

\$157,003,168 (Approximate)
Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 1996-M2

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 Multifamily REMIC Trust 1996-M2 (the "Trust"). The Certificates, other than the RL Class, together with the three classes of subordinate certificates (individually, a "Subordinate Class" and, collectively, the "Subordinate Classes"), which are not offered hereby, will represent the entire beneficial ownership interest in the Trust. The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist primarily of a pool (the "Mortgage Pool") of conventional, fully amortizing, monthly pay, mortgage loans (each, a "Mortgage Loan") secured by multifamily projects (each, a "Mortgaged Property") consisting of five or more rental units. All of the Mortgage Loans are Fixed Rate Mortgage Loans. The Mortgage Loans and the Mortgaged Properties are more fully described herein under "Description of the Mortgage Pool." Certain terms of the 35 largest Mortgage Loans (based on Issue Date Balances) are listed on Exhibit A hereto.

The Certificates will be issued and guaranteed by Fannie Mae as to the timely distribution of principal and interest on the Certificates. The rights of Holders of Certificates will be senior to the rights of the holders of the Subordinate Classes. **Fannie Mae will not guarantee any payments on the Subordinate Classes.** See "Description of the Certificates—General—Fannie Mae Guaranty" herein.

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 "Risk Factors" on page S-7 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 EXTENSION, PREPAYMENT, YIELD, LIQUIDITY AND OTHER RISKS ASSOCIATED WITH SUCH CERTIFICATES. PROSPECTIVE INVESTORS IN ANY CLASS OF CERTIFICATES SHOULD CAREFULLY CONSIDER WHETHER SUCH AN INVESTMENT IS APPROPRIATE FOR THEIR INVESTMENT OBJECTIVES. SEE "DESCRIPTION OF THE CERTIFICATES" HEREIN.

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(1)	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date(3)
A	\$157,003,168	PT	7%	FIX	31359LX83	April 2029
XS	(4)	NTL	(5)	WAC/IO	31359LY41	April 2029
R	\$0	NPR	0	NPR	31359LY58	April 2029
RL	\$0	NPR	0	NPR	31359LY66	April 2029

- (1) Subject to a permitted variance of plus or minus 5%.
- (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (3) The latest maturing Mortgage Loan is scheduled to mature April 1, 2024. The Final Distribution Date reflects (i) the right to extend the maturity of a Mortgage Loan for three years beyond its original stated maturity date, and (ii) an additional two year period to foreclose upon or liquidate such Mortgage Loan. See "The Trust Agreement—Servicing of the Mortgage Loans—Modifications, Waivers and Amendments" herein.
- (4) The XS Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance (initially \$157,003,168). The notional principal balance of the XS Class will be calculated based on the outstanding Class Balance of the Class A Certificate.
- (5) Initially, 1.174% per annum for the XS Class. The XS Class will bear interest at a variable rate per annum which will equal the excess, if any, of the Weighted Average Net Mortgage Rate for the Mortgage Loans, over the Class A Certificate Rate.

The Certificates will be offered by Citibank, N.A. ("Citibank" or the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates are offered by the Dealer, when, as and if issued, delivered to and accepted by the Dealer, and subject to the Dealer's right to reject any order in whole or in part. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry system of the Federal Reserve Banks on or about March 29, 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 Citibank, New York, New York on or about the Settlement Date.



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The yield to investors in each Class will be sensitive in varying degrees to the rate of principal payments of the Mortgage Loans, the characteristics of the Mortgage Loans actually included in the Mortgage Pool, and the purchase price paid for the related Class. Accordingly, investors should consider the following risks:

- All but one of the Mortgage Properties are located in the greater metropolitan area of the city of Chicago in the state of Illinois (one Mortgaged Property is located in the state of Indiana). The lack of geographic diversity in the Mortgaged Properties may affect the market value of the Mortgaged Properties and the repayment and prepayment of the Mortgage Loans. See "Risk Factors Associated With Multifamily REMIC Pass-Through Certificates—1. Geographic Concentration" on page S-7.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some or all of the Classes. See "Description of the Certificates—Yield Considerations" on pages S-14 through S-16 and "Description of the Certificates—Weighted Average Lives of the Certificates" on pages S-16 through S-17.
- In the case of any Certificates purchased at a discount from their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield. See "Description of the Certificates—Yield Considerations" on pages S-14 through S-16.
- In the case of any Certificates purchased at a premium to their principal amounts, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield. See "Description of the Certificates—Yield Considerations" on pages S-14 through S-16.
- In the case of the Notional 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. See "Description of the Certificates—Yield Considerations—The Interest Only Class" on pages S-15 and S-16.
- All of the Mortgage Loans permit principal prepayments (as defined below) in an aggregate amount of up to 20% of their respective origination principal balances during any calendar year without the payment of any Prepayment Premium. Approximately 34.61% of the Mortgage Loans (based on Issue Date Balances) may be fully prepaid at any time prior to their stated maturities without the payment of any Prepayment Premium. Approximately 65.39% of the Mortgage Loans (based on Issue Date Balances) impose the payment of a Prepayment Premium for principal prepayments in excess of 20% of their respective origination principal balances during any calendar year. See "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—Prepayment Provisions" on page S-26. As used herein, "principal prepayment" means any payment or other collection of principal on a Mortgage Loan which is received in advance of its scheduled due date and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of payment.
- Under no circumstances will the Certificateholders receive any amounts representing Prepayment Premiums. The payment of a Prepayment Premium may be waived by the Mortgage Loan Seller under any circumstances, or the Special Servicer under certain circumstances. See "The Sale and Servicing Agreement—General—Special Servicer" on page S-24, "Risk Factors Associated With Multifamily REMIC Pass-Through Certificates—4. Prepayment Premiums" on page S-7 and "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans" on page S-25.
- The Trust Agreement (as hereinafter defined) permits the modification (including an extension) of a Mortgage Loan under certain circumstances. See "The Trust Agreement—Servicing of the Mortgage Loans—Modifications, Waivers and Amendments" on page S-20. Any extension of a Mortgage Loan is likely to cause an extension of the weighted average life of a Certificate. See "Description of the Certificates—Yield Considerations" on pages S-14 through S-16 and "Description of the Certificates—Weighted Average Lives of the Certificates" on pages S-16 through S-17.
- The yields and weighted average lives (and, therefore, the date of actual final payment) of the Certificates will be affected by the disproportionately higher allocation of principal payments to Certificates *vis-a-vis* the Subordinate Classes. See "Description of the Certificates—Distributions of Principal—Principal Distribution Amount" on pages S-11 and S-12.

See "Description of the Certificates—Yield Considerations" on pages S-14 through S-16.

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

- The actual final payment of any Class of Certificates 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" on pages S-16 and S-17 and "Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates" in the Multifamily REMIC Prospectus.
- The rate of principal distributions of the A Class Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the A Class Certificates. See "Yield Considerations—Reinvestment Risk" in the Multifamily REMIC Prospectus and "Description of the Certificates—Yield Considerations" on pages S-14 through S-16.
- 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 Multifamily 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 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 or the Multifamily REMIC Prospectus. 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 Multifamily 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 Multifamily REMIC Pass-Through Certificates dated November 1, 1995 (the "Multifamily REMIC Prospectus"); and
- Fannie Mae's Information Statement dated March 31, 1995 and any supplements thereto (collectively, the "Information Statement").

The Information Statement is 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 Citibank by writing, faxing or calling its Prospectus Department at 1 Court Square, Long Island City, NY 11120, Telephone: 718-248-3664, Facsimile: 718-248-3090.

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REFERENCE SHEET

This reference sheet is not a complete 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. Capitalized terms defined in the Glossary and not otherwise defined herein shall have the meanings assigned thereto in the Glossary.

The Certificates

The Series 1996-M2 Certificates will consist of four classes of senior certificates designated as the A Class, XS Class, R Class and RL Class (collectively, the "Certificates") and three classes of subordinate certificates (individually, a "Subordinate Class" and, collectively, the "Subordinate Classes"). The Certificates (other than the RL Class) and the Subordinate Classes will represent the entire beneficial ownership interest in one of two trusts (the "Trust"). The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC").

It is expected that the assets of the Lower Tier REMIC will consist of Mortgage Loans having an Issue Date Pool Balance of approximately \$173,484,164 (subject to a variance of plus or minus 5% in the aggregate). The initial balance of the Certificates will be approximately \$157,003,168 and initially will evidence an undivided ownership interest of approximately 90.5% in the Mortgage Loans. The initial balance of the Subordinate Classes will be approximately \$16,480,996 and initially will evidence an undivided ownership interest of approximately 9.5% in the Mortgage Loans.

Only the Certificates are being offered hereby.

Interest Rates

The interest bearing Certificates will bear interest at the respective per annum interest rates set forth on the cover. See also "Description of the Certificates—Distributions of Interest" herein.

Interest Only Class

The XS Class is a Notional Class and will have a notional principal balance equal to the indicated percentage of the outstanding principal balance of the following Class immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
XS	100% of A Class

Distributions of Principal

On each Distribution Date, the Required Senior Principal Distribution Amount will be distributed on the A Class until the principal balance thereof is reduced to zero. The Required Senior Principal Distribution Amount will be equal to (a) a percentage (initially 100%) of the principal component of the scheduled payments and certain other actual or deemed proceeds of the Mortgage Loans, which percentage may become as little as 80% or as much as 100% when the aggregate principal balance of the Subordinate Classes is at/above or below, respectively, certain trigger thresholds and (b) on and after the Subordinate Class Termination Date, an amount equal to any Realized Losses (as determined after giving effect to the allocation of Realized Losses to the Subordinate Classes and the distributions of the portion of the Required Senior Principal Distribution Amount described in clause (a) to the A Class on such Distribution Date). See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" herein.

Weighted Average Lives (years)*

Class	CPR Prepayment Assumption				
	0%	10%	12%	14%	16%
A and XS**	12.2	6.1	5.4	4.8	4.3

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

** The XS Class is a Notional Class. The Weighted Average Lives shown on the table for the XS Class are based upon the original notional principal balance thereof which is equal to the initial aggregate Class Balance of the A Class.

Characteristics of Mortgage Loans in the Mortgage Pool

The table contained in Exhibit A hereto sets forth certain information regarding the largest 35 Mortgage Loans (based on Issue Date Balances). In addition, the following table provides certain specific summary information regarding the Mortgage Pool. The information with respect to the Mortgage Pool contained in the following table, and with respect to the largest 35 Mortgage Loans, (based on Issue Date Balances) set forth on Exhibit A hereto, has been collected and summarized by the Mortgage Loan Seller and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy and shall not be responsible therefor.

Number of Loans	571
Total Issue Date Pool Balance	\$173,484,164
Average Mortgage Loan Principal Balance	\$303,825
Minimum Mortgage Loan Principal Balance	\$38,829
Maximum Mortgage Loan Principal Balance	\$1,846,453
Weighted Average Origination Debt Service Coverage Ratio(1)	1.264%
Minimum Origination Debt Service Coverage Ratio(1)	1.050%
Maximum Origination Debt Service Coverage Ratio(1)	3.590%
Weighted Average Origination LTV Ratio(2)	71.852%
Minimum Origination LTV Ratio(2)	7.917%
Maximum Origination LTV Ratio(2)	80.000%
Weighted Average Adjusted LTV Ratio(3)	68.272%
Minimum Adjusted LTV Ratio(3)	7.139%
Maximum Adjusted LTV Ratio(3)	79.915%
Weighted Average Remaining Amortization Term	238 months
Weighted Average Original Term to Stated Maturity	273 months
Minimum Original Term to Stated Maturity	84 months
Maximum Original Term to Stated Maturity	360 months
Minimum Remaining Term to Stated Maturity	46 months
Maximum Remaining Term to Stated Maturity	337 months
Weighted Average Mortgage Rate	8.784%
Minimum Mortgage Rate	8.125%
Maximum Mortgage Rate	11.375%
Weighted Average Net Mortgage Rate	8.174%
Minimum Net Mortgage Rate	7.515%
Maximum Net Mortgage Rate	10.765%

(1) The "Origination Debt Service Coverage Ratio" is, for any Mortgage Loan, the Debt Service Coverage Ratio calculated in connection with the origination of such Mortgage Loan.

- (2) The "Origination LTV Ratio" is, for any Mortgage Loan, the Loan-to-Value Ratio calculated in connection with the origination of such Mortgage Loan.
- (3) The "Adjusted LTV Ratio" is, for any Mortgage Loan, a fraction, expressed as a percentage, the numerator of which is the Issue Date Balance of such Mortgage Loan, and the denominator of which is the appraisal of the related Mortgaged Property made in connection with the origination of such Mortgage Loan.

Because the Mortgage Pool consists primarily of Mortgage Loans with small principal balances (when compared to many other types of multifamily mortgage loans), only limited ongoing Debt Service Coverage Ratio and Loan-to-Value Ratio analyses are performed. Therefore, no such information with respect to either of such ratios is included as to the Issue Date. Debt Service Coverage Ratio and Loan-to-Value Ratio are typically used in multifamily mortgage loan lending to evaluate the credit quality and likelihood of prepayment with respect to mortgage loans. Because there are no current Debt Service Coverage Ratios or Loan-to-Value Ratios with respect to the Mortgage Loans, investors need to rely on other factors to make such evaluations.

RISK FACTORS ASSOCIATED WITH MULTIFAMILY REMIC PASS-THROUGH CERTIFICATES

Prospective Certificateholders should consider the following factors in connection with a purchase of the Certificates.

1. *Geographic Concentration.* All but one of the Mortgaged Properties are located in the greater metropolitan area of the city of Chicago in the state of Illinois (one Mortgaged Property is located in the state of Indiana). Repayments by Mortgagors and the market value of the Mortgaged Properties could be affected by economic conditions generally or in regions where the Mortgagors and the Mortgaged Properties are located, changes in governmental rules and fiscal policies, acts of nature and other factors which are beyond the control of the Mortgagors. Because of the lack of geographic diversity in the Mortgaged Properties, prepayments on the Mortgage Loans may be higher than would be the case if the locations of the Mortgaged Properties were more diverse.

2. *Other Risks of Multifamily Lending.* All of the Mortgaged Properties are apartment buildings with five or more rental units (each, a “Multifamily Rental Property”). Lending on Multifamily Rental Property is generally viewed as exposing the lender to a greater risk of loss than one- to four-family residential lending. The repayment of Mortgage Loans secured by income producing properties such as the Multifamily Rental Properties is typically dependent upon the successful operation of the related real estate project. If the cash flow from the project is reduced (for example, if leases are not obtained or renewed or maintenance fees are not paid), the Mortgagor’s ability to repay the Mortgage Loan may be impaired. Multifamily Rental Property can be affected significantly by supply and demand in the market for the type of property securing the Mortgage Loan and, therefore, may be subject to adverse economic conditions. Market values may vary as a result of economic events or governmental regulations outside the control of the Mortgagors or lenders, such as the imposition of rent control laws, which could impact the future cash flow of the Multifamily Rental Properties. In addition, principal prepayments, liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties, or purchases of Mortgage Loans out of the Trust due to breaches of representations or otherwise may significantly affect the yield to investors. See “Description of the Certificates—Yield Considerations” and “The Sale and Servicing Agreement—Representations, Warranties and Covenants; Repurchases” herein.

3. *Repurchases Due to Breach of Representations, Warranties and Covenants.* Citibank, Federal Savings Bank (the “Mortgage Loan Seller”) will make certain customary representations, warranties and covenants for the benefit of Fannie Mae with respect to each Mortgage Loan sold to Fannie Mae thereby. If a breach is discovered that is determined to materially and adversely affect the value of any Mortgage Loan, the Mortgage Loan Seller may be required to purchase the affected Mortgage Loan from the Lower Tier REMIC at the applicable Purchase Price. Prepayments of principal resulting from repurchases of Mortgage Loans out of the Lower Tier REMIC due to breaches of representations, warranties and covenants may significantly affect the yield to Certificateholders. See “Description of the Certificates—Yield Considerations” and “The Sale and Servicing Agreement—Representations, Warranties and Covenants; Repurchases” herein.

4. *Prepayment Premiums.* All of the Mortgage Loans permit principal prepayments (as defined below) in an aggregate amount of up to 20% of their respective origination principal balances during any calendar year without the payment of any Prepayment Premium. Approximately 34.61% of the Mortgage Loans (based on Issue Date Balances) may be fully prepaid at any time prior to their stated maturities without the payment of a Prepayment Premium. Approximately 65.39% of the Mortgage Loans (based on Issue Date Balances) impose the payment of a Prepayment Premium for principal prepayments in excess of 20% of their respective origination principal balances during any calendar year. Under no circumstances will the

Certificateholders receive any amounts representing Prepayment Premiums. All Prepayment Premiums shall inure to the benefit of the Mortgage Loan Seller and shall not be considered part of the Trust or the Lower-Tier REMIC. The payment of a Prepayment Premium may be waived by the Mortgage Loan Seller under any circumstances, or the Special Servicer under certain circumstances, thereby limiting the deterrent effect of Prepayment Premiums on principal prepayments. See “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans” herein.

5. *Permitted Variance Factor.* The Issue Date Pool Balance and initial original principal balances of the Certificates are subject to a permitted variance of plus or minus 5%. Therefore, investors should be aware that the characteristics of the Mortgage Loans actually included in the Mortgage Pool may differ from the characteristics of the Mortgage Loans set forth in the discussions and tables in this Prospectus Supplement.

6. *Yield Considerations; Weighted Average Lives.* The rate of principal distributions on the A Class Certificates is uncertain and actual final payment of any Class of Certificates will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. The yields and weighted average lives of the Certificates will be affected by a number of factors, including the rate of principal prepayments, the disproportionately higher allocation of principal and other payments to the Certificates *vis-a-vis* the Subordinate Classes and extensions of the Maturity Dates of the Mortgage Loans under certain circumstances. See “Description of the Certificates—Yield Considerations”, “—Weighted Average Lives”, “—Distributions of Principal—*Principal Distribution Amount*”, “The Trust Agreement—Servicing of the Mortgage Loans—*Modification, Waivers and Amendments*” and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus.

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 (as hereinafter defined). 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 to be dated as of March 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, as well as the Subordinate Classes, 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) and the Subordinate Classes will be designated as the “regular interests” (the “Regular Interests”), and the R Class will be designated as the “residual interest” (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 Trust will consist of the Lower Tier Regular Interests. The Certificates (other than the RL Class) and the Subordinate Classes will evidence the entire beneficial ownership in the distributions of principal of and interest on the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of the Mortgage Loans. The Lower Tier Regular Interests and the RL Class (collectively, the “Lower Tier Interests”) will in the aggregate evidence the entire beneficial ownership in the Mortgage Pool.

Fannie Mae Guaranty. Fannie Mae guarantees to the Holders of the Certificates the timely payment of the principal and interest that accrues thereon during each Interest Accrual Period at the Certificate Rate described on the cover, whether or not sufficient funds are available therefor in the Trust Account. See “—Distributions of Interest—*General*” and “—Distributions of Principal—*Principal Distribution Amount*” herein.

Fannie Mae will not guarantee any payments on the Subordinate Classes. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus.

The guaranties of Fannie Mae are not backed by the full faith and credit of the United States.

Characteristics of Certificates. The Certificates, other than the R and RL Certificates, 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 Multifamily 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”). The delivery of certain certifications is required and a service charge may be imposed for 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 distribution to the Holder of the R or RL Certificate of the proceeds of any remaining assets of the Trust or Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of such Certificates at the office of the paying agent. The paying agent on such Certificates 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. Each of the R and RL Classes 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 immediately 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. Fannie Mae or the Master Servicer, the Special Servicer or the Subordinate Directing Holder may effect an early termination of the Trust as described herein under (i) “The Trust Agreement—Termination” or (ii) “The Sale and Servicing Agreement—Termination,” respectively.

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
Weighted Average Coupon	XS
Interest Only	XS
No Payment Residual	R and RL

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

General. The interest-bearing Certificates will bear interest at the respective per annum interest rates described on the cover. Interest on the Certificates will be 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 or notional balance of such Certificate immediately prior to such Distribution Date.

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All interest bearing Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “—Yield Considerations” herein.

The Notional Class. The XS Class will be a Notional Class. A Notional Class will have no principal balance and will bear interest at the per annum interest rate set forth on the cover or described herein during each Interest Accrual Period on its notional principal balance. The notional principal balance of the XS Class will be equal to the indicated percentage of the outstanding principal balance of the following Class immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Specified Class</u>
XS	100% of A 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 A Class 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 any such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balance of a Notional Class.

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>
Pass-Through	A
Notional	XS
No Payment Residual	R and RL

* See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.

Principal Distribution Amount

On each Distribution Date the Required Senior Principal Distribution Amount will be distributed to the A Class until the principal balance thereof is reduced to zero. The "Required Senior Principal Distribution Amount," for any Distribution Date with respect to the A Class, shall generally equal the sum of (i) the product of (1) the Senior Percentage and (2) the Aggregate Principal Distribution Amount and (ii) on and after the Subordinate Class Termination Date, an amount equal to any Realized Losses (as determined after giving effect to the allocation of Realized Losses to the Subordinate Classes, and the distributions of the portion of the Required Senior Principal Distribution Amount described in clause (i) to the A Class, on such Distribution Date).

With respect to any Distribution Date, the "Aggregate Principal Distribution Amount" will generally constitute (i) the principal component of all Scheduled Payments which become due on the related Mortgage Loans or REO Loans during the Due Period ending in the month in which such Distribution Date occurs; and (ii) the aggregate of all payments, revenues and proceeds received on or in respect of the Mortgage Loans or REO Loans during the calendar month preceding the month in which such Distribution Date occurs, which payments, revenues and proceeds were applied by the Master Servicer as recoveries of principal of such Mortgage Loans or REO Loans in accordance with the Sale and Servicing Agreement (including, without limitation, voluntary prepayments, mandatory prepayments and involuntary prepayments).

The "Senior Percentage" will equal 100% until the Subordination Fraction is equal to at least 20% (the "Trigger Percentage") and, thereafter, for so long as the Subordinate Balance is at least equal to \$2,500,000 and the Subordination Fraction is at least equal to the Trigger Percentage, generally will equal 80%. Notwithstanding the foregoing, in the event that immediately prior to the distributions payable on a Distribution Date and prior to giving effect to the allocation of Realized Losses for such Distribution Date, the Subordinate Balance is at least equal to \$2,500,000, and the Subordination Fraction is less than the Trigger Percentage, but after giving effect to the distributions payable on such Distribution Date and after giving effect to the allocation of Realized Losses for such Distribution Date, the Subordination Fraction would exceed the Trigger Percentage, the Senior Percentage for such Distribution Date shall be equal to that percentage (between 100% and 80%) which will result in the Subordination Fraction being equal to the Trigger Percentage immediately after giving effect to the distributions payable on such date and the

allocation of Realized Losses relating to such date. The "Subordination Fraction" is equal to the ratio, expressed as a percentage, of the aggregate of the Class Balances of the Subordinate Classes to the aggregate of the Class Balances of the Senior Certificates and the Subordinate Classes.

On each Distribution Date on which the Subordination Fraction is at least equal to the Trigger Percentage, and the Subordinate Balance is at least equal to \$2,500,000, the excess (if any) of the Aggregate Principal Distribution Amount for such Distribution Date (to the extent received or advanced) over the Required Senior Principal Distribution Amount will be distributed to the Subordinate Classes. However, in the event the Subordinate Balance should ever become less than \$2,500,000, then all Aggregate Principal Distribution Amounts will be distributed to the A Class until the Class Balance of the A Class is reduced to zero. In addition, in the event the Subordination Fraction should ever become less than the Trigger Percentage, then all Aggregate Principal Distribution Amounts will be distributed to the A Class until the conditions of the immediately preceding paragraph shall again have the effect of causing the Senior Percentage to be less than 100%.

Notwithstanding the provisions of the two immediately preceding paragraphs, if on any Distribution Date the Subordination Fraction is at least equal to the Trigger Percentage and the Subordinate Balance is at least equal to \$2,500,000 before any distribution of principal or allocation of Realized Losses, but any distributions of principal or allocations of Realized Losses to the Subordinate Certificates would result in the Subordinate Balance being less than \$2,500,000, then the Senior Percentage for such Distribution Date shall be the percentage (greater than 80%) which would cause the Subordinate Balance to be equal to \$2,500,000 after giving effect to such distributions and such allocations of Realized Losses on such date; provided, that if the allocation of Realized Losses alone would reduce the Subordinate Balance to less than \$2,500,000, then the Senior Percentage shall be 100%.

In addition to other distributions of principal on the A Class Certificates, if, for any Distribution Date, the Master Servicer makes Delinquency Advances, the A Class Certificates will receive Excess Delinquency Advances as a prepayment of principal on the next succeeding Distribution Date (irrespective of other amounts payable on the A Class Certificates on such succeeding Distribution Date). The payment of Excess Delinquency Advances to the A Class may affect the yield to maturity on the Certificates and lower the Senior Percentage. See "Description of the Certificates—Yield Considerations—*Delinquency Advances*", "*—Weighted Average Lives of the Certificates*" and "*The Sale and Servicing Agreement—General—The Master Servicer*" herein.

In addition to other distributions of principal on the A Class Certificates, if, for any Distribution Date, there are Excess Collections, the A Class Certificates will receive such Excess Collections as a prepayment of principal on the next succeeding Distribution Date (irrespective of other amounts payable on the A Class Certificates on such succeeding Distribution Date). The payment of Excess Collections to the A Class Certificates may affect the yield to maturity on the Certificates and lower the Senior Percentage. See "Description of the Certificates—Yield Considerations—*General*" and "*Weighted Average Lives of the Certificates*" herein.

Subordination

The rights of the holders of the Subordinate Classes to receive distributions with respect to the Mortgage Loans and REO Loans will be subordinate to the rights of the Certificateholders, to the extent described herein. This subordination is effected by the allocation on each Distribution Date of disproportionate amounts of principal payments on the Mortgage Loans to the A Class *vis-a-vis* the holders of the Subordinate Classes. This subordination is also effected through the allocation of Realized Losses as described below.

Realized Losses

Each Distribution Date, following distributions to the Certificates and Subordinate Certificates, a determination will be made of the aggregate amount of Realized Losses that were incurred at any time following the Issue Date through the end of the related Due Period, and in any event that were not previously allocated on any prior Distribution Date. See the “Glossary” for a definition of Realized Losses. All Realized Losses will be allocated to, and therefore reduce, the Class Balance of the Subordinate Classes having the lowest priority until the Class Balance of each Subordinate Class is reduced to zero. Thereafter, whenever a Realized Loss occurs, Fannie Mae will be required, pursuant to its guaranty, to make distributions on the A Class to the extent described under “Description of the Certificates—*Fannie Mae Guaranty*”. In the event any Realized Losses are incurred, the allocation thereof to the Subordinate Classes delays the point in time, if any, at which the Subordination Fraction would otherwise equal the Trigger Percentage and, thereby, extends the period during which the Senior Percentage will be 100% and maintains the principal distributions on the A Class Certificates at a higher level.

Once Realized Losses have been allocated to and reduced the Class Balance of a Subordinate Class to zero, such Subordinate Class shall not receive any future distributions of interest or principal, including any amounts representing previously allocated Realized Losses or unpaid interest that might otherwise be reimbursed to such Subordinate Class if it had a Class Balance greater than zero. Such amounts that would have been paid to such Subordinate Class shall constitute Excess Collections and be distributed to the A Class Certificates. See “Description of the Certificates—Yield Considerations—*General*” herein.

Structuring Assumptions

Pricing Assumptions. The information in the tables under “—Yield Considerations” and “—Decrement Table” has been prepared on the basis of the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- (i) scheduled interest and principal payments on the Mortgage Loans are received in a timely manner;
- (ii) prepayments will be made on each Mortgage Loan at the indicated percentages of CPR;
- (iii) there are no repurchases of Mortgage Loans and none of Fannie Mae, the Master Servicer, the Special Servicer or the Subordinate Directing Holder exercises its right of optional termination of the Trust described herein;
- (iv) no modifications, extensions, waivers or amendments regarding the payment by the Mortgagors of principal and interest on the Mortgage Loans occur;
- (v) each Distribution Date occurs on the 25th day of each month, and the first Distribution Date occurs in April, 1996;
- (vi) there are no defaults, losses, delinquencies or Delinquency Advances on the Mortgage Loans;
- (vii) the closing date for the sale of the Certificates is the Settlement Date;
- (viii) the Due Date for each Mortgage Loan is the first day of each month;
- (ix) all Mortgage Loans bear interest on the basis of a 360-day year consisting of twelve 30-day months;
- (x) no Prepayment Premiums are allocated to the Holders of the Certificates or the Subordinate Certificates; and
- (xi) an Issue Date Pool Balance of \$173,484,163.69, each Mortgage Loan has a remaining term to stated maturity of 238 months, a Mortgage Rate of 8.784% and a Net Pass-Through Rate of 8.174%.

CPR Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used herein is the “Constant Prepayment Rate” or “CPR” model. The CPR model represents an assumed constant rate of prepayment each month, expressed as an annual rate relative to the then outstanding principal balance of the pool of mortgage loans. *CPR does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans relating to the Trust. See “—Yield Considerations” and “—Decrement Tables” herein and “Yield Considerations” and “Maturity and Prepayment Considerations and Risks” in the Multifamily REMIC Prospectus.*

Yield Considerations

General. The yield to maturity for each Certificate will depend upon the purchase price thereof, the rate of principal payments (including prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties, purchases out of the Lower Tier REMIC or the payment of Excess Delinquency Advances), and the actual characteristics of the Mortgage Loans. There can be no assurance that the pre-tax yields shown herein will be realized or that the aggregate purchase price of the XS Class Certificates will be as assumed. An investor should purchase Certificates only after performing an analysis of such Certificates based upon the investor’s own assumptions as to future rates of prepayment.

The timing of changes in the rate of prepayments (including prepayments resulting from liquidations of Mortgage Loans due to defaults, casualties or condemnations affecting the Mortgaged Properties, purchases of Mortgage Loans out of the Lower Tier REMIC or the payment of Excess Delinquency Advances), may significantly affect the yield to an investor, even if the average rate of prepayments is consistent with such investor’s expectations. In general, the earlier the payment of principal, the greater the effect on an investor’s yield to maturity. As a result, the effect on an investor’s yield due to prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Settlement Date may not be offset by any subsequent equivalent reduction (or increase) in the rate of prepayments.

The effective yield on the A Class and the XS Class will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. As a result of the foregoing, the market value of the A Class and the XS Class will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

When the Subordination Fraction is less than the Trigger Percentage, or the Subordination Fraction is equal to or greater than the Trigger Percentage (but the Subordinate Balance is less than \$2,500,000), 100% of the distributions of principal (including prepayments) will be made on the A Class Certificates. When the Subordination Fraction is at least equal to the Trigger Percentage and the Subordinate Balance is at least equal to \$2,500,000, generally 80% of distributions of principal will be made on the Senior Certificates and the balance on the Subordinate Certificates. See “—Distributions of Principal—*Principal Distribution Amount.*” To the extent that no principal or a disproportionately small percentage of principal is distributed on the Subordinate Certificates, the subordination afforded to the Senior Certificates by the Subordinate Certificates is preserved, in the absence of offsetting Realized Losses allocated to the Subordinate Certificates. As a result, the average lives of the Senior Certificates will be shorter than otherwise would be the case, and the performance characteristics of the Senior Certificates will be different from other mortgage pass through certificates that do not disproportionately allocate principal payments (including prepayments) on Mortgage Loans according to certificate class.

The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates, the assessment of Prepayment Premiums and other economic, geographic and social factors. The payment of Prepayment Premiums, if not waived, may not be a sufficient economic disincentive to prevent the voluntary prepayment of the Mortgage Loans. See “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*” herein.

After the payment of interest payable in respect of the Certificates and the Subordinate Certificates, payment of the Required Senior Principal Distribution Amount and any Subordinated Principal Distribution Amount and any unreimbursed Realized Losses and unreimbursed interest payable in respect of the Subordinated Certificates, as well as any amounts owing to Fannie Mae, the Servicer, the Special Servicer and the Trustee, any remaining undistributed collections in respect of the Mortgage Loans (such undistributed collections, “Excess Collections”) shall be distributed to the A Class as a prepayment of principal on the next succeeding Distribution Date. This may reduce the weighted average life of the A Class and the XS Class Certificates and thereby affect the yield to maturity on such Classes of Certificates. The payment of Excess Collections to the A Class rather than the Subordinate Classes will also (i) maintain the Subordinate Balance at a higher level than it otherwise would be had such Excess Collection been distributed to the Subordinate Classes and (ii) raise the Subordinate Fraction by decreasing the Class Balance of the A Class while not reducing the Class Balances of the Subordinate Certificates. The effect of the foregoing clauses (i) and (ii) may be to cause the Senior Percentage to be lower than it otherwise would be. See “Description of the Certificates—Yield Considerations—General” and “—Distributions of Principal—*Principal Distribution Amount*” herein.

See “The Trust Agreement—Termination” for the rights of Fannie Mae, and “The Sale and Servicing Agreement—Termination” for the rights of Fannie Mae, the Master Servicer, the Special Servicer and the Subordinate Directing Holder to purchase the Mortgage Loans and any REO Properties and, thereby, effect an early termination of the Trust.

Delinquency Advances

Although calculated on the basis of amounts to be paid to the A Class Certificates and all Subordinate Classes of Subordinate Certificates, Delinquency Advances are only payable to the A Class Certificates and the Mezzanine Classes of Subordinate Certificates. See “The Sale and Servicing Agreement—General—*The Master Servicer*” herein. Therefore, there will be an excess of Delinquency Advances representing amounts otherwise payable to the Subordinate Certificates that are not in Mezzanine Classes (each such portion of a Delinquency Advance, an “Excess Delinquency Advance”). For any Distribution Date in respect of which there are Delinquency Advances, the related Excess Delinquency Advances will be paid to the A Class Certificates as prepayments of principal on the next succeeding Distribution Date. This may reduce the weighted average lives of the A Class and the XS Class Certificates and thereby affect the yield to maturity on such Classes of Certificates. See “Description of the Certificates—Yield Considerations—*General*” herein.

Because the Excess Delinquency Advances will be used to pay down the Class Balance of the A Class in lieu of the Class Balances of certain Subordinate Classes, the Subordination Fraction and Subordinate Balance will be at higher levels than they otherwise would be. This in turn may cause the Senior Percentage to be lower than what it otherwise would be. See “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” herein.

The Interest Only Class

The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the XS Class to various constant percentages of CPR. The yields set forth in the table

were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class 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.

As indicated in the table below, the yield to investors in the Notional Class will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. Excess Collections and Excess Delinquency Advances paid to the A Class Certificates as prepayments of principal may also adversely affect the yield to maturity to investors in the Notional Class. Any early termination of the Trust as described herein may adversely affect the yield to the Certificateholders of the XS Class.

On the basis of the assumptions described below, the yield to maturity on the XS Class would be 0% if prepayments were to occur at a constant rate of approximately 27% CPR. If the actual prepayment rate of the Mortgage Loans were to exceed the foregoing level for as little as one month while equaling such level for the remaining months, the investors in the XS Class would not fully recoup their initial investments. There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yield on the XS Class will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of the XS Class will be as assumed below.

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

<u>Class</u>	<u>Price*</u>
XS	3.0%

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

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

<u>Class</u>	<u>CPR Prepayment Assumption</u>				
	<u>0%</u>	<u>10%</u>	<u>12%</u>	<u>14%</u>	<u>16%</u>
XS	37.8%	24.5%	21.8%	19.1%	16.3%

See generally “Yield Considerations” in the Multifamily REMIC Prospectus.

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 “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments and the priority sequence of distributions of principal of the Certificates and the Subordinate Classes. See “Description of the Certificates—Distributions of Principal,” “—Subordination,” “—Realized Losses” and “—Yield Considerations” herein.

The Trust Agreement permits Modifications (as hereinafter defined), including extensions, of the Mortgage Loans under certain circumstances. Any extension of a Mortgage Loan is likely to cause an extension of the weighted average life of a Certificate. See “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” herein.

The interaction of the foregoing factors may have different effects on various Classes and the effects on any Class may vary at different times during the life of such Class. Accordingly, no assurance can be given as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts from 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 Table below.

Decrement Table

The following table indicates the percentages of original principal balance of the specified Classes that would be outstanding after each of the dates shown at various *constant* CPR levels and the corresponding weighted average lives of such Classes. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, or that the events described in the Pricing Assumptions will conform to the assumptions with respect thereto and no representation is made that the Mortgage Loans will prepay at the CPRs shown or at any other *constant* prepayment rate or that such events will so conform. The table has been prepared on the basis of the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A and XS [†] Classes				
	CPR Prepayment Assumption				
	0%	10%	12%	14%	16%
Initial Percent	100	100	100	100	100
March 1997	98	87	85	83	81
March 1998	95	75	72	68	64
March 1999	93	65	60	55	51
March 2000	90	55	50	45	40
March 2001	87	47	41	37	33
March 2002	84	40	35	30	26
March 2003	80	35	30	25	21
March 2004	76	30	25	21	17
March 2005	72	25	21	17	14
March 2006	67	22	17	14	11
March 2007	62	18	14	11	8
March 2008	56	15	11	9	7
March 2009	50	12	9	7	5
March 2010	43	10	7	5	3
March 2011	37	8	5	3	2
March 2012	31	5	3	2	1
March 2013	24	3	2	1	0
March 2014	16	1	*	0	0
March 2015	8	0	0	0	0
March 2016	0	0	0	0	0
Weighted Average					
Life (years)**	12.2	6.1	5.4	4.8	4.3

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

** Determined as described under “—Weighted Average Lives of the Certificates” above.

† In the case of a Notional Class, the Decrement Table indicates the percentages 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 of Certificates and all Subordinate Classes have been reduced to zero and all interest due on the Certificates has been paid in full. 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 the Trust or the Lower Tier REMIC.

The R Class and the RL Class will be subject to certain transfer restrictions. No transfer of record or beneficial ownership of an R or RL Certificate will be allowed to a “disqualified organization.” In addition, no transfer of record or beneficial ownership of an 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 Class and the RL Class will constitute noneconomic residual interests under the Regulations. Any transferee of an 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 Multifamily REMIC Prospectus. A transferor of an R or RL Certificate should consult with its 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 Multifamily REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the R and RL Classes that may be required under the Code.

THE TRUST AGREEMENT

The following summary descriptions of certain provisions set forth in the Trust Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to, the provisions of the Trust Agreement.

Servicing of the Mortgage Loans

Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Subordinate Financing. All of the Mortgage Loans have “due-on-sale” clauses generally providing that such Mortgage Loans will (or may at the mortgagee’s option) become due and payable upon the sale or other transfer of the related Mortgagor’s interest in the related Mortgaged Property. In general, with respect to Mortgage Loans, the Trust Agreement permits the waiver of the enforcement of any such due-on-sale clause upon transfer of a Mortgaged Property if certain conditions are satisfied.

All of the Mortgage Loans also have “due-on-encumbrance” clauses generally providing that each such Mortgage Loan may at the mortgagee’s option become due and payable upon the creation of any additional lien or other encumbrance on the Mortgaged Property that is not permitted by the related Mortgage. The right of the related Mortgagor to grant subordinate mortgages on the

Mortgaged Property is subject to the satisfaction of certain conditions and generally to the consent of the holder of the Mortgage Note (which consent generally may not be unreasonably withheld). Pursuant to the Trust Agreement, Fannie Mae has the right to approve all requests for subordinate financing that aggregates (for any one Mortgage Loan) more than \$10,000. However, Fannie Mae generally will not do so unless (i) the Mortgage Loan Documents specifically permit subordinate financing, (ii) the Mortgage Loans or applicable law require Fannie Mae to permit subordinate financing, or (iii) such financing is requested for certain specific purposes. If the Mortgage Loan permits subordinate financing but requires the consent of the mortgagee to any such subordinate financing and, pursuant to applicable law or the provisions of the Mortgage Loan, such consent must not be unreasonably withheld, then the Trust Agreement permits Fannie Mae to consider requests by a Mortgagor to permit subordinate financing (if aggregating more than \$10,000) subject to the satisfaction of certain conditions.

Modifications, Waivers and Amendments. The Trust Agreement permits Fannie Mae to agree to any modification, waiver or amendment (each, a “Modification”) of any term of any Mortgage Loan without the consent of any Certificateholder, subject to compliance with the REMIC Provisions and the other limitations set forth in the Trust Agreement, certain of which are described below.

Subject to certain conditions, the Trust Agreement permits Fannie Mae to agree to the forbearance and forgiveness of interest either prior to a Maturity Date of a Mortgage Loan or in connection with an extension of the Maturity Date on such Mortgage Loan. The extension of the maturity of a Mortgage Loan is subject to the following limitations, among others: (i) any such extension may not result in a final scheduled payment date that is more than twelve (12) months beyond the date on which it was previously due or for more than a total of thirty-six (36) months beyond its Maturity Date or (ii) in the event that there is no agreement to forbear interest in connection with an extension, the contract interest rate (coupon rate) and the Monthly Payment for each month during the extension period shall not be less than the contract interest rate (coupon rate) and the Monthly Payment, respectively, due on such Mortgage Loan in the month prior to the month in which the final payment was originally scheduled to be due thereon, not taking into account any prior forbearance of interest.

If the Mortgagor reasonably requests a partial release of a Mortgaged Property, the Trust Agreement permits Fannie Mae to grant such a partial release provided that, among other conditions, (i) the Mortgagor pays cash, for application to the unpaid principal balance of the related Mortgage Loan(s), an amount equal to the appraised value of the released portion of the Mortgaged Property, (ii) the lien of the related Mortgage(s) on the remaining property is not adversely affected and the remaining property can, practically and economically, continue to be used for its intended purposes, (iii) the income of the Mortgaged Property is not adversely affected by such release, and (iv) the resulting Loan-to-Value Ratio would be no higher than the Loan-to-Value Ratio at the date of origination.

Realization Upon Defaulted Mortgage Loans. The Trust Agreement permits Fannie Mae (i) to sell an REO Property or (ii) to sell a Defaulted Mortgage Loan or to foreclose upon or otherwise comparably convert the ownership of the related Mortgaged Property or Properties, if no satisfactory arrangements can be made for collection of delinquent payments, subject to the limitations described below. Fannie Mae has the right to purchase any Defaulted Mortgage Loan and to bid on any REO Property at a price not less than the Purchase Price.

Promptly after any Mortgage Loan becomes a Specially Serviced Mortgage Loan, then with respect to any payment default or performance default (other than a payment default) by the Mortgagor thereunder, the Trust Agreement permits Fannie Mae, subject to the foregoing, to initiate a dialogue with the related Mortgagor, including with respect to any Modification

requested thereby and to commence the foreclosure process. Promptly upon commencement of a foreclosure action the Trust Agreement permits the taking of action to obtain control of the rents and other revenues of each related Mortgaged Property for the benefit of the Trust.

The Trust Agreement does not permit the initiation of foreclosure proceedings, or the obtaining of title to a Mortgaged Property in lieu of foreclosure or otherwise, or the taking of any other action with respect to any Mortgaged Property, if, as a result of any such action, the Trustee, on behalf of Certificateholders and the holders of the Subordinate Classes, would be considered to hold title to, to be a “mortgagee-in-possession” of, or to be an “owner” or “operator” of such Mortgaged Property within the meaning of CERCLA or any comparable law, unless there has been a determination, based on a current or currently updated environmental assessment, meeting the standards to be prescribed by Fannie Mae, of such Mortgaged Property, that each of the following conditions has been satisfied (or that the taking of action to achieve satisfaction thereof is reasonably likely to produce a greater recovery on a present value basis than not taking such actions and refraining from initiating foreclosure proceedings): (i) the Mortgaged Property is in compliance with applicable environmental laws, and (ii) there are no circumstances or conditions present at the Mortgaged Property relating to any hazardous, toxic or dangerous waste, substance or material which could require investigation, testing, monitoring, containment, clean-up or remediation under any applicable environmental laws and regulations or, if such circumstances or conditions are present for which any such action could be required, that taking such actions with respect to such Mortgaged Property is reasonably likely to produce a greater recovery on a present value basis than not taking such actions and refraining from initiating foreclosure proceedings.

If the environmental assessment described above establishes that either of the foregoing environmental conditions has not been satisfied, Fannie Mae may take such action (other than acquiring title to such Mortgaged Property) as it deems in the best economic interest of the Trust, including selling the related Defaulted Mortgage Loan. The cost of any remedial, corrective or other further action related to an environmental condition will be an expense of the Trust.

Fannie Mae is required to sell any such REO Property within two years after the Lower Tier REMIC acquires ownership of such REO Property, unless Fannie Mae either (i) is granted an extension of time (an “REO Extension”) by the Internal Revenue Service to sell such REO Property or (ii) obtains for the benefit of it and the Trust an opinion of counsel to the effect that the holding of such REO Property subsequent to the second anniversary of such acquisition will not result in the imposition of taxes on “prohibited transactions” of the Trust as defined in Section 860F of the Code or cause the Trust to fail to qualify as a REMIC at any time that any Certificates or Subordinate Classes are outstanding.

Treatment of REO Properties. Notwithstanding that a Mortgaged Property securing any Mortgage Loan may be acquired on behalf of the Lower Tier REMIC as REO Property, such Mortgage Loan (after the date of such acquisition, an “REO Loan”) will, for purposes of determining amounts payable (including the Senior Principal Distribution Amount) on the Certificates and the Subordinate Classes and losses allocable to Subordinate Classes, be treated as having remained outstanding until such REO Property is liquidated, and each such REO Loan will be deemed to have the same terms and conditions as its predecessor Mortgage Loan. An unpaid principal balance, as well as Stated Principal Balance, will continue to be calculated for each REO Loan.

See “The Sale and Servicing Agreement—General” for a general description of the Sale and Servicing Agreement and the allocation by Fannie Mae to the Master Servicer and the Special Servicer, as independent contractors to Fannie Mae, of the foregoing servicing responsibilities with respect to the Mortgage Loans, subject to certain retained consent rights of Fannie Mae described below.

Certain Rights of the Subordinate Directing Holder

Pursuant to the Trust Agreement and the Sale and Servicing Agreement, the Subordinate Directing Holder has the right to appoint a special servicer (a “Special Servicer”), to direct the course of action to be followed by the Special Servicer with respect to any Specially Serviced Mortgage Loans, to purchase Defaulted Mortgage Loans and to bid on REO Properties at a price no less than the Purchase Price and to effect a termination of the Trust by purchasing the Mortgage Loans and the REO Properties remaining in the Lower Tier REMIC. See “—Servicing of the Mortgage Loans” and “The Sale and Servicing Agreement—General—*Special Servicer*” and “—Termination.” Notwithstanding the foregoing, during any Final Control Period for a Mortgage Loan or REO Property, Fannie Mae will have the right, but not the obligation, (i) in the case of a Defaulted Mortgage Loan, to direct the course of action to be followed by the Special Servicer with respect to the relevant default, (ii) in the case of a Mortgage Loan with a due-on-sale clause, to approve any transferee of the related Mortgaged Property, (iii) to consent to any action to be taken by the Special Servicer with respect to any Mortgaged Property in the event of the existence of certain environmental conditions with respect to such Mortgaged Property, (iv) to evaluate and determine the advisability of certain extensions to such Mortgage Loan, (v) to consent to Modifications to such Mortgage Loan and (vi) to consent to the acquisition or sale of an REO Property or the sale of a Defaulted Mortgage Loan. Fannie Mae has the right to terminate the Special Servicer, with or without cause, during the Final Control Period and to terminate the Special Servicer at any other time with cause. See the “Glossary.”

In the Trust Agreement, Fannie Mae covenants not to enter into an amendment to the Sale and Servicing Agreement that materially and adversely affects the rights of the Subordinate Directing Holder, without the consent of the Subordinate Directing Holder.

The Trust Agreement provides that Fannie Mae will not be liable for any act or omission of any Special Servicer appointed by the Subordinate Directing Holder.

Termination

Pursuant to the Trust Agreement, each of Fannie Mae, in its corporate capacity, and the Subordinate Directing Holder is entitled to purchase all of the Mortgage Loans and any REO Properties remaining in the Lower Tier REMIC and effect an early termination of the Lower Tier REMIC and the Trust at any time that the aggregate Stated Principal Balance of all of the Mortgage Loans and REO Loans remaining in the Lower Tier REMIC is ten percent (10%) (or, if purchased by the Subordinate Directing Holder and it is the Mortgage Loan Seller or an affiliate thereof, five percent (5%)) or less of the Issue Date Pool Balance, for a purchase price equal to the aggregate Purchase Price for all of the Mortgage Loans (including the REO Loans) remaining in the Lower Tier REMIC.

There also may be an early termination of the Trust in the event the Master Servicer, the Special Servicer or the Subordinate Directing Holder purchases the Mortgage Loans and any REO Properties in the Lower Tier REMIC. See “The Sale and Servicing Agreement—Termination” herein.

THE SALE AND SERVICING AGREEMENT

Fannie Mae, as purchaser, and the Mortgage Loan Seller, as master servicer (the “Master Servicer”) and initial Special Servicer, are parties to a Sale and Servicing Agreement, dated as of March 1, 1996, pursuant to which Fannie Mae acquired the Mortgage Loans from the Mortgage Loan Seller and, pursuant to its powers under the Trust Agreement, Fannie Mae engaged the Master Servicer and the Special Servicer, as an independent contractor to Fannie Mae, to service

the Mortgage Loans, subject to the right of the Subordinate Directing Holder to appoint the Special Servicer and direct the course of action thereof with respect to Specially Serviced Mortgage Loans. See “The Trust Agreement—Certain Rights of the Subordinate Directing Holder.”

The Sale and Servicing Agreement is a contract solely between Fannie Mae and the other parties thereto and neither the Certificateholders nor the holders of the Subordinate Classes are deemed to be parties thereto or, except as provided under “The Trust Agreement—Certain Rights of the Subordinate Directing Holder” above, have any claims, rights, obligations, duties or liabilities with respect to the Sale and Servicing Agreement or the parties thereto.

General

The Sale and Servicing Agreement sets forth the standards and the detailed procedures to be followed by, and the rights and obligations of, the Master Servicer and the Special Servicer with respect to servicing the Mortgage Loans.

Master Servicer

In general, the Master Servicer is responsible for (i) making determinations with respect to the enforcement of due-on-sale and due-on-encumbrance clauses, as well as approving subordinate financing (if aggregating less than \$10,000 for any one Mortgage Loan) and reviewing and submitting requests for Fannie Mae’s approval of permitted subordinate financing (if aggregating more than \$10,000 for any one Mortgage Loan), as described under “The Trust Agreement—Servicing of the Mortgage Loans—*Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Subordinate Financing*,” (ii) making determinations with respect to a partial release of a Mortgaged Property as described under “Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*,” (iii) making Advances, (iv) the collection of payments on the Mortgage Loans (other than the REO Loans) and the maintenance of various accounts with respect thereto, (v) monitoring Mortgagor compliance with environmental laws and regulations, and (vi) identifying Watchlist Properties. Notwithstanding the foregoing, during any Final Control Period, Fannie Mae shall have the right, but not the obligation, to approve the course of action to be taken by the Master Servicer under clauses (i) (with respect to the due-on-sale and due-on-encumbrance clauses) and (ii) of the preceding sentence. Subject to the consent right of Fannie Mae during the Final Control Period, the Master Servicer has the right to purchase any Defaulted Mortgage Loan and to bid on any REO Property at a price no less than the Purchase Price.

On each Delinquency Advance Date, the Master Servicer will be obligated to make mandatory advances (each, a “Delinquency Advance”), subject to its determination that such amounts shall be recoverable (with interest thereon, as provided in the Sale and Servicing Agreement). The aggregate amount of Delinquency Advances to be made by the Master Servicer in respect of any Distribution Date will equal the aggregate of all Scheduled Payments, net of related Servicing Fees and the Fannie Mae Fee, due or deemed due, as the case may be, in respect of the Mortgage Loans and any REO Loans on the immediately preceding Due Date, in each case to the extent such amount was not paid by or on behalf of the related Mortgagor as of the close of business on the related Delinquency Advance Determination Date.

The Master Servicer will be entitled to recover any Delinquency Advance made out of its own funds (i) from any amounts collected or received in respect of the Mortgage Loan as to which such Delinquency Advance was made, whether in the form of late payments, insurance proceeds, liquidation proceeds, condemnation proceeds, amounts paid in connection with the purchase of such Mortgage Loan out of the Lower Tier REMIC or otherwise, (ii) if such Mortgage Loan (or any REO Property acquired in respect thereof) has been liquidated, out of amounts otherwise distributable on the Subordinate Certificates on any Distribution Date subsequent to the date of

such liquidation, and (iii) finally, out of any other amounts in accounts established by the Master Servicer for the retention of payments or other collections of principal and interest on or in respect of the Mortgage Loans, pursuant to the Sale and Servicing Agreement. The Master Servicer's right to recover Delinquency Advances shall be prior to the rights of the Certificateholders to receive any distributions on the Certificates. Delinquency Advances are intended to provide a limited amount of liquidity, not to guarantee or insure against losses or shortfalls.

Special Servicer

In general, the Special Servicer is responsible for (i) servicing and administering the Specially Serviced Mortgage Loans and any REO Loans, including the evaluation, management and operation of any REO Properties, including taking the actions with respect to defaulted Mortgage Loans described under "The Trust Agreement—Servicing of the Mortgage Loans—*Realization Upon Defaulted Mortgage Loans*," and (ii) negotiating and determining whether to approve of a Modification described under "The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*." See "The Trust Agreement—Certain Rights of the Subordinate Directing Holder" for a description of the right, but not the obligation, of Fannie Mae to direct, approve of, or consent to, the actions of the Special Servicer described in the preceding sentence during the Final Control Period. Subject to the consent right of Fannie Mae during the Final Control Period, the Special Servicer has the right to purchase any Defaulted Mortgage Loan and to bid on any REO Property at a price no less than the Purchase Price.

The Special Servicer may not waive or modify payment of any applicable Prepayment Premium due to be paid under the terms of any Mortgage Loan, unless (A) there is a determination that the Mortgage Loan is in default due to a bona fide cash flow deficiency and not an effort to avoid payment of a Prepayment Premium, or (B) there is a substantial risk that the Prepayment Premium provision would be found unenforceable by a court with jurisdiction over the action, or (C) the prepayment of the Mortgage Loan is made due to a casualty loss or a condemnation or (D) the Mortgage Loan Seller consents.

Representations, Warranties and Covenants; Repurchases

In the Sale and Servicing Agreement, the Mortgage Loan Seller will make certain customary representations, warranties and covenants for the benefit of Fannie Mae with respect to the Mortgage Loans being sold by the Mortgage Loan Seller. In the Trust Agreement, Fannie Mae will assign or cause to be assigned to the Trustee all such representations, warranties and covenants given to Fannie Mae with respect to the Mortgage Loans and shall also give the Trustee the right to directly enforce the remedies set forth in the Sale and Servicing Agreement with respect to a breach of any of such representations, warranties or covenants. The representations, warranties and covenants in the Sale and Servicing Agreement will continue in effect throughout the term of the Sale and Servicing Agreement. Following the discovery of a breach of any of such representations, warranties and covenants that is determined to materially and adversely affect the value of a Mortgage Loan, the Mortgage Loan Seller may be required to purchase the affected Mortgage Loan from the Lower Tier REMIC at the applicable Purchase Price. See the "Glossary" herein.

Amendment

The Sale and Servicing Agreement may be amended from time to time by the mutual agreement of Fannie Mae, and one or more of the Mortgage Loan Seller, the Master Servicer, and the Special Servicer, without the consent of any of the Certificateholders; provided, however, that such parties acknowledge and agree in the Sale and Servicing Agreement that certain provisions thereof expressly grant rights or benefits to the Subordinate Directing Holder, and that the Subordinate Directing Holder is a third party beneficiary of such provisions.

Termination

The obligations and responsibilities created by the Sale and Servicing Agreement will terminate upon payment (or provision for payment) to the Certificateholders and the holders of the Subordinate Classes of all amounts held by or on behalf of the Trustee and required under the Trust Agreement to be so paid on the Distribution Date following the earlier to occur of (i) the purchase by Fannie Mae, the Master Servicer (if it is not Citibank, Federal Savings Bank or any affiliate thereof), the Special Servicer (if it is not Citibank, Federal Savings Bank or any affiliate thereof) or the Subordinate Directing Holder (if it is not Citibank, Federal Savings Bank or any affiliate thereof) of all of the Mortgage Loans and REO Properties remaining in the Lower Tier REMIC in the event the aggregate Stated Principal Balance of the Mortgage Loans and any REO Loans remaining in the Lower Tier REMIC as of the date of such election is ten percent (10%) (or, if by the Master Servicer, the Special Servicer or the Subordinate Directing Holder, if any of them is Citibank, Federal Savings Bank, five percent (5%)) or less of the Issue Date Pool Balance and (ii) the final payment (or any advance with respect thereto) on or other liquidation of the last Mortgage Loan or REO Property remaining in the Lower Tier REMIC. The purchase price payable by Fannie Mae, the Master Servicer, the Special Servicer or the Subordinate Directing Holder pursuant to clause (i) of the preceding sentence will be equal to the aggregate Purchase Price of all of the Mortgage Loans (including, without limitation, all of the REO Loans) then remaining in the Lower Tier REMIC. See the "Glossary."

DESCRIPTION OF THE MORTGAGE POOL

General

The Lower Tier REMIC will consist of 571 Mortgage Loans with an aggregate Issue Date Balance of \$173,484,164 (the "Issue Date Pool Balance"), subject to a permitted variance of plus or minus 5%. The "Issue Date Balance" of each Mortgage Loan is the unpaid principal balance thereof as of the Issue Date, after application of all payments of principal due on or before such date, whether or not received.

Each Mortgage Loan is evidenced by a note, bond or other evidence of indebtedness (a "Mortgage Note"). Each Mortgage Loan is generally secured by a single mortgage, deed of trust or other similar security instrument (each, a "Mortgage") that creates a first mortgage lien on a multifamily project (a "Mortgaged Property"). Each Mortgage covers a Mortgagor's entire interest in the Mortgaged Property. None of the Mortgage Loans is insured or guaranteed by the United States, any governmental agency or any private mortgage insurer.

94% of the Mortgage Loans were originated between 1992 and 1995 and 6% of the Mortgage Loans (based on Issue Date Balances) were originated between 1985 and 1991 by the Mortgage Loan Seller and will be acquired by Fannie Mae from the Mortgage Loan Seller on or before the Settlement Date pursuant to the Sale and Servicing Agreement.

The information with respect to the Mortgage Loans set forth in "Description of the Mortgage Pool" and, with respect to the largest 35 Mortgage Loans (based on Issue Date Balances), on Exhibit A hereto has been collected and summarized by the Mortgage Loan Seller and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy and shall not be responsible therefor.

Certain Terms and Conditions of the Mortgage Loans

Due Dates. Monthly Payments under the Mortgage Loans will be due on the first day of each month. As of the Settlement Date, no Monthly Payment on any Mortgage Loan will be more than

30 days past due nor has any Monthly Payment on any Mortgage Loan been past due more than 30 days at any time during a one year period preceding the Settlement Date.

Mortgage Rates. All of the Mortgage Loans (the “Fixed Rate Mortgage Loans”) bear interest at Mortgage Rates which are in each case, as of the Issue Date, fixed for the particular Mortgage Loan’s remaining term to stated maturity.

Monthly Payments. All of the Mortgage Loans are fully amortizing loans, providing for monthly payments of interest and monthly payments of principal based on amortization schedules ranging from 7 to 30 years.

Prepayment Provisions. All of the Mortgage Loans permit principal prepayments (as defined below) in an aggregate amount of up to 20% of their respective origination principal balances during any calendar year without the payment of any Prepayment Premium. Approximately 34.61% of the Mortgage Loans (based on Issue Date Balances) may be fully prepaid at any time prior to their stated maturities without the payment of a Prepayment Premium. Approximately 65.39% of the Mortgage Loans (based on Issue Date Balances) impose the payment of a Prepayment Premium for principal prepayments in excess of 20% of their respective origination principal balances during any calendar year. Prepayment Premiums with respect to such Mortgage Loans are in effect during the entire term of the Mortgage Loan and are equal to the product of the related Mortgage Rate, prorated over a certain period of time as specified in the related Mortgage, and the unpaid principal balance of such Mortgage Loan at the time of such prepayment. When measured by Issue Date Balance, approximately 38.72% of the Mortgages specify that the Mortgage Rate be prorated over 180 days and approximately 25.97% specify that the Mortgage Rate be prorated over 90 days. The Certificateholders shall not be paid any amounts representing Prepayment Premiums. All Prepayment Premiums shall inure to the benefit of the Mortgage Loan Seller and shall not be considered assets or part of the Trust or the Lower Tier REMIC.

The Prepayment Premium provision of a Mortgage Loan typically creates an economic disincentive for the Mortgagor to prepay such Mortgage Loan voluntarily and, accordingly, the Mortgagor may elect not to prepay such Mortgage Loan. However, because the payment of a Prepayment Premium may be waived by the Mortgage Loan Seller under any circumstances, or by the Special Servicer under certain circumstances (see “Sale and Servicing Agreement—General—*Special Servicer*”), there can be no assurance that the imposition of a Prepayment Premium will provide a sufficient economic disincentive to prevent a voluntary principal prepayment.

Certain state or federal laws may limit the amounts that a lender may collect from a borrower as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability of provisions providing for Prepayment Premiums upon an involuntary prepayment is unclear. No assurance can be given that, at the time a Prepayment Premium is required to be made on a Mortgage Loan in connection with an involuntary prepayment, the obligation to pay such Prepayment Premium will be enforceable under state or federal law. See “Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans” in the Multifamily REMIC Prospectus.

Additional Mortgage Loan Information

The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Issue Date. The figures in the columns titled “Aggregate Issue Date Balance” in the tables below are based on the Issue Date Balances of the related Mortgage Loans. The sum in any column of the following tables may not equal the indicated total due to rounding.

Following the issuance of the Certificates, Fannie Mae will make available in electronic form certain data specific to the Certificates and certain information with respect to the underlying Mortgage Loans, in each case as of the Issue Date, including the information (with respect to the largest 35 Mortgage Loans (based on Issue Date Balances)) set forth on Exhibit A hereto and will make available certain other information relating to the Mortgage Loans and Mortgaged Properties. To obtain this information in electronic form, call Fannie Mae at 800-752-6440 or 202-752-6000.

The following table sets forth the range of Mortgage Rates on the Mortgage Loans as of the Issue Date.

Mortgage Rates for the Mortgage Loans as of the Issue Date

Range of Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Pool Balance
8.000% – 8.499%	135	\$ 44,853,404.82	25.85%
8.500% – 8.999%	247	81,931,056.06	47.23
9.000% – 9.499%	91	22,209,967.76	12.80
9.500% – 9.999%	78	19,394,581.09	11.18
10.000% – 10.499%	7	1,636,261.20	0.94
10.500% – 10.999%	11	3,183,805.47	1.84
11.000% – 11.499%	2	275,087.29	0.16
Total	<u>571</u>	<u>\$173,484,163.69</u>	<u>100.00%</u>

Weighted Average Mortgage Rate: 8.784% per annum

The following table sets forth the range of Net Mortgage Rates on the Mortgage Loans as of the Issue Date.

Net Mortgage Rates for the Mortgage Loans as of the Issue Date

Range of Net Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Pool Balance
7.500% – 7.999%	227	\$ 78,246,294.68	45.10%
8.000% – 8.499%	174	52,593,364.49	30.32
8.500% – 8.999%	102	25,506,818.50	14.70
9.000% – 9.499%	50	12,365,806.35	7.13
9.500% – 9.999%	11	2,713,532.15	1.56
10.000% – 10.499%	5	1,783,260.23	1.03
10.500% – 10.999%	2	275,087.29	0.16
Total	<u>571</u>	<u>\$173,484,163.69</u>	<u>100.00%</u>

Weighted Average Net Mortgage Rate: 8.174% per annum

The following table sets forth the range of Issue Date Balances of the Mortgage Loans.

Issue Date Balances for the Mortgage Loans

<u>Range of Issue Date Balances (\$)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>
\$ 0 – \$ 149,999.99	148	\$ 17,158,417.11	9.89%
150,000 – 199,999.99	110	19,424,834.06	11.20
200,000 – 249,999.99	76	17,033,968.36	9.82
250,000 – 299,999.99	56	15,086,536.83	8.70
300,000 – 349,999.99	35	11,383,769.73	6.56
350,000 – 399,999.99	29	10,880,575.85	6.27
400,000 – 449,999.99	20	8,397,994.60	4.84
450,000 – 499,999.99	16	7,573,428.95	4.37
500,000 – 549,999.99	17	8,893,401.68	5.13
550,000 – 599,999.99	7	3,979,799.19	2.29
600,000 – 649,999.99	7	4,402,844.54	2.54
650,000 – 699,999.99	8	5,427,583.19	3.13
700,000 – 749,999.99	7	5,066,868.49	2.92
750,000 – 799,999.99	5	3,912,211.54	2.26
800,000 – 849,999.99	2	1,631,809.03	0.94
850,000 – 899,999.99	3	2,668,482.42	1.54
900,000 – 949,999.99	4	3,715,878.91	2.14
950,000 – 999,999.99	5	4,824,151.49	2.78
1,000,000 – 1,999,999.99	16	22,021,607.72	12.69
Total	<u>571</u>	<u>\$173,484,163.69</u>	<u>100.00%</u>

Average Issue Date Balance: \$303,825.16

The following tables set forth the range of original and remaining terms to stated maturity (in months) of the Mortgage Loans.

Original Terms to Stated Maturity (In Months) for the Mortgage Loans

<u>Original Terms (in Months)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>
84	1	\$ 124,911.75	0.07%
120	6	1,366,411.23	0.79
180	135	30,166,244.55	17.39
239	1	116,889.08	0.07
240	47	13,002,284.64	7.49
300	379	127,352,235.21	73.41
360	2	1,355,187.23	0.78
Total	<u>571</u>	<u>\$173,484,163.69</u>	<u>100.00%</u>

Weighted Average Original Term to Stated Maturity: 273 months

Remaining Amortization Terms (In Months) for the Mortgage Loans as of the Issue Date

Range of Remaining Terms (in Months)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Pool Balance
0 – 60	3	\$ 289,627.32	0.17%
61 – 120	12	1,788,761.31	1.03
121 – 180	150	34,077,133.61	19.64
181 – 240	75	20,550,019.44	11.85
241 – 300	330	116,365,188.49	67.08
301 – 360	1	413,433.52	0.24
Total	<u>571</u>	<u>\$173,484,163.69</u>	<u>100.00%</u>

Weighted Average Remaining Amortization Term: 238 months

Because the Mortgage Pool consists primarily of Mortgage Loans with small principal balances (when compared to many other types of multifamily mortgage loans), only limited ongoing Debt Service Coverage Ratio and Loan-to-Value Ratio analyses are performed. Therefore, no such information with respect to either of such ratios is included as to the Issue Date. Debt Service Coverage Ratio and Loan-to-Value Ratio are typically used in multifamily mortgage loan lending to evaluate the credit quality and likelihood of prepayment with respect to mortgage loans. Because there are no current Debt Service Coverage Ratios or Loan-to-Value Ratios with respect to the Mortgage Loans, investors need to rely on other factors to make such evaluations.

Changes in Mortgage Pool Characteristics

The description herein of the Mortgage Pool and the Mortgaged Properties is based upon the Mortgage Pool as expected to be constituted at the time the Certificates and the Subordinate Classes are issued, as adjusted for the scheduled principal payments due on or before the Issue Date. Prior to the issuance of the Certificates, a Mortgage Loan may be removed from the Mortgage Pool if the Mortgage Loan Seller deems such removal necessary or appropriate or if it is prepaid. A limited number of other mortgage loans may be included in the Mortgage Pool prior to the issuance of the Certificates, unless the inclusion of such mortgage loans would materially alter the characteristics of the Mortgage Pool as described herein. The Mortgage Loan Seller believes that the information set forth herein will be representative of the characteristics of the Mortgage Pool as it will be constituted at the time the Certificates are issued, although the range of Mortgage Rates and maturities, as well as the other characteristics of the Mortgage Loans described herein, may vary. The Issue Date Pool Balance will be subject to a permitted variance of plus or minus 5%.

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 Multifamily 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 Trust and the Lower Tier REMIC as REMICs for federal income tax purposes. The Certificates (other than the R Class and the RL Class) and the

Subordinate 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 Trust and the Lower Tier REMIC as REMICs, the Certificates generally will be treated as “qualifying real property loans” for mutual savings banks and domestic building and loan associations, “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R Class and the RL Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Class will be, and the A Class 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 0% CPR. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Lower Tier REMIC will prepay at either that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus. In addition, the A Class 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 Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R Class nor the RL Class will have significant value. As a result, an organization to which section 593 of the Code applies and which is the beneficial owner of an R or RL Certificate may not use its allowable deductions to offset any “excess inclusions” with respect to such Certificate. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the Multifamily 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 7.12% (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 Multifamily 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

The Mortgage Loan Seller will receive the Certificates in exchange for the Mortgage Loans pursuant to a Fannie Mae commitment. The Dealer, on behalf of the Mortgage Loan Seller, 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.

LEGAL MATTERS

Certain legal matters will be passed upon for Fannie Mae by Mayer, Brown & Platt, Chicago, Illinois; and an opinion with respect to certain tax matters will be delivered to Fannie Mae by Dewey Ballantine, Washington, D.C. Any purchaser of Certificates will be furnished upon request an opinion by the General Counsel or Deputy General Counsel of Fannie Mae as to the validity of the Certificates and the Trust Agreement.

GLOSSARY

A Class: As defined herein on the Prospectus Supplement cover page.

A Class Balance: The outstanding principal balance of such Class.

Adjusted LTV Ratio: As defined herein under “Reference Sheet—Characteristics of Mortgage Loans in the Mortgage Pool” on page S-5.

Advance: A Delinquency Advance, Excess Delinquency Advance, Servicing Advance or Fannie Mae Fee Advance.

Aggregate Principal Distribution Amount: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-11.

Assigned Asset Value: As of any date of determination, with respect to any Mortgage Loan (other than a Seriously Delinquent Loan or a Materially Modified Loan), the Stated Principal Balance of such Mortgage Loan. With respect to any Mortgage Loan that is a Seriously Delinquent Loan or a Materially Modified Loan, the lesser of (a) the Stated Principal Balance of such Mortgage Loan as of such date of determination and (b) ninety percent (90%) of the appraised value of the related Mortgaged Property (less the reasonable expected costs of sale, unless already considered in the determination of such appraised value) as of such date of determination reduced by the aggregate of (i) to the extent not previously advanced by the Master Servicer, all unpaid interest on such Mortgage Loan at a per annum rate equal to the related Mortgage Rate minus the related Servicing Fee Rate and the Fannie Mae Fee Rate, (ii) all unpaid Servicing Fees and Fannie Mae Fees and unreimbursed Advances in respect of such Mortgage Loan and (iii) all currently due but unpaid real estate taxes, assessments, insurance premiums and similar items in respect of the related Mortgaged Property. With respect to any REO Property, the appraised value of such REO Property as of such date of determination net of the aggregate of clauses (i), (ii) and (iii) in the immediately preceding sentence.

CERCLA: The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

Certificate Balance: With respect to any Certificate (other than the R and RL Classes) or Subordinate Certificate, as of any date of determination, the then outstanding principal amount (or with respect to an XS Class Certificate, the then outstanding Class Notional Amount) of such Certificate or Subordinate Certificate, respectively, equal to the product of (a) the Percentage Interest evidenced by such Certificate or Subordinate Certificate, multiplied by (b) the then Class Balance or the Class Notional Amount, as the case may be, of the Class of Certificates or Subordinate Certificates to which such Certificate or Subordinate Certificate, respectively, belongs.

Certificate Rate: The Certificate Rate of the A and XS Classes, respectively, as set forth on the Prospectus Supplement cover page.

Certificateholder: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*” on page S-9.

Certificates: As defined herein on the Prospectus Supplement cover page.

Class: Collectively with respect to the Certificates, all of the Certificates bearing the same alphabetical and, if applicable, numerical class designation.

Class Balance: With respect to the Certificates (other than the XS Class, the R Class and the RL Class) and the Subordinate Certificates, the Class Balance outstanding at any time

represents the maximum amount that the Holders of such Certificates or the holders of such Subordinate Certificates, respectively, are entitled to receive as distributions allocable to principal from the cash flow on the Mortgage Loans and other assets in the Lower Tier REMIC.

Class Notional Amount: The aggregate notional principal amount on which the Class XS Certificates accrue interest which is equal to the outstanding Class Balance of the A Class.

Code: As defined herein on page S-2.

CPR: As defined herein under “Description of the Certificates—Structuring Assumptions—*CPR Assumptions*” on page S-14.

Dealer: As defined herein on the Prospectus Supplement cover page.

Debt Service Coverage Ratio: At any time, and with respect to any Mortgage Loan, the ratio of (a) the Net Operating Income generated by the related Mortgaged Property over a twelve month period ending on or closest to the end of the most recent calendar month to (b) the product of twelve times the amount of the Monthly Payment then in effect.

Defaulted Mortgage Loan: A Mortgage Loan that is at least 30 days delinquent in respect of any Scheduled Payment (such delinquency to be determined without regard to any grace or cure period permitted by the related Mortgage or Mortgage Note), provided that no suitable arrangements have been made for the collection of the delinquent payments pursuant to the Sale and Servicing Agreement and the Master Servicer has determined, in its reasonable and good faith judgment, that such Mortgage Loan will become the subject of foreclosure or similar proceedings.

Deficient Valuation: With respect to any Mortgage Loan, the amount of principal thereof that is forgiven due to a valuation of the related Mortgaged Property by a court of competent jurisdiction in an amount less than the then outstanding principal balance of the Mortgage Loan, which valuation is made in a proceeding initiated under the federal Bankruptcy Code. The determination of the Deficient Valuation and the application thereof as a Realized Loss shall not be made until the date of the discharge of such principal amount by the court.

Delay Classes: As defined herein under “Description of the Certificates—Distributions of Interest—*Interest Accrual Period*” on page S-10.

Delinquency Advance: As defined herein under “The Sale and Servicing Agreement—General—*Master Servicer*” on page S-23.

Delinquency Advance Date: With respect to any Distribution Date, the 18th calendar day of the month in which such Distribution Date occurs or, if such day is not a business day, the business day immediately preceding such 18th calendar day.

Delinquency Advance Determination Date: With respect to any Distribution Date, the 15th calendar day of the month in which such Distribution Date occurs, or if such day is not a business day, the business day immediately preceding such 15th calendar day.

Disclosure Documents: As defined herein on page S-2.

Distribution Date: As defined herein under “Description of the Certificates—General—*Distribution Dates*” on page S-9.

Due Date: With respect to each Mortgage Loan, including, without limitation, each REO Loan, the first day of each month. The Due Date shall be calculated without giving effect to any grace or cure period, or partial payments.

Due Period: With respect to any Distribution Date, the period commencing on and including the second day of the month preceding the month in which such Distribution Date occurs and ending on and including the first day of the month in which such Distribution Date occurs.

Excess Collections: As defined herein under “Description of the Certificates—Yield Considerations—*General*” on page S-14.

Excess Delinquency Advance: As defined herein under “Description of the Certificates—Yield Considerations—*Delinquency Advances*” on page S-15.

Exempted Securities: As defined herein on the Prospectus Supplement cover page.

Fannie Mae: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

Fannie Mae Fee: With respect to each Mortgage Loan and REO Loan, the fee payable to Fannie Mae in respect of its guaranty and the performance of its other obligations under the Trust Agreement.

Fannie Mae Fee Advance: An advance by the Master Servicer of the Fannie Mae Fee.

Fannie Mae Fee Rate: The rate per annum specified in the Trust Agreement at which the Fannie Mae Fee accrues.

FDIC: The Federal Deposit Insurance Corporation or any successor.

Final Control Period: With respect to any Mortgage Loan or REO Property, as of any date of determination, any period during which (i) the Senior Balance is greater than zero and the Subordinate Balance is equal to or less than one percent (1%) of the Issue Date Pool Balance, or (ii) the Senior Balance exceeds the aggregate Assigned Asset Value of all of the Mortgage Loans and REO Properties; provided, however, that for purposes of this determination: (i) the Senior Balance shall reflect all distributions of principal made on the Certificates on the Distribution Date immediately preceding such date of determination; and (ii) the Stated Principal Balance of the Mortgage Loans shall reflect all reductions to be made thereto on the Distribution Date immediately preceding such date of determination.

Final Distribution Date: As defined herein on the Prospectus Supplement cover page.

Final Due Period: With respect to any Mortgage Loan or any REO Property (and the related REO Loan), the Due Period during which a Liquidation Event has occurred in respect thereof.

Final Recovery Determination: A determination by the Master Servicer based upon information produced by the Special Servicer with respect to any Defaulted Mortgage Loan or REO Property (other than a Mortgage Loan or REO Property, as the case may be, that was purchased by (i) a Mortgage Loan Seller as summarized under “The Sale and Servicing Agreement—Representations, Warranties and Covenants; Repurchases,” (ii) Fannie Mae as summarized under “The Trust Agreement—Termination” or (iii) Fannie Mae, the Master Servicer, the Special Servicer or the Subordinate Directing Holder as summarized under “The Sale and Servicing Agreement—Termination”) that there has been a recovery of all insurance proceeds, liquidation proceeds and other payments or recoveries that the Master Servicer, in its reasonable and good

faith judgment, exercised without regard to any obligation of the Master Servicer to make payments from its own funds to cover certain deductible amounts under insurance policies covering the Mortgaged Property or REO Property, expects to be ultimately recoverable.

Fixed Rate Mortgage Loan: A Mortgage Loan whose Mortgage Rate is a fixed annual rate of interest.

Holder: As defined here under “Description of the Certificates—General—*Characteristics of Certificates*” on page S-9.

Information Statement: As defined herein on page S-2.

Interest Accrual Period: As defined herein under “Description of the Certificates—Distributions of Interest—*Interest Accrual Period*” on page S-10.

Issue Date: March 1, 1996. Information set forth herein as of the Issue Date reflects application of payments due on the Mortgage Loans on or before such date, whether or not received.

Issue Date Balance: As defined herein under “Description of the Mortgage Pool—General” on page S-25.

Issue Date Pool Balance: As defined herein under “Description of the Mortgage Pool—General” on page S-25.

Liquidation Event: With respect to any Mortgage Loan, any of the following events: (i) such Mortgage Loan is paid in full; (ii) a Final Recovery Determination is made with respect to such Mortgage Loan; or (iii) such Mortgage Loan is repurchased by (A) the Mortgage Loan Seller as summarized under “The Sale and Servicing Agreement—Representations, Warranties and Covenants; Repurchases” or (B) by Fannie Mae, the Master Servicer, the Special Servicer or the Subordinate Directing Holder as summarized under “The Sale and Servicing Agreement—Termination” or (C) Fannie Mae as summarized under “The Trust Agreement—Termination”. With respect to any REO Property (and the related REO Loan), any of the following events: (i) a Final Recovery Determination is made with respect to such REO Property; or (ii) such REO Property is purchased by the Master Servicer, the Special Servicer or the Subordinate Directing Holder as summarized under “Description of the Sale and Servicing Agreement—Termination” or Fannie Mae as summarized under “The Trust Agreement—Termination.”

Loan-to-Value Ratio: With respect to any Mortgage Loan, as of any date of determination, is the fraction, expressed as a percentage, the numerator of which is the then Mortgage Loan Principal Balance of such Mortgage Loan and the denominator of which is the appraised value of the related Mortgaged Property based on the most recent appraisal available to the Mortgage Loan Seller or, following the Issue Date, the Master Servicer.

Lower Tier Interests: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

Lower Tier Regular Interests: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

Lower Tier REMIC: As defined herein on the Prospectus Supplement cover page.

Master Servicer: As defined under “The Sale and Servicing Agreement” on page S-22.

Materially Modified Loan: Any Mortgage Loan as to which, by reason of a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan

granted or agreed to by the Special Servicer, as summarized under “The Sale and Servicing Agreement—General—*Special Servicer*” and “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*,” the maturity date is extended and/or the Mortgage Rate or the Monthly Payment is reduced.

Maturity Date: With respect to any Mortgage Loan, the stated maturity date thereof.

Mezzanine Subordinate Classes: For any Distribution Date, the Subordinate Class or Subordinate Classes of Subordinate Certificates which are senior in right of distribution to the Most Subordinate 1% Class; and the “Most Subordinate 1% Class” is, for any Distribution Date, of those Subordinate Classes of Subordinate Certificates having Class Balances, as determined immediately before distributions are made on such Distribution Date, that are each greater than one percent (1%) of the Issue Date Pool Balance, the Subordinate Class of Subordinate Certificates that is most subordinate as to its right to distributions of principal and interest pursuant to the Trust Agreement.

Modification: As defined herein under “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” on page S-20.

Monthly Payment: With respect to any Mortgage Loan, for any Due Date as of which it is outstanding, the scheduled monthly payment of principal and/or interest on such Mortgage Loan that is actually payable by the related Mortgagor from time to time under the terms of the related Mortgage Note (as such terms may be changed or modified in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Special Servicer as described under “The Sale and Servicing Agreement—General—*Special Servicer*” and “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*”).

Mortgage: As defined herein under “Description of the Mortgage Pool—General” on page S-25.

Mortgage File: With respect to any Mortgage Loan, the related Mortgage Note, Mortgage and certain other related documents specified in the Sale and Servicing Agreement.

Mortgage Loan: As defined herein on the Prospectus Supplement cover page.

Mortgage Loan Principal Balance: With respect to any Mortgage Loan or REO Loan, as of any date of determination, a principal amount equal to the Issue Date Balance of such Mortgage Loan (or, with respect to any REO Loan, the Mortgage Loan Principal Balance of the predecessor Mortgage Loan as of the date of the related REO Acquisition), minus the aggregate of all payments or other recoveries, net insurance proceeds, net liquidation proceeds, and income, rents and profits derived from the ownership, operation or leasing of any REO Property received on or in respect of the related Mortgage Loan or REO Loan, on or before such date of determination, that were applied by the Master Servicer as recoveries of principal of such Mortgage Loan or REO Loan in accordance with the Sale and Servicing Agreement.

Mortgage Loan Schedule: The mortgage loan schedule or schedules on Fannie Mae Form 2005, Schedule of Mortgages, which lists the Mortgage Loans transferred by the Mortgage Loan Seller on the Settlement Date to the Lower Tier REMIC.

Mortgage Loan Seller: As defined herein under “Risks Associated With Multifamily REMIC Pass-Through Certificates—3. *Repurchases Due to Breach of Representations and Warranties*” on page S-7.

Mortgage Note: As defined herein under “Description of the Mortgage Pool—General” on page S-25.

Mortgage Pool: As defined herein on the Prospectus Supplement cover page.

Mortgage Rate: With respect to each Mortgage Loan, the fixed rate per annum set forth in the related Mortgage Note from time to time at which interest accrues on such Mortgage Loan, as of the Issue Date, after giving effect to any modification of a Mortgage Loan for any period in connection with a bankruptcy or similar proceeding involving the related Mortgagor or a modification, waiver or amendment of such Mortgage Loan granted or agreed to by the Special Servicer pursuant to the Sale and Servicing Agreement.

Mortgaged Property: As defined herein on the Prospectus Supplement cover page.

Mortgagor: The obligor or obligors on a Mortgage Note, including, without limitation, any person that has acquired the related Mortgaged Property subject to the Mortgage and any person that has assumed the obligations of the original obligor under the Mortgage Note.

Multifamily Rental Property: As defined herein under “Risks Associated With Multifamily REMIC Pass-Through Certificates—2. *Other Risks of Multifamily Lending*” on page S-7.

Multifamily REMIC Prospectus: As defined herein on page S-2.

Net Mortgage Rate: For any Mortgage Loan or REO Loan, as of any date of determination, the rate per annum equal to (i) the applicable Mortgage Rate (without regard to any modification thereof made in connection with a bankruptcy proceeding or in connection with a default or a threatened default) minus (ii) the sum of the applicable Servicing Fee Rate and the Fannie Mae Fee Rate. For information as to the Net Mortgage Rates applicable to the 35 largest Mortgage Loans (by Issue Date Balances), see Exhibit A.

Net Operating Income: With respect to any Mortgaged Property, for any period of not less than three (3) months or more than twelve (12) months (annualized for any period of less than twelve (12) months) covered by financial information (which is normally prepared by the Mortgagors and not audited nor verified by any other party, except, in the case of any Mortgage Loan with a principal balance in excess of \$1,000,000 at the date of origination of such Mortgage Loan, to the extent the applicable Mortgage Loan documents so require) supplied by the Mortgagors to the Mortgage Loan Seller or the Master Servicer, as the case may be, the lesser of actual or projected operating revenues derived from such Mortgaged Property during such period, minus the greater of actual or projected total fixed and variable operating expenses incurred in respect of such Mortgaged Property during such period other than (i) non-cash items such as depreciation and amortization, (ii) capital expenditures and (iii) debt service on loans secured by such Mortgaged Property. In certain cases, operating revenues and operating expenses are based on projected numbers, other than actual numbers.

Notional Class: A Class having no principal balance and bearing interest on the related notional principal balance.

Origination Debt Service Coverage Ratio: As defined herein under “Reference Sheet—Characteristics of Mortgage Loans in the Mortgage Pool” on page S-5.

Origination LTV Ratio: As defined herein under “Reference Sheet—Characteristics of Mortgage Loans in the Mortgage Pool” on page S-5.

Percentage Interest: With respect to any Certificate (other than the R or RL Certificate) or Subordinate Certificate, the portion of the relevant Class evidenced by such Certificate, expressed

as a percentage, the numerator of which is the Certificate Balance of such Certificate (other than the R or RL Certificate) or Subordinate Certificate as of the Settlement Date, as specified on the face thereof, and the denominator of which is the original Class Balance or original Class Notional Amount (as of the Issue Date), as the case may be, of the relevant Class. With respect to a Class R or Class RL Certificate, the percentage interest in distributions to be made with respect to such Class, as stated on the face of such Class R or Class RL Certificate.

Prepayment Premium: Any premium, penalty or fee paid or payable, as the context requires, by a Mortgagor in connection with a principal prepayment.

Pricing Assumptions: As defined herein under “Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*” on page S-13.

principal prepayment: As defined herein on page S-2.

Purchase Price: With respect to any Mortgage Loan or REO Loan, a price equal to the Mortgage Loan Principal Balance of such Mortgage Loan or REO Loan as of the date of purchase, together with (a) all accrued and unpaid interest on such Mortgage Loan or REO Loan at the related Mortgage Rate in effect from time to time to but not including the Due Date in the month following the month of purchase, (b) any unpaid interest on unreimbursed Delinquency Advances with respect to such Mortgage Loan or REO Loan, (c) all related unreimbursed Servicing Advances, plus any unpaid interest on such Servicing Advances and without taking into account any reduction in principal or change in the Mortgage Rate permitted by the Trust Agreement and the Sale and Servicing Agreement and (d) to the extent not included in any of the foregoing, all unreimbursed Fannie Mae Fee Advances.

R Class: As defined herein on the Prospectus Supplement cover page.

Realized Loss: With respect to any Distribution Date, the amount, if any, by which (a) the sum of the aggregate Certificate Balance of the Certificates (other than the Class Notional Amount) and the Subordinate Certificates, after giving effect to distributions made on such Distribution Date which reduce Certificate Balances, exceeds (b) an amount equal to (i) the aggregate Stated Principal Balance of the Mortgage Loans, after giving effect to distributions made on such Distribution Date, minus (ii) the excess, if any, of the aggregate of all amounts payable to the Master Servicer on such Distribution Date for all unreimbursed Advances made by the Master Servicer in respect of Defaulted Mortgage Loans and/or REO Properties as to which a Final Recovery Determination was made during or prior to the related Due Period and all unpaid accrued interest on all unreimbursed Advances over the increase in the amount of Subordinated Principal Shortfall for such Distribution Date from the amount of Subordinated Principal Shortfall for the immediately preceding Distribution Date.

Record Date: With respect to each Distribution Date, the last day of the month immediately preceding the month in which such Distribution Date occurs.

Regular Interests: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

Regulations: As defined herein under “Description of the Certificates—Characteristics of the R and RL Classes” on page S-19.

REMIC Provisions: Provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at Sections 860A through 860G of Subchapter M of Chapter 1 of the Code, and related provisions, and proposed, temporary and final Treasury regulations and any published rulings, notices and announcements promulgated thereunder, as the foregoing may be in effect from time to time.

REMIC: As defined herein on page S-2.

REO Account: The segregated custodial account or accounts created and maintained by the Special Servicer pursuant to the Sale and Servicing Agreement on behalf of Fannie Mae, as Trustee.

REO Acquisition: The acquisition of an REO Property in accordance with the procedures summarized under “The Trust Agreement—Servicing of the Mortgage Loans—*Realization Upon Defaulted Mortgage Loans*” on page S-20.

REO Extension: As defined herein under “The Trust Agreement—Servicing of the Mortgage Loans—*Realization Upon Defaulted Mortgage Loans*” on page S-20.

REO Loan: As defined herein under “The Trust Agreement—Servicing of the Mortgage Loans—*Treatment of REO Properties*” on page S-21.

REO Property: A Mortgaged Property acquired by the Special Servicer on behalf of and in the name of Fannie Mae, as Trustee, through foreclosure, acceptance of a deed in lieu of foreclosure or otherwise in accordance with the Sale and Servicing Agreement and applicable law in connection with a default or imminent default of a Mortgage Loan.

REO Revenues: All income, rents and profits derived from the ownership, operation or leasing of any REO Property.

Required Senior Principal Distribution Amount: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-11.

Residual Interest: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

RL Class: As defined herein on the Prospectus Supplement cover page.

Sale and Servicing Agreement: As defined herein under “The Sale and Servicing Agreement” on page S-22.

Scheduled Payment: With respect to any Mortgage Loan and for any Due Date, the scheduled monthly payment of principal and/or interest on such Mortgage Loan that is payable by the related Mortgagor on such Due Date under the terms of the related Mortgage Note as in effect on the Settlement Date, without taking into account any default interest which may be payable thereunder.

Senior Balance: The Class Balance of the A Class.

Senior Certificate: A Certificate of the A Class or XS Class.

Senior Percentage: On each Distribution Date, the percentage determined in accordance with the provisions set forth in “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-11.

Seriously Delinquent Loan: Any Mortgage Loan that is at least 90 days delinquent in respect of any Scheduled Payment (such delinquency to be determined without regard to any grace period permitted by the related Mortgage(s) or Mortgage Note), provided that no suitable arrangements have been made for the collection of the delinquent payments as summarized under “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” on page S-20.

Servicing Advances: All customary, reasonable and necessary “out-of-pocket” costs and expenses (including attorneys’ fees and expenses and fees of real estate brokers) incurred by the Master Servicer in connection with the servicing and administering of (a) a Mortgage Loan in respect of which a default, delinquency or other unanticipated event has occurred (without regard to any grace or cure period available to the applicable Mortgagor) or as to which a default is imminent or (b) an REO Property; provided, however, “Servicing Advance” will not include any cost or expense that the Master Servicer is expressly required by the Sale and Servicing Agreement to bear out of its own funds or without right of reimbursement or that the Sale and Servicing Agreement expressly states is not to be borne by Fannie Mae or the Trust or is not a Servicing Advance.

Servicing Fee: With respect to each Mortgage Loan and REO Loan, the fee payable to the Master Servicer (including the portion thereof payable by the Master Servicer to the Special Servicer) pursuant to the Sale and Servicing Agreement, as calculated using the Servicing Fee Rate.

Servicing Fee Rate: The rate per annum specified in the Sale and Servicing Agreement at which the Servicing Fee accrues.

Settlement Date: As defined herein on the Prospectus Supplement cover page.

Special Servicer: As defined under “The Trust Agreement—Certain Rights of the Subordinate Directing Holder” on page S-22.

Specially Serviced Mortgage Loan: Any Mortgage Loan as to which (a) the Master Servicer or the Special Servicer knows or has been notified that any payment has become more than thirty (30) days past due (without giving effect to any grace or cure periods); (b) the Master Servicer or Special Servicer knows or has been notified that the related Mortgagor has entered into or consented to bankruptcy, appointment of a receiver or conservator or similar insolvency or other proceeding, or the related Mortgagor has become the subject of a decree or order for such a proceeding which shall have remained in force for a period of sixty (60) days; (c) the Master Servicer or the Special Servicer shall have received notice of the foreclosure or proposed foreclosure of any lien on the related Mortgaged Property other than the lien of the Mortgage; (d) in the judgment of the Master Servicer or the Special Servicer, a material event of default under the Mortgage Loan documents has occurred or is reasonably foreseeable and is not likely to be cured by the Mortgagor within thirty (30) days (and in the case of an event of default that is a payment default, without giving effect to any grace or cure periods and otherwise after giving effect to any grace periods or cure periods); or (e) the Master Servicer or Special Servicer has been notified that the related Mortgagor admits in writing its inability to pay its debts generally as they become due, files a petition to take advantage of any applicable insolvency or reorganization statute, makes an assignment for the benefit of its creditors, or voluntarily suspends payments of its obligations or takes any corporate action in furtherance of the above. Notwithstanding the foregoing, such Mortgage Loan shall not be a Specially Serviced Mortgage Loan if the Master Servicer determines that the reason for the default is administrative error or a temporary cash flow problem and the Master Servicer expects that the default will be cured within sixty (60) days of the date of default.

State Street: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*” on page S-9.

Stated Principal Balance: At the time of any determination, the Issue Date Balance of a Mortgage Loan reduced, without duplication, by all amounts representing principal received or advanced by the Master Servicer with respect to such Mortgage Loan and by any Deficient Valuation and with respect to an REO Loan, a principal amount that is initially equal to the Stated

Principal Balance of the predecessor Mortgage Loan as of the date of the related REO Acquisition reduced, without duplication, by all amounts representing principal received or advanced by the Master Servicer with respect to such REO Loan. Upon a Final Recovery Determination with respect to any Mortgage Loan or REO Loan, after the allocation of all net insurance proceeds, net liquidation proceeds and other payments or recoveries that constitute a recovery of principal, the Stated Principal Balance of such Mortgage Loan or REO Loan shall be reduced to zero.

Subordinate Balance: The aggregate of the Class Balances of all the Subordinate Classes.

Subordinate Certificate: A certificate of a Subordinate Class.

Subordinate Class Termination Date: The date on which the Class Balances of all of the Subordinate Classes have been reduced to zero.

Subordinate Classes: As defined herein on the Prospectus Supplement cover page.

Subordinate Directing Holder: The person (if any) which is (a) the Holder of at least fifty-one percent (51%) of the aggregate Class Balance of the Class D Certificates or (b) the Holder of at least fifty-one percent (51%) of the aggregate Class Balance of the Class C Certificates either (i) after the aggregate Class Balance of the Class D Certificates is not greater than one percent (1%) of the aggregate Issue Date Principal Balances of all the Mortgage Loans in the Lower Tier REMIC or (ii) if no Person is the Holder of at least fifty-one percent (51%) of the aggregate Class Balance of the Class D Certificates or (c) the Holder of at least fifty-one percent (51%) of the aggregate Class Balance of the Class B Certificates either (i) after the aggregate Class Balance of the Class C Certificates is not greater than one percent (1%) of the aggregate Issue Date Principal Balances of all the Mortgage Loans in the Lower Tier REMIC and the aggregate Class Balance of the Class D Certificates is not greater than one percent (1%) of the aggregate Issue Date Principal Balances of all the Mortgage Loans in the Lower Tier REMIC or (ii) if no person is the Holder of at least fifty-one percent (51%) of the aggregate Class Balance of the Class C or Class D Certificates; provided that such person under clause (a), (b) or (c) shall not be a Subordinate Directing Holder (x) unless the aggregate Class Balance of such Subordinate Class of Subordinate Certificates, fifty-one percent (51%) of which (by Certificate Balance) are held by such person, is, as of the Issue Date, greater than two and one-half percent (2.5%) of the aggregate Issue Date Principal Balances of all Mortgage Loans originally in the Lower Tier REMIC and (y) by virtue of a particular Subordinate Class of Subordinate Certificates, once the aggregate Class Balance of such Subordinate Class of Subordinate Certificates, fifty-one percent (51%) of which (by Certificate Balance) are held by such person, as of any date, is equal to or less than one percent (1%) of the aggregate Issue Date Principal Balances of all Mortgage Loans originally in the Lower Tier REMIC. The determination of the “most senior” of the Subordinate Classes is made on the Issue Date. One Subordinate Class is more senior to another Subordinate Class in the event the first-mentioned Subordinate Class has a priority as to distributions of principal over the second-mentioned Subordinate Class.

Subordination Fraction: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-11.

Subordinated Principal Distribution Amount: With respect to any Distribution Date, the sum of (A) the product of (1) the Subordinate Fraction and (2) the Aggregate Principal Distribution Amount and (B) the Subordinated Principal Shortfall with respect to the immediately preceding Distribution Date.

Subordinated Principal Shortfall: With respect to any Distribution Date, the amount equal to the excess, if any, of (a) the Subordinated Principal Distribution Amount with respect to

such Distribution Date, over (b) the aggregate distributions of principal actually made to the holders of the Subordinate Classes on such Distribution Date.

Trigger Percentage: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” on page S-11.

Trust: As defined herein on the Prospectus Supplement cover page.

Trust Account: The one or more trust accounts created pursuant to the Trust Agreement into which will be deposited all distributions on the Certificates and Subordinate Classes and all investments of, and investment income from, such moneys.

Trust Agreement: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

Trustee: As defined herein under “Description of the Certificates—General—*Structure*” on page S-8.

U.S. Person: A citizen or resident of the United States, a corporation, partnership or other entity created or organized in, or under the laws of, the United States or any political subdivision thereof, or an estate or trust whose income is subject to United States federal income regardless of its source.

Watchlist Properties: Any Mortgaged Property (i) with respect to which the Master Servicer has received information that indicates: (a) that there are unpaid taxes or an expired insurance policy concerning the related Mortgaged Property; (b) the occurrence of an event which will likely materially adversely affect the value of, or operating income derived from, the related Mortgaged Property; (c) a material adverse change in Mortgagor’s business activities or financial condition; (d) that the Mortgagor has failed to provide financial/operating statements that the Master Servicer considers significant to evaluation of the Mortgage Loan’s potential credit risk; (e) that the Mortgagor has requested a modification of the terms of the Mortgage Loan based on a material adverse change to the related Mortgaged Property; or (f) any circumstance or event which with the passage of time, if uncured, would cause the Mortgage Loan to become a Specially Serviced Mortgage Loan; or (ii) which secures a Materially Modified Loan.

Weighted Average Net Mortgage Rate: With respect to each Interest Accrual Period, a rate per annum equal to the average (expressed as a percentage and rounded to eight decimal places) of the Net Mortgage Rates of all related Mortgage Loans and REO Loans as of the Due Date in such Interest Accrual Period, weighted on the basis of the Stated Principal Balances of such Mortgage Loans and REO Loans as of the close of business on the Distribution Date occurring in such Interest Accrual Period.

EXHIBIT A

35 LARGEST MORTGAGE LOANS (BASED ON ISSUE DATE BALANCES)

Address	City	State Abbreviation	Original Amount	Issue Balance	Issue Rate	Net Rate	First Due Date	Maturity Date	Original Amortization Term	Original Term	Age
3240-3620 West 147th	Midlothian	IL	\$ 1,972,000.00	\$ 1,846,452.96	8.125%	7.515%	06/01/93	05/01/2013	240	240	34
6610-28 North Sheridan	Chicago	IL	1,850,000.00	1,681,377.70	8.625	8.015	10/01/93	09/01/2008	180	180	30
3948 Wehrman 3957 Denley	Schiller Park	IL	1,743,000.00	1,638,974.79	8.500	7.890	05/01/93	07/01/2010	300	300	35
947-957 W Cornelia	Chicago	IL	1,600,000.00	1,572,643.03	8.625	8.015	11/01/94	10/01/2019	300	300	17
9739 South Kedzie	Evergreen Park	IL	1,600,000.00	1,536,332.10	8.250	7.640	05/01/93	04/01/2018	300	300	35
1227 South Harlem Ave	Berwyn	IL	1,600,000.00	1,530,642.33	8.500	7.890	01/01/93	12/01/2017	300	300	39
4278 N Hazel	Chicago	IL	1,560,000.00	1,509,753.03	8.750	8.140	09/01/93	08/01/2018	300	300	31
4128-36 N Sheridan Road	Chicago	IL	1,525,000.00	1,459,291.57	8.500	7.890	02/01/93	01/01/2018	300	300	38
4116-4126 N. Sheridan	Chicago	IL	1,440,000.00	1,415,378.59	8.625	8.015	11/01/94	10/01/2019	300	300	17
5528 South Hyde Park	Chicago	IL	1,338,750.00	1,302,523.56	8.375	7.765	03/01/94	02/01/2019	300	300	25
6414 and 6424 North Ridge	Chicago	IL	1,200,000.00	1,152,511.00	8.500	7.890	04/01/93	03/01/2018	300	300	36
1350-64 Madison Park	Chicago	IL	1,200,000.00	1,146,924.22	9.875	9.265	05/01/92	04/01/2017	300	300	47
6061 McCastland Drive	Portage	IN	1,175,000.00	1,134,172.27	8.250	7.640	09/01/93	08/01/2018	300	300	31
6030 North Kenmore	Chicago	IL	1,076,200.00	1,059,095.36	8.250	7.640	01/01/95	12/01/2019	300	300	15
6565-89 Lakewood	Chicago	IL	1,050,000.00	1,033,091.08	8.375	7.765	01/01/95	12/01/2019	300	300	15
304 Touhy	Park Ridge	IL	1,030,000.00	1,002,444.13	8.125	7.515	04/01/94	03/01/2019	300	300	24
230 South State	Elgin	IL	1,020,000.00	990,077.13	8.875	8.265	11/01/93	10/01/2018	300	300	29
9025-43 Knox Avenue	Skokie	IL	1,000,000.00	965,452.75	8.750	8.140	07/01/93	06/01/2018	300	300	33
3912-28 North Pine Grove Avenue	Chicago	IL	1,050,000.00	957,827.78	8.625	8.015	11/01/93	10/01/2008	180	180	29
105 Twin Oaks Drive	Joliet	IL	1,000,000.00	956,413.39	8.500	7.890	01/01/93	12/01/2017	300	300	39
6973 North Sheridan Road	Chicago	IL	999,000.00	954,380.44	8.875	8.265	10/01/92	09/01/2017	300	300	42
146-154 N Humphrey St	Oak Park	IL	1,000,000.00	941,753.71	9.125	8.515	03/01/89	02/01/2019	360	360	85
5210-18 South Drexel Avenue	Chicago	IL	960,000.00	926,642.60	8.250	7.640	09/01/93	08/01/2018	300	300	31
506, 508-510 Lincoln	Fox Lake	IL	932,000.00	924,076.53	9.500	8.890	06/01/95	05/01/2020	300	300	10
710-720 Washington Blvd	Oak Park	IL	960,000.00	923,406.07	8.750	8.140	04/01/93	03/01/2018	300	300	36
5400-06 South Woodlawn	Chicago	IL	915,000.00	897,109.56	8.875	8.265	08/01/94	07/01/2019	300	300	20
4901-15 Crain	Skokie	IL	925,000.00	892,928.73	9.375	8.765	04/01/93	03/01/2018	300	300	36
567 West Stratford	Chicago	IL	955,000.00	878,444.13	8.250	7.640	02/01/94	01/01/2009	180	180	26
1960-70-82-95-97 Tall Oaks Dr	Aurora	IL	865,000.00	825,689.66	9.125	8.515	08/01/92	07/01/2017	300	300	44
6629-31 North Glenwood	Chicago	IL	872,500.00	806,119.37	8.375	7.765	03/01/94	02/01/2009	180	180	25
98-106 Lincoln	Riverside	IL	830,000.00	797,428.51	8.125	7.515	06/01/93	05/01/2018	300	300	34
3759-65 N Wayne	Chicago	IL	830,000.00	791,653.42	8.875	8.265	11/01/92	10/01/2017	300	300	41
112 Route 126	Yorkville	IL	825,000.00	787,123.88	8.500	7.890	11/01/92	10/01/2017	300	300	41
6124 North Winthrop	Chicago	IL	824,000.00	785,379.10	8.875	8.265	12/01/92	11/01/2017	300	300	40
2900 Kolmar/4560 George	Chicago	IL	768,000.00	750,626.63	9.375	8.765	01/01/95	12/01/2014	240	240	15
Total			<u>\$40,490,450.00</u>	<u>\$38,774,141.11</u>							

(1) The total in any column may not equal the indicated total due to rounding.

NOTE: The information with respect to the Mortgage Loans set forth on this Exhibit A has been collected and summarized by the related Mortgage Loan Seller and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy and shall not be responsible therefor.

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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, the Multifamily REMIC Prospectus, and the Information Statement 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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\$157,003,168
(Approximate)

Federal National Mortgage Association



Guaranteed REMIC Pass-Through Certificates Fannie Mae Multifamily REMIC Trust 1996-M2

PROSPECTUS SUPPLEMENT



March 6, 1996