

\$654,621,795



FannieMae

Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1997-76

The Guaranteed REMIC Pass-Through Certificates offered hereby (the “Certificates”) will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae REMIC Trust 1997-76 (the “Trust”). The assets of the Trust will consist of the “regular interests” in a separate trust fund (the “Lower Tier REMIC”). The assets of the Lower Tier REMIC will consist of (i) certain previously issued REMIC certificates (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 and (ii) certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Trust MBS”) described herein. The assets of the Underlying REMIC Trusts evidence beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”) and 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.

(Cover continued on next page)

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-7 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.

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	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date	Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
A	1	\$ 3,502,789	SC/PT	(2)	PO	31359Q Q 9 8	October 2023	SQ	4	\$ 42,567,000(3)	NTL	(5)	INV/IO	31359Q S 5 4	December 2023
FA	1	12,259,762	SC/PT	(4)	FLT	31359Q R 2 2	October 2023	E	5	7,162,106	SC/PT	(2)	PO	31359Q S 6 2	March 2023
SA	1	12,259,762(3)	NTL	(4)	INV/IO	31359Q R 3 0	October 2023	SE	5	15,517,920(3)	NTL	(5)	INV/IO	31359Q T 7 0	March 2023
B	2	12,250,000	SC/PT	(2)	PO	31359Q R 4 8	June 2018	FM	6	49,642,061	SC/STP	(4)	FLT	31359Q S 8 8	September 2027
SB	2	24,500,000(3)	NTL	(4)	INV/IO	31359Q R 5 5	June 2018	FS	6	5,515,784	SC/STP	(4)	FLT	31359Q S 9 6	September 2027
C	3	140,956,000	SEQ	6.5%	FIX	31359Q R 6 3	September 2022	FN	6	49,642,061	SC/STP	(4)	FLT	31359Q T 2 0	September 2027
FC	3	35,239,000	SEQ	(4)	FLT	31359Q R 7 1	September 2022	FT	6	5,515,784	SC/STP	(4)	FLT	31359Q T 3 8	September 2027
SD	3	35,239,000(3)	NTL	(4)	INV/IO	31359Q R 8 9	September 2022	FL	6	89,355,710	SC/STP	(4)	FLT	31359Q T 4 6	September 2027
SY	3	35,239,000(3)	NTL	(4)	INV/IO	31359Q R 9 7	September 2022	FO	6	102,251,738	SC/STP	(4)	FLT	31359Q T 5 3	September 2027
D	3	123,805,000	SEQ	7.0	FIX	31359Q S 2 1	November 2027	SO	6	102,251,738(3)	NTL	(4)	INV/IO	31359Q T 6 1	September 2027
P	4	17,524,000	SC/PT	(2)	PO	31359Q S 3 9	December 2023	R	0	NPR	0	NPR	31359Q T 7 9	November 2027
SP	4	11,139,000(3)	NTL	(5)	INV/IO	31359Q S 4 7	December 2023	RL	0	NPR	0	NPR	31359Q T 8 7	November 2027

- (1) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” herein.
- (2) These Classes will be Principal Only Classes and will bear no interest.
- (3) These Classes will be Notional Classes, will not have principal balances and will bear interest on their respective notional principal balances. The notional principal balances of the Notional Classes initially will be as set forth above and thereafter will be calculated as specified herein. See “Description of the Certificates—Distributions of Interest—Notional Classes” herein.
- (4) These Classes will bear interest based on “LIBOR” as described under “Description of the Certificates—Distributions of Interest” herein and “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes” in the REMIC Prospectus.
- (5) The SP and SQ Classes will bear interest based on the “Prime Rate” and the SE 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.

The Certificates will be offered by Nomura Securities International 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 and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer, subject to the right by the Dealer to reject any order in whole or in part and subject to approval of certain legal matters by counsel. It is expected that the Group 1, Group 2, Group 3, Group 4 and Group 5 Classes will be available through the book-entry system of the Federal Reserve Banks and that the Group 6 Classes will be available through the book-entry facilities of The Depository Trust Company on or about October 30, 1997 (the “Settlement Date”). It is expected that the R and RL Classes in registered, certificated form will be available for delivery at the offices of the Dealer, New York, New York, on or about the Settlement Date.

NOMURA SECURITIES INTERNATIONAL, INC.

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The yields to investors in the Group 1, Group 2, Group 4, Group 5 and Group 6 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 distributions on the related Underlying REMIC Certificates. The yields to investors in the Group 3 Classes (as described herein) 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 “Description of the Certificates—Yield Tables” herein.

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

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

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

Elections will be made to treat the Lower Tier REMIC and the Trust as “real estate mortgage investment conduits” (“REMICs”) pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). The R and RL Classes will be subject to transfer restrictions. See “Description of the Certificates—Characteristics of the R and RL Classes” and “Certain Additional Federal Income Tax Consequences” herein, and “Description of the Certificates—Additional Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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

- Fannie Mae’s Prospectus for Guaranteed REMIC Pass-Through Certificates dated June 14, 1996 (the “REMIC Prospectus”), which is attached to this Prospectus Supplement;
- the Underlying REMIC Disclosure Documents;
- Fannie Mae’s Prospectus for Guaranteed Mortgage Pass-Through Certificates dated August 1, 1997 (the “MBS Prospectus”); and
- Fannie Mae’s Information Statement dated March 31, 1997 and any supplements thereto (collectively, the “Information Statement”).

The MBS Prospectus and the Information Statement are incorporated herein by reference and, together with the other 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 Nomura Securities International, Inc. by writing or calling its Prospectus Department at Two World Financial Center, Street Level Mail Room, New York, New York 10281-1198 (telephone 212-667-1303).

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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.

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 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.

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

<u>Mortgage Loan Group</u>	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</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>
3	\$300,000,000	360	335	22	7.65%

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

Interest Rates

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

The Floating Rate and Inverse Floating Rate Classes will bear interest during the initial Interest Accrual Period at initial interest rates specified or 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>
FA	6.40625%	9.00000%	0.75%	LIBOR + 75 basis points
SA	2.59375%	8.25000%	0.00%	8.25% – LIBOR
SB	4.11250% (1)	9.80000%	0.00%	9.8% – LIBOR
FC	5.95625%	9.00000%	0.30%	LIBOR + 30 basis points
SD	2.84375%	8.50000%	0.00%	8.5% – LIBOR
SY	0.20000%	0.20000%	0.00%	8.7% – LIBOR
SP	1.74550%	27.04658%	0.00%	31.40737% – (3.48963102 × Prime)
SQ	1.49998%	1.49998%	0.00%	10.50013% – Prime
SE	3.66998% (1)	9.49844%	0.00%	9.79998% – 7 Year Treasury Index
FM	6.07500%	10.00000%	0.45%	LIBOR + 45 basis points
FS	6.07500%	9.00000%	0.00%	(2)
FN	6.02500%	10.00000%	0.40%	LIBOR + 40 basis points
FT	6.02500%	9.00000%	0.00%	(3)
FL	6.07500%	9.00000%	0.45%	LIBOR + 45 basis points
FO	6.12500%	9.00000%	0.50%	LIBOR + 50 basis points
SO	0.50000%	0.50000%	0.00%	8.5% – LIBOR

(1) The initial interest rates for these Classes are assumed rates. The actual initial interest rates for these Classes will be calculated on the basis of the applicable formulas for the calculation of such interest rates on the Index Determination Date occurring on October 23, 1997.

- (2) The FS Class will bear interest during each Interest Accrual Period following the initial Interest Accrual Period at a rate determined as follows:

If LIBOR is:

Less than or equal to 8.55%
Greater than 8.55%

Formula:

LIBOR + 45 basis points
 $85.95\% - (9 \times \text{LIBOR})$

- (3) The FT Class will bear interest during each Interest Accrual Period following the initial Interest Accrual Period at a rate determined as follows:

If LIBOR is:

Less than or equal to 8.6%
Greater than 8.6%

Formula:

LIBOR + 40 basis points
 $86.4\% - (9 \times \text{LIBOR})$

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

Notional Classes

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

Classes

SA	100% of FA Class
SB	200% of B Class
SD	100% of FC Class
SY	100% of FC Class
SP	63.5642547364% of P Class
SQ	242.9068705775% of P Class
SE	216.6669971095% of E Class
SO	100% of FO 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 applicable Class of Certificates will be determined by distributions of principal of the related Underlying REMIC Certificates or the Trust MBS, as applicable. For such purposes, the Principal Distribution Amount will be allocated among the Groups of Classes as described herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*.”

Group 1 Principal Distribution Amount

To the A and FA Classes, in proportion to their original principal balances, to zero.

Group 2 Principal Distribution Amount

To the B Class, to zero.

Group 3 Principal Distribution Amount

1. To the C and FC Classes, in proportion to their original principal balances, to zero.
2. To the D Class, to zero.

Group 4 Principal Distribution Amount

To the P Class, to zero.

Group 5 Principal Distribution Amount

To the E Class, to zero.

Group 6 Principal Distribution Amount

To the FM, FS, FN, FT, FL and FO Classes, in proportion to their original principal balances, to zero.

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
A, FA and SA	24.8	18.0	10.7	0.7	0.4
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>
B and SB	9.4	2.2	1.1	0.7	0.5
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
C, FC, SD and SY	16.9	5.0	3.4	1.6	1.1
D	27.6	18.3	14.4	7.5	5.2
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>140%</u>	<u>350%</u>	<u>500%</u>
P, SP and SQ	25.6	22.2	20.3	2.1	1.0
<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
E and SE	24.7	21.1	12.8	0.8	0.5
<u>Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
FM, FS, FN, FT, FL, FO and SO	20.7	11.4	6.9	4.7	3.4

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

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal or reductions of notional balances of the Group 1, Group 2, Group 4, Group 5 and Group 6 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 distributions on the related 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 payments 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 payments 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 rates faster or slower than would otherwise have been the case. Further, prepayments on the related Mortgage Loans may have occurred at rates faster or slower than those 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. Additional 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.

The rate of distributions of principal or reductions of notional balances of the Group 3 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 3 Classes will be related to the rate of amortization of the related Mortgage Loans, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed, the rate of principal distributions on such Classes is likely to differ from the rate anticipated by an investor, even if the related Mortgage Loans prepay at the indicated constant percentages of PSA.

It is highly unlikely that the Mortgage Loans underlying the Underlying REMIC Certificates or the Trust MBS, as applicable, 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 on or about the 18th or 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay.

DESCRIPTION OF THE CERTIFICATES

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

General

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

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

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 Group 1, Group 2, Group 3, Group 4 and Group 5 Classes 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.”

The Group 6 Classes will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of the Depository (as defined herein), which Depository will maintain such Certificates through its book-entry facilities. When used herein with respect to any DTC Certificate, the terms “Holders” and “Certificateholders” refer to the nominee of the Depository.

A Holder is not necessarily the beneficial owner of a book-entry Certificate. Beneficial owners will ordinarily hold book-entry Certificates through one or more financial intermediaries, such as banks,

brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

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

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

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

Distribution Dates. Distributions on the Group 1, Group 2, Group 4 and Group 5 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), distributions on the Group 3 Classes will be made on the 18th day of each month (or, if the 18th day is not a business day, on the first business day next succeeding such 18th day) and distributions on the Group 6 Classes will be made on the 17th day of each month (or, if such 17th day is not a business day, on the first business day next succeeding such 17th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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

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

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

Voting the Underlying REMIC Certificates. In the event any issue arises under the 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.

Book-Entry Procedures

General. The Group 1, Group 2, Group 3, Group 4 and Group 5 Classes 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.

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

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

Method of Distribution. Fannie Mae’s fiscal agent for the Group 1, Group 2, Group 3, Group 4 and Group 5 Classes 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.

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

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts, the assets of which evidence beneficial ownership interests in certain MBS and certain GNMA Certificates. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to

four-family residential properties, 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 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.

The table contained in Exhibit A hereto sets forth certain information with respect to each of the Underlying REMIC Certificates, including the numerical designation of the related trust, 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 Lower Tier REMIC as of October 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, 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 3 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 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 first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties and having an original maturity of up to 30 years. See “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	\$300,000,000
MBS Pass-Through Rate	7.00%

Related Mortgage Loans

Range of WACs (per annum percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	335 months
Approximate Weighted Average CAGE	22 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 balances of the 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 the 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>
Group 1 Classes	
Principal Only	A
Interest Only	SA
Inverse Floating Rate	SA
Floating Rate	FA
Group 2 Classes	
Principal Only	B
Interest Only	SB
Inverse Floating Rate	SB
Group 3 Classes	
Fixed Rate	C and D
Interest Only	SD and SY
Inverse Floating Rate	SD and SY
Floating Rate	FC
Group 4 Classes	
Principal Only	P
Interest Only	SP and SQ
Inverse Floating Rate	SP and SQ
Group 5 Classes	
Principal Only	E
Interest Only	SE
Inverse Floating Rate	SE
Group 6 Classes	
Floating Rate	FM, FS, FN, FT, FL and FO
Inverse Floating Rate	SO
Interest Only	SO
No Payment Residual	R and RL

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

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
FA, SA, SB, FC, SD, SY, SE, FM, FS, FN, FT, FL, FO and SO Classes	One month period ending on the day preceding the Distribution Date
C, D, SP and SQ Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

Notional Classes. The Notional Classes will not have principal balances and will bear interest at the applicable per annum interest rates described herein during each Interest Accrual Period on their respective notional principal balances. The notional principal balances of the Notional Classes will be calculated as specified herein under “Reference Sheet—Notional Classes.”

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 any principal distributions. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to such Class that will be applicable to the notional principal balance thereof, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the notional principal balances of the Notional Classes.

Floating Rate and Inverse Floating Rate Classes. The Floating Rate and Inverse Floating Rate Classes will bear interest during each Interest Accrual Period, subject to the applicable maximum and minimum interest rates, at rates determined as described herein under “Reference Sheet—Interest Rates.”

The yields with respect to such Classes will be affected by changes in the applicable index (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 LIBOR

On each Index Determination Date, until the principal balances and notional principal balances of the Floating Rate and Inverse Floating Rate Classes (other than the SP, SQ and SE Classes) have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period in the manner described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*LIBOR*.”

If on the initial Index Determination Date, Fannie Mae is unable to determine LIBOR in the manner specified in the REMIC Prospectus, LIBOR for the next succeeding Interest Accrual Period will be equal to 5.65625% in the case of the FA, SA, FC, SD and SY Classes, and will be equal to LIBOR as determined for such Interest Accrual Period for the related Underlying REMIC Certificates in the case of the SB, FM, FS, FN, FT, FL, FO and SO Classes.

Calculation of Prime Rate

On each Index Determination Date, until the notional principal balances of the SP and SQ Classes have been reduced to zero, Fannie Mae will ascertain the Prime Rate for the related Interest Accrual Period in the manner specified in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*Prime Rate*.”

Calculation of 7-Year Treasury Index

On each Index Determination Date, until the notional principal balance of the SE 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	
Structured Collateral/Pass-Through	A and FA
Notional	SA
Group 2 Classes	
Structured Collateral/Pass-Through	B
Notional	SB
Group 3 Classes	
Sequential Pay	C, FC and D
Notional	SD and SY
Group 4 Classes	
Structured Collateral/Pass-Through	P
Notional	SP and SQ
Group 5 Classes	
Structured Collateral/Pass-Through	E
Notional	SE
Group 6 Classes	
Structured Collateral/Strip	FM, FS, FN, FT, FL and FO
Notional	SO
No Payment Residual	R and RL

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

Principal Distribution Amount

Principal will be distributed monthly on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the distribution of principal concurrently made on the Class 1994-63-A REMIC Certificate (the “Group 1 Principal Distribution Amount”), (ii) the distribution of principal concurrently made on the Class 1992-112-SC REMIC Certificate (the “Group 2 Principal Distribution Amount”), (iii) the aggregate distributions of principal to be made on the Trust MBS in the month of such Distribution Date (the “Group 3 Principal Distribution Amount”), (iv) the aggregate distributions of principal concurrently made on the Classes 1993-225-VN and 1993-225-VT REMIC Certificates (the “Group 4 Principal Distribution Amount”), (v) the distribution of principal concurrently made on the Class 1993-G14-SG REMIC Certificate (the “Group 5 Principal Distribution Amount”) and (vi) the aggregate distributions of

principal concurrently made on the Classes 1997-65-FK, 1997-65-FL, 1997-65-FH, 1997-65-FJ, 1997-65-SK and 1997-65-SL REMIC Certificates (the “Group 6 Principal Distribution Amount”). The portion of each class of Underlying REMIC Certificates to be held in the Lower Tier REMIC is set forth on Exhibit A hereto.

Group 1 Principal Distribution Amount

On each Distribution Date, the Group 1 Principal Distribution Amount will be distributed, concurrently, as principal of the A and FA Classes, in proportion to their original principal balances (or 22.2222215173% and 77.7777784827%, respectively), until the principal balances thereof are reduced to zero.

Structured
Collateral /
Pass-Through
Classes

Group 2 Principal Distribution Amount

On each Distribution Date, the Group 2 Principal Distribution Amount will be distributed as principal of the B 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 Group 3 Classes in the following order of priority:

(i) concurrently, to the C and FC Classes, in proportion to their original principal balances (or 80% and 20%, respectively), until the principal balances thereof are reduced to zero; and

(ii) to the D Class, until the principal balance thereof is reduced to zero.

Sequential
Pay
Classes

Group 4 Principal Distribution Amount

On each Distribution Date, the Group 4 Principal Distribution Amount will be distributed as principal of the P 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 E 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, concurrently, as principal of the FM, FS, FN, FT, FL and FO Classes, in proportion to their original principal balances (or 16.4419531835%, 1.8268835030%, 16.4419531835%, 1.8268835030%, 29.5955157965% and 33.8668108305%, respectively) until the principal balances thereof are reduced to zero.

Structured
Collateral /
Strip
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 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 the original terms to maturity, remaining terms to maturity, CAGEs and interest rates as specified herein under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS”;
- 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; and
- the closing date for the sale of the Certificates is October 30, 1997.

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

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 related Mortgage Loans 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>
A	60.375%
B	94.500%
P	40.500%
E	82.000%

**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>160%</u>	<u>350%</u>	<u>500%</u>
A	2.4%	2.8%	4.8%	95.9%	213.4%

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>
B	1.6%	2.6%	5.3%	8.2%	12.1%

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>140%</u>	<u>350%</u>	<u>500%</u>
P	3.8%	4.1%	4.5%	50.0%	115.6%

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
E	0.9%	0.9%	1.6%	25.4%	49.1%

The Inverse Floating Rate Classes and the FS and FT Classes. The yields to investors in the Inverse Floating Rate Classes and the FS and FT Classes will be sensitive in varying degrees to the rate of principal payments (including prepayments) of the related Mortgage Loans and to the level of the applicable Index. 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 specified Classes for the initial Interest Accrual Period are the actual and assumed rates appearing in the table under “Reference Sheet—Interest Rates” 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 such Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SA	8.8750%
SB	4.6250%
SD	5.8750%
SY	0.5000%
SP	17.5000%
SQ	8.7500%
SE	9.8750%
FS	96.5625%
FT	97.2500%
SO	2.0000%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
3.65625%	56.7%	56.7%	56.3%	*	*
5.65625%	31.0%	30.9%	29.2%	*	*
7.65625%	3.8%	2.3%	(5.4)%	*	*
8.25000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>
3.68750%	146.6%	124.3%	54.9%	(18.2)%	(91.6)%
5.68750%	85.4%	63.3%	(3.9)%	(68.8)%	*
7.68750%	27.3%	2.9%	(63.8)%	*	*
9.80000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
3.65625%	86.1%	78.2%	67.7%	26.3%	(11.7)%
5.65625%	44.1%	36.3%	25.1%	(18.9)%	(56.4)%
7.65625%	2.7%	(7.9)%	(23.1)%	(74.8)%	*
8.50000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>
8.5% and below	34.0%	25.9%	14.2%	(31.1)%	(68.5)%
8.6%	10.1%	0.4%	(13.6)%	(63.4)%	*
8.7%	*	*	*	*	*

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

**Sensitivity of the SP Class to Prepayments and Prime Rate
(Pre-Tax Yields to Maturity)**

<u>Prime Rate</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>140%</u>	<u>350%</u>	<u>500%</u>
1.250% and below	189.2%	189.2%	189.2%	166.0%	77.0%
4.500%	101.2%	101.2%	101.2%	64.4%	(25.5)%
6.500%	53.4%	53.4%	53.4%	0.4%	(87.1)%
8.500%	8.8%	8.5%	8.0%	(84.3)%	*
9.001% and above	*	*	*	*	*

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

**Sensitivity of the SQ Class to Prepayments and Prime Rate
(Pre-Tax Yields to Maturity)**

<u>Prime Rate</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>140%</u>	<u>350%</u>	<u>500%</u>
9.00015% and below	17.2%	17.1%	16.8%	(63.9)%	*
9.75000%	6.9%	6.6%	6.0%	(89.1)%	*
10.50013%	*	*	*	*	*

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

**Sensitivity of the SE 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>200%</u>	<u>350%</u>	<u>500%</u>
0.30154% and below	112.4%	112.4%	104.9%	(41.1)%	*
2.13000%	88.6%	88.6%	80.9%	(66.1)%	*
4.13000%	63.8%	63.8%	56.3%	(93.4)%	*
6.13000%	40.1%	40.1%	33.6%	*	*
8.13000%	17.3%	17.2%	11.9%	*	*
9.79998%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
3.625%	4.5%	4.6%	4.8%	5.0%	5.3%
5.625%	6.6%	6.6%	6.9%	7.1%	7.4%
8.560%	9.6%	9.6%	9.9%	10.1%	10.4%
9.000%	5.4%	5.5%	5.7%	5.9%	6.2%
9.550%	0.3%	0.3%	0.6%	0.8%	1.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
3.625%	4.3%	4.4%	4.6%	4.8%	5.0%
5.625%	6.4%	6.5%	6.7%	6.9%	7.1%
8.610%	9.5%	9.5%	9.7%	9.9%	10.1%
9.000%	5.8%	5.8%	6.0%	6.2%	6.4%
9.600%	0.2%	0.3%	0.4%	0.7%	0.9%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
8.00% and below	22.1%	19.3%	12.3%	4.4%	(4.9)%
8.25%	7.8%	4.9%	(2.2)%	(10.2)%	(19.8)%
8.50%	*	*	*	*	*

* 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 and the priority sequence of distributions of principal and, in the case of the Group 1, Group 2, Group 4, Group 5 and Group 6 Classes, the priority sequence of distributions on the related Underlying REMIC Certificates. See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the related 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 rates 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, as applicable, 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 Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>	<u>Related Groups</u>
1994-63	360 months	318 months	9.5%	Group 1
1992-112	360 months	297 months	10.5%	Group 2
Trust MBS	360 months	360 months	9.5%	Group 3
1993-225	360 months	314 months	9.0%	Group 4
1993-G14	360 months	305 months	(1)	Group 5
1997-65	360 months	359 months	8.5%	Group 6

(1) It has been assumed that the Mortgage Loans underlying the related GNMA Certificates issued under the GNMA I program and the GNMA II program bear interest at the per annum rates of 8.5% and 9.5%, respectively.

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 rates, 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, FA and SA† Classes					B and SB† Classes					C, FC, SD† and SY† Classes					D Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	225%	350%	500%	0%	100%	160%	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
October 1998	100	100	100	0	0	100	78	52	26	0	99	89	83	66	52	100	100	100	100	100
October 1999	100	100	100	0	0	97	53	7	0	0	98	78	67	36	14	100	100	100	100	100
October 2000	100	100	100	0	0	93	30	0	0	0	97	67	52	12	0	100	100	100	100	83
October 2001	100	100	100	0	0	89	9	0	0	0	95	57	39	0	0	100	100	100	92	57
October 2002	100	100	100	0	0	84	0	0	0	0	94	47	27	0	0	100	100	100	71	39
October 2003	100	100	100	0	0	79	0	0	0	0	92	39	16	0	0	100	100	100	55	27
October 2004	100	100	100	0	0	73	0	0	0	0	90	30	6	0	0	100	100	100	43	19
October 2005	100	100	100	0	0	66	0	0	0	0	88	22	0	0	0	100	100	97	33	13
October 2006	100	100	88	0	0	59	0	0	0	0	86	15	0	0	0	100	100	85	26	9
October 2007	100	100	66	0	0	51	0	0	0	0	83	8	0	0	0	100	100	75	20	6
October 2008	100	100	43	0	0	42	0	0	0	0	81	1	0	0	0	100	100	66	15	4
October 2009	100	100	21	0	0	32	0	0	0	0	78	0	0	0	0	100	92	58	12	3
October 2010	100	100	0	0	0	21	0	0	0	0	74	0	0	0	0	100	84	51	9	2
October 2011	100	100	0	0	0	8	0	0	0	0	71	0	0	0	0	100	76	44	7	1
October 2012	100	100	0	0	0	0	0	0	0	0	67	0	0	0	0	100	68	38	5	1
October 2013	100	100	0	0	0	0	0	0	0	0	62	0	0	0	0	100	61	33	4	1
October 2014	100	95	0	0	0	0	0	0	0	0	58	0	0	0	0	100	55	28	3	*
October 2015	100	46	0	0	0	0	0	0	0	0	52	0	0	0	0	100	48	24	2	*
October 2016	100	0	0	0	0	0	0	0	0	0	47	0	0	0	0	100	42	20	2	*
October 2017	100	0	0	0	0	0	0	0	0	0	40	0	0	0	0	100	36	17	1	*
October 2018	100	0	0	0	0	0	0	0	0	0	33	0	0	0	0	100	31	14	1	*
October 2019	100	0	0	0	0	0	0	0	0	0	26	0	0	0	0	100	26	11	1	**
October 2020	100	0	0	0	0	0	0	0	0	0	17	0	0	0	0	100	21	9	*	*
October 2021	100	0	0	0	0	0	0	0	0	0	8	0	0	0	0	100	16	6	*	*
October 2022	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97	12	4	*	*
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81	8	3	*	*
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	64	4	1	*	*
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23	0	0	0	0
October 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	18.0	10.7	0.7	0.4	9.4	2.2	1.1	0.7	0.5	16.9	5.0	3.4	1.6	1.1	27.6	18.3	14.4	7.5	5.2

Date	P, SP† and SQ† Classes					E and SE† Classes					FM, FS, FN, FT, FL, FO and SO† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	140%	350%	500%	0%	100%	200%	350%	500%	0%	100%	220%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 1998	100	100	100	100	46	100	100	100	35	0	99	96	93	90	86
October 1999	100	100	100	50	0	100	100	84	0	0	98	91	82	74	64
October 2000	100	100	100	3	0	100	100	74	0	0	98	85	71	58	44
October 2001	100	100	100	0	0	100	100	73	0	0	97	79	61	45	31
October 2002	100	100	100	0	0	100	100	73	0	0	95	73	52	35	21
October 2003	100	100	100	0	0	100	100	73	0	0	94	68	45	27	15
October 2004	100	100	100	0	0	100	100	73	0	0	93	63	38	21	10
October 2005	100	100	100	0	0	100	100	73	0	0	92	58	33	17	7
October 2006	100	100	100	0	0	100	100	73	0	0	90	54	28	13	5
October 2007	100	100	100	0	0	100	100	73	0	0	89	50	24	10	3
October 2008	100	100	100	0	0	100	100	73	0	0	87	46	20	8	2
October 2009	100	100	100	0	0	100	100	73	0	0	85	42	17	6	2
October 2010	100	100	100	0	0	100	100	73	0	0	83	38	14	5	1
October 2011	100	100	100	0	0	100	100	73	0	0	80	35	12	4	1
October 2012	100	100	100	0	0	100	100	73	0	0	78	32	10	3	*
October 2013	100	100	100	0	0	100	100	51	0	0	75	29	9	2	*
October 2014	100	100	90	0	0	100	100	30	0	0	72	26	7	2	*
October 2015	100	100	76	0	0	100	100	12	0	0	69	23	6	1	*
October 2016	100	100	63	0	0	100	100	0	0	0	66	21	5	1	*
October 2017	100	87	50	0	0	100	88	0	0	0	62	18	4	1	*
October 2018	100	69	39	0	0	100	51	0	0	0	58	16	3	*	*
October 2019	100	52	28	0	0	100	17	0	0	0	53	14	2	*	*
October 2020	100	35	19	0	0	100	0	0	0	0	48	11	2	*	*
October 2021	100	19	10	0	0	100	0	0	0	0	43	9	1	*	*
October 2022	93	4	2	0	0	1	0	0	0	0	37	7	1	*	*
October 2023	14	*	*	0	0	0	0	0	0	0	31	6	1	*	*
October 2024	0	0	0	0	0	0	0	0	0	0	24	4	*	*	*
October 2025	0	0	0	0	0	0	0	0	0	0	16	2	*	*	*
October 2026	0	0	0	0	0	0	0	0	0	0	8	1	*	*	*
October 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	25.6	22.2	20.3	2.1	1.0	24.7	21.1	12.8	0.8	0.5	20.7	11.4	6.9	4.7	3.4

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

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

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

Characteristics of the R and RL Classes

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

Elections will be made to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. Arnold & Porter, special tax counsel to Fannie Mae, will deliver its opinion to Fannie Mae that, assuming compliance with the Trust Agreement, the Lower Tier REMIC and the Trust will qualify as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

As a consequence of the qualification of the Lower Tier REMIC and the Trust as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for

the R and RL Classes, as “qualified mortgages” for other REMICS. The Small Business Job Protection Act of 1996 repeals the bad debt reserve method of accounting for mutual savings banks and domestic building and loan associations for tax years beginning after December 31, 1995. As a result, section 593(d) of the Code is no longer applicable to treat the Certificates as “qualifying real property loans.” See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes and the Principal Only Classes will be, and certain other Classes of 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 160% PSA in the case of the Group 1 and Group 3 Classes, 225% PSA in the case of the Group 2 Classes, 140% PSA in the case of the Group 4 Classes, 200% PSA in the case of the Group 5 Classes and 220% PSA in the case of the Group 6 Classes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS or the GNMA Certificates 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.

The FS and FT Classes may not qualify as “variable rate debt instruments” under the OID Regulations. For information reporting purposes, Fannie Mae intends to treat all interest payments on each such Class as included in the stated redemption price at maturity. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus.

The Taxpayer Relief Act of 1997 adds provisions to the Code that require the recognition of gain upon the “constructive sale of an appreciated financial position.” A constructive sale of an appreciated financial position occurs if a taxpayer enters into certain transactions or series of such transactions with respect to a financial instrument that have the effect of substantially eliminating the taxpayer’s risk of loss and opportunity for gain with respect to the financial instrument. These provisions do not apply to Classes of Certificates other than the Notional Classes.

Taxation of Beneficial Owners of Residual Certificates

Under the Regulations, neither the R Class nor the RL Class will have significant value. Special rules regarding the treatment of “excess inclusions” by certain thrift institutions no longer apply because of the amendment of sections 593 and 860E of the Code by the Small Business Job Protection Act of 1996. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates—*Excess Inclusions*” in the REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 7.80% (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 or RL 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 Assumptions, 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.

The Taxpayer Relief Act of 1997 adds provisions to the Code that will apply to an “electing large partnership.” If an electing large partnership holds an R or RL Certificate, all interests in the electing large partnership are treated as held by disqualified organizations for purposes of the tax imposed upon a pass-through entity by section 860E(e) of the Code. An exception to this tax, otherwise available to a pass-through entity that is furnished certain affidavits by record holders of interests in the entity and that does not know such affidavits are false, is not available to an electing large partnership.

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 3 Classes 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 3 Class bears to the aggregate original principal balance of all Group 3 Classes, respectively, will remain the same.

LEGAL MATTERS

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

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal or Notional Balance of Class	October 1997 Class Factor	Principal or Notional Balance in the Lower Tier REMIC	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WAM or WALA (in months)	Underlying Security Type	Class Group
1994-63	A	April 1994	31359HPA6	7.0%	FIX	October 2023	TAC	\$ 31,500,000	0.96113121	\$15,762,551	7.452%	308	MBS	1
1992-112	SC	July 1992	31358NN73	(2)	INV	June 2018	PAC	17,000,000	1.00000000	12,250,000	8.606	280	MBS	2
1993-225	VN	December 1993	31359GFG6	(2)	INV	December 2023	SUP	11,139,000	1.00000000	11,139,000	7.049	303	MBS	4
1993-225	VT	December 1993	31359GFC5	(2)	INV	December 2023	SUP	6,385,000	1.00000000	6,385,000	7.049	303	MBS	4
1993-G14	SG	March 1993	31358TX61	(2)	INV	March 2023	TAC	7,162,106	1.00000000	7,162,106	8.504	291	GNMA	5
1997-65	FK	September 1997	31359QF33	(2)	FLT	September 2027	TAC	277,009,000	0.99681938	199,363,876	8.500	352	GNMA	6
1997-65	FL	September 1997	31359QF41	(2)	FLT	September 2027	SUP	22,991,000	0.94491026	15,685,000	8.500	352	GNMA	6
1997-65	FH	September 1997	31359QE91	(2)	FLT	September 2027	TAC	80,004,250	0.99641317	69,753,156	8.500	352	GNMA	6
1997-65	FJ	September 1997	31359QF25	(2)	FLT	September 2027	CPT	19,995,750	0.97854971	17,121,110	8.500	352	GNMA	6
1997-65	SK	September 1997	31359QF74	(2)	INV/IO	September 2027	NTL	300,000,000	0.99284124	70,535,318	8.500	352	GNMA	6
1997-65	SL	September 1997	31359QF82	(2)	INV/IO	September 2027	NTL	100,000,000	0.99284124	31,716,421	8.500	352	GNMA	6

(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.

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.

\$654,621,795



FannieMae

**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1997-76**

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PROSPECTUS SUPPLEMENT

NOMURA SECURITIES INTERNATIONAL, INC.

September 23, 1997