

Supplement
(To Prospectus Supplement dated February 27, 1997)

\$351,867,860



FannieMae

Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1997-23

This is a Supplement to the Prospectus Supplement dated February 27, 1997 (the "Prospectus Supplement"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Prospectus Supplement.

Notwithstanding anything set forth on page S-15 of the Prospectus Supplement, the interest distributable on any Distribution Date with respect to the PB and PD Classes will accrue thereon during the one-month period beginning on the 25th day of the month preceding the month of such Distribution Date and ending on the 24th day of the month of such Distribution Date. Accordingly, the PB and PD Classes are not "Delay Classes."

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

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

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

April 10, 1997

Deutsche Morgan Grenfell



\$351,867,860



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1997-23**

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "REMIC Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1997-23 (the "Trust"). The assets of the Trust will consist of (i) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Trust MBS") described herein and (ii) certain previously issued REMIC certificates specified herein (the "Underlying REMIC Certificates") evidencing beneficial ownership interests in the related Fannie Mae REMIC Trusts (the "Underlying REMIC Trusts") as further described in Exhibit A hereto. The assets of the Underlying REMIC Trusts evidence direct or indirect beneficial ownership interests in (i) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the "MBS") and (ii) certain "fully modified pass-through" mortgage-backed securities (the "GNMA Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"). Each MBS represents a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein. Each GNMA Certificate is based on and backed by a pool of mortgage loans (together with the pools and mortgage loans underlying the MBS, the "Pools" and "Mortgage Loans", respectively) which are either insured or guaranteed by the Federal Housing Administration ("FHA"), the Department of Veterans Affairs ("VA") or the Rural Housing Service ("FmHA"). The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

Certain of the Classes of REMIC Certificates may, upon notice and payment of an exchange fee, be exchanged for one or more Classes (each, an "RCR Class") of Combinable and Recombinable REMIC Certificates ("RCR Certificates") as provided herein. Each RCR Certificate issued in such an exchange will represent a beneficial ownership interest in, and will entitle the Holder thereof to receive a proportionate share of the distributions on, the related Class of REMIC Certificates. The characteristics of the RCR Classes are set forth in Schedule 1 hereto. As used herein, unless the context requires otherwise, the term "Certificates" includes REMIC Certificates and RCR Certificates and the term "Classes" includes the Classes of REMIC Certificates and the Classes of RCR Certificates. See "Description of the Certificates—Combination and Recombination" herein and Schedule 1 hereto.

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

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

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

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

Class (1)	Original Principal Balance	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date	Class (1)	Original Principal Balance	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date
A	\$55,157,000	SEQ	7.000%	FIX	31359N6D8	May 2013	PC	\$10,335,894	SC/PT	7.000%	FIX	31359N6S5	October 2022
B	65,936,000	SEQ	7.000	FIX	31359N6E6	April 2020	PD	5,448,331	SC/PT	7.000	FIX	31359N6T3	September 2023
C	20,000,000	SEQ	7.000	FIX	31359N6F3	October 2021	PE	5,985,512	SC/PT	6.000	FIX	31359N6U0	September 2008
D	49,155,000	SEQ	7.000	FIX	31359N6G1	August 2024	PG	7,171,988	SC/PT	(5)	PO	31359N6V8	August 2023
VA	5,070,000	SEQ/AD	7.000	FIX	31359N6H9	March 2000	SG	(3)	NTL	(4)	INV/IO	31359N6W6	August 2023
VB	2,470,000	SEQ/AD	7.000	FIX	31359N6J5	May 2001	PH	14,342,719	SC/PT	(5)	PO	31359N6X4	September 2023
VC	5,540,000	SEQ/AD	7.000	FIX	31359N6K2	October 2003	SH	(3)	NTL	(4)	INV/IO	31359N6Y2	September 2023
VD	7,530,000	SEQ/AD	7.000	FIX	31359N6L0	July 2006	PJ	10,788,439	SC/PT	(5)	PO	31359N6Z9	May 2023
VE	11,040,000	SEQ/AD	7.000	FIX	31359N6M8	October 2009	SJ	(3)	NTL	(4)	INV/IO	31359N7A3	May 2023
VG	5,216,000	SEQ/AD	7.000	FIX	31359N6N6	January 2011	PK	12,000,000	SC/PT	(5)	PO	31359N7B1	November 2021
Z	22,886,000	SEQ	7.000	FIX/Z	31359N6P1	April 2027	SK	(3)	NTL	(4)	INV/IO	31359N7C9	November 2021
PA	9,643,938	SC/PT	10.000	FIX	31359N6Q9	October 2022	R	0	NPR	0	NPR	31359N7K1	April 2027
PB	26,151,039	SC/PT	6.625	FIX	31359N6R7	January 2022							

- (1) The RCR Classes are set forth on Schedule 1 hereto.
- (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (3) The SG, SH, SJ and SK Classes will be Notional Classes, will not have principal balances and will bear interest on their notional principal balances (initially, \$7,171,988, \$14,342,719, \$10,788,439 and \$12,000,000, respectively). The notional principal balances of the Notional Classes will be calculated based upon the principal balances of the Classes specified herein. See "Description of the Certificates—Distributions of Interest—Notional Classes" herein.
- (4) The SG, SH and SJ Classes will bear interest based on the "10-Year Treasury Index" and the SK Class will bear interest based on the "7-Year Treasury Index," as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus.
- (5) These Classes will be Principal Only Classes and will bear no interest.

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

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae, to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, and subject to approval of certain legal matters by counsel. It is expected that the Classes of REMIC Certificates, except for the Group 1 Classes and the R Class, will be available through the book-entry system of the Federal Reserve Banks and that the Group 1 Classes and the RCR Certificates will be available through the book-entry facilities of The Depository Trust Company on or about March 31, 1997 (the "Settlement Date"). It is expected that the R Class in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

February 27, 1997

Deutsche Morgan Grenfell



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The yields to investors in the Classes (other than the Group 1 Classes, as described herein) will be sensitive in varying degrees to, among other things, the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of principal payments of the related Mortgage Loans, the characteristics of the Mortgage Loans included in the related Pools and the priority sequences affecting principal distributions on the Underlying REMIC Certificates. The yields to investors in the Group 1 Classes, will be sensitive in varying degrees to, among other things, the rate of principal distributions on the Trust MBS, which in turn will be determined by the rate of principal payments of the related Mortgage Loans and the characteristics of such Mortgage Loans. The yield to investors in each Class will also be sensitive to the purchase price paid for such Class and, in the case of any Floating Rate or Inverse Floating Rate Class, fluctuations in the level of the applicable Index (as defined herein). Accordingly, investors should consider the following risks:

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

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

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

- Certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, there is no assurance that principal distributions will be made on such Underlying REMIC Certificates on any particular Distribution Date. In particular, certain of the Underlying REMIC Certificates are Support classes that are entitled to receive principal distributions on any Distribution Date only if scheduled distributions have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal distributions for extended periods of time or may receive principal distributions that vary widely from period to period. In addition, certain of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive principal distributions at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether such Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying REMIC Disclosure Documents (as defined below), which may be obtained from Fannie Mae as described below.
- The actual final payment of any Class will likely occur earlier, and could occur much earlier, than the Final Distribution Date for such Class specified on the cover page. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.
- The rate of principal distributions of the Certificates is uncertain and investors may be unable to reinvest the distributions thereon at yields equaling the yields on the Certificates. See “Risk Factors—Suitability and Reinvestment Considerations” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.
- The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

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

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

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated January 1, 1997 (the “MBS Prospectus”);
- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates (backed by GNMA Certificates) dated June 14, 1996 (the “GNMA Prospectus”);
- Fannie Mae’s Information Statement dated February 22, 1996 and any supplements thereto (collectively, the “Information Statement”); and
- The Underlying REMIC Disclosure Documents.

The MBS Prospectus, the GNMA Prospectus and the Information Statement are incorporated herein by reference and, together with the Underlying REMIC Disclosure Documents, 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, other than the Underlying REMIC Disclosure Documents, may also be obtained from the Dealer by writing or calling its Prospectus Department at 31 West 52nd Street, New York, New York 10019 (telephone 212-469-6949).

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REFERENCE SHEET

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

Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS (as of March 1, 1997)

<u>Approximate Principal Balance</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$250,000,000	358	2	7.60%

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

Characteristics of the Underlying REMIC Certificates

The table contained in Exhibit A hereto sets forth information with respect to the Underlying REMIC Certificates, including certain information regarding the underlying Mortgage Loans. Certain additional information as to the Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors of the Underlying REMIC Certificates in the context of applicable information contained in the related Underlying REMIC Disclosure Documents, which may be obtained from Fannie Mae as described herein.

See “Description of the Certificates—The Underlying REMIC Certificates” herein.

Combination and Recombination

Holders of certain Classes of REMIC Certificates will be entitled, upon notice and payment of an exchange fee, to exchange all or a portion of such Classes for a proportionate interest in the related RCR Classes in the proportions and combinations set forth on Schedule 1 hereto. The Holders of RCR Classes will be entitled to receive distributions of principal and interest from the related Class of REMIC Certificates. See “Description of the Certificates—Combination and Recombination” herein. Schedule 1 sets forth all of the available combinations of the Classes of REMIC Certificates and the related RCR Classes.

Interest Rates

The Fixed Rate Classes will bear interest at the applicable per annum interest rates set forth on the cover.

The Inverse Floating Rate Classes will bear interest during the initial Interest Accrual Period at initial interest rates determined as described below, and will bear interest during each Interest Accrual

Period thereafter, subject to the applicable maximum and minimum interest rates, at rates determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
SG	4.38000% (1)	10.0000%	0.00%	10.75% – 10-Year Treasury Index
SH	4.28000% (1)	10.0000%	0.00%	10.65% – 10-Year Treasury Index
SJ	5.32125%	13.0625%	0.00%	14.025% – (1.375 × 10-Year Treasury Index)
SK	11.97000% (1)	30.0000%	0.00%	30.75% – (3 × 7-Year Treasury Index)

(1) These initial interest rates are assumed rates. The actual interest rates will be calculated on the basis of the applicable formulas for the calculation of such interest rates for the SG, SH and SK Classes on the Index Determination Date occurring on March 21, 1997.

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

On any Distribution Date when distributions of interest are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Classes.

Notional Classes

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

<u>Class</u>	<u>Percentage of Principal Balance of Class</u>
SG	100% of PG Class
SH	100% of PH Class
SJ	100% of PJ Class
SK	100% of PK Class

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

Distributions of Principal

The portion of the Principal Distribution Amount allocated to each Class of REMIC Certificates will be determined by distributions of principal of the related Underlying REMIC Certificate or Certificates or, in the case of the Group 1 Classes, the Trust MBS and the Group 1 Accrual Amount. For such purposes, the Principal Distribution Amount will be allocated among the Group 1, Group 2, Group 3, Group 4, Group 5, Group 6, Group 7, Group 8, Group 9 and Group 10 Principal Distribution Amounts as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*”.

Group 1 Principal Distribution Amount

Group 1 Accrual Amount

To the VA, VB, VC, VD, VE and VG Classes, in that order, to zero, and then to the Z Class.

Group 1 Cash Flow Distribution Amount

To the A, B, C, D, VA, VB, VC, VD, VE, VG and Z Classes, in that order, to zero.

Group 2 Principal Distribution Amount

To the PA Class, to zero.

Group 3 Principal Distribution Amount

To the PB Class, to zero.

Group 4 Principal Distribution Amount

To the PC Class, to zero.

Group 5 Principal Distribution Amount

To the PD Class, to zero.

Group 6 Principal Distribution Amount

To the PE Class, to zero.

Group 7 Principal Distribution Amount

To the PG Class, to zero.

Group 8 Principal Distribution Amount

To the PH Class, to zero.

Group 9 Principal Distribution Amount

To the PJ Class, to zero.

Group 10 Principal Distribution Amount

To the PK Class, to zero.

On any Distribution Date when distributions of principal are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Classes.

Weighted Average Lives (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>
A, E** and G**	10.0	2.5	2.0	1.3	1.0
B, H** and I**	19.9	6.8	5.1	2.9	2.3
C	23.7	10.6	7.9	4.1	3.1
D, J** and K**	25.9	14.5	11.0	5.5	4.1
VA	1.5	1.5	1.5	1.5	1.5
VB	3.5	3.5	3.5	3.5	3.5
VC	5.3	5.3	5.3	5.3	4.9
VD	7.9	7.9	7.9	7.0	5.3
VE	10.9	10.9	10.9	7.6	5.8
VG	13.1	13.1	13.1	8.1	6.2
Z	28.7	23.2	19.7	12.1	9.0

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
PA	14.5	6.9	5.4	2.9	2.0

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>
PB	20.4	12.1	7.3	4.9	3.4

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>185%</u>	<u>350%</u>	<u>500%</u>
PC	19.2	11.3	7.8	5.5	4.1

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>350%</u>	<u>500%</u>
PD	24.1	13.9	7.4	1.0	0.6

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>350%</u>	<u>500%</u>
PE	11.4	10.7	10.5	1.1	0.6

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
PG and SG	24.8	18.7	14.6	7.0	3.0
PH and SH	24.6	18.1	13.8	6.3	2.8
PJ and SJ	24.0	17.1	13.1	7.5	5.0
PK and SK	22.9	14.9	10.6	5.7	3.9

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

** These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

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

The rate of distributions of principal of the Classes (other than the Group 1 Classes) will be directly related to the rate of principal distributions on the related Underlying REMIC Certificates, which in turn will be sensitive in varying degrees to the rate of payments of principal (including prepayments) of the related Mortgage Loans and the priority sequences affecting principal distributions on such Underlying REMIC Certificates. As described in the Underlying REMIC Disclosure Documents, certain of the Underlying REMIC Certificates are subordinate in priority of principal distributions to certain other classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts and, accordingly, distributions of principal of the related Mortgage Loans may for extended periods be applied to the distribution of principal of those classes of certificates having priority over such Underlying REMIC Certificates. In particular, certain of the Underlying REMIC Certificates are Support classes that are entitled to receive principal distributions on any Distribution Date only if scheduled distributions have been made on other specified classes of certificates evidencing beneficial ownership interests in the related Underlying REMIC Trusts. Accordingly, such Underlying REMIC Certificates may receive no principal distributions for extended periods of time or may receive principal distributions that vary widely from period to period. In addition, certain of the Underlying REMIC Certificates have Principal Balance Schedules and, as a result, may receive distributions of principal during certain periods at a rate faster or slower than would otherwise have been the case (and, in some cases, may receive no principal distributions for extended periods). Further, prepayments on the related Mortgage Loans may have occurred at a rate faster or slower than that initially assumed. This Prospectus Supplement contains no information as to whether such Underlying REMIC Certificates have adhered to their Principal Balance Schedules, whether any related Support classes remain outstanding or whether such Underlying REMIC Certificates otherwise have performed as originally anticipated. Such information as to the Underlying REMIC Certificates may be obtained by performing an analysis of current Fannie Mae principal factors in the context of applicable information contained in the related Underlying REMIC Disclosure Documents, which may be obtained from Fannie Mae as described herein.

It is highly unlikely that the Mortgage Loans underlying any of the Underlying REMIC Certificates or the Trust MBS will prepay at any of the rates assumed herein, will prepay at a *constant* PSA rate until maturity or that such Mortgage Loans will prepay at the same rate. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

The effective yield on the Delay Classes (as defined herein) will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 18th or 25th day, as applicable, following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto dated as of March 1, 1997 (together the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as trustee (the “Trustee”), and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The REMIC Certificates (other than the R Class) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The assets of the Trust will consist of the Underlying REMIC Certificates (which evidence beneficial ownership interests in the Underlying REMIC Trusts) and the Trust MBS.

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

Characteristics of Certificates. The Classes of REMIC Certificates, other than the Group 1 Classes and the R Class, 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.”

Each of the Group 1 Classes and the RCR Certificates will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of the Depository (as defined herein), which Depository will maintain such Certificates through its book-entry facilities. When used herein with respect to any DTC Certificate, the terms “Holders” and “Certificateholders” refer to the nominee of the Depository.

A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus and “Description of the Certificates—Book-Entry Procedures”.

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

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

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

Distribution Dates. Distributions on the Group 1 Classes will be made on the 18th day of each month (or, if such 18th day is not a business day, on the first business day next succeeding such 18th day), and distributions on the Group 2, Group 3, Group 4, Group 5, Group 6, Group 7, Group 8, Group 9 and Group 10 Classes 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), commencing in the month following the Settlement Date, and each such date is referred to herein as a “Distribution Date” when used with respect to such Classes.

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

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

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

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

Voting the Underlying REMIC Certificates. In the event any issue arises under the trust indenture or trust agreement governing any of the Underlying REMIC Trusts that requires the vote of holders of certificates outstanding thereunder, the Trustee will vote the related Underlying REMIC Certificates in accordance with instructions received from Holders of Certificates of the related Classes having principal balances aggregating not less than 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Combination and Recombination

General. Subject to the rules, regulations and procedures of the Depository, all or a portion of the A, B and D Classes may be exchanged for a proportionate interest in the related RCR Classes in the combinations and proportions set forth on Schedule 1 hereto. Similarly, all or a portion of such RCR Classes may be exchanged, in the combinations and proportions set forth on Schedule 1, for the related REMIC Certificates. This process may occur repeatedly.

Each RCR Class issued in an exchange will represent a beneficial ownership interest in, and will be entitled to receive a proportionate share of the distributions on, the related Class of REMIC Certificates, and the Holders of an RCR Class will be treated as the beneficial owners of a proportionate interest in the related Class of REMIC Certificates.

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of such Classes, will depend upon distributions of principal of such Classes as well as any exchanges that occur. The aggregate outstanding principal balance of all the Classes of REMIC Certificates and RCR Classes will at all times equal the aggregate outstanding principal balance of the Trust MBS and Underlying REMIC Certificates.

Procedures. A Holder proposing to effect an exchange must notify Fannie Mae's Capital Markets Department through a dealer who is a member of Fannie Mae's "REMIC Dealer Group." Such notice must be given in writing or by telefax not later than two business days before the proposed exchange date (which date, subject to Fannie Mae's approval, can be any business day other than the first or last business day of the month). The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. Promptly after the receipt of a Holder's notice, Fannie Mae will telephone the dealer to provide instructions for delivering the Certificates and the exchange fee to Fannie Mae by wire transfer. A Holder's notice becomes irrevocable on the second business day before the proposed exchange date.

A fee will be payable to Fannie Mae in connection with each exchange equal to $\frac{1}{32}$ of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be submitted for exchange (but not less than \$2,000).

The first distribution on a REMIC Certificate or an RCR Certificate received in an exchange transaction will be made on the Distribution Date in the month following the month of the exchange. Such distribution will be made to the Holder of record as of the close of business on the last day of the month of the exchange.

Certificates to be exchanged must be delivered to Fannie Mae in the correct "exchange proportions" as shown in Schedule 1, which are based on the original principal balances of the related Classes of REMIC Certificates or RCR Certificates and will not change as a result of any reductions (or increases) in the outstanding principal balances of the Certificates.

Additional Considerations. At any given time, a Holder's ability to exchange REMIC Certificates for RCR Certificates or to exchange RCR Certificates for REMIC Certificates will be limited by a number of factors. A Holder must, at the time of the proposed exchange, own the appropriate Classes in the appropriate proportions in order to effect a desired exchange. A Holder that does not own the appropriate Classes or the appropriate portions of such Classes may not be able to obtain the necessary Class of REMIC Certificates or the RCR Classes. The Holder of a needed Class may refuse or be unable to sell at a reasonable price or any price, or certain Classes may have been purchased and placed into other financial structures. In addition, principal distributions will, over time, diminish the amounts available for exchange. Only the combinations listed on Schedule 1 are permitted.

Book-Entry Procedures

General. Each of the Group 1 Classes and the RCR Certificates will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the “Depository”). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the DTC Certificates, whether held for its own account or as a nominee for another person. State Street will act as Paying Agent for, and perform certain administrative functions with respect to, the DTC Certificates.

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

The Classes of REMIC Certificates, other than the Group 1 Classes and the R Class, will be issued and maintained only on the book-entry system of the Federal Reserve Banks. Such Certificates may be held of record only by entities eligible to maintain book-entry accounts with the Federal Reserve Banks. Beneficial owners ordinarily will hold such Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of such a Certificate, and each other financial intermediary in the chain to the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of such a Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Fannie Mae and the Federal Reserve Banks will have no direct obligation to a beneficial owner of such a Certificate that is not also the Holder of the Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of such a Certificate. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

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

Fannie Mae’s fiscal agent for the Classes of REMIC Certificates, other than the Group 1 Classes and the R Class, is the Federal Reserve Bank of New York. The Federal Reserve Banks will make distributions on such Certificates on behalf of Fannie Mae on the applicable Distribution Dates by crediting Holders’ accounts at the Federal Reserve Banks.

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the respective Underlying REMIC Trusts, the assets of which evidence the direct or indirect beneficial ownership interests in (i) certain MBS having the general characteristics set forth in the MBS Prospectus and (ii) certain GNMA Certificates having the general characteristics described in the GNMA Prospectus.

The Underlying REMIC Certificates provide that distributions thereon will be passed through monthly, commencing in the month following the initial issuance thereof. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by a first-mortgage or deed of trust on a one- to four-family residential property, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. Each GNMA Certificate is based on and backed by a pool of mortgage loans that are either insured or guaranteed by the FHA, the VA or the FmHA.

The table contained in Exhibit A hereto sets forth certain information with respect to the Underlying REMIC Certificates, including the numerical designations of the Underlying REMIC Trusts, the class designation, the date of issue, the CUSIP number, the interest rate, the interest type, the final distribution date, the principal type, the original principal balance or notional principal balance of the entire class, the current principal factor for such class and the principal balance or notional principal balance of such class contained in the Trust as of March 1, 1997 (the “Issue Date”). The table also sets forth the approximate weighted average WAC, approximate weighted average WAM or WARM and approximate weighted average CAGE or WALA of the Mortgage Loans underlying the related MBS or GNMA Certificates as of the Issue Date, the underlying security type and the related Class Group.

To request further information regarding the Underlying REMIC Certificates and the Trust MBS, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. Other data specific to the Certificates is available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000. It should be noted that there may have been material changes in facts and circumstances since the dates the Underlying REMIC Disclosure Documents were prepared, including, but not limited to, changes in prepayment speeds and prevailing interest rates and other economic factors, which may limit the usefulness of the information set forth in such documents.

The Trust MBS

The Trust MBS underlying the Group 1 Classes will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The Trust MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, commencing generally in the month following the month of the initial issuance of the Trust MBS. The Mortgage Loans underlying the Trust MBS will be conventional Level Payment Mortgage Loans secured by a first mortgage or deed of trust on a single family residential property and having an original maturity of up to 30 years, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the Trust MBS and the related Mortgage Loans as of the Issue Date are expected to be as follows:

Trust MBS

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

Mortgage Loans Underlying Trust MBS

Range of WACs (per annum percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months
Approximate Weighted Average CAGE	2 months

Final Data Statement

Following the issuance of the Certificates, Fannie Mae will prepare a Final Data Statement setting forth, among other information, the current principal balance of the Trust MBS and Underlying REMIC Certificates as of the Issue Date and, with respect to the Trust MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each Trust MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the Trust MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	All Classes other than the Principal Only and Inverse Floating Rate Classes and the R Class
Accrual	Z
Inverse Floating Rate	SG, SH, SJ and SK
Interest Only	SG, SH, SJ and SK
Principal Only	PG, PH, PJ and PK
RCR**	E, G, H, I, J and K
No Payment Residual	R

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

** See "Description of the Certificates—Combination and Recombination" herein and Schedule 1 for a further description of the RCR Classes.

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

On any Distribution Date when distributions of interest are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Classes.

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
SG, SH and SK Classes	One month period beginning on the 25th day of the month preceding the month of the Distribution Date and ending on the 24th day of the month of the Distribution Date
The Fixed Rate Classes and the SJ Class (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

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

Notional Classes. The SG, SH, SJ and SK Classes will be Notional Classes. The Notional Classes will have no principal balances and will bear interest at the applicable per annum interest rates set forth on the cover or described herein during each Interest Accrual Period on the related notional principal balances. The notional principal balance of each Notional Class will be equal to the indicated percentage of the outstanding principal balance of the Class specified below immediately prior to the related Distribution Date:

<u>Class</u>	<u>Percentage of Principal Balance of Class</u>
SG	100% of PG Class
SH	100% of PH Class
SJ	100% of PJ Class
SK	100% of PK 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 related Underlying REMIC Certificates, the MBS, the GNMA Certificates or the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balances of the Notional Classes.

Inverse Floating Rate Classes. The following Classes will bear interest during their initial Interest Accrual Period at initial interest rates determined as described below, and will bear interest

during each Interest Accrual Period thereafter, subject to the applicable maximum and minimum interest rates, at the rates determined as described below:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate</u>
SG	4.38000% (1)	10.0000%	0.00%	10.75% – 10-Year Treasury Index
SH	4.28000% (1)	10.0000%	0.00%	10.65% – 10-Year Treasury Index
SJ	5.32125%	13.0625%	0.00%	14.025% – (1.375 × 10-Year Treasury Index)
SK	11.97000% (1)	30.0000%	0.00%	30.75% – (3 × 7-Year Treasury Index)

(1) These initial interest rates are assumed rates. The actual interest rates will be calculated on the basis of the applicable formulas for the calculation of such interest rates for the SG, SH and SK Classes on the Index Determination Date occurring on March 21, 1997.

The yields with respect to such Classes will be affected by changes in the applicable index as set forth in the table above (each, an “Index”), which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an increase in the level of an Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of such Index.

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

Calculation of 10-Year Treasury Index

On each Index Determination Date, until the notional principal balances of the SG, SH and SJ Classes have been reduced to zero, Fannie Mae will ascertain the average yield on U.S. Treasury securities, adjusted to a constant maturity of ten years, in effect for the week ending on the last Friday immediately preceding the related Index Determination Date in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*Treasury Index*” with respect to yields on U.S. Treasury securities at “constant maturity.”

Calculation of 7-Year Treasury Index

On each Index Determination Date, until the notional principal balance of the SK Class has been reduced to zero, Fannie Mae will ascertain the average yield on U.S. Treasury securities, adjusted to a constant maturity of seven years, in effect for the week ending on the last Friday immediately preceding the related Index Determination Date in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*Treasury Index*” with respect to yields on U.S. Treasury securities at “constant maturity.”

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Sequential Pay	A, B, C, D, VA, VB, VC, VD, VE, VG and Z
Accretion Directed	VA, VB, VC, VD, VE and VG
RCR**	E, G, H, I, J and K
Group 2 Class	
Structured Collateral/Pass-Through	PA
Group 3 Class	
Structured Collateral/Pass-Through	PB
Group 4 Class	
Structured Collateral/Pass-Through	PC
Group 5 Class	
Structured Collateral/Pass-Through	PD
Group 6 Class	
Structured Collateral/Pass-Through	PE
Group 7 Classes	
Structured Collateral/Pass-Through	PG
Notional	SG
Group 8 Classes	
Structured Collateral/Pass-Through	PH
Notional	SH
Group 9 Classes	
Structured Collateral/Pass-Through	PJ
Notional	SJ
Group 10 Classes	
Structured Collateral/Pass-Through	PK
Notional	SK
No Payment Residual	R

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

** See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description of the RCR Classes.

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal concurrently made on the Trust MBS (the “Group 1 Cash Flow Distribution Amount”) and any interest accrued and added on such Distribution Date to the principal balance of the Accrual Class (the “Group 1 Accrual Amount” and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”), (ii) the aggregate distributions of principal concurrently made on the Class 1992-G60-F REMIC Certificate (the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal concurrently made on the Class 1992-12-FA and Class 1992-12-SA REMIC Certificates (the “Group 3 Principal Distribution Amount”), (iv) the aggregate distributions of principal concurrently made on the Class 1992-G61-FJ, Class 1992-G61-SJ and Class 1992-G61-G REMIC Certificates (the “Group 4 Principal Distribution Amount”), (v) the aggregate distributions of principal concurrently made on the Class 1993-167-FJ and Class 1993-167-SJ REMIC Certificates

(the “Group 5 Principal Distribution Amount”), (vi) the aggregate distributions of principal concurrently made on the Class 1993-173-FA, Class 1993-173-SA and Class 1993-173-SB REMIC Certificates (the “Group 6 Principal Distribution Amount”), (vii) the distribution of principal concurrently made on the Class 1993-143-SB REMIC Certificate (the “Group 7 Principal Distribution Amount”), (viii) the distribution of principal concurrently made on the Class 1993-182-SA REMIC Certificate (the “Group 8 Principal Distribution Amount”), (ix) the distribution of principal concurrently made on the Class 1993-80-SA REMIC Certificate (the “Group 9 Principal Distribution Amount”), and (x) the distribution of principal concurrently made on the Class 1992-161-S REMIC Certificate (the “Group 10 Principal Distribution Amount”). The portion of each class of Underlying REMIC Certificates held by the Trust will be as set forth in Exhibit A.

Group 1 Principal Distribution Amount

Group 1 Accrual Amount

On each Distribution Date, the Group 1 Accrual Amount, if any, will be distributed sequentially, to the VA, VB, VC, VD, VE and VG Classes, in that order, until the respective principal balances thereof are reduced to zero, and then to the Z Class.

} Accretion
Directed
Classes
and
Accrual
Class

Group 1 Cash Flow Distribution Amount

On each Distribution Date, the Group 1 Cash Flow Distribution Amount will be distributed, sequentially, as principal of the A, B, C, D, VA, VB, VC, VD, VE, VG and Z Classes, in that order, until the respective principal balances thereof are reduced to zero.

} Sequential
Pay
Classes

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the PA Class, until the principal balance thereof is reduced to zero.

Group 3 Principal Distribution Amount

On each Distribution Date, the Group 3 Principal Distribution Amount will be distributed as principal of the PB Class, until the principal balance thereof is reduced to zero.

Group 4 Principal Distribution Amount

On each Distribution Date, the Group 4 Principal Distribution Amount will be distributed as principal of the PC Class, until the principal balance thereof is reduced to zero.

Group 5 Principal Distribution Amount

On each Distribution Date, the Group 5 Principal Distribution Amount will be distributed as principal of the PD Class, until the principal balance thereof is reduced to zero.

} Structured
Collateral/
Pass-Through
Classes

Group 6 Principal Distribution Amount

On each Distribution Date, the Group 6 Principal Distribution Amount will be distributed as principal of the PE Class, until the principal balance thereof is reduced to zero.

Group 7 Principal Distribution Amount

On each Distribution Date, the Group 7 Principal Distribution Amount will be distributed as principal of the PG Class, until the principal balance thereof is reduced to zero.

Group 8 Principal Distribution Amount

On each Distribution Date, the Group 8 Principal Distribution Amount will be distributed as principal of the PH Class, until the principal balance thereof is reduced to zero.

Group 9 Principal Distribution Amount

On each Distribution Date, the Group 9 Principal Distribution Amount will be distributed as principal of the PJ Class, until the principal balance thereof is reduced to zero.

Group 10 Principal Distribution Amount

On each Distribution Date, the Group 10 Principal Distribution Amount will be distributed as principal of the PK Class, until the principal balance thereof is reduced to zero.

Structured
Collateral/
Pass-Through
Classes

On any Distribution Date when distributions of principal are to be allocated from REMIC Certificates to RCR Certificates, such distributions will be allocated on a pro rata basis from the applicable Class of REMIC Certificates to the related RCR Classes.

Structuring Assumptions

Pricing Assumptions. Unless otherwise specified, the information in the tables in this Prospectus Supplement has been prepared on the basis of the actual characteristics of each Pool underlying the Underlying REMIC Certificates, the priority sequences affecting the principal distributions on the Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have original terms to maturity of 360 months, a remaining term to maturity of 358 months, a CAGE of 2 months and an interest rate of 7.60%;
- all payments (including prepayments) on the Mortgage Loans underlying the GNMA Certificates, are distributed on the Certificates in the month in which such payments are received;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the closing date for the sale of the Certificates is the Settlement Date; and
- the first Distribution Date for the Certificates occurs in the month following the Settlement Date.

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

Yield Tables

General. The tables below indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of applicable Classes to various constant percentages of PSA and, where specified, to changes in the applicable Index. The yields set forth in the tables were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase prices of such Classes and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered. *There can be no assurance that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as assumed. In addition, there can be no assurance that the applicable Index will correspond to the levels shown herein. Furthermore, because some of the Mortgage Loans will likely have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal distributions on the Certificates are likely to differ from those assumed, even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is not likely that the Mortgage Loans will prepay at a constant PSA rate until maturity, that all of such Mortgage Loans will prepay at the same rate or that the level of the applicable Index will remain constant.*

The Principal Only Classes. **The Principal Only Classes will not bear interest. As indicated in the tables below, a low rate of principal payments (including prepayments) on the Mortgage Loans underlying the related Underlying REMIC Certificates will have a negative effect on the yields to investors in the Principal Only Classes.**

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

<u>Class</u>	<u>Price</u>
PG	60.0%
PH	60.0%
PJ	60.0%
PK	52.0%

**Sensitivity of the Principal Only Classes to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
PG	2.4%	2.8%	3.6%	8.5%	24.1%
PH	2.4%	2.9%	3.8%	9.8%	26.3%
PJ	2.6%	3.0%	4.1%	7.3%	11.4%
PK	3.6%	4.5%	6.3%	12.0%	17.9%

The Inverse Floating Rate Classes. The yields to investors in the Inverse Floating Rate Classes will be sensitive in varying degrees to the level of the applicable Index and to the rate of principal payments (including prepayments) of the Mortgage Loans underlying the related Underlying REMIC Certificates. The Mortgage Loans generally can be prepaid at any time. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool. As indicated in the tables below, it is possible that, under certain Index and prepayment scenarios, investors in the Inverse Floating Rate Classes would not fully recoup their initial investments.

Changes in an Index may not correlate with changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur concurrently with an increased level of such Index.

The information set forth in the following tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) the interest rates applicable to the Inverse Floating Rate Classes for the initial Interest Accrual Period are the actual and assumed rates appearing in the table under “Distributions of Interest—*Inverse Floating Rate Classes*” herein and for each Interest Accrual Period subsequent to the initial Interest Accrual Period will be based on the indicated level of the applicable Index and (ii) the aggregate purchase prices of the Inverse Floating Rate Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SG	14.0%
SH	14.0%
SJ	18.0%
SK	51.5%

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

**Sensitivity of the SG Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
4.37%	49.5%	49.5%	49.3%	38.4%	11.3%
6.37%	33.3%	33.2%	32.6%	21.3%	(1.4)%
8.37%	17.2%	16.7%	15.2%	3.7%	(13.7)%
10.75%	*	*	*	*	*

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

**Sensitivity of the SH Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
4.37%	48.7%	48.6%	48.3%	33.9%	8.0%
6.37%	32.5%	32.3%	31.4%	17.4%	(4.0)%
8.37%	16.3%	15.7%	13.8%	0.7%	(15.8)%
10.65%	*	*	*	*	*

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

**Sensitivity of the SJ Class to Prepayments and 10-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>10-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
4.33%	47.6%	47.5%	47.0%	42.8%	33.5%
6.33%	30.6%	30.3%	29.2%	23.0%	13.0%
8.33%	13.4%	12.5%	10.1%	1.3%	(9.2)%
10.20%	*	*	*	*	*

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

**Sensitivity of the SK Class to Prepayments and 7-Year Treasury Index
(Pre-Tax Yields to Maturity)**

<u>7-Year Treasury Index</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>175%</u>	<u>350%</u>	<u>500%</u>
4.26%	37.1%	36.9%	35.8%	27.9%	15.6%
6.26%	24.0%	23.3%	21.2%	10.0%	(5.1)%
8.26%	9.9%	8.3%	4.0%	(12.6)%	(31.7)%
10.25%	*	*	*	*	*

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

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a). For a description of the factors which may influence the weighted average life of a Certificate, see “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the Group 1 Classes and, in the case of all Classes other than the Group 1 Classes, the priority sequences of distributions of principal of the related Underlying REMIC Certificates. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Documents.

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

Decrement Tables

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

<u>Mortgage Loans relating to Underlying REMIC Trusts and the Trust MBS specified below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
Trust MBS	360 months	360 months	9.5%	Group 1
1992-G60	360 months	307 months	8.5%	Group 2
1992-12	360 months	298 months	11.0%	Group 3
1992-G61	360 months	307 months	(1)	Group 4
1993-167	360 months	318 months	9.5%	Group 5
1993-173	180 months	138 months	8.5%	Group 6
1993-143	360 months	317 months	10.0%	Group 7
1993-182	360 months	318 months	10.0%	Group 8
1993-80	360 months	313 months	10.0%	Group 9
1992-161	360 months	306 months	10.0%	Group 10

(1) With respect to Fannie Mae REMIC Trust 1992-G61, it has been assumed that the Mortgage Loans bear interest at the rate of 9% per annum, where the related GNMA Certificates were issued under the GNMA I program, and 10% per annum, where the related GNMA Certificates were issued under the GNMA II program.

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

Percent of Original Principal Balances Outstanding

Date	A, E‡ and G‡ Classes					B, H‡ and I‡ Classes					C Class					D, J‡ and K‡ Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	97	88	84	69	57	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1999	94	66	53	5	0	100	100	100	100	75	100	100	100	100	100	100	100	100	100	100
March 2000	91	37	13	0	0	100	100	100	39	0	100	100	100	100	76	100	100	100	100	100
March 2001	87	9	0	0	0	100	100	80	0	0	100	100	100	60	0	100	100	100	100	53
March 2002	83	0	0	0	0	100	86	52	0	0	100	100	100	0	0	100	100	100	70	0
March 2003	78	0	0	0	0	100	65	27	0	0	100	100	100	0	0	100	100	100	28	0
March 2004	74	0	0	0	0	100	46	4	0	0	100	100	100	0	0	100	100	100	0	0
March 2005	68	0	0	0	0	100	27	0	0	0	100	100	43	0	0	100	100	100	0	0
March 2006	62	0	0	0	0	100	10	0	0	0	100	100	0	0	0	100	100	92	0	0
March 2007	56	0	0	0	0	100	0	0	0	0	100	80	0	0	0	100	100	69	0	0
March 2008	48	0	0	0	0	100	0	0	0	0	100	29	0	0	0	100	100	48	0	0
March 2009	41	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	92	29	0	0
March 2010	32	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	74	11	0	0
March 2011	22	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	57	0	0	0
March 2012	12	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	40	0	0	0
March 2013	*	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	25	0	0	0
March 2014	0	0	0	0	0	90	0	0	0	0	100	0	0	0	0	100	10	0	0	0
March 2015	0	0	0	0	0	78	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2016	0	0	0	0	0	65	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2017	0	0	0	0	0	51	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2018	0	0	0	0	0	35	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2019	0	0	0	0	0	18	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 2020	0	0	0	0	0	0	0	0	0	0	99	0	0	0	0	100	0	0	0	0
March 2021	0	0	0	0	0	0	0	0	0	0	31	0	0	0	0	100	0	0	0	0
March 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82	0	0	0	0
March 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.0	2.5	2.0	1.3	1.0	19.9	6.8	5.1	2.9	2.3	23.7	10.6	7.9	4.1	3.1	25.9	14.5	11.0	5.5	4.1

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

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

‡ These Classes are RCR Classes. See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description thereof.

Date	VA Class					VB Class					VC Class					VD Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	67	67	67	67	67	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1999	32	32	32	32	32	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2000	0	0	0	0	0	89	89	89	89	89	100	100	100	100	100	100	100	100	100	100
March 2001	0	0	0	0	0	7	7	7	7	7	100	100	100	100	100	100	100	100	100	100
March 2002	0	0	0	0	0	0	0	0	0	0	64	64	64	64	56	100	100	100	100	100
March 2003	0	0	0	0	0	0	0	0	0	0	21	21	21	21	0	100	100	100	100	0
March 2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82	82	82	47	0
March 2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46	46	46	0	0
March 2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8	8	0	0
March 2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	1.5	1.5	1.5	1.5	1.5	3.5	3.5	3.5	3.5	3.5	5.3	5.3	5.3	5.3	4.9	7.9	7.9	7.9	7.0	5.3

Date	VE Class					VG Class					Z Class					PA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%	0%	100%	150%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	100	100	100	100	100	100	107	107	107	107	107	98	87	81	62	51
March 1999	100	100	100	100	100	100	100	100	100	100	115	115	115	115	115	96	75	64	41	32
March 2000	100	100	100	100	100	100	100	100	100	100	123	123	123	123	123	94	64	52	32	22
March 2001	100	100	100	100	100	100	100	100	100	100	132	132	132	132	132	91	55	42	25	15
March 2002	100	100	100	100	100	100	100	100	100	100	142	142	142	142	142	89	48	37	19	10
March 2003	100	100	100	100	9	100	100	100	100	100	152	152	152	152	152	86	41	33	15	7
March 2004	100	100	100	100	0	100	100	100	100	0	163	163	163	163	123	82	37	29	11	5
March 2005	100	100	100	0	0	100	100	100	84	0	175	175	175	175	85	79	34	25	8	3
March 2006	100	100	100	0	0	100	100	100	0	0	187	187	187	150	58	75	31	22	6	2
March 2007	77	77	77	0	0	100	100	100	0	0	201	201	201	116	40	71	28	19	5	1
March 2008	47	47	47	0	0	100	100	100	0	0	215	215	215	90	27	66	25	16	4	1
March 2009	15	15	15	0	0	100	100	100	0	0	231	231	231	69	19	62	22	14	3	1
March 2010	0	0	0	0	0	58	58	58	0	0	248	248	248	53	13	57	19	11	2	*
March 2011	0	0	0	0	0	0	0	0	0	0	261	261	252	41	9	53	16	10	1	*
March 2012	0	0	0	0	0	0	0	0	0	0	261	261	221	31	6	48	14	8	1	*
March 2013	0	0	0	0	0	0	0	0	0	0	261	261	194	24	4	44	12	6	1	*
March 2014	0	0	0	0	0	0	0	0	0	0	261	261	169	18	3	40	9	5	*	*
March 2015	0	0	0	0	0	0	0	0	0	0	261	253	146	13	2	36	7	4	*	*
March 2016	0	0	0	0	0	0	0	0	0	0	261	225	126	10	1	33	5	3	*	*
March 2017	0	0	0	0	0	0	0	0	0	0	261	198	107	7	1	29	4	2	*	*
March 2018	0	0	0	0	0	0	0	0	0	0	261	173	91	5	*	25	3	1	*	*
March 2019	0	0	0	0	0	0	0	0	0	0	261	149	76	4	*	20	2	1	*	*
March 2020	0	0	0	0	0	0	0	0	0	0	261	127	62	3	*	15	1	1	*	*
March 2021	0	0	0	0	0	0	0	0	0	0	261	105	50	2	*	10	1	*	*	0
March 2022	0	0	0	0	0	0	0	0	0	0	261	85	39	1	*	4	*	*	0	0
March 2023	0	0	0	0	0	0	0	0	0	0	261	66	29	1	*	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	261	47	20	1	*	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	200	30	12	*	*	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	105	13	5	*	*	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.9	10.9	10.9	7.6	5.8	13.1	13.1	13.1	8.1	6.2	28.7	23.2	19.7	12.1	9.0	14.5	6.9	5.4	2.9	2.0

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

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

Date	PB Class					PC Class					PD Class					PE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	225%	350%	500%	0%	100%	185%	350%	500%	0%	100%	145%	350%	500%	0%	100%	135%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	94	100	99	98	97	95	100	100	100	31	31	100	100	100	68	*
March 1999	100	100	99	83	65	100	98	97	94	92	100	100	100	18	0	100	100	100	*	*
March 2000	100	100	84	64	44	100	98	95	92	67	100	100	100	0	0	100	100	100	*	*
March 2001	100	100	72	50	30	100	98	94	72	44	100	100	93	0	0	100	100	100	*	*
March 2002	100	92	61	38	20	100	97	93	53	29	100	100	86	0	0	100	100	100	*	*
March 2003	100	85	51	29	14	100	97	77	38	18	100	100	75	0	0	100	100	100	*	*
March 2004	100	78	43	22	9	100	96	60	26	10	100	100	62	0	0	100	100	100	*	*
March 2005	100	71	36	17	6	99	91	45	17	5	100	100	45	0	0	100	100	100	*	*
March 2006	100	64	30	13	3	99	78	32	10	1	100	100	26	0	0	100	100	100	*	*
March 2007	100	58	25	9	2	99	64	21	4	0	100	100	5	0	0	100	100	94	*	*
March 2008	100	52	20	7	1	98	53	11	0	0	100	100	0	0	0	100	9	7	*	*
March 2009	100	47	16	5	0	98	42	2	0	0	100	100	0	0	0	*	*	*	*	*
March 2010	100	42	13	3	0	97	31	0	0	0	100	77	0	0	0	*	*	*	*	*
March 2011	100	36	10	2	0	97	21	0	0	0	100	47	0	0	0	*	*	*	*	*
March 2012	95	32	8	1	0	96	11	0	0	0	100	17	0	0	0	*	*	*	*	*
March 2013	89	27	6	0	0	96	1	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2014	83	23	4	0	0	87	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2015	75	18	2	0	0	74	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2016	67	14	1	0	0	59	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2017	58	10	0	0	0	43	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2018	48	7	0	0	0	25	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2019	36	3	0	0	0	7	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2020	24	0	0	0	0	0	0	0	0	0	100	0	0	0	0	*	*	*	*	*
March 2021	10	0	0	0	0	0	0	0	0	0	64	0	0	0	0	*	*	*	*	*
March 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
March 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.4	12.1	7.3	4.9	3.4	19.2	11.3	7.8	5.5	4.1	24.1	13.9	7.4	1.0	0.6	11.4	10.7	10.5	1.1	0.6

Date	PG and SG† Classes					PH and SH† Classes					PJ and SJ† Classes					PK and SK† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%	0%	100%	175%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 1998	100	100	100	100	81	100	100	100	99	74	100	100	100	100	100	100	100	100	100	100
March 1999	100	100	100	84	42	100	100	100	76	40	100	100	100	100	88	100	100	100	100	100
March 2000	100	100	100	69	22	100	100	100	62	22	100	100	100	100	77	100	100	100	100	86
March 2001	100	100	100	61	15	100	100	100	54	14	100	100	100	93	57	100	100	100	100	40
March 2002	100	100	100	56	14	100	100	100	49	12	100	100	100	72	39	100	100	100	66	8
March 2003	100	100	100	52	14	100	100	100	45	12	100	100	100	56	27	100	100	100	36	0
March 2004	100	100	100	49	14	100	100	100	43	12	100	100	100	43	18	100	100	100	14	0
March 2005	100	100	100	42	14	100	100	100	37	12	100	100	89	33	13	100	100	96	0	0
March 2006	100	100	100	33	11	100	100	87	28	9	100	100	78	25	9	100	100	75	0	0
March 2007	100	100	87	25	7	100	100	75	22	6	100	100	67	19	6	100	100	56	0	0
March 2008	100	100	75	19	5	100	100	65	16	4	100	100	58	15	4	100	100	40	0	0
March 2009	100	100	64	14	3	100	100	56	13	3	100	90	50	11	3	100	95	25	0	0
March 2010	100	100	55	11	2	100	91	48	9	2	100	80	42	8	2	100	78	12	0	0
March 2011	100	93	47	8	1	100	81	41	7	1	100	72	36	6	1	100	62	*	0	0
March 2012	100	82	39	6	1	100	72	35	5	1	100	63	30	5	1	100	46	0	0	0
March 2013	100	72	33	4	1	100	64	29	4	1	100	55	25	3	*	100	32	0	0	0
March 2014	100	62	27	3	*	100	55	24	3	*	100	48	21	2	*	100	18	0	0	0
March 2015	100	53	22	2	*	100	48	20	2	*	100	41	17	2	*	100	5	0	0	0
March 2016	100	44	18	2	*	100	40	16	1	*	100	34	13	1	*	100	0	0	0	0
March 2017	100	36	14	1	*	100	33	13	1	*	100	27	10	1	*	100	0	0	0	0
March 2018	100	28	10	1	*	100	27	10	1	*	100	21	8	1	*	100	0	0	0	0
March 2019	100	21	7	*	*	100	20	7	*	*	92	15	5	*	*	83	0	0	0	0
March 2020	100	14	5	*	*	89	14	5	*	*	72	10	3	*	*	46	0	0	0	0
March 2021	75	8	2	*	*	66	9	3	*	*	51	4	1	*	*	6	0	0	0	0
March 2022	46	3	1	*	*	42	3	1	*	*	28	1	*	*	*	0	0	0	0	0
March 2023	14	*	*	*	*	15	*	*	*	*	2	*	*	*	*	0	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	24.8	18.7	14.6	7.0	3.0	24.6	18.1	13.8	6.3	2.8	24.0	17.1	13.1	7.5	5.0	22.9	14.9	10.6	5.7	3.9

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

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

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

Characteristics of the R Class

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Election and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes, the Principal Only Classes and the Accrual Class will be, and certain other Classes of REMIC Certificates may be, issued with original issue discount (“OID”) 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 150% PSA in the case of the Group 1 Classes, 160% PSA in the case of the Group 2 Class, 225% PSA in the case of the Group 3 Class, 185% PSA in the case of the Group 4 Class, 145% PSA in the case of the Group 5 Class, 135% PSA in the case of the Group 6 Class, and 175% PSA in the case of the Group 7, Group 8, Group 9 and Group 10 Classes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

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

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 8.02% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” and “—Foreign Investors—*Residual Certificates*” in the REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

Fannie Mae intends to determine the accruals of OID on the Underlying REMIC Certificates using the same Prepayment Assumption, as provided above, that will be used to determine the accruals of OID on the related Regular Certificates. The IRS, however, could take the position that the proper Prepayment Assumption to be used with respect to the Underlying REMIC Certificates is the Prepayment Assumption set forth in the related Underlying REMIC Disclosure Documents. See also “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Taxable Income or Net Loss of a REMIC Trust*” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

General. The arrangement pursuant to which the RCR Classes will be created, sold and administered will be classified as a grantor trust under subpart E, Part I of subchapter J of the Code. The interest in the REMIC Certificates that have been exchanged for RCR Certificates (including any exchanges effective on the Settlement Date) will be the assets of such trust and the RCR Certificates will evidence an ownership interest in those REMIC Certificates. For a general discussion of the federal income tax treatment of investors in REMIC Certificates, see “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

The RCR Classes will represent beneficial ownership of the underlying Regular Certificates set forth in Schedule 1. Certain RCR Certificates (the “Strip RCR Certificates”) will represent the right to receive a disproportionate part of the principal or interest payments on a single underlying Regular Certificate. Each RCR Certificate other than a Strip RCR Certificate (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in several underlying Regular Certificates.

The Strip RCR Classes are the E, G, H, I, J and K Classes.

Strip RCR Classes. A purchaser of a Strip RCR Certificate will be treated as owning, pursuant to section 1286 of the Code, “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying Regular Certificates. Although it is unclear how the OID computations on a Strip RCR Certificate should be made, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument for purposes of information reporting. The IRS could contend, however, that a Strip RCR Certificate should be treated as an interest in the underlying Regular Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on such Regular Certificate, and an installment obligation consisting of “stripped bonds” or “stripped coupons” with respect to the remainder. Investors should consult their own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

A beneficial owner who purchases a Strip RCR Certificate should calculate OID with respect to the Strip RCR Certificate and include such OID in its ordinary income for federal income tax purposes as it accrues, which may be prior to the receipt of the cash attributable to such income, in accordance with a constant yield method that takes into account the compounding of interest. Although the matter is not entirely clear, a beneficial owner of a Strip RCR Certificate should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price and on a schedule of payments projected using a prepayment assumption. A beneficial owner then makes periodic adjustments to take into account actual prepayment experience. With respect to a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time of purchase of the Strip RCR Certificate or would be the original Prepayment Assumption with respect to the underlying Regular Certificates. Investors should consult their own tax advisors regarding this matter. For purposes of information reporting relating to OID, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption.

An investor that exchanges an underlying Regular Certificate for Strip RCR Classes and then sells Strip RCR Certificates also is subject to the coupon stripping rules of section 1286 of the Code. As of the date of such sale, the beneficial owner must allocate its basis in the Regular Certificate between the part of the Regular Certificate underlying the Strip RCR Certificates sold and the part of the Regular Certificate underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to such Certificates. Then the beneficial owner calculates OID with respect to such retained Certificates as described above.

Upon the sale of the Strip RCR Certificates, the investor will realize gain or loss on the sale of its part of the underlying Regular Certificate in an amount equal to the difference between the amount realized and its adjusted basis in such part. The seller’s adjusted basis in such part generally is equal to the seller’s allocated cost of such part, increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium in respect of such part. If a beneficial owner holds the Certificates as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under “Certain Federal Income Tax Consequences—Sales of Certificates” in the REMIC Prospectus.

Although the matter is not free from doubt, an investor that acquires in one transaction a combination of Strip RCR Certificates that may be exchanged for underlying Regular Certificates should be treated as owning the underlying Regular Certificates. If an investor acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument.

Exchanges. An exchange, as described under “Description of the Certificates—Combination and Recombination” herein, by a beneficial owner of (i) a combination of REMIC Certificates or (ii) all or a portion of an RCR Class for the related RCR Class or REMIC Certificates, respectively, will not be a taxable exchange. Such owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Certificates that it owned immediately prior to the exchange.

PLAN OF DISTRIBUTION

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

Increase in Certificates. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Group 1 Certificates in addition to those contemplated as of the date hereof. In such event, the Trust MBS will be increased in principal balance, but it is expected that all such additional Trust MBS will have the same characteristics as described herein under “Description of the Certificates—The Trust MBS.” The proportion that the original principal balance of each Group 1 Class bears to the aggregate original principal balance of all Group 1 Classes will remain the same.

LEGAL MATTERS

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

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Original Principal Type (1)	Principal Balance or Notional Balance of Class	March 1997 Class Factor	Principal Balance or Notional Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WARM or WALA (in months)	Approximate Weighted Average CAGE or WALA (in months)	Underlying Security Type	Class Group
1992-G60	F	October 1992	31358RAM5	(2)	FLT	October 2022	SCH	\$170,798,000	0.44242307	\$ 9,643,938.08	8.500%	267	84	GNMA	2
1992-G60	S	October 1992	31358RAN3	(2)	INV/IO	October 2022	NTL	117,197,000	0.44242307	9,643,938.08	8.500	267	84	GNMA	2
1992-12	FA	January 1992	31358LEE2	(2)	FLT	January 2022	SEQ	123,882,000	1.00000000	16,500,000.00	8.951	285	65	MBS	3
1992-12	SA	January 1992	31358LEF9	(2)	INV	January 2022	SEQ	72,460,000	1.00000000	9,651,039.000	8.951	285	65	MBS	3
1992-G61	FJ	October 1992	31358RAB9	(2)	FLT	October 2022	TAC	84,000,000	0.85279660	5,969,576.20	9.002	291	60	GNMA	4
1992-G61	SJ	October 1992	31358RAC7	(2)	INV	October 2022	TAC	36,000,000	0.85279660	2,558,389.80	9.002	291	60	GNMA	4
1992-G61	G	October 1992	31358QV93	7.00%	FIX	October 2022	TAC	41,233,000	0.85279660	1,807,928.79	9.002	291	60	GNMA	4
1993-167	FJ	September 1993	31359EBC4	(2)	FLT	September 2023	PAC	5,200,000	0.91327394	4,237,591.08	7.559	299	52	MBS	5
1993-167	SJ	September 1993	31359EBD2	(2)	INV	September 2023	PAC	1,485,714	0.91327394	1,210,740.05	7.559	299	52	MBS	5
1993-173	FA	September 1993	31359DSZ7	(2)	FLT	September 2008	SUP	7,080,969	0.75603652	3,780,182.60	6.869	132	43	MBS	6
1993-173	SA	September 1993	31359DTA1	(2)	INV	September 2008	SUP	2,911,065	0.75603652	1,554,033.82	6.869	132	43	MBS	6
1993-173	SB	September 1993	31359DTB9	(2)	INV	September 2008	SUP	1,219,500	0.75603652	651,295.22	6.869	132	43	MBS	6
1993-143	SB	August 1993	31359BKS9	(2)	INV	August 2023	SUP	11,531,381	0.62195401	7,171,988.65	8.023	301	49	MBS	7
1993-182	SA	September 1993	31359DF40	(2)	INV	September 2023	SUP	19,500,191	0.73551689	14,342,719.84	7.893	307	45	MBS	8
1993-80	SA	May 1993	31359AEB1	(2)	INV	May 2023	SUP	20,912,282	0.67799450	10,788,439.68	8.003	298	51	MBS	9
1992-161	S	September 1992	31358QAR6	(2)	INV	November 2021	TAC	22,006,250	1.00000000	12,000,000.00	8.112	289	58	MBS	10

(1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus.

(2) These Classes bear interest during their respective interest accrual periods, subject to the applicable maximum and minimum interest rates, as further described in the related Underlying REMIC Disclosure Documents.

Available Recombinations

REMIC Certificates			RCR Certificates							
Class	Original Principal Balance	Exchange Proportions (1)	RCR Class	Original Principal Balance	Exchange Proportions (1)	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1 A	\$55,157,000	100%	E G	\$18,385,667 36,771,333	33.33333339377% 66.66666660623%	8.0%	FIX	SEQ	31359N7D7	May 2013
						6.5%	FIX	SEQ	31359N7E5	May 2013
Recombination 2 B	65,936,000	100%	H I	13,187,200 52,748,800	20.000000000000% 80.000000000000%	9.0%	FIX	SEQ	31359N7F2	April 2020
						6.5%	FIX	SEQ	31359N7G0	April 2020
Recombination 3 D	49,155,000	100%	J K	7,022,143 42,132,857	14.2857145763% 85.7142854237%	10.0%	FIX	SEQ	31359N7H8	August 2024
						6.5%	FIX	SEQ	31359N7J4	August 2024

(1) Exchange proportions shown are the proportions of the original principal balances of the related Classes of REMIC Certificates or RCR Certificates required to effect an exchange. Classes of REMIC Certificates may be exchanged for RCR Classes and RCR Classes may be exchanged for Classes of REMIC Certificates in such proportions only.

(2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” herein.

(3) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” herein.

(4) This Class is a principal only Class and will not bear interest.

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

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\$351,867,860



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1997-23**

PROSPECTUS SUPPLEMENT

Deutsche Morgan Grenfell 

February 27, 1997