

\$250,000,000



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1996-71**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1996-71 (the "Trust"). The assets of the Trust will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "MBS"). Each of the MBS will represent a beneficial interest in a pool (the "Pool") of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

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

See "Additional Risk Factors" on page S-6 hereof and "Risk Factors" beginning on page 8 of the REMIC Prospectus attached hereto for a discussion of certain risks that should be considered in connection with an investment in the Certificates.

(Cover continued on next page)

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

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

Class	Original Principal Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	\$159,368,000	PAC	7.5%	FIX	31359K7B7	January 2027
B	20,000,000	SUP	7.5	FIX	31359K7C5	January 2025
C	30,000,000	SUP	7.5	FIX	31359K7D3	May 2026
D	5,000,000	SUP	7.5	FIX	31359K7E1	January 2027
F	11,276,666	SUP	(2)	FLT	31359K7F8	January 2027
S	2,255,334	SUP	(2)	INV	31359K7G6	January 2027
FA	18,416,666	SUP	(2)	FLT	31359K7H4	January 2025
SA	3,683,334	SUP	(2)	INV	31359K7J0	January 2025
R	0	NPR	0	NPR	31359K7K7	January 2027

(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) 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.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about December 30, 1996 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, 277 Park Avenue, New York, New York 10172, on or about the Settlement Date.

**Donaldson, Lufkin & Jenrette
Securities Corporation**

The date of this Prospectus Supplement is December 5, 1996.

(Cover continued from previous page)

The yields to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans and the characteristics of the Mortgage Loans actually included in the Pool, the purchase price paid for such Class and, in the case of the Floating Rate and Inverse Floating Rate Classes, fluctuations in the level of the Index (as defined herein). Accordingly, investors should consider the following risks:

- The Mortgage Loans generally may be prepaid at any time without penalty, and, accordingly, the rate of principal payments thereon is likely to vary considerably from time to time.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes.
- In the case of any Certificates purchased at a discount to their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- The yields on the Floating Rate and Inverse Floating Rate Classes will be sensitive to the level of the Index. See “Description of the Certificates—Distributions of Interest—Floating Rate and Inverse Floating Rate Classes” and “Yield Tables” herein.

See “Risk Factors—Yield Considerations” in the REMIC Prospectus and “Additional Risk Factors—Additional Yield and Prepayment Considerations” herein.

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

- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Risk Factors—Suitability and Reinvestment Considerations” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.
- The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the REMIC Prospectus or the MBS Prospectus (as defined below). Any representation to the contrary is a criminal offense.

An election will be made to treat the Trust as a “real estate mortgage investment conduit” (“REMIC”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R Class will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R Class” and “Certain Additional Federal Income Tax Consequences” herein, and “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- 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 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 Donaldson, Lufkin & Jenrette Securities Corporation by writing or calling its Prospectus Department at 277 Park Avenue, 7th Floor, New York, New York 10172 (telephone 212-892-4525).

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REFERENCE SHEET

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

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

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$250,000,000	358	2	8.15%

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

Interest Rates

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
F	6.81250%	9.00000%	1.25%	LIBOR + 125 basis points
S	10.93748%	38.74998%	0.00%	$38.74998\% - (4.99999822 \times \text{LIBOR})$
FA	6.46250%	9.00000%	0.90%	LIBOR + 90 basis points
SA	12.68749%	40.49999%	0.00%	$40.49999\% - (4.99999891 \times \text{LIBOR})$

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

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

Distributions of Principal

Principal Distribution Amount

1. To the A Class, to its Planned Balance.
2. To the B, FA and SA Classes, in proportion to their original principal balances to zero.
3. To the C Class, to zero.
4. To the D, F and S Classes, in proportion to their original principal balances to zero.
5. To the A Class, to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>195%</u>	<u>300%</u>	<u>500%</u>
A	17.9	7.2	7.2	7.2	4.9
B, FA and SA	26.9	14.7	2.8	1.7	1.1
C	28.6	22.0	10.4	3.5	2.1
D, F and S	29.7	27.5	21.5	5.8	2.7

* 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 each Class will be sensitive in varying degrees to the rate of principal payments (including prepayments) of the Mortgage Loans. There can be no assurance that the Mortgage Loans will have the characteristics assumed herein or will prepay at any of the rates assumed herein, or at any other particular rate. Furthermore, because some of the Mortgage Loans 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 distribution is likely to differ from the rate anticipated by an investor, even if all such Mortgage Loans prepay at the indicated constant percentages of PSA. In addition, it is not likely that the Mortgage Loans will prepay at a *constant* PSA rate until maturity 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.

The effective yields on the Delay Classes (as defined herein) will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market values of the Delay Classes will be lower than would have been the case if there were no such delay.

DESCRIPTION OF THE CERTIFICATES

The following summaries describing certain provisions of the Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the remaining provisions of this Prospectus Supplement, the additional Disclosure Documents and the provisions of the Trust Agreement (defined below). Capitalized terms used and not otherwise defined in this Prospectus Supplement have the meanings assigned to such terms in the applicable Disclosure Document or the Trust Agreement (as the context may require).

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto dated as of December 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 Class) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

Fannie Mae Guaranty. Fannie Mae guarantees to each holder of an MBS the timely payment of scheduled installments of principal of and interest on the underlying Mortgage Loans, whether or not received, together with the full principal balance of any foreclosed Mortgage Loan, whether or not such balance is actually recovered. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and interest and to distribute the principal balance of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are available in the Trust Account. The guaranties of Fannie Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

Characteristics of Certificates. The Certificates, other than the R Certificate, will be issued and maintained and may be transferred by Holders only on the book-entry system of the Federal Reserve Banks. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

The R Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificate will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for any registration of transfer of the R Certificate and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “Characteristics of the R Class” herein.

The distribution to the Holder of the R Class of the proceeds of any remaining assets of the Trust will be made only upon presentation and surrender of the related Certificate at the office of the Paying Agent. The Paying Agent initially will be State Street.

Authorized Denominations. The Certificates, other than the R Certificate, will be issued in minimum denominations of \$1,000 and integral multiples of \$1 in excess thereof. The R Class will be issued as a single Certificate and will not have a principal balance.

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

Optional Termination. Consistent with its policy described under “Description of Certificates—Termination” in the MBS Prospectus, Fannie Mae will agree not to effect indirectly an early termination of the Trust through the exercise of its right to repurchase the Mortgage Loans underlying any MBS unless only one Mortgage Loan remains in the related Pool or the principal balance of such Pool at the time of repurchase is less than one percent of the original principal balance thereof.

The MBS

The MBS underlying the Certificates will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the underlying Mortgage Loans will be passed through monthly, commencing in the month following the month of the initial issuance of the MBS. The Mortgage Loans 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, as described under “The Mortgage Pools” and “Yield Considerations” in

the MBS Prospectus. The characteristics of the MBS and Mortgage Loans as of December 1, 1996 (the “Issue Date”) are expected to be as follows:

Aggregate Unpaid Principal Balance	\$250,000,000
MBS Pass-Through Rate	7.50%
Range of WACS (per annum percentages)	7.75% to 10.00%
Range of WAMS	241 months to 360 months
Approximate Weighted Average WAM	358 months
Approximate Weighted Average CAGE	2 months

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth 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 and D
Floating Rate	F and FA
Inverse Floating Rate	S and SA
No Payment Residual	R

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

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

Interest Accrual Periods. Interest to be distributed or added to principal on a Distribution Date will accrue on the interest-bearing Certificates during the one-month periods set forth below (each, an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Periods</u>
F, S, FA and SA Classes (the “No Delay Classes”)	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date
The Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

Floating Rate and Inverse Floating Rate Classes. The following Classes will bear interest during their initial Interest Accrual Period at the initial interest rates specified 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>
F ...	6.81250%	9.00000%	1.25%	LIBOR + 125 basis points
S ...	10.93748%	38.74998%	0.00%	$38.74998\% - (4.99999822 \times \text{LIBOR})$
FA ...	6.46250%	9.00000%	0.90%	LIBOR + 90 basis points
SA ...	12.68749%	40.49999%	0.00%	$40.49999\% - (4.99999891 \times \text{LIBOR})$

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 rate of interest for the applicable Class for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. Each such rate of interest may be obtained by telephoning Fannie Mae at 1-800-BEST-MBS or 202-752-6547.

Calculation of LIBOR

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

If on the initial Index Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be equal to 5.5625%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
PAC	A
Support	B, C, D, F, S, FA and SA
No Payment Residual	R

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

Principal Distribution Amount

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

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

- | | |
|--|----------------------|
| (i) to the A Class, until the principal balance thereof is reduced to its Planned Balance for such Distribution Date; | } PAC
Class |
| (ii) concurrently, to the B, FA and SA Classes, in proportion to their original principal balances (or 47.5059382423%, 43.7450498812% and 8.7490118765%, respectively), until the principal balances thereof are reduced to zero; | |
| (iii) to the C Class, until the principal balance thereof is reduced to zero; | } Support
Classes |
| (iv) concurrently, to the D, F and S Classes, in proportion to their original principal balances (or 26.9803582992%, 60.8496978200% and 12.1699438808%, respectively), until the principal balances thereof are reduced to zero; and | |
| (v) to the A Class, without regard to its Planned Balance and until the principal balance thereof is reduced to zero. | } PAC
Class |

Structuring Assumptions

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

- the Mortgage Loans bear interest at a rate of 8.15% per annum and have an original term to maturity of 360 months, a CAGE of 2 months and a remaining term to maturity of 358 months;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

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

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

<u>Principal Balance Schedule Reference</u>	<u>Related Class</u>	<u>Structuring Range</u>
Planned Balance	A	Between 100% and 300%

There is no assurance that the principal balance of the Class listed above will conform on any Distribution Date to the applicable balance specified for such Distribution Date in the Principal Balance Schedule herein, or that distributions of principal on such Class will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal distribution on any Distribution Date over the amount necessary to reduce such Class to its scheduled balance will be distributed, the ability to so reduce such Class will not be enhanced by the averaging of high and low principal payments from month to month. In addition, even if prepayments

occur at rates falling within the Structuring Range specified above, principal distributions may be insufficient to reduce such Class to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans), the Class specified above may not be reduced to its scheduled balance, even if prepayments occur at a *constant* rate within the Structuring Range specified above.

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

<u>Related Class</u>	<u>Initial Effective Range</u>
A	Between 100% and 300%

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

Principal Balance Schedule

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>Distribution Date</u>	<u>A Class Planned Balance</u>
Initial Balance	\$159,368,000.00	July 2001	\$101,610,548.02
January 1997	159,077,600.80	August 2001	100,430,118.86
February 1997	158,744,450.27	September 2001	99,255,451.27
March 1997	158,368,626.14	October 2001	98,086,515.13
April 1997	157,950,228.17	November 2001	96,923,280.45
May 1997	157,489,378.10	December 2001	95,765,717.41
June 1997	156,986,219.66	January 2002	94,613,796.34
July 1997	156,440,918.52	February 2002	93,467,487.73
August 1997	155,853,662.19	March 2002	92,326,762.20
September 1997	155,224,660.01	April 2002	91,191,590.53
October 1997	154,554,142.98	May 2002	90,061,943.67
November 1997	153,842,363.70	June 2002	88,937,792.68
December 1997	153,089,596.19	July 2002	87,819,108.79
January 1998	152,296,135.76	August 2002	86,705,863.39
February 1998	151,462,298.80	September 2002	85,598,027.99
March 1998	150,588,422.64	October 2002	84,495,574.25
April 1998	149,674,865.30	November 2002	83,398,474.00
May 1998	148,722,005.26	December 2002	82,306,699.19
June 1998	147,730,241.23	January 2003	81,220,221.92
July 1998	146,699,991.89	February 2003	80,139,014.42
August 1998	145,631,695.57	March 2003	79,063,049.09
September 1998	144,525,809.98	April 2003	77,992,298.45
October 1998	143,382,811.90	May 2003	76,926,735.17
November 1998	142,203,196.80	June 2003	75,866,332.04
December 1998	140,987,478.53	July 2003	74,811,062.03
January 1999	139,736,188.97	August 2003	73,760,898.20
February 1999	138,449,877.57	September 2003	72,715,813.78
March 1999	137,129,111.03	October 2003	71,675,782.13
April 1999	135,774,472.85	November 2003	70,640,776.74
May 1999	134,426,505.85	December 2003	69,610,771.25
June 1999	133,085,175.27	January 2004	68,585,739.40
July 1999	131,750,446.47	February 2004	67,565,655.11
August 1999	130,422,285.04	March 2004	66,550,492.41
September 1999	129,100,656.72	April 2004	65,540,225.45
October 1999	127,785,527.42	May 2004	64,534,828.54
November 1999	126,476,863.25	June 2004	63,534,276.10
December 1999	125,174,630.46	July 2004	62,538,542.69
January 2000	123,878,795.50	August 2004	61,547,603.00
February 2000	122,589,324.99	September 2004	60,561,431.84
March 2000	121,306,185.70	October 2004	59,580,004.17
April 2000	120,029,344.59	November 2004	58,603,295.06
May 2000	118,758,768.78	December 2004	57,631,279.70
June 2000	117,494,425.56	January 2005	56,663,933.43
July 2000	116,236,282.39	February 2005	55,701,231.70
August 2000	114,984,306.90	March 2005	54,743,150.10
September 2000	113,738,466.88	April 2005	53,789,664.31
October 2000	112,498,730.27	May 2005	52,840,750.18
November 2000	111,265,065.21	June 2005	51,898,873.96
December 2000	110,037,439.98	July 2005	50,973,176.93
January 2001	108,815,823.01	August 2005	50,063,386.63
February 2001	107,600,182.92	September 2005	49,169,235.11
March 2001	106,390,488.47	October 2005	48,290,458.92
April 2001	105,186,708.59	November 2005	47,426,798.97
May 2001	103,988,812.36	December 2005	46,578,000.49
June 2001	102,796,769.04	January 2006	45,743,812.98

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>Distribution Date</u>	<u>A Class Planned Balance</u>
February 2006	\$ 44,923,990.07	November 2010	\$ 15,610,899.09
March 2006	44,118,289.55	December 2010	15,315,381.26
April 2006	43,326,473.20	January 2011	15,025,093.98
May 2006	42,548,306.80	February 2011	14,739,947.74
June 2006	41,783,560.02	March 2011	14,459,854.50
July 2006	41,032,006.38	April 2011	14,184,727.76
August 2006	40,293,423.16	May 2011	13,914,482.42
September 2006	39,567,591.38	June 2011	13,649,034.83
October 2006	38,854,295.69	July 2011	13,388,302.76
November 2006	38,153,324.35	August 2011	13,132,205.34
December 2006	37,464,469.13	September 2011	12,880,663.07
January 2007	36,787,525.30	October 2011	12,633,597.81
February 2007	36,122,291.54	November 2011	12,390,932.69
March 2007	35,468,569.86	December 2011	12,152,592.18
April 2007	34,826,165.63	January 2012	11,918,501.98
May 2007	34,194,887.41	February 2012	11,688,589.08
June 2007	33,574,547.01	March 2012	11,462,781.67
July 2007	32,964,959.33	April 2012	11,241,009.16
August 2007	32,365,942.41	May 2012	11,023,202.16
September 2007	31,777,317.30	June 2012	10,809,292.44
October 2007	31,198,908.04	July 2012	10,599,212.91
November 2007	30,630,541.62	August 2012	10,392,897.62
December 2007	30,072,047.92	September 2012	10,190,281.75
January 2008	29,523,259.65	October 2012	9,991,301.54
February 2008	28,984,012.33	November 2012	9,795,894.33
March 2008	28,454,144.23	December 2012	9,603,998.50
April 2008	27,933,496.31	January 2013	9,415,553.49
May 2008	27,421,912.21	February 2013	9,230,499.75
June 2008	26,919,238.15	March 2013	9,048,778.74
July 2008	26,425,322.96	April 2013	8,870,332.89
August 2008	25,940,017.97	May 2013	8,695,105.63
September 2008	25,463,177.02	June 2013	8,523,041.34
October 2008	24,994,656.38	July 2013	8,354,085.31
November 2008	24,534,314.73	August 2013	8,188,183.80
December 2008	24,082,013.11	September 2013	8,025,283.95
January 2009	23,637,614.89	October 2013	7,865,333.80
February 2009	23,200,985.74	November 2013	7,708,282.26
March 2009	22,771,993.55	December 2013	7,554,079.13
April 2009	22,350,508.45	January 2014	7,402,675.03
May 2009	21,936,402.73	February 2014	7,254,021.43
June 2009	21,529,550.82	March 2014	7,108,070.62
July 2009	21,129,829.26	April 2014	6,964,775.69
August 2009	20,737,116.66	May 2014	6,824,090.55
September 2009	20,351,293.65	June 2014	6,685,969.86
October 2009	19,972,242.87	July 2014	6,550,369.07
November 2009	19,599,848.93	August 2014	6,417,244.36
December 2009	19,233,998.38	September 2014	6,286,552.68
January 2010	18,874,579.65	October 2014	6,158,251.69
February 2010	18,521,483.06	November 2014	6,032,299.79
March 2010	18,174,600.77	December 2014	5,908,656.06
April 2010	17,833,826.75	January 2015	5,787,280.29
May 2010	17,499,056.72	February 2015	5,668,132.95
June 2010	17,170,188.19	March 2015	5,551,175.17
July 2010	16,847,120.38	April 2015	5,436,368.77
August 2010	16,529,754.17	May 2015	5,323,676.18
September 2010	16,217,992.15	June 2015	5,213,060.49
October 2010	15,911,738.52	July 2015	5,104,485.42

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>Distribution Date</u>	<u>A Class Planned Balance</u>
August 2015	\$ 4,997,915.30	May 2020	\$ 1,325,737.82
September 2015	4,893,315.06	June 2020	1,291,021.35
October 2015	4,790,650.23	July 2020	1,257,000.24
November 2015	4,689,886.94	August 2020	1,223,661.85
December 2015	4,590,991.89	September 2020	1,190,993.79
January 2016	4,493,932.32	October 2020	1,158,983.85
February 2016	4,398,676.07	November 2020	1,127,620.06
March 2016	4,305,191.50	December 2020	1,096,890.63
April 2016	4,213,447.52	January 2021	1,066,783.99
May 2016	4,123,413.57	February 2021	1,037,288.79
June 2016	4,035,059.59	March 2021	1,008,393.83
July 2016	3,948,356.07	April 2021	980,088.15
August 2016	3,863,273.97	May 2021	952,360.97
September 2016	3,779,784.77	June 2021	925,201.67
October 2016	3,697,860.41	July 2021	898,599.85
November 2016	3,617,473.34	August 2021	872,545.28
December 2016	3,538,596.44	September 2021	847,027.90
January 2017	3,461,203.11	October 2021	822,037.83
February 2017	3,385,267.14	November 2021	797,565.37
March 2017	3,310,762.82	December 2021	773,600.97
April 2017	3,237,664.85	January 2022	750,135.27
May 2017	3,165,948.38	February 2022	727,159.07
June 2017	3,095,588.96	March 2022	704,663.31
July 2017	3,026,562.59	April 2022	682,639.12
August 2017	2,958,845.66	May 2022	661,077.75
September 2017	2,892,414.97	June 2022	639,970.63
October 2017	2,827,247.71	July 2022	619,309.33
November 2017	2,763,321.48	August 2022	599,085.57
December 2017	2,700,614.24	September 2022	579,291.22
January 2018	2,639,104.35	October 2022	559,918.27
February 2018	2,578,770.52	November 2022	540,958.89
March 2018	2,519,591.85	December 2022	522,405.35
April 2018	2,461,547.76	January 2023	504,250.08
May 2018	2,404,618.07	February 2023	486,485.63
June 2018	2,348,782.91	March 2023	469,104.69
July 2018	2,294,022.77	April 2023	452,100.06
August 2018	2,240,318.47	May 2023	435,464.70
September 2018	2,187,651.16	June 2023	419,191.66
October 2018	2,136,002.31	July 2023	403,274.14
November 2018	2,085,353.71	August 2023	387,705.43
December 2018	2,035,687.48	September 2023	372,478.98
January 2019	1,986,986.02	October 2023	357,588.31
February 2019	1,939,232.05	November 2023	343,027.09
March 2019	1,892,408.58	December 2023	328,789.08
April 2019	1,846,498.93	January 2024	314,868.16
May 2019	1,801,486.68	February 2024	301,258.32
June 2019	1,757,355.71	March 2024	287,953.65
July 2019	1,714,090.18	April 2024	274,948.35
August 2019	1,671,674.52	May 2024	262,236.72
September 2019	1,630,093.42	June 2024	249,813.16
October 2019	1,589,331.85	July 2024	237,672.18
November 2019	1,549,375.03	August 2024	225,808.37
December 2019	1,510,208.43	September 2024	214,216.43
January 2020	1,471,817.78	October 2024	202,891.15
February 2020	1,434,189.06	November 2024	191,827.41
March 2020	1,397,308.48	December 2024	181,020.18
April 2020	1,361,162.51	January 2025	170,464.53

<u>Distribution Date</u>	<u>A Class Planned Balance</u>	<u>Distribution Date</u>	<u>A Class Planned Balance</u>
February 2025	\$ 160,155.61	January 2026	\$ 61,738.55
March 2025	150,088.66	February 2026	54,042.23
April 2025	140,258.99	March 2026	46,536.97
May 2025	130,662.02	April 2026	39,219.00
June 2025	121,293.24	May 2026	32,084.61
July 2025	112,148.20	June 2026	25,130.20
August 2025	103,222.57	July 2026	18,352.18
September 2025	94,512.07	August 2026	11,747.07
October 2025	86,012.51	September 2026	5,311.42
November 2025	77,719.75	October 2026 and thereafter	0.00
December 2025	69,629.76		

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 related 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 related 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 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. The Mortgage Loans generally can be prepaid at any time.

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>
S	83.5%
SA	94.0%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>195%</u>	<u>300%</u>	<u>500%</u>
3.5625%	26.2%	26.2%	26.2%	27.8%	31.3%
5.5625%	13.5%	13.5%	13.7%	15.8%	19.5%
7.5625%	1.7%	1.7%	1.9%	4.4%	8.1%
7.7500%	0.7%	0.7%	0.9%	3.3%	7.1%

**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>100%</u>	<u>195%</u>	<u>300%</u>	<u>500%</u>
3.5625%.....	25.2%	25.2%	26.9%	28.4%	30.2%
5.5625%.....	13.9%	14.0%	16.0%	17.6%	19.6%
7.5625%.....	3.1%	3.3%	5.4%	7.1%	9.3%
8.1000%.....	0.3%	0.5%	2.6%	4.4%	6.6%

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, the priority sequence of distributions of principal of the Classes and the distribution of principal of certain Classes in accordance with the Principal Balance Schedules herein. In particular, if the amount distributable as principal of the Certificates on any Distribution Date exceeds the amount required to reduce the PAC Class to its scheduled amount as set forth in the Principal Balance Schedule, such excess principal will be distributed on the remaining Classes on such Distribution Date. Conversely, if the principal distributable on any Distribution Date is less than the amount so required to reduce the PAC Class to its scheduled amount, no principal will be distributed on the remaining Classes on such Distribution Date. Accordingly, the rate of principal payments on the Mortgage Loans is expected to have a greater effect on the weighted average lives of the Support Classes than on the weighted average life of the PAC Class. See “Distributions of Principal” herein.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various *constant* PSA levels and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions, except that with respect to the information set forth for each such Class under 0% PSA it has been assumed that each underlying Mortgage Loan bears an interest rate of 10.0% per annum and has an original and remaining term to maturity of 360 months. It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a *constant* PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans (which may include recently originated Mortgage Loans) could produce slower or faster principal distributions than indicated in the tables at the specified *constant* PSA levels, even if the weighted average remaining term to maturity and the weighted average CAGE of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					B, FA and SA Classes					C Class					D, F and S Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	195%	300%	500%	0%	100%	195%	300%	500%	0%	100%	195%	300%	500%	0%	100%	195%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
December 1997	99	96	96	96	96	100	100	90	80	60	100	100	100	100	100	100	100	100	100	100
December 1998	98	88	88	88	88	100	100	69	35	0	100	100	100	100	63	100	100	100	100	100
December 1999	97	79	79	79	78	100	100	42	0	0	100	100	100	76	0	100	100	100	100	0
December 2000	96	69	69	69	54	100	100	21	0	0	100	100	100	22	0	100	100	100	100	0
December 2001	95	60	60	60	37	100	100	4	0	0	100	100	100	0	0	100	100	100	74	0
December 2002	93	52	52	52	26	100	100	0	0	0	100	100	88	0	0	100	100	100	34	0
December 2003	92	44	44	44	18	100	100	0	0	0	100	100	75	0	0	100	100	100	11	0
December 2004	90	36	36	36	12	100	100	0	0	0	100	100	67	0	0	100	100	100	1	0
December 2005	88	29	29	29	8	100	99	0	0	0	100	100	61	0	0	100	100	100	*	0
December 2006	86	24	24	24	6	100	96	0	0	0	100	100	54	0	0	100	100	100	*	0
December 2007	83	19	19	19	4	100	89	0	0	0	100	100	46	0	0	100	100	100	*	0
December 2008	81	15	15	15	3	100	81	0	0	0	100	100	38	0	0	100	100	100	*	0
December 2009	78	12	12	12	2	100	71	0	0	0	100	100	29	0	0	100	100	100	*	0
December 2010	75	10	10	10	1	100	60	0	0	0	100	100	20	0	0	100	100	100	*	0
December 2011	71	8	8	8	1	100	48	0	0	0	100	100	11	0	0	100	100	100	*	0
December 2012	67	6	6	6	1	100	36	0	0	0	100	100	3	0	0	100	100	100	*	0
December 2013	63	5	5	5	*	100	24	0	0	0	100	100	0	0	0	100	100	91	*	0
December 2014	58	4	4	4	*	100	12	0	0	0	100	100	0	0	0	100	100	79	*	0
December 2015	53	3	3	3	*	100	0	0	0	0	100	99	0	0	0	100	100	68	*	0
December 2016	47	2	2	2	*	100	0	0	0	0	100	82	0	0	0	100	100	58	*	0
December 2017	41	2	2	2	*	100	0	0	0	0	100	66	0	0	0	100	100	49	*	0
December 2018	34	1	1	1	*	100	0	0	0	0	100	49	0	0	0	100	100	41	*	0
December 2019	26	1	1	1	*	100	0	0	0	0	100	33	0	0	0	100	100	33	*	0
December 2020	17	1	1	1	*	100	0	0	0	0	100	18	0	0	0	100	100	26	*	0
December 2021	8	*	*	*	*	100	0	0	0	0	100	3	0	0	0	100	100	20	*	0
December 2022	*	*	*	*	*	89	0	0	0	0	100	0	0	0	0	100	82	15	*	0
December 2023	*	*	*	*	*	45	0	0	0	0	100	0	0	0	0	100	59	10	*	0
December 2024	*	*	*	*	*	0	0	0	0	0	96	0	0	0	0	100	38	6	*	0
December 2025	*	*	*	*	*	0	0	0	0	0	21	0	0	0	0	100	17	3	*	0
December 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)**	17.9	7.2	7.2	7.2	4.9	26.9	14.7	2.8	1.7	1.1	28.6	22.0	10.4	3.5	2.1	29.7	27.5	21.5	5.8	2.7

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.

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

Characteristics of the R Class

The R Class will have no principal balance and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes have been reduced to zero. It is not anticipated that there will be any material assets remaining in such circumstance.

The R Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an R Certificate will be allowed to any person that is not a “U.S. Person” without the written consent of Fannie Mae. Under regulations issued by the Treasury Department on December 23, 1992 (the “Regulations”), a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R Class will constitute a noneconomic residual interest under the Regulations. Any transferee of an R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus. Transferors of an R Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holder (i) such information as is necessary to enable it to prepare its federal income tax return and (ii) any reports regarding the R Class that may be required under the Code.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The following tax discussion, when read in conjunction with the discussion of “Certain Federal Income Tax Consequences” in the REMIC Prospectus, describes the current federal income tax treatment of investors in the Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Certificates.

REMIC Election and Special Tax Attributes

An election will be made to treat the Trust as a REMIC for federal income tax purposes. The Certificates, other than the R Class, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust.

As a consequence of the qualification of the Trust as a REMIC, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R Class, as “qualified mortgages” for other REMICs. The Small Business Job Protection Act of 1996 repeals the bad debt reserve method of accounting for mutual savings banks and domestic building and loan associations for tax years beginning after December 31, 1995. As a result, section 593(d) of the Code is no longer applicable to treat the Certificates as “qualifying real property loans.” See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The 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 195% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, the R Class will not have significant value. Special rules regarding the treatment of “excess inclusions” by certain thrift institutions no longer apply because of the amendment of Section 593 of the Code by the Small Business Job Protection Act of 1996. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 7.91% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

PLAN OF DISTRIBUTION

General. The Dealer will receive the Certificates in exchange for the MBS pursuant to a Fannie Mae commitment. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect such transactions to or through dealers.

Increase in Certificates. 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 will be increased in principal balance, but it is expected that all additional MBS will have the same characteristics as described herein under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class bears to the aggregate original principal balance of all Classes will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedule with respect to the PAC Class will be increased in pro rata amounts that correspond to the increase of the principal balance of the Certificates.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by 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.

\$250,000,000



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 1996-71

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PROSPECTUS SUPPLEMENT

Donaldson, Lufkin & Jenrette
Securities Corporation

December 5, 1996