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-51 (the "Trust"). The LL and MM Classes, having an aggregate original principal balance of \$25,000,000, are being offered by means of separate Prospectus Supplements both dated October 3, 1996 (the "Retail Class Supplements"). The other Classes of Certificates are offered hereby. The assets of the Trust will include the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will include (i) certain Fannie Mae Stripped Mortgage-Backed Securities specified herein (the "SMBS") evidencing beneficial ownership interests in certain principal and interest distributions made in respect of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS (defined below), the "MBS") held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the "Mega Certificate") and (ii) certain groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (collectively, the "Trust 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-8 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.

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THE CERTIFICATES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE CERTIFICATES UNLESS SUCH INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE PREPAYMENT, YIELD, LIQUIDITY AND OTHER RISKS ASSOCIATED WITH SUCH CERTIFICATES.

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

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	\$ 64,872,500	TAC	7.000%	FIX	31359KH34	November 2021	Z	\$ 10,077,000	SEQ	8.00 %	FIX/Z	31359KP50	December 2026
B	109,972,800	TAC	7.125	FIX	31359KH42	March 2025	AB	60,000,000	SEQ	7.00	FIX	31359KP68	June 2022
C	12,046,000	TAC	7.250	FIX	31359KH59	March 2025	AH	27,673,000	SEQ	7.00	FIX	31359KP76	October 2020
LL	(2)	SEQ/RTL	7.100	FIX	31359KG92	April 2026	AJ	5,490,000	SEQ	7.00	FIX	31359KP84	June 2022
MM	(2)	SEQ/RTL	7.000	FIX	31359KH26	April 2026	AC	27,600,000	SEQ	7.00	FIX	31359KP92	November 2024
D	(4)	NTL	7.500	FIX/IO	31359KH67	April 2026	AD	29,237,000	SEQ	7.00	FIX	31359KQ26	November 2026
E	25,356,000	SEQ	7.250	FIX	31359KH75	November 2026	AE	57,771,000	SEQ	8.00	FIX	31359KQ34	January 2010
FA	17,122,700	CPT/TAC	(3)	FLT	31359KH83	March 2025	AG	17,229,000	SEQ	8.00	FIX	31359KQ42	December 2011
SA	(4)	NTL	(3)	INV/IO	31359KH91	March 2025	AK	301,265,000	SEQ	7.00	FIX	31359KQ59	March 2023
F	36,757,500	SUP	(3)	FLT	31359KJ24	July 2025	AL	61,505,000	SEQ	7.00	FIX	31359KQ67	December 2024
S	8,872,500	SUP	(3)	INV	31359KJ32	July 2025	AM	87,230,000	SEQ	7.00	FIX	31359KQ75	December 2026
J	101,407,000	TAC	7.000	FIX	31359KN60	May 2024	AN	(4)	NTL	7.50	FIX/IO	31359KQ83	December 2026
K	11,896,500	TAC	7.000	FIX	31359KN78	May 2025	AP	200,000,000	SEQ	7.00	FIX	31359KQ91	October 2022
FB	113,303,500	TAC	(3)	FLT	31359KJ40	May 2025	AT	26,214,000	SEQ	7.00	FIX	31359KR25	December 2023
SB	(4)	NTL	(3)	INV/IO	31359KN37	May 2025	AU	24,606,000	SEQ	7.00	FIX	31359KR33	December 2024
FE	26,380,444	SUP	(3)	FLT	31359KN45	July 2025	AV	7,985,000	AD/SEQ	6.25	FIX	31359KR41	November 2001
SE	3,297,556	SUP	(3)	INV	31359KN52	July 2025	AW	26,328,000	AD/SEQ	6.25	FIX	31359KW29	November 2011
L	10,169,000	SEQ	8.000	FIX	31359KN86	December 2025	ZA	22,367,000	SEQ	6.25	FIX/Z	31359KW37	December 2026
M	4,936,000	AD/SEQ	7.000	FIX	31359KN94	December 2001	AY	(4)	NTL	7.00	FIX/IO	31359KW45	December 2026
N	8,340,000	AD/SEQ	7.375	FIX	31359KP27	July 2007	R	0	NPR	0	NPR	31359KW52	December 2026
T	10,193,000	AD/SEQ	7.500	FIX	31359KP35	January 2012	RL	0	NPR	0	NPR	31359KW60	December 2026
V	(4)	NTL	8.000	FIX/IO	31359KP43	January 2012							

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) The LL and MM Classes, having original principal balances of \$13,000,000 and \$12,000,000, respectively, are being offered by means of the Retail Class Supplements and are not offered hereby.
- (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 D, SA, SB, V, AN and AY Classes will be Notional Classes, will not have principal balances and will bear interest on their notional principal balances (initially, \$660,000, \$17,122,700, \$113,303,500, \$1,905,625, \$30,000,000 and \$6,072,857, respectively). The notional principal balances of the Notional Classes will be calculated based upon the principal balances of the Classes specified herein. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry facilities of The Depository Trust Company on or about November 27, 1996 (the "Settlement Date"). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, Three World Financial Center, New York, New York 10285, on or about the Settlement Date.

LEHMAN BROTHERS

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The yield to investors in each Class will be sensitive in varying degrees to, among other things, the rate of principal distributions on the MBS included in the related MBS Group (as described herein), 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 each Floating Rate and Inverse Floating Rate Class, 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, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Interest Only Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- 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, the SMBS Prospectus, the Mega Prospectus or the MBS Prospectus (each as defined below). Any representation to the contrary is a criminal offense.

Elections will be made to treat the Lower Tier REMIC and the Trust as “real estate mortgage investment conduits” (“REMICs”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R and RL Classes will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R and RL Classes” 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 Stripped Mortgage-Backed Securities dated July 1, 1996 (the “SMBS Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed MBS Pass-Through Securities dated October 1, 1996 (the “Mega Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1996 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated February 22, 1996 and any supplements thereto (collectively, the “Information Statement”).

The SMBS Prospectus, the Mega Prospectus, 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 Lehman Brothers Inc. by writing or calling its Registration Department at 536 Broadhollow Road, Melville, New York 11747 (telephone 516-254-7106).

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REFERENCE SHEET

This reference sheet is not a summary of the REMIC transaction and it does not contain complete information about the Certificates. Investors should purchase the Certificates only after reading this Prospectus Supplement and each of the additional Disclosure Documents described herein in their entirety.

Assumed Characteristics of the Mortgage Loans (as of November 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	\$300,000,000	356	4	8.5%
Group 2	\$300,000,000	342	16	8.5%
Group 3	\$150,000,000	346	10	8.0%
Group 4	\$ 56,000,000	120	57	8.6%
	\$ 19,000,000	150	29	8.6%
Group 5	\$450,000,000	345	14	8.0%
Group 6	\$307,500,000	345	14	7.5%

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	5.87500%	9.00000%	0.50%	LIBOR + 50 basis points
SA	3.12500%	8.50000%	0.00%	8.50% – LIBOR
F	6.72500%	9.00000%	1.35%	LIBOR + 135 basis points
S	9.42497%	31.69285%	0.00%	31.69285% – (4.14286 × LIBOR)
FB	5.87500%	9.00000%	0.50%	LIBOR + 50 basis points
SB	3.12500%	8.50000%	0.00%	8.50% – LIBOR
FE	6.72500%	9.00000%	1.35%	LIBOR + 135 basis points
SE	18.19999%	61.19999%	0.00%	61.19999% – (8 × LIBOR)

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

Notional Classes

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

<u>Class</u>	<u>Percentage of Principal Balances of Specified Classes</u>
D	2.0000000000% of LL Class
	3.3333333333% of MM Class
SA	100.0000000000% of FA Class
SB	100.0000000000% of FB Class
V	12.5000000000% of M Class
	7.8125000000% of N Class
	6.2500000000% of T Class
AN	6.6666666667% of AK Class
	6.6666666667% of AL Class
	6.6666666667% of AM Class
AY	10.7142857143% of AV Class
	10.7142857143% of AW Class
	10.7142857143% of ZA Class

See “Description of the Certificates—Distributions of Interest—Notional Classes” and “—Yield Tables—*The D, V, AN and AY Classes*” and “—*The Inverse Floating Rate Classes*” herein.

Component Classes

	<u>Original Principal Balance</u>	<u>Principal Type</u>
FA1 Component	\$7,855,200	TAC
FA2 Component	\$9,267,500	TAC

Distributions of Principal

Group 1 Principal Distribution Amount

1. Commencing in December 1999, on each Distribution Date to the LL and MM Classes, in proportion to their original principal balances, in an aggregate amount up to \$25,000 on each such Distribution Date.

2. Commencing in December 1996, on each Distribution Date (net of the amount, if any, distributed as described in the preceding paragraph) to the Group 1 Classes and Components in the following order of priority:

(a) to the TAC Classes and Components, in the order and proportions specified under “Description of the Certificates—Distributions of Principal” herein, to their Targeted Balances;

(b) to the F and S Classes, in proportion to their original principal balances, to zero;

(c) to the TAC Classes and Components, in the order and proportions set forth under “Description of the Certificates—Distributions of Principal” herein, to zero;

(d) to the LL, MM and E Classes, in the proportions of 39.2050423716%, 36.1892698815% and 24.6056877469%, respectively, until the LL and MM Classes are reduced to zero; and

(e) to the E Class, to zero.

Group 2 Principal Distribution Amount

Group 2 Accrual Amount

To the M, N and T Classes, in that order, to zero, and then to the Z Class.

Group 2 Cash Flow Distribution Amount

(i) to the TAC Classes, as specified herein under “Description of the Certificates—Distributions of Principal,” to their Targeted Balances;

(ii) to the FE and SE Classes, in proportion to their original principal balances, to zero;

(iii) to the TAC Classes, as specified herein under “Description of the Certificates—Distributions of Principal,” to zero; and

(iv) to the L, M, N, T and Z Classes, in that order, to zero.

Group 3 Principal Distribution Amount

(i) To the AB, AH and AJ Classes, as specified below, to zero:

64.4032502174% to the AB Class, and

35.5967497826% to the AH and AJ Classes, in that order; and

(ii) to the AC and AD Classes, in that order, to zero.

Group 4 Principal Distribution Amount

To the AE and AG Classes, in that order, to zero.

Group 5 Principal Distribution Amount

To the AK, AL and AM Classes, in that order, to zero.

Group 6 Principal Distribution Amount

Group 6 Accrual Amount

To the AV and AW Classes, in that order, to zero, and then to the ZA Class.

Group 6 Cash Flow Distribution Amount

To the AP, AT, AU, AV, AW and ZA Classes, in that order, to zero.

Weighted Average Lives (years) *

Class	PSA Prepayment Assumption				
	0%	95%	200%	350%	500%
A	19.6	6.2	3.6	3.4	2.7
B	18.1	7.4	4.2	3.8	2.9
C	26.1	14.3	8.1	7.2	5.1
LL, MM and D.....	25.0	21.4	15.1	9.6	6.9
E	29.6	27.0	21.3	14.1	10.0
FA and SA	18.9	6.7	3.9	3.6	2.8
F and S.....	27.8	18.9	11.2	1.8	1.1

Class	PSA Prepayment Assumption				
	0%	95%	205%	350%	500%
J	18.7	6.6	3.5	2.8	2.0
K	27.0	16.0	9.0	7.1	4.9
FB and SB.....	19.6	7.6	4.1	3.3	2.3
FE and SE.....	28.0	19.3	11.5	0.8	0.4
L	28.8	22.1	14.0	8.5	5.9
M	2.7	2.7	2.7	2.7	2.7
N	8.0	8.0	8.0	7.8	6.3
T	13.0	13.0	13.0	9.9	7.3
V	7.9	7.9	7.9	6.8	5.5
Z	29.5	25.6	19.5	14.1	10.4

Class	PSA Prepayment Assumption				
	0%	95%	165%	350%	500%
AB	17.7	6.1	4.0	2.2	1.6
AH	16.3	5.0	3.3	1.8	1.4
AJ	24.7	11.7	7.7	4.0	2.9
AC	26.8	16.1	11.0	5.7	4.0
AD	29.0	23.8	19.3	10.9	7.7

Class	PSA Prepayment Assumption				
	0%	95%	225%	350%	500%
AE	8.0	3.7	2.5	1.8	1.3
AG	14.1	9.3	8.0	6.7	5.3

Class	PSA Prepayment Assumption				
	0%	95%	175%	350%	500%
AK	18.3	6.5	4.0	2.2	1.6
AL	27.1	16.8	11.0	5.8	4.1
AM	29.0	23.7	18.5	10.8	7.5
AN	21.6	11.2	7.8	4.3	3.1

Class	PSA Prepayment Assumption				
	0%	95%	150%	350%	500%
AP	17.7	6.2	4.4	2.1	1.5
AT	26.4	15.1	11.0	5.1	3.6
AU	27.5	17.9	13.5	6.4	4.4
AV	2.6	2.6	2.6	2.6	2.6
AW	10.4	10.4	10.4	7.6	5.6
ZA	29.0	23.8	20.2	12.4	9.0
AY	29.0	23.8	20.2	10.9	7.6

* Determined as specified under "Weighted Average Lives of the Certificates" herein.

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Classes will be sensitive in varying degrees to the rate of principal distributions on the MBS included in the related MBS Group, 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 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 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 MBS included in any MBS Group 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 18th 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 and the Lower Tier REMIC will be created pursuant to a trust agreement dated as of November 1, 1996 (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 and RL Classes) 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 interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC. The assets of the Lower Tier REMIC will include the SMBS and the Trust 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. The guarantee obligations of Fannie Mae with respect to the SMBS and the Mega Certificate are described in the SMBS Prospectus and the Mega Prospectus, respectively. 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, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, “The Certificates—Fannie Mae’s Guaranty” in the Mega Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. Each Class of Certificates, other than the R and RL Classes, will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of the Depository (as defined herein), which Depository will maintain such Certificates through its book-entry facilities. When used herein with respect to any DTC Certificate, the terms “Holders” and “Certificateholders” refer to the nominee of the Depository. 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 and RL Certificates will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R or RL Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R and RL Certificates 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 or RL 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 and RL Classes” herein.

The distributions to the Holders of the R and RL Classes of the proceeds of any remaining assets of the Trust and the Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of the related Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The Certificates, other than the R and RL Certificates, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R and RL Classes will be issued as single certificates and will not have principal balances.

Distribution Dates. Distributions on the Certificates will be made on the 18th day of each month (or, if such 18th day is not a business day, on the first business day next succeeding such 18th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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

REMIC Trust Factors. As soon as practicable following the eleventh calendar day of each month, Fannie Mae will publish or otherwise make available for each Class of Certificates the factor (carried to eight decimal places) which, 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 Lower Tier REMIC or 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.

Book-Entry Procedures

General. Each Class of Certificates, other than the R and RL Classes, will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the “Depository”). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the DTC Certificates, whether held for its own account or as a nominee for another person. State Street will act as Paying Agent for, and perform certain administrative functions with respect to, the DTC Certificates.

No person acquiring a beneficial ownership interest in the DTC Certificates (a “beneficial owner” or an “investor”) will be entitled to receive a physical certificate representing such ownership interest. An investor’s interest in the DTC Certificates will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains such investor’s account for such purpose. In turn, the financial intermediary’s record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as an agent for the financial intermediary if such intermediary is not a Depository Participant). Accordingly, an investor will not be recognized by the Trustee or the Depository as a Certificateholder and must rely on the foregoing arrangements to evidence its interest in the DTC Certificates. Beneficial ownership of an investor’s interest in the DTC Certificates may be transferred only by compliance with the procedures of an investor’s financial intermediary and of Depository Participants. In general, beneficial ownership of an investor’s interest in the DTC Certificates will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

Method of Distribution. Each distribution on the DTC Certificates will be distributed by the Paying Agent to the Depository in immediately available funds. The Depository will be responsible for crediting the amount of such distributions to the accounts of the Depository Participants entitled thereto, in accordance with the Depository’s normal procedures, which currently provide for distributions in same-day funds settled through the New York Clearing House. Each Depository Participant and each financial intermediary will be responsible for disbursing such distributions to the beneficial owners of the DTC Certificates that it represents. Accordingly, the beneficial owners may experience some delay in their receipt of distributions.

The SMBS

The SMBS underlying the Group 1 Classes will represent the aggregate of interest payments at a Pass-Through Rate of 8.00% on a notional principal amount of \$271,875,000 and principal payments on a principal amount of \$300,000,000 of MBS held in the form of Mega Certificate CL-190275 and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000275-CL. Certain characteristics of such MBS are described herein under “The MBS—Group 1 MBS.”

The SMBS underlying the Group 3 Classes will represent the aggregate of interest payments at a Pass-Through Rate of 7.50% on a notional principal amount of \$140,000,000 and principal payments on a principal amount of \$150,000,000 of MBS held in the form of Mega Certificate CL-190272 and included in Fannie Mae Stripped Mortgage-Backed Security Trust 000272-CL. Certain characteristics of such MBS are described herein under “The MBS—Group 3 MBS.”

The SMBS will provide that certain principal and interest payments on the related MBS will be passed through monthly, commencing in the month following the month of initial issuance of the SMBS.

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the unpaid principal balance and notional principal balance of each SMBS 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.

The MBS

The MBS included in each group specified below (each, an “MBS Group”) will have the aggregate unpaid principal balances and Pass-Through Rates set forth below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, commencing in the month following the month of the initial issuance of such MBS. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties and having original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the MBS included in each MBS Group and the related Mortgage Loans as of November 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	8.00%

Group 1 Mortgage Loans

Range of WACs (per annum percentages)	8.25% to 10.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	356 months
Approximate Weighted Average CAGE	4 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$300,000,000
MBS Pass-Through Rate	8.00%

Group 2 Mortgage Loans

Range of WACs (per annum percentages)	8.25% to 10.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	342 months
Approximate Weighted Average CAGE	16 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$150,000,000
MBS Pass-Through Rate	7.50%

Group 3 Mortgage Loans

Range of WACs (per annum percentages)	7.75% to 10.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	346 months
Approximate Weighted Average CAGE	10 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$19,000,000
MBS Pass-Through Rate	8.00%

Group 4 Mortgage Loans

Range of WACs (per annum percentages)	8.25% to 10.50%
Range of WAMs	100 months to 180 months
Approximate Weighted Average WAM	150 months
Approximate Weighted Average CAGE	29 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$56,000,000
MBS Pass-Through Rate	8.00%

Group 4 Mortgage Loans

Range of WACs (per annum percentages)	8.25% to 10.50%
Range of WAMs	100 months to 180 months
Approximate Weighted Average WAM	120 months
Approximate Weighted Average CAGE	57 months

Group 5 MBS

Aggregate Unpaid Principal Balance	\$450,000,000
MBS Pass-Through Rate	7.50%

Group 5 Mortgage Loans

Range of WACs (per annum percentages)	7.75% to 10.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	345 months
Approximate Weighted Average CAGE	14 months

Group 6 MBS

Aggregate Unpaid Principal Balance	\$307,500,000
MBS Pass-Through Rate	7.00%

Group 6 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	345 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	A, B, C, LL, MM, D, E, J, K, L, M, N, T, V, Z, AB, AH, AJ, AC, AD, AE, AG, AK, AL, AM, AN, AP, AT, AU, AV, AW, ZA and AY
Accrual	Z and ZA
Floating Rate	FA, F, FB, FE
Inverse Floating Rate	SA, S, SB, SE
Interest Only	D, SA, SB, V, AN and AY
No Payment Residual	R and RL

* 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 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 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 (collectively, the “No Delay Classes”)	One month period beginning on the 18th day of the month preceding the month of the Distribution Date and ending on the 17th day of the month of the Distribution Date
All Fixed Rate Classes and the F, S, FE and SE 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 Z and ZA Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable per annum rates set forth on the cover hereof; however, such interest will not be distributed thereon until (i) the Distribution Date following the Distribution Date on which the principal balance of the T Class is reduced to zero, in the case of the Z Class, and (ii) the Distribution Date following the Distribution Date on which the principal balance of the AW Class is reduced to zero, in the case of the ZA Class. 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.

Notional Classes. The D, SA, SB, V, AN and AY Classes will be Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates set forth on the cover or described herein during each Interest Accrual Period on the related notional principal balances. The notional principal balances of the Notional Classes will be equal to

the indicated percentages of the outstanding principal balances of the Classes specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balances of Specified Classes</u>
D	2.0000000000% of LL Class
	3.3333333333% of MM Class
SA	100.0000000000% of FA Class
SB	100.0000000000% of FB Class
V	12.5000000000% of M Class
	7.8125000000% of N Class
	6.2500000000% of T Class
AN	6.6666666667% of AK Class
	6.6666666667% of AL Class
	6.6666666667% of AM Class
AY	10.7142857143% of AV Class
	10.7142857143% of AW Class
	10.7142857143% of ZA 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 SMBS, 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 balances of the Notional Classes.

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 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	5.87500%	9.00000%	0.50%	LIBOR + 50 basis points
SA	3.12500%	8.50000%	0.00%	8.50% - LIBOR
F	6.72500%	9.00000%	1.35%	LIBOR + 135 basis points
S	9.42497%	31.69285%	0.00%	31.69285% - (4.14286 × LIBOR)
FB	5.87500%	9.00000%	0.50%	LIBOR + 50 basis points
SB	3.12500%	8.50000%	0.00%	8.50% - LIBOR
FE	6.72500%	9.00000%	1.35%	LIBOR + 135 basis points
SE	18.19999%	61.19999%	0.00%	61.19999% - (8 × 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 and notional principal balances of the FA, SA, F, S, FB, SB, FE and SE 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 5.375%.

Distributions of Principal

Categories of Classes and Components

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

<u>Principal Type*</u>	<u>Classes and Components</u>
Group 1 Classes	
TAC	A, B, C, FA1 and FA2
Support	F and S
Sequential Pay	LL, MM and E
Retail	LL and MM
Component	FA
Notional	D and SA
Group 2 Classes	
TAC	J, K and FB
Support	FE and SE
Sequential Pay	L, M, N, T and Z
Accretion Directed	M, N and T
Notional	SB and V
Group 3 Classes	
Sequential Pay	AB, AH, AJ, AC and AD
Group 4 Classes	
Sequential Pay	AE and AG
Group 5 Classes	
Sequential Pay	AK, AL and AM
Notional	AN
Group 6 Classes	
Sequential Pay	AP, AT, AU, AV, AW and ZA
Accretion Directed	AV and AW
Notional	AY
No Payment Residual	R and RL

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

Components. For purposes of calculating payments of principal, the FA Class is comprised of two payment Components having the designations and original principal balances set forth below, and therefore the payment characteristics of the FA Class will reflect a combination of the payment characteristics of such Components.

<u>Designation</u>	<u>Original Principal Balance</u>
FA1 Component.....	\$7,855,200
FA2 Component.....	9,267,500

Components are not separately transferable from the related Class of Certificates.

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 to be made on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”), (ii) the aggregate distributions of principal to be made on the Group 2 MBS in the month of such Distribution Date (the “Group 2 Cash Flow Distribution Amount”) and any interest accrued and added on such Distribution Date to the principal balance of the Z Class (the “Group 2 Accrual Amount” and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal to be made on the Group 3 MBS in the month of such Distribution Date (the “Group 3 Principal Distribution Amount”), (iv) the aggregate distributions of principal to be made on the Group 4 MBS in the month of such Distribution Date (the “Group 4 Principal Distribution Amount”), (v) the aggregate distributions of principal to be made on the Group 5 MBS in the month of such Distribution Date (the “Group 5 Principal Distribution Amount”) and (vi) the aggregate distributions of principal to be made on the Group 6 MBS in the month of such Distribution Date (the “Group 6 Cash Flow Distribution Amount”) and any interest accrued and added on such Distribution Date to the principal balance of the ZA Class (the “Group 6 Accrual Amount” and together with the Group 6 Cash Flow Distribution Amount, the “Group 6 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

1. Commencing in December 1999, on each Distribution Date the Group 1 Principal Distribution Amount will be distributed as principal of the LL and MM Classes, concurrently, in proportion to their original principal balances (or 52% and 48%, respectively), in an aggregate amount up to \$25,000 on each such Distribution Date. } Retail Classes

2. Commencing in December 1996, on each Distribution Date the Group 1 Principal Distribution Amount (net of the amount, if any, distributed pursuant to the immediately preceding paragraph) will be distributed as principal of the Group 1 Classes and Components in the following order of priority:

(a) to the TAC Classes and Components, in the order and proportions specified below, until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date:

(i) concurrently, to the B Class and the FA1 Component, in proportion to their original principal balances (or 93.3333333333% and 6.6666666667%, respectively), until the aggregate principal balance thereof is reduced to \$74,787,000;

(ii) concurrently, to the A Class, the FA2 Component, the B Class and the FA1 Component, in proportion to their original principal balances (or 67.3055973439%, 9.6150853349%, 21.5406961665% and 1.5386211547%, respectively); } TAC Classes and Components

(iii) concurrently, to the B Class and the FA1 Component, in proportion to their original principal balances, until the aggregate principal balance thereof is reduced to \$19,512,000; and

(iv) concurrently, to the B and C Classes and the FA1 Component, in proportion to their then current principal balances; }

(b) concurrently, to the F and S Classes, in proportion to their original principal balances (or 80.5555555556% and 19.4444444444%, respectively), until the principal balances thereof are reduced to zero; } Support Classes

(c) to the TAC Classes and Components, in the same order and proportions set forth above in clause (a), without regard to their Targeted Balances and until the respective principal balances thereof are reduced to zero;

TAC
Classes
and
Components

(d) concurrently, to the LL, MM and E Classes, in the proportion of 39.2050423716%, 36.1892698815% and 24.6056877469%, respectively, until the principal balances of the LL and MM Classes are reduced to zero; and

Sequential
Pay/
Retail
Classes

(e) to the E Class, until the principal balance thereof is reduced to zero.

Group 2 Principal Distribution Amount

Group 2 Accrual Amount

On each Distribution Date, the Group 2 Accrual Amount, if any, will be distributed, sequentially, as principal of the M, N and T Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the Z 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 as principal of the Group 2 Classes in the following order of priority:

(i) to the J, K and FB Classes, as specified below, until the principal balances thereof are reduced to their respective Targeted Balances for such Distribution Date:

TAC
Classes

50% sequentially, to the J and K Classes, in that order, and

50% to the FB Class;

(ii) concurrently, to the FE and SE Classes, in proportion to their original principal balances (or 88.888873913% and 11.1111126087%, respectively), until the principal balances thereof are reduced to zero;

Support
Classes

(iii) to the J, K and FB Classes, as specified in clause (i) above, without regard to their Targeted Balances and until the principal balances thereof are reduced to zero; and

TAC
Classes

(iv) sequentially, to the L, M, N, T and Z Classes, in that order, until the respective principal balances thereof are reduced to zero.

Sequential
Pay
Classes

Group 3 Principal Distribution Amount

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

(i) to the AB, AH and AJ Classes, as specified below, until the principal balances thereof are reduced to zero:

Sequential
Pay
Classes

64.4032502174% to the AB Class, and

35.5967497826%, sequentially, to the AH and AJ Classes, in that order; and

(ii) sequentially, to the AC and AD Classes, in that order, until the respective principal balances thereof are reduced to zero.

Group 4 Principal Distribution Amount

On each Distribution Date, the Group 4 Principal Distribution Amount will be distributed, sequentially, as principal of the AE and AG Classes, in that order, until the respective principal balances thereof are reduced to zero. } Sequential Pay Classes

Group 5 Principal Distribution Amount

On each Distribution Date, the Group 5 Principal Distribution Amount will be distributed, sequentially, as principal of the AK, AL and AM Classes, in that order, until the respective principal balances thereof are reduced to zero. } Sequential Pay Classes

Group 6 Principal Distribution Amount

Group 6 Accrual Amount

On each Distribution Date, the Group 6 Accrual Amount, if any, will be distributed, sequentially, as principal of the AV and AW Classes, in that order, until the respective principal balances thereof are reduced to zero, and thereafter to the ZA Class. } Accretion Directed and Accrual Classes

Group 6 Cash Flow Distribution Amount

On each Distribution Date, the Group 6 Cash Flow Distribution Amount will be distributed, sequentially, as principal of the AP, AT, AU, AV, AW and ZA 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 MBS Groups have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates, respectively, as specified:

<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	\$300,000,000	356	4	8.5%
Group 2	\$300,000,000	342	16	8.5%
Group 3	\$150,000,000	346	10	8.0%
Group 4	\$ 56,000,000	120	57	8.6%
	\$ 19,000,000	150	29	8.6%
Group 5	\$450,000,000	345	14	8.0%
Group 6	\$307,500,000	345	14	7.5%

- 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 Rates. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans underlying the Group 1 and Group 2 MBS prepay at the *constant* PSA rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Components</u>	<u>Structuring Rates</u>
Targeted Balances	A, B, C, FA1 and FA2	200%
Targeted Balances	J, K and FB	205%

There is no assurance that the principal balance of any Class or Component listed above will conform on any Distribution Date to the balance specified for such Distribution Date in the applicable Principal Balance Schedule herein, or that distributions of principal on such Class or Component 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 or Component to its scheduled balance will be distributed, the ability to so reduce such Class or Component will not be enhanced by the averaging of high and low principal payments from month to month. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans underlying the Group 1 MBS and Group 2 MBS (which may include recently originated Mortgage Loans), the Classes and Components specified above may not be reduced to their scheduled balances, even if prepayments occur at the applicable Structuring Rates specified above. The principal payment stability of the Classes and Components listed above will be supported in part by the related Support Classes. When each related Support Class is retired, the Classes and Components listed above will be more sensitive to prepayments.

Principal Balance Schedules

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>FA1 Component Targeted Balance</u>	<u>FA2 Component Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>J Class Targeted Balance</u>	<u>K Class Targeted Balance</u>	<u>FB Class Targeted Balance</u>
Initial Balance	\$64,872,500.00	\$109,972,800.00	\$7,855,200.00	\$9,267,500.00	\$12,046,000.00	\$101,407,000.00	\$11,896,500.00	\$113,303,500.00
December 1996	64,872,500.00	109,327,184.19	7,809,084.58	9,267,500.00	12,046,000.00	100,402,847.43	11,896,500.00	112,299,347.43
January 1997	64,872,500.00	108,586,736.58	7,756,195.47	9,267,500.00	12,046,000.00	99,350,150.19	11,896,500.00	111,246,650.19
February 1997	64,872,500.00	107,751,819.65	7,696,558.55	9,267,500.00	12,046,000.00	98,249,788.15	11,896,500.00	110,146,288.15
March 1997	64,872,500.00	106,822,893.14	7,630,206.65	9,267,500.00	12,046,000.00	97,102,691.45	11,896,500.00	108,999,191.45
April 1997	64,872,500.00	105,800,513.97	7,557,179.57	9,267,500.00	12,046,000.00	95,909,839.24	11,896,500.00	107,806,339.24
May 1997	64,872,500.00	104,685,335.95	7,477,524.00	9,267,500.00	12,046,000.00	94,672,258.37	11,896,500.00	106,568,758.37
June 1997	64,872,500.00	103,478,109.35	7,391,293.52	9,267,500.00	12,046,000.00	93,391,021.92	11,896,500.00	105,287,521.92
July 1997	64,872,500.00	102,179,680.26	7,298,548.59	9,267,500.00	12,046,000.00	92,067,247.72	11,896,500.00	103,963,747.72
August 1997	64,872,500.00	100,790,989.87	7,199,356.42	9,267,500.00	12,046,000.00	90,702,096.70	11,896,500.00	102,598,596.70
September 1997	64,872,500.00	99,313,073.46	7,093,790.96	9,267,500.00	12,046,000.00	89,296,771.27	11,896,500.00	101,193,271.27
October 1997	64,872,500.00	97,747,059.36	6,981,932.81	9,267,500.00	12,046,000.00	87,852,513.48	11,896,500.00	99,749,013.48
November 1997	64,872,500.00	96,094,167.64	6,863,869.12	9,267,500.00	12,046,000.00	86,370,603.28	11,896,500.00	98,267,103.28
December 1997	64,872,500.00	94,355,708.68	6,739,693.48	9,267,500.00	12,046,000.00	84,852,356.55	11,896,500.00	96,748,856.55
January 1998	64,872,500.00	92,533,081.59	6,609,505.83	9,267,500.00	12,046,000.00	83,299,123.17	11,896,500.00	95,195,623.17
February 1998	64,872,500.00	90,627,772.43	6,473,412.32	9,267,500.00	12,046,000.00	81,763,179.02	11,896,500.00	93,659,679.02
March 1998	64,872,500.00	88,641,352.33	6,331,525.17	9,267,500.00	12,046,000.00	80,244,334.50	11,896,500.00	92,140,834.50
April 1998	64,872,500.00	86,575,475.41	6,183,962.53	9,267,500.00	12,046,000.00	78,742,402.08	11,896,500.00	90,638,902.08
May 1998	64,872,500.00	84,431,876.56	6,030,848.33	9,267,500.00	12,046,000.00	77,257,196.31	11,896,500.00	89,153,696.31
June 1998	64,872,500.00	82,212,369.09	5,872,312.08	9,267,500.00	12,046,000.00	75,788,533.71	11,896,500.00	87,685,033.71
July 1998	64,872,500.00	79,918,842.24	5,708,488.73	9,267,500.00	12,046,000.00	74,336,232.83	11,896,500.00	86,232,732.83
August 1998	64,872,500.00	77,553,258.50	5,539,518.46	9,267,500.00	12,046,000.00	72,900,114.21	11,896,500.00	84,796,614.21
September 1998	64,872,500.00	75,117,650.89	5,365,546.49	9,267,500.00	12,046,000.00	71,480,000.32	11,896,500.00	83,376,500.32
October 1998	64,872,500.00	72,614,120.02	5,186,722.86	9,267,500.00	12,046,000.00	70,075,715.60	11,896,500.00	81,972,215.60
November 1998	64,872,500.00	70,044,831.09	5,003,202.22	9,267,500.00	12,046,000.00	68,687,086.37	11,896,500.00	80,583,586.37
December 1998	63,149,580.61	69,249,791.43	4,946,413.67	9,021,368.66	12,046,000.00	67,313,940.87	11,896,500.00	79,210,440.87
January 1999	61,206,804.37	68,628,019.18	4,902,001.37	8,743,829.20	12,046,000.00	65,956,109.20	11,896,500.00	77,852,609.20
February 1999	59,285,075.09	68,012,982.87	4,858,070.20	8,469,296.44	12,046,000.00	64,613,423.33	11,896,500.00	76,509,923.33
March 1999	57,384,168.08	67,404,610.58	4,814,615.04	8,197,738.30	12,046,000.00	63,285,717.04	11,896,500.00	75,182,217.04
April 1999	55,503,861.06	66,802,831.17	4,771,630.80	7,929,123.01	12,046,000.00	61,972,825.95	11,896,500.00	73,869,325.95
May 1999	53,643,934.11	66,207,574.27	4,729,112.45	7,663,419.16	12,046,000.00	60,674,587.46	11,896,500.00	72,571,087.46
June 1999	51,804,169.64	65,618,770.24	4,687,055.02	7,400,595.66	12,046,000.00	59,390,840.73	11,896,500.00	71,287,340.73
July 1999	49,984,352.38	65,036,350.17	4,645,453.58	7,140,621.77	12,046,000.00	58,121,426.71	11,896,500.00	70,017,926.71
August 1999	48,184,269.33	64,460,245.90	4,604,303.28	6,883,467.05	12,046,000.00	56,866,188.05	11,896,500.00	68,762,688.05
September 1999	46,403,709.77	63,890,389.99	4,563,599.28	6,629,101.40	12,046,000.00	55,624,969.15	11,896,500.00	67,521,469.15
October 1999	44,642,465.21	63,326,715.71	4,523,336.84	6,377,495.03	12,046,000.00	54,397,616.07	11,896,500.00	66,294,116.07
November 1999	42,900,329.38	62,769,157.05	4,483,511.22	6,128,618.48	12,046,000.00	53,183,976.59	11,896,500.00	65,080,476.59
December 1999	41,193,924.60	62,223,033.87	4,444,502.42	5,884,846.37	12,046,000.00	51,983,900.12	11,896,500.00	63,880,400.12
January 2000	39,506,222.54	61,682,896.36	4,405,921.17	5,643,746.08	12,046,000.00	50,797,237.73	11,896,500.00	62,693,737.73
February 2000	37,837,023.45	61,148,680.61	4,367,762.90	5,405,289.06	12,046,000.00	49,623,842.11	11,896,500.00	61,520,342.11
March 2000	36,186,129.68	60,620,323.35	4,330,023.10	5,169,447.10	12,046,000.00	48,463,567.56	11,896,500.00	60,360,067.56
April 2000	34,553,345.69	60,097,762.00	4,292,697.29	4,936,192.24	12,046,000.00	47,316,269.98	11,896,500.00	59,212,769.98
May 2000	32,938,478.00	59,580,934.64	4,255,781.05	4,705,496.86	12,046,000.00	46,181,806.81	11,896,500.00	58,078,306.81
June 2000	31,341,335.20	59,069,780.01	4,219,270.00	4,477,333.60	12,046,000.00	45,060,037.09	11,896,500.00	56,956,537.09
July 2000	29,761,727.92	58,564,237.50	4,183,159.82	4,251,675.42	12,046,000.00	43,950,821.36	11,896,500.00	55,847,321.36
August 2000	28,199,468.79	58,064,247.15	4,147,446.22	4,028,495.54	12,046,000.00	42,854,021.72	11,896,500.00	54,750,521.72
September 2000	26,654,372.44	57,569,749.62	4,112,124.97	3,807,767.49	12,046,000.00	41,769,501.73	11,896,500.00	53,666,001.73
October 2000	25,126,255.45	57,080,686.23	4,077,191.87	3,589,465.06	12,046,000.00	40,697,126.48	11,896,500.00	52,593,626.48
November 2000	23,614,936.38	56,596,998.90	4,042,642.78	3,373,562.34	12,046,000.00	39,636,762.51	11,896,500.00	51,533,262.51
December 2000	22,120,235.69	56,118,630.16	4,008,473.58	3,160,033.67	12,046,000.00	38,588,277.83	11,896,500.00	50,484,777.83
January 2001	20,641,975.76	55,645,523.19	3,974,680.23	2,948,853.68	12,046,000.00	37,551,541.88	11,896,500.00	49,448,041.88
February 2001	19,179,980.87	55,177,621.72	3,941,258.69	2,739,997.27	12,046,000.00	36,526,425.53	11,896,500.00	48,422,925.53

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>FA1 Component Targeted Balance</u>	<u>FA2 Component Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>J Class Targeted Balance</u>	<u>K Class Targeted Balance</u>	<u>FB Class Targeted Balance</u>
March 2001	\$17,734,077.15	\$ 54,714,870.12	\$3,908,205.01	\$2,533,439.59	\$12,046,000.00	\$ 35,512,801.06	\$11,896,500.00	\$ 47,409,301.06
April 2001.....	16,304,092.58	54,257,213.34	3,875,515.24	2,329,156.08	12,046,000.00	34,510,542.14	11,896,500.00	46,407,042.14
May 2001	14,889,856.97	53,804,596.90	3,843,185.49	2,127,122.42	12,046,000.00	33,519,523.83	11,896,500.00	45,416,023.83
June 2001	13,491,201.94	53,356,966.92	3,811,211.92	1,927,314.56	12,046,000.00	32,539,622.55	11,896,500.00	44,436,122.55
July 2001	12,107,960.90	52,914,270.09	3,779,590.72	1,729,708.70	12,046,000.00	31,570,716.06	11,896,500.00	43,467,216.06
August 2001	10,739,969.03	52,476,453.64	3,748,318.12	1,534,281.29	12,046,000.00	30,612,683.47	11,896,500.00	42,509,183.47
September 2001.....	9,387,063.26	52,043,465.40	3,717,390.39	1,341,009.04	12,046,000.00	29,665,405.20	11,896,500.00	41,561,905.20
October 2001	8,049,082.26	51,615,253.74	3,686,803.84	1,149,868.89	12,046,000.00	28,728,762.96	11,896,500.00	40,625,262.96
November 2001	6,725,866.41	51,191,767.55	3,656,554.83	960,838.06	12,046,000.00	27,802,639.79	11,896,500.00	39,699,139.79
December 2001	5,417,257.78	50,772,956.31	3,626,639.74	773,893.97	12,046,000.00	26,886,919.99	11,896,500.00	38,783,419.99
January 2002	4,123,100.13	50,358,770.00	3,597,055.00	589,014.30	12,046,000.00	25,981,489.10	11,896,500.00	37,877,989.10
February 2002	2,843,238.87	49,949,159.16	3,567,797.08	406,176.98	12,046,000.00	25,086,233.94	11,896,500.00	36,982,733.94
March 2002	1,577,521.07	49,544,074.83	3,538,862.49	225,360.15	12,046,000.00	24,201,042.56	11,896,500.00	36,097,542.56
April 2002.....	325,795.40	49,143,468.59	3,510,247.76	46,542.20	12,046,000.00	23,325,804.22	11,896,500.00	35,222,304.22
May 2002	0.00	47,774,398.84	3,412,457.06	0.00	12,046,000.00	22,460,409.41	11,896,500.00	34,356,909.41
June 2002	0.00	46,076,804.04	3,291,200.29	0.00	12,046,000.00	21,604,749.80	11,896,500.00	33,501,249.80
July 2002	0.00	44,397,996.07	3,171,285.43	0.00	12,046,000.00	20,758,718.24	11,896,500.00	32,655,218.24
August 2002	0.00	42,737,773.89	3,052,698.14	0.00	12,046,000.00	19,922,208.76	11,896,500.00	31,818,708.76
September 2002.....	0.00	41,095,938.59	2,935,424.18	0.00	12,046,000.00	19,095,116.56	11,896,500.00	30,991,616.56
October 2002	0.00	39,472,293.36	2,819,449.53	0.00	12,046,000.00	18,277,337.95	11,896,500.00	30,173,837.95
November 2002	0.00	37,866,643.52	2,704,760.25	0.00	12,046,000.00	17,468,770.41	11,896,500.00	29,365,270.41
December 2002	0.00	36,278,796.41	2,591,342.60	0.00	12,046,000.00	16,669,312.51	11,896,500.00	28,565,812.51
January 2003	0.00	34,708,561.46	2,479,182.96	0.00	12,046,000.00	15,878,863.94	11,896,500.00	27,775,363.94
February 2003	0.00	33,155,750.11	2,368,267.86	0.00	12,046,000.00	15,097,325.50	11,896,500.00	26,993,825.50
March 2003	0.00	31,620,175.80	2,258,583.99	0.00	12,046,000.00	14,324,599.06	11,896,500.00	26,221,099.06
April 2003.....	0.00	30,101,653.97	2,150,118.14	0.00	12,046,000.00	13,560,587.55	11,896,500.00	25,457,087.55
May 2003	0.00	28,600,002.00	2,042,857.29	0.00	12,046,000.00	12,805,194.97	11,896,500.00	24,701,694.97
June 2003	0.00	27,115,039.22	1,936,788.52	0.00	12,046,000.00	12,058,326.39	11,896,500.00	23,954,826.39
July 2003	0.00	25,646,586.91	1,831,899.06	0.00	12,046,000.00	11,319,887.89	11,896,500.00	23,216,387.89
August 2003	0.00	24,194,468.20	1,728,176.30	0.00	12,046,000.00	10,589,786.59	11,896,500.00	22,486,286.59
September 2003.....	0.00	22,758,508.14	1,625,607.72	0.00	12,046,000.00	9,867,930.61	11,896,500.00	21,764,430.61
October 2003	0.00	21,338,533.63	1,524,180.97	0.00	12,046,000.00	9,154,229.10	11,896,500.00	21,050,729.10
November 2003	0.00	19,934,373.40	1,423,883.81	0.00	12,046,000.00	8,448,592.17	11,896,500.00	20,345,092.17
December 2003	0.00	18,545,858.01	1,324,704.14	0.00	12,046,000.00	7,750,930.94	11,896,500.00	19,647,430.94
January 2004	0.00	17,569,179.79	1,254,941.41	0.00	11,621,328.62	7,061,157.49	11,896,500.00	18,957,657.49
February 2004	0.00	16,729,710.69	1,194,979.33	0.00	11,066,052.48	6,379,184.87	11,896,500.00	18,275,684.87
March 2004	0.00	15,899,606.99	1,135,686.21	0.00	10,516,971.19	5,704,927.05	11,896,500.00	17,601,427.05
April 2004.....	0.00	15,078,768.31	1,077,054.88	0.00	9,974,018.36	5,038,298.99	11,896,500.00	16,934,798.99
May 2004	0.00	14,267,095.35	1,019,078.24	0.00	9,437,128.29	4,379,216.52	11,896,500.00	16,275,716.52
June 2004	0.00	13,464,489.86	961,749.28	0.00	8,906,235.99	3,727,596.45	11,896,500.00	15,624,096.45
July 2004	0.00	12,670,854.62	905,061.04	0.00	8,381,277.17	3,083,356.46	11,896,500.00	14,979,856.46
August 2004	0.00	11,886,093.46	849,006.68	0.00	7,862,188.20	2,446,415.15	11,896,500.00	14,342,915.15
September 2004.....	0.00	11,110,111.24	793,579.37	0.00	7,348,906.17	1,816,691.98	11,896,500.00	13,713,191.98
October 2004	0.00	10,342,813.81	738,772.41	0.00	6,841,368.78	1,194,107.33	11,896,500.00	13,090,607.33
November 2004	0.00	9,584,108.04	684,579.15	0.00	6,339,514.44	578,582.43	11,896,500.00	12,475,082.43
December 2004	0.00	8,833,901.78	630,992.98	0.00	5,843,282.20	0.00	11,866,539.36	11,866,539.36
January 2005	0.00	8,092,103.87	578,007.42	0.00	5,352,611.75	0.00	11,264,901.08	11,264,901.08
February 2005	0.00	7,358,624.11	525,616.01	0.00	4,867,443.44	0.00	10,670,091.38	10,670,091.38
March 2005	0.00	6,633,373.27	473,812.38	0.00	4,387,718.24	0.00	10,082,034.86	10,082,034.86
April 2005.....	0.00	5,916,263.06	422,590.22	0.00	3,913,377.75	0.00	9,500,656.98	9,500,656.98
May 2005	0.00	5,207,206.13	371,943.30	0.00	3,444,364.19	0.00	8,925,883.99	8,925,883.99
June 2005	0.00	4,506,116.07	321,865.43	0.00	2,980,620.40	0.00	8,357,642.97	8,357,642.97

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>B Class Targeted Balance</u>	<u>FA1 Component Targeted Balance</u>	<u>FA2 Component Targeted Balance</u>	<u>C Class Targeted Balance</u>	<u>J Class Targeted Balance</u>	<u>K Class Targeted Balance</u>	<u>FB Class Targeted Balance</u>
July 2005	\$ 0.00	\$ 3,812,907.38	\$ 272,350.53	\$ 0.00	\$ 2,522,089.83	\$ 0.00	\$ 7,795,861.78	\$ 7,795,861.78
August 2005	0.00	3,127,495.48	223,392.53	0.00	2,068,716.53	0.00	7,240,469.07	7,240,469.07
September 2005	0.00	2,449,796.66	174,985.48	0.00	1,620,445.14	0.00	6,691,394.27	6,691,394.27
October 2005	0.00	1,779,728.15	127,123.44	0.00	1,177,220.90	0.00	6,148,567.58	6,148,567.58
November 2005	0.00	1,117,208.01	79,800.57	0.00	738,989.62	0.00	5,611,919.98	5,611,919.98
December 2005	0.00	462,155.21	33,011.09	0.00	305,697.69	0.00	5,081,383.20	5,081,383.20
January 2006	0.00	0.00	0.00	0.00	0.00	0.00	4,556,889.69	4,556,889.69
February 2006	0.00	0.00	0.00	0.00	0.00	0.00	4,038,372.67	4,038,372.67
March 2006	0.00	0.00	0.00	0.00	0.00	0.00	3,525,766.07	3,525,766.07
April 2006	0.00	0.00	0.00	0.00	0.00	0.00	3,019,004.57	3,019,004.57
May 2006	0.00	0.00	0.00	0.00	0.00	0.00	2,518,023.53	2,518,023.53
June 2006	0.00	0.00	0.00	0.00	0.00	0.00	2,022,759.04	2,022,759.04
July 2006	0.00	0.00	0.00	0.00	0.00	0.00	1,533,147.89	1,533,147.89
August 2006	0.00	0.00	0.00	0.00	0.00	0.00	1,049,127.54	1,049,127.54
September 2006	0.00	0.00	0.00	0.00	0.00	0.00	570,636.16	570,636.16
October 2006	0.00	0.00	0.00	0.00	0.00	0.00	97,612.58	97,612.58
November 2006 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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 D, V, AN and AY Classes. As indicated in the tables below, the yields to investors in the D, V, AN and AY Classes will be highly sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the related MBS Groups, which generally can be prepaid at any time. On the basis of the assumptions described below, the yield to maturity on the D, V, AN and AY Classes would be 0% if prepayments were to occur at constant rates of approximately 605% PSA, 591% PSA, 377% PSA and 475% PSA, respectively. If the actual prepayment rates of the Mortgage Loans underlying the related MBS Groups were to exceed the foregoing levels for as little as one month while equaling such levels for the remaining months, investors in the D, V, AN and AY Classes, as applicable, would not fully recoup their initial investments.

The information set forth in the following tables was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the D, V, AN and AY Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price</u>
D	43.0%
V	38.0%
AN	30.0%
AY	56.0%

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

Sensitivity of the D Class to Prepayments (Pre-Tax Yields to Maturity)

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
D	16.9%	16.8%	15.8%	11.7%	5.4%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>205%</u>	<u>350%</u>	<u>500%</u>
V	11.3%	11.3%	11.3%	9.3%	4.2%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
AN	21.3%	18.5%	13.4%	1.8%	(8.7)%

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

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>
AY	12.1%	11.9%	11.2%	5.5%	(1.3)%

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 SA and SB 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	6.0%
S	87.0%
SB	5.5%
SE	96.0%

* 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>95%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
3.375%	95.6%	92.5%	83.7%	82.9%	75.9%
5.375%	53.4%	49.4%	38.2%	36.5%	26.3%
7.375%	12.6%	6.3%	(10.7)%	(14.5)%	(30.5)%
8.500%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
3.375%	21.0%	21.1%	21.4%	28.3%	33.4%
5.375%	11.2%	11.3%	11.7%	18.8%	23.9%
7.375%	1.8%	2.0%	2.5%	9.5%	14.7%
7.650%	0.6%	0.7%	1.3%	8.3%	13.5%

**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>95%</u>	<u>205%</u>	<u>350%</u>	<u>500%</u>
3.375%	103.8%	99.1%	87.0%	83.3%	69.4%
5.375%	57.6%	53.2%	41.2%	35.6%	19.7%
7.375%	14.9%	10.0%	(5.2)%	(14.3)%	(34.6)%
8.500%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>95%</u>	<u>205%</u>	<u>350%</u>	<u>500%</u>
3.375%	37.6%	37.6%	37.6%	40.7%	43.7%
5.375%	19.5%	19.6%	19.6%	23.8%	27.8%
7.375%	2.4%	2.5%	2.6%	7.7%	12.6%
7.650%	0.2%	0.2%	0.4%	5.6%	10.6%

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 sequences of distributions of principal of the Classes. The weighted average lives of certain Group 1 and Group 2 Classes will also depend on the distribution of principal of the related TAC Classes and Components in accordance with the applicable Principal Balance Schedules herein. In particular, if the amount distributable as principal of the Group 1 or Group 2 Classes on any Distribution Date exceeds the amount required to reduce the principal balances of the related TAC Classes and Components to their scheduled balances as set forth in the applicable Principal Balance Schedules, such excess principal will be distributed on certain of the remaining Group 1 or Group 2 Classes, as applicable, on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce the related TAC Classes and Components to their scheduled balances, no principal will be distributed on certain of the remaining Group 1 or Group 2 Classes, as applicable, on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans underlying the Group 1 and Group 2 MBS is expected to have a greater effect on the weighted average lives of the related Support Classes than on the weighted average lives of the related TAC Classes. See “—Distributions of Principal” herein.

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

As described under “Distribution of Principal—Components” herein, for purposes of calculating payments of principal, the FA Class is comprised of two Components. Since such Components are not divisible, the payment characteristics of each Class will reflect a combination of the payment characteristics of such Components.

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:

Mortgage Loans relating to the MBS specified below	Original and Remaining Terms to Maturity	Interest Rates
Group 1	360 months	10.50%
Group 2	360 months	10.50%
Group 3	360 months	10.00%
Group 4	180 months	10.50%
Group 5	360 months	10.00%
Group 6	360 months	9.50%

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 Class					B Class					C Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	200%	350%	500%	0%	95%	200%	350%	500%	0%	95%	200%	350%	500%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997.....	100	100	100	100	100	99	93	87	87	87	100	100	100	100	100
November 1998.....	100	100	100	100	93	97	80	64	64	62	100	100	100	100	100
November 1999.....	100	100	66	66	28	96	65	57	57	50	100	100	100	100	100
November 2000.....	100	84	36	27	0	94	60	51	50	31	100	100	100	100	100
November 2001.....	100	68	10	0	0	93	57	47	41	10	100	100	100	100	58
November 2002.....	100	52	0	0	0	91	54	34	21	0	100	100	100	100	0
November 2003.....	100	37	0	0	0	89	52	18	9	0	100	100	100	56	0
November 2004.....	100	23	0	0	0	86	49	9	2	0	100	100	53	10	0
November 2005.....	100	9	0	0	0	83	46	1	0	0	100	100	6	0	0
November 2006.....	100	0	0	0	0	80	42	0	0	0	100	100	0	0	0
November 2007.....	100	0	0	0	0	77	32	0	0	0	100	100	0	0	0
November 2008.....	100	0	0	0	0	73	23	0	0	0	100	100	0	0	0
November 2009.....	100	0	0	0	0	69	15	0	0	0	100	90	0	0	0
November 2010.....	100	0	0	0	0	64	10	0	0	0	100	59	0	0	0
November 2011.....	95	0	0	0	0	62	5	0	0	0	100	29	0	0	0
November 2012.....	88	0	0	0	0	61	*	0	0	0	100	1	0	0	0
November 2013.....	80	0	0	0	0	60	0	0	0	0	100	0	0	0	0
November 2014.....	71	0	0	0	0	58	0	0	0	0	100	0	0	0	0
November 2015.....	61	0	0	0	0	56	0	0	0	0	100	0	0	0	0
November 2016.....	50	0	0	0	0	54	0	0	0	0	100	0	0	0	0
November 2017.....	37	0	0	0	0	52	0	0	0	0	100	0	0	0	0
November 2018.....	24	0	0	0	0	49	0	0	0	0	100	0	0	0	0
November 2019.....	8	0	0	0	0	46	0	0	0	0	100	0	0	0	0
November 2020.....	0	0	0	0	0	38	0	0	0	0	100	0	0	0	0
November 2021.....	0	0	0	0	0	22	0	0	0	0	100	0	0	0	0
November 2022.....	0	0	0	0	0	9	0	0	0	0	57	0	0	0	0
November 2023.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.6	6.2	3.6	3.4	2.7	18.1	7.4	4.2	3.8	2.9	26.1	14.3	8.1	7.2	5.1

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

Date	LL, MM and D [†] Classes					E Class					FA and SA [†] Classes					F and S Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	200%	350%	500%	0%	95%	200%	350%	500%	0%	95%	200%	350%	500%	0%	95%	200%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997	100	100	100	100	100	100	100	100	100	100	99	97	94	94	94	100	100	100	79	59
November 1998	100	100	100	100	100	100	100	100	100	100	99	91	83	83	79	100	100	100	41	0
November 1999	100	100	100	100	100	100	100	100	100	100	98	84	62	62	38	100	100	100	3	0
November 2000	99	99	99	99	99	100	100	100	100	100	97	73	43	38	14	100	100	100	0	0
November 2001	98	98	98	98	98	100	100	100	100	100	97	63	27	19	4	100	100	100	0	0
November 2002	96	96	96	96	89	100	100	100	100	98	96	53	16	9	0	100	100	100	0	0
November 2003	95	95	95	95	45	100	100	100	100	84	95	44	8	4	0	100	100	100	0	0
November 2004	94	94	94	94	14	100	100	100	100	74	94	35	4	1	0	100	100	100	0	0
November 2005	93	93	93	68	0	100	100	100	92	61	92	26	*	0	0	100	100	100	0	0
November 2006	92	92	92	41	0	100	100	100	84	42	91	19	0	0	0	100	100	76	0	0
November 2007	90	90	90	19	0	100	100	100	77	29	89	15	0	0	0	100	100	52	0	0
November 2008	89	89	89	2	0	100	100	100	72	20	88	10	0	0	0	100	100	30	0	0
November 2009	88	88	88	0	0	100	100	100	57	13	86	7	0	0	0	100	100	12	0	0
November 2010	87	87	81	0	0	100	100	98	44	9	84	4	0	0	0	100	100	0	0	0
November 2011	86	86	60	0	0	100	100	92	33	6	80	2	0	0	0	100	100	0	0	0
November 2012	84	84	43	0	0	100	100	87	25	4	75	*	0	0	0	100	100	0	0	0
November 2013	83	83	27	0	0	100	100	82	19	3	70	0	0	0	0	100	82	0	0	0
November 2014	82	82	13	0	0	100	100	78	15	2	65	0	0	0	0	100	64	0	0	0
November 2015	81	81	2	0	0	100	100	74	11	1	59	0	0	0	0	100	47	0	0	0
November 2016	80	80	0	0	0	100	100	63	8	1	52	0	0	0	0	100	31	0	0	0
November 2017	78	78	0	0	0	100	100	51	6	1	44	0	0	0	0	100	16	0	0	0
November 2018	77	77	0	0	0	100	100	42	4	*	35	0	0	0	0	100	1	0	0	0
November 2019	76	58	0	0	0	100	94	33	3	*	26	0	0	0	0	100	0	0	0	0
November 2020	75	39	0	0	0	100	88	26	2	*	17	0	0	0	0	100	0	0	0	0
November 2021	74	20	0	0	0	100	83	19	1	*	10	0	0	0	0	100	0	0	0	0
November 2022	72	2	0	0	0	100	77	14	1	*	4	0	0	0	0	100	0	0	0	0
November 2023	71	0	0	0	0	100	56	9	1	*	0	0	0	0	0	90	0	0	0	0
November 2024	70	0	0	0	0	100	35	5	*	*	0	0	0	0	0	36	0	0	0	0
November 2025	34	0	0	0	0	89	14	2	*	*	0	0	0	0	0	0	0	0	0	0
November 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)**	25.0	21.4	15.1	9.6	6.9	29.6	27.0	21.3	14.1	10.0	18.9	6.7	3.9	3.6	2.8	27.8	18.9	11.2	1.8	1.1

Date	J Class					K Class					FB and SB [†] Classes					FE and SE Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997	99	92	85	85	80	100	100	100	100	100	99	93	87	87	82	100	100	100	34	0
November 1998	98	83	68	63	46	100	100	100	100	100	99	85	71	67	51	100	100	100	0	0
November 1999	98	74	52	42	21	100	100	100	100	100	98	77	57	48	30	100	100	100	0	0
November 2000	97	66	39	26	4	100	100	100	100	100	97	70	45	34	15	100	100	100	0	0
November 2001	95	58	27	13	0	100	100	100	100	39	96	63	35	22	4	100	100	100	0	0
November 2002	94	51	17	3	0	100	100	100	100	0	95	56	26	13	0	100	100	100	0	0
November 2003	93	44	8	0	0	100	100	100	54	0	94	50	18	6	0	100	100	100	0	0
November 2004	91	37	1	0	0	100	100	100	1	0	92	44	11	*	0	100	100	100	0	0
November 2005	90	31	0	0	0	100	100	47	0	0	91	38	5	0	0	100	100	100	0	0
November 2006	88	25	0	0	0	100	100	0	0	0	89	33	0	0	0	100	100	98	0	0
November 2007	86	19	0	0	0	100	100	0	0	0	87	27	0	0	0	100	100	62	0	0
November 2008	83	13	0	0	0	100	100	0	0	0	85	23	0	0	0	100	100	32	0	0
November 2009	81	8	0	0	0	100	100	0	0	0	83	18	0	0	0	100	100	5	0	0
November 2010	78	3	0	0	0	100	100	0	0	0	80	14	0	0	0	100	100	0	0	0
November 2011	74	0	0	0	0	100	89	0	0	0	77	9	0	0	0	100	100	0	0	0
November 2012	71	0	0	0	0	100	51	0	0	0	74	5	0	0	0	100	100	0	0	0
November 2013	67	0	0	0	0	100	14	0	0	0	70	1	0	0	0	100	100	0	0	0
November 2014	63	0	0	0	0	100	0	0	0	0	67	0	0	0	0	100	84	0	0	0
November 2015	58	0	0	0	0	100	0	0	0	0	62	0	0	0	0	100	57	0	0	0
November 2016	52	0	0	0	0	100	0	0	0	0	57	0	0	0	0	100	32	0	0	0
November 2017	46	0	0	0	0	100	0	0	0	0	52	0	0	0	0	100	7	0	0	0
November 2018	40	0	0	0	0	100	0	0	0	0	46	0	0	0	0	100	0	0	0	0
November 2019	32	0	0	0	0	100	0	0	0	0	39	0	0	0	0	100	0	0	0	0
November 2020	24	0	0	0	0	100	0	0	0	0	32	0	0	0	0	100	0	0	0	0
November 2021	15	0	0	0	0	100	0	0	0	0	24	0	0	0	0	100	0	0	0	0
November 2022	5	0	0	0	0	100	0	0	0	0	15	0	0	0	0	100	0	0	0	0
November 2023	0	0	0	0	0	46	0	0	0	0	5	0	0	0	0	100	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 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)**	18.7	6.6	3.5	2.8	2.0	27.0	16.0	9.0	7.1	4.9	19.6	7.6	4.1	3.3	2.3	28.0	19.3	11.5	0.8	0.4

* 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.

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

Date	L Class					M Class					N Class					T Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997	100	100	100	100	100	83	83	83	83	83	100	100	100	100	100	100	100	100	100	100
November 1998	100	100	100	100	100	65	65	65	65	65	100	100	100	100	100	100	100	100	100	100
November 1999	100	100	100	100	100	45	45	45	45	45	100	100	100	100	100	100	100	100	100	100
November 2000	100	100	100	100	100	23	23	23	23	23	100	100	100	100	100	100	100	100	100	100
November 2001	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	100	100	100	100	100
November 2002	100	100	100	100	29	0	0	0	0	0	85	85	85	85	85	100	100	100	100	100
November 2003	100	100	100	100	0	0	0	0	0	0	69	69	69	69	0	100	100	100	100	74
November 2004	100	100	100	100	0	0	0	0	0	0	51	51	51	51	0	100	100	100	100	0
November 2005	100	100	100	5	0	0	0	0	0	0	32	32	32	32	0	100	100	100	100	0
November 2006	100	100	100	0	0	0	0	0	0	0	12	12	12	0	0	100	100	100	39	0
November 2007	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0	91	91	91	0	0
November 2008	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0	72	72	72	0	0
November 2009	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0	50	50	50	0	0
November 2010	100	100	48	0	0	0	0	0	0	0	0	0	0	0	0	27	27	27	0	0
November 2011	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0
November 2012	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2013	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2014	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2015	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2016	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2017	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2018	100	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2019	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2020	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2021	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2022	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2023	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 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)**	28.8	22.1	14.0	8.5	5.9	2.7	2.7	2.7	2.7	2.7	8.0	8.0	8.0	7.8	6.3	13.0	13.0	13.0	9.9	7.3

Date	V† Class					Z Class					AB Class					AH Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	205%	350%	500%	0%	95%	205%	350%	500%	0%	95%	165%	350%	500%	0%	95%	165%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997	95	95	95	95	95	108	108	108	108	108	99	94	90	80	72	99	92	88	76	67
November 1998	89	89	89	89	89	117	117	117	117	117	98	84	75	52	34	98	81	70	42	21
November 1999	82	82	82	82	82	127	127	127	127	127	97	74	60	27	5	96	69	52	12	0
November 2000	75	75	75	75	75	138	138	138	138	138	96	65	47	8	0	95	58	36	0	0
November 2001	68	68	68	68	68	149	149	149	149	149	94	56	35	0	0	93	47	22	0	0
November 2002	63	63	63	63	63	161	161	161	161	161	93	48	24	0	0	92	37	9	0	0
November 2003	57	57	57	57	25	175	175	175	175	175	91	40	14	0	0	90	28	0	0	0
November 2004	51	51	51	51	0	189	189	189	189	172	90	33	6	0	0	88	19	0	0	0
November 2005	44	44	44	44	0	205	205	205	205	118	88	25	0	0	0	85	11	0	0	0
November 2006	37	37	37	13	0	222	222	222	222	81	85	19	0	0	0	83	3	0	0	0
November 2007	31	31	31	0	0	240	240	240	202	55	83	12	0	0	0	80	0	0	0	0
November 2008	24	24	24	0	0	260	260	260	155	38	80	6	0	0	0	76	0	0	0	0
November 2009	17	17	17	0	0	282	282	282	119	26	77	1	0	0	0	73	0	0	0	0
November 2010	9	9	9	0	0	305	305	305	91	17	74	0	0	0	0	69	0	0	0	0
November 2011	1	1	0	0	0	331	331	322	69	12	70	0	0	0	0	65	0	0	0	0
November 2012	0	0	0	0	0	333	333	271	52	8	66	0	0	0	0	60	0	0	0	0
November 2013	0	0	0	0	0	333	333	226	39	5	62	0	0	0	0	55	0	0	0	0
November 2014	0	0	0	0	0	333	333	188	30	3	57	0	0	0	0	49	0	0	0	0
November 2015	0	0	0	0	0	333	333	155	22	2	52	0	0	0	0	42	0	0	0	0
November 2016	0	0	0	0	0	333	333	126	16	1	46	0	0	0	0	35	0	0	0	0
November 2017	0	0	0	0	0	333	333	101	12	1	39	0	0	0	0	27	0	0	0	0
November 2018	0	0	0	0	0	333	333	80	8	1	32	0	0	0	0	19	0	0	0	0
November 2019	0	0	0	0	0	333	321	62	6	*	24	0	0	0	0	9	0	0	0	0
November 2020	0	0	0	0	0	333	257	46	4	*	15	0	0	0	0	0	0	0	0	0
November 2021	0	0	0	0	0	333	196	33	2	*	5	0	0	0	0	0	0	0	0	0
November 2022	0	0	0	0	0	333	138	21	1	*	0	0	0	0	0	0	0	0	0	0
November 2023	0	0	0	0	0	333	81	12	1	*	0	0	0	0	0	0	0	0	0	0
November 2024	0	0	0	0	0	333	27	4	*	*	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	309	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 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)**	7.9	7.9	7.9	6.8	5.5	29.5	25.6	19.5	14.1	10.4	17.7	6.1	4.0	2.2	1.6	16.3	5.0	3.3	1.8	1.4

* 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.

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

Date	AJ Class					AC Class					AD Class					AE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	165%	350%	500%	0%	95%	165%	350%	500%	0%	95%	165%	350%	500%	0%	95%	225%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	96	85	76	66	56
November 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	92	71	55	41	26
November 1999	100	100	100	100	30	100	100	100	100	100	100	100	100	100	100	87	57	37	21	6
November 2000	100	100	100	46	0	100	100	100	100	48	100	100	100	100	100	82	44	23	7	0
November 2001	100	100	100	0	0	100	100	100	75	*	100	100	100	100	100	77	32	10	0	0
November 2002	100	100	100	0	0	100	100	100	35	0	100	100	100	100	69	70	20	0	0	0
November 2003	100	100	86	0	0	100	100	100	3	0	100	100	100	100	48	63	8	0	0	0
November 2004	100	100	34	0	0	100	100	100	0	0	100	100	100	80	33	55	0	0	0	0
November 2005	100	100	0	0	0	100	100	93	0	0	100	100	100	62	22	47	0	0	0	0
November 2006	100	100	0	0	0	100	100	69	0	0	100	100	100	48	15	37	0	0	0	0
November 2007	100	75	0	0	0	100	100	48	0	0	100	100	100	37	11	26	0	0	0	0
November 2008	100	39	0	0	0	100	100	29	0	0	100	100	100	28	7	14	0	0	0	0
November 2009	100	4	0	0	0	100	100	12	0	0	100	100	100	22	5	1	0	0	0	0
November 2010	100	0	0	0	0	100	84	0	0	0	100	100	97	17	3	0	0	0	0	0
November 2011	100	0	0	0	0	100	67	0	0	0	100	100	84	13	2	0	0	0	0	0
November 2012	100	0	0	0	0	100	50	0	0	0	100	100	73	10	1	0	0	0	0	0
November 2013	100	0	0	0	0	100	34	0	0	0	100	100	63	7	1	0	0	0	0	0
November 2014	100	0	0	0	0	100	19	0	0	0	100	100	53	5	1	0	0	0	0	0
November 2015	100	0	0	0	0	100	5	0	0	0	100	100	45	4	*	0	0	0	0	0
November 2016	100	0	0	0	0	100	0	0	0	0	100	92	38	3	*	0	0	0	0	0
November 2017	100	0	0	0	0	100	0	0	0	0	100	80	31	2	*	0	0	0	0	0
November 2018	100	0	0	0	0	100	0	0	0	0	100	68	26	2	*	0	0	0	0	0
November 2019	100	0	0	0	0	100	0	0	0	0	100	57	20	1	*	0	0	0	0	0
November 2020	92	0	0	0	0	100	0	0	0	0	100	46	16	1	*	0	0	0	0	0
November 2021	33	0	0	0	0	100	0	0	0	0	100	36	12	*	*	0	0	0	0	0
November 2022	0	0	0	0	0	82	0	0	0	0	100	26	8	*	*	0	0	0	0	0
November 2023	0	0	0	0	0	42	0	0	0	0	100	16	5	*	*	0	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	98	7	2	*	*	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	51	0	0	0	0	0	0	0	0	0
November 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)**	24.7	11.7	7.7	4.0	2.9	26.8	16.1	11.0	5.7	4.0	29.0	23.8	19.3	10.9	7.7	8.0	3.7	2.5	1.8	1.3

Date	AG Class					AK Class					AL Class					AM Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	225%	350%	500%	0%	95%	175%	350%	500%	0%	95%	175%	350%	500%	0%	95%	175%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997	100	100	100	100	100	99	93	88	77	68	100	100	100	100	100	100	100	100	100	100
November 1998	100	100	100	100	100	98	83	73	50	33	100	100	100	100	100	100	100	100	100	100
November 1999	100	100	100	100	100	97	75	59	28	7	100	100	100	100	100	100	100	100	100	100
November 2000	100	100	100	100	75	96	66	46	11	0	100	100	100	100	50	100	100	100	100	100
November 2001	100	100	100	85	46	95	58	35	0	0	100	100	100	90	0	100	100	100	100	94
November 2002	100	100	99	57	28	94	50	25	0	0	100	100	100	38	0	100	100	100	100	65
November 2003	100	100	69	37	16	92	43	16	0	0	100	100	100	0	0	100	100	100	99	44
November 2004	100	89	45	22	8	90	36	8	0	0	100	100	100	0	0	100	100	100	77	31
November 2005	100	53	24	11	4	88	30	1	0	0	100	100	100	0	0	100	100	100	59	21
November 2006	100	18	8	3	1	86	24	0	0	0	100	100	75	0	0	100	100	100	46	14
November 2007	100	11	4	2	*	84	18	0	0	0	100	100	47	0	0	100	100	100	35	10
November 2008	100	3	1	*	*	82	12	0	0	0	100	100	23	0	0	100	100	100	27	7
November 2009	100	0	0	0	0	79	7	0	0	0	100	100	1	0	0	100	100	100	21	5
November 2010	55	0	0	0	0	76	2	0	0	0	100	100	0	0	0	100	100	87	16	3
November 2011	0	0	0	0	0	73	0	0	0	0	100	87	0	0	0	100	100	75	12	2
November 2012	0	0	0	0	0	69	0	0	0	0	100	65	0	0	0	100	100	65	9	1
November 2013	0	0	0	0	0	65	0	0	0	0	100	44	0	0	0	100	100	55	7	1
November 2014	0	0	0	0	0	60	0	0	0	0	100	24	0	0	0	100	100	47	5	1
November 2015	0	0	0	0	0	55	0	0	0	0	100	5	0	0	0	100	100	39	4	*
November 2016	0	0	0	0	0	50	0	0	0	0	100	0	0	0	0	100	91	33	3	*
November 2017	0	0	0	0	0	44	0	0	0	0	100	0	0	0	0	100	79	27	2	*
November 2018	0	0	0	0	0	37	0	0	0	0	100	0	0	0	0	100	67	22	1	*
November 2019	0	0	0	0	0	30	0	0	0	0	100	0	0	0	0	100	56	17	1	*
November 2020	0	0	0	0	0	21	0	0	0	0	100	0	0	0	0	100	45	13	1	*
November 2021	0	0	0	0	0	12	0	0	0	0	100	0	0	0	0	100	35	10	*	*
November 2022	0	0	0	0	0	2	0	0	0	0	100	0	0	0	0	100	25	7	*	*
November 2023	0	0	0	0	0	0	0	0	0	0	57	0	0	0	0	100	16	4	*	*
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	98	7	2	*	*
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51	0	0	0	0
November 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)**	14.1	9.3	8.0	6.7	5.3	18.3	6.5	4.0	2.2	1.6	27.1	16.8	11.0	5.8	4.1	29.0	23.7	18.5	10.8	7.5

* 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	AN† Class					AP Class					AT Class					AU Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	175%	350%	500%	0%	95%	150%	350%	500%	0%	95%	150%	350%	500%	0%	95%	150%	350%	500%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997.....	99	95	92	85	79	99	92	89	77	67	100	100	100	100	100	100	100	100	100	100
November 1998.....	99	89	82	67	55	98	83	75	48	31	100	100	100	100	100	100	100	100	100	100
November 1999.....	98	83	72	52	38	97	73	62	26	5	100	100	100	100	100	100	100	100	100	100
November 2000.....	97	77	64	41	26	96	65	50	8	0	100	100	100	100	0	100	100	100	100	97
November 2001.....	97	72	56	32	18	94	56	39	0	0	100	100	100	59	0	100	100	100	100	0
November 2002.....	96	67	50	25	13	93	48	30	0	0	100	100	100	0	0	100	100	100	76	0
November 2003.....	95	62	44	19	9	91	41	21	0	0	100	100	100	0	0	100	100	100	7	0
November 2004.....	94	57	38	15	6	89	34	13	0	0	100	100	100	0	0	100	100	100	0	0
November 2005.....	92	53	34	12	4	87	27	6	0	0	100	100	100	0	0	100	100	100	0	0
November 2006.....	91	49	30	9	3	85	21	0	0	0	100	100	93	0	0	100	100	100	0	0
November 2007.....	89	45	26	7	2	83	15	0	0	0	100	100	47	0	0	100	100	100	0	0
November 2008.....	88	41	23	5	1	80	9	0	0	0	100	100	6	0	0	100	100	100	0	0
November 2009.....	86	38	20	4	1	77	4	0	0	0	100	100	0	0	0	100	100	66	0	0
November 2010.....	84	35	17	3	1	74	0	0	0	0	100	88	0	0	0	100	100	30	0	0
November 2011.....	82	31	15	2	*	70	0	0	0	0	100	51	0	0	0	100	100	0	0	0
November 2012.....	79	28	13	2	*	66	0	0	0	0	100	15	0	0	0	100	100	0	0	0
November 2013.....	76	25	11	1	*	62	0	0	0	0	100	0	0	0	0	100	81	0	0	0
November 2014.....	73	23	9	1	*	57	0	0	0	0	100	0	0	0	0	100	47	0	0	0
November 2015.....	70	20	8	1	*	52	0	0	0	0	100	0	0	0	0	100	15	0	0	0
November 2016.....	66	18	6	1	*	46	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2017.....	62	15	5	*	*	40	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2018.....	58	13	4	*	*	33	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2019.....	53	11	3	*	*	25	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2020.....	47	9	3	*	*	17	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2021.....	41	7	2	*	*	8	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2022.....	35	5	1	*	*	0	0	0	0	0	83	0	0	0	0	100	0	0	0	0
November 2023.....	27	3	1	*	*	0	0	0	0	0	0	0	0	0	0	98	0	0	0	0
November 2024.....	19	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025.....	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 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)**.....	21.6	11.2	7.8	4.3	3.1	17.7	6.2	4.4	2.1	1.5	26.4	15.1	11.0	5.1	3.6	27.5	17.9	13.5	6.4	4.4

Date	AV Class					AW Class					ZA Class					AY† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	95%	150%	350%	500%	0%	95%	150%	350%	500%	0%	95%	150%	350%	500%	0%	95%	150%	350%	500%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 1997.....	82	82	82	82	82	100	100	100	100	100	106	106	106	106	106	100	100	100	100	100
November 1998.....	63	63	63	63	63	100	100	100	100	100	113	113	113	113	113	100	100	100	100	100
November 1999.....	42	42	42	42	42	100	100	100	100	100	121	121	121	121	121	100	100	100	100	100
November 2000.....	21	21	21	21	21	100	100	100	100	100	128	128	128	128	128	100	100	100	100	100
November 2001.....	0	0	0	0	0	99	99	99	99	95	137	137	137	137	137	100	100	100	100	98
November 2002.....	0	0	0	0	0	92	92	92	92	22	145	145	145	145	145	100	100	100	100	67
November 2003.....	0	0	0	0	0	84	84	84	84	0	155	155	155	155	118	100	100	100	100	46
November 2004.....	0	0	0	0	0	75	75	75	32	0	165	165	165	165	81	100	100	100	80	32
November 2005.....	0	0	0	0	0	66	66	66	0	0	175	175	175	157	55	100	100	100	62	22
November 2006.....	0	0	0	0	0	57	57	57	0	0	187	187	187	121	38	100	100	100	48	15
November 2007.....	0	0	0	0	0	47	47	47	0	0	199	199	199	93	26	100	100	100	37	10
November 2008.....	0	0	0	0	0	36	36	36	0	0	211	211	211	71	18	100	100	100	28	7
November 2009.....	0	0	0	0	0	24	24	24	0	0	225	225	225	55	12	100	100	100	22	5
November 2010.....	0	0	0	0	0	12	12	12	0	0	239	239	239	42	8	100	100	100	16	3
November 2011.....	0	0	0	0	0	0	0	0	0	0	253	253	251	32	5	100	100	99	13	2
November 2012.....	0	0	0	0	0	0	0	0	0	0	253	253	218	24	4	100	100	86	9	1
November 2013.....	0	0	0	0	0	0	0	0	0	0	253	253	189	18	2	100	100	75	7	1
November 2014.....	0	0	0	0	0	0	0	0	0	0	253	253	163	13	2	100	100	64	5	1
November 2015.....	0	0	0	0	0	0	0	0	0	0	253	253	139	10	1	100	100	55	4	*
November 2016.....	0	0	0	0	0	0	0	0	0	0	253	236	117	7	1	100	93	46	3	*
November 2017.....	0	0	0	0	0	0	0	0	0	0	253	204	98	5	*	100	80	38	2	*
November 2018.....	0	0	0	0	0	0	0	0	0	0	253	173	80	4	*	100	68	32	1	*
November 2019.....	0	0	0	0	0	0	0	0	0	0	253	144	64	3	*	100	57	25	1	*
November 2020.....	0	0	0	0	0	0	0	0	0	0	253	116	50	2	*	100	46	20	1	*
November 2021.....	0	0	0	0	0	0	0	0	0	0	253	89	37	1	*	100	35	15	*	*
November 2022.....	0	0	0	0	0	0	0	0	0	0	253	64	26	1	*	100	25	10	*	*
November 2023.....	0	0	0	0	0	0	0	0	0	0	253	40	15	*	*	100	16	6	*	*
November 2024.....	0	0	0	0	0	0	0	0	0	0	252	17	6	*	*	99	7	2	*	*
November 2025.....	0	0	0	0	0	0	0	0	0	0	132	0	0	0	0	52	0	0	0	0
November 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)**.....	2.6	2.6	2.6	2.6	2.6	10.4	10.4	10.4	7.6	5.6	29.0	23.8	20.2	12.4	9.0	29.0	23.8	20.2	10.9	7.6

* 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 and RL Classes

The R and RL Classes will not have principal balances 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, and the Holder of the RL Class will be entitled to receive the proceeds of the remaining assets of the Lower Tier REMIC, if any, after the principal balances of the Lower Tier Regular Interests have been reduced to zero. It is not anticipated that there will be any material assets remaining in either such circumstance.

The R and RL Classes will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of the R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of the R or RL 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 and RL Classes may constitute noneconomic residual interests under the Regulations. Any transferee of the R or RL 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 or RL 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, and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. 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 or RL 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 Elections and Special Tax Attributes

Elections will be made to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, 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 Lower Tier Regular Interests will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, 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 and RL Classes, 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 Classes, the Accrual Classes and the S 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 200% PSA in the case of the Group 1 Classes, 205% PSA in the case of the Group 2 Classes, 165% PSA in the case of the Group 3 Classes, 225% PSA in the case of the Group 4 Classes, 175% PSA in the case of the Group 5 Classes and 150% PSA in the case of the Group 6 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, neither the R Class nor the RL Class will 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 (or the Lower Tier REMIC) 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 October 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 or RL 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, Group 3, Group 4, Group 5 and Group 6 Class bears to the aggregate original principal balance of all the Group 1, Group 2, Group 3, Group 4, Group 5 and Group 6 Classes, respectively, will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedules with respect to any Group 1 or Group 2 Class will be increased in a pro rata amount that corresponds to the increase of the principal balances of the Group 1 Classes or Group 2 Classes, as applicable.

LEGAL MATTERS

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

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

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\$1,582,500,000



Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1996-51

PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

October 3, 1996
