

\$500,000,000**FannieMae**

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1998-53

The Guaranteed REMIC Pass-Through Certificates offered hereby (the "Certificates") will represent beneficial ownership interests in Fannie Mae REMIC Trust 1998-53 (the "Trust"). The assets of the Trust will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates described herein (the "MBS"). Each MBS represents a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans (the "Mortgage Loans") having the characteristics described herein. The Certificates will be issued and guaranteed as to timely distribution of principal and interest by Fannie Mae.

This Prospectus Supplement is intended to be used only in conjunction with the REMIC Prospectus (defined herein). Investors should not purchase the Certificates before reading this Prospectus Supplement, the REMIC Prospectus and the additional Disclosure Documents (defined herein). Such documents may be obtained as described on page S-2.

See "Additional Risk Factors" on page S-6 hereof and "Certain Risk Factors" beginning on page 10 of the REMIC Prospectus 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.

<u>Class</u>	<u>Original Class Balance</u>	<u>Principal Type(1)</u>	<u>Interest Rate</u>	<u>Interest Type(1)</u>	<u>CUSIP Number</u>	<u>Final Distribution Date</u>
T	\$312,500,000	TAC	6.50%	FIX	31359UUQ6	September 2028
A	140,978,000	SEG(SCH) / TAC	6.50	FIX	31359UUR4	September 2028
ZA	5,300,000	SEG(SCH) / SUP	6.50	FIX/Z	31359UUS2	September 2028
F	13,767,000	SUP	(2)	FLT	31359UUT0	April 2028
S	4,236,000	SUP	(2)	INV	31359UUU7	April 2028
FA	18,863,812	SUP	(2)	FLT	31359UUV5	September 2028
SA	4,353,188	SUP	(2)	INV	31359UUV3	September 2028
R	2,000	STP	6.50	FIX	31359UUX1	September 2028

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
- (2) These Classes will bear interest based on "LIBOR" as described under "Description of the Certificates—Distributions of Interest" herein and "Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes" in the REMIC Prospectus.

The Certificates will be offered by Goldman, Sachs & Co. (the "Dealer") from time to time in negotiated transactions, at varying prices to be determined at the time of sale.

The Certificates will be offered by the Dealer, subject to issuance by Fannie Mae and to prior sale or to withdrawal or modification of the offer without notice, when, as and if delivered to and accepted by the Dealer and subject to approval of certain legal matters by counsel. It is expected that the Certificates, except for the R Class, will be available through the book-entry system of the Federal Reserve Banks on or about August 28, 1998 (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.

Goldman, Sachs & Co.

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The yields to investors in the Classes will be sensitive in varying degrees to, among other things, the rate of principal distributions on the MBS, which in turn will be determined by the rate of principal payments of the 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 Index (as defined herein). Accordingly, investors should consider the following risks:

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

See “Certain 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 “Certain Risk Factors—Suitability and Reinvestment Considerations” in the REMIC Prospectus.
- Investors whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investment in certain Classes of the Certificates. Investors should consult their legal advisors to determine whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment. See “Legal Investment Considerations” in the REMIC Prospectus.
- The Dealer intends to make a market for the Certificates but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Certificates readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Certificates unless such investor understands and is able to bear the risk that the value of the Certificates will fluctuate over time and that the Certificates may not be readily salable.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus Supplement, the REMIC Prospectus or the MBS Prospectus (each 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 November 12, 1997 (the “REMIC Prospectus”);
- 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, 1998 and any supplements thereto (collectively, the “Information Statement”).

The Information Statement is 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 may also be obtained from the Dealer by writing or calling its Registration Department at 85 Broad Street, New York, New York 10004 (telephone 212-902-6685).

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REFERENCE SHEET

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

Assumed Characteristics of the Mortgage Loans (as of August 1, 1998)

<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>
\$500,000,000	360	357	2	7.05%

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 (1)</u>
F	6.15625%	8.50%	0.50%	LIBOR + 50 basis points
S	7.61718%	26.00%	0.00%	26% – (3.25 × LIBOR)
FA	6.60625%	8.00%	0.95%	LIBOR + 95 basis points
SA	6.03958%	30.55%	0.00%	30.55% – (4.33333333 × LIBOR)

(1) LIBOR will be established on the basis of the “BBA Method”. See “Description of the Certificates—Calculation of LIBOR” herein.

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

Distributions of Principal

Principal Distribution Amount

Accrual Amount

To the A Class, to its Targeted Balance, and then to the ZA Class.

Cash Flow Distribution Amount

On each Distribution Date, 0.0004% of such amount will be distributed to the R Class.

On each Distribution Date, the remaining amount will be distributed in the following order of priority:

1. To the T Class, to its Targeted Balance.
2. To the Aggregate Group, to its Scheduled Balance.
3. To the F and S Classes, pro rata, to zero.
4. To the FA and SA Classes, pro rata, to zero.
5. To the Aggregate Group, to zero.
6. To the T Class, to zero.

For a description of the Aggregate Group, see “Description of the Certificates—Distributions of Principal—*Cash Flow Distribution Amount*” herein.

Weighted Average Lives (years) *

	PSA Prepayment Assumption						
<u>Class</u>	<u>0%</u>	<u>60%</u>	<u>155%</u>	<u>175%</u>	<u>198%</u>	<u>300%</u>	<u>500%</u>
T	17.4	9.3	9.5	9.7	10.1	7.7	5.1

	PSA Prepayment Assumption						
<u>Class</u>	<u>0%</u>	<u>125%</u>	<u>155%</u>	<u>175%</u>	<u>198%</u>	<u>300%</u>	<u>500%</u>
A	24.3	6.1	3.9	3.9	3.9	2.6	1.8
ZA	28.8	21.5	1.1	1.1	1.1	1.1	1.0

	PSA Prepayment Assumption						
<u>Class</u>	<u>0%</u>	<u>155%</u>	<u>175%</u>	<u>198%</u>	<u>300%</u>	<u>500%</u>	
F and S	29.3	20.4	2.9	1.7	0.8	0.5	
FA and SA	29.8	26.2	23.0	4.5	1.7	1.0	
R	21.1	9.0	8.4	7.7	5.6	3.7	

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

ADDITIONAL RISK FACTORS

Additional Yield and Prepayment Considerations

The rate of distributions of principal of the Classes will be sensitive in varying degrees to the rate of principal distributions on the MBS, 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 MBS will have the characteristics assumed herein. Because the rate of principal distributions on the Classes will be related to the rate of amortization of the related Mortgage Loans, which are likely to include Mortgage Loans with remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the rate of principal distributions on 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 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 yields on the Delay Classes (as defined herein) will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until on or about the 25th day following the end of the related Interest Accrual Period and will not bear interest during such delay. No interest at all will be paid on any Class after its principal balance has been reduced to zero. As a result of the foregoing, the market values of the Delay Classes will be lower than would have been the case if there were no such delay.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. The Trust will be created pursuant to a trust agreement dated as of September 1, 1987, as supplemented by an issue supplement thereto dated as of August 1, 1998 (the “Trust Agreement”), executed by the Federal National Mortgage Association (“Fannie Mae”) in its corporate capacity and in its capacity as trustee (the “Trustee”), and the Certificates in the Classes and aggregate original principal balances set forth on the cover hereof will be issued by Fannie Mae pursuant thereto. A description of Fannie Mae and its business, together with certain financial statements and other financial information, is contained in the Information Statement.

The Certificates (other than the R Class) will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The assets of the Trust will include the 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. In addition, Fannie Mae will be obligated to distribute on a timely basis to the Holders of Certificates required installments of principal and interest and to distribute the principal balance of each Class of Certificates in full no later than the applicable Final Distribution Date, whether or not sufficient funds are available in the Trust Account. The guaranties of Fannie

Mae are not backed by the full faith and credit of the United States. See “Description of the Certificates—Fannie Mae’s Guaranty” in the REMIC Prospectus and “Description of Certificates—The Corporation’s Guaranty” in the MBS Prospectus.

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

The R Certificate will not be issued in book-entry form but will be issued in fully registered, certificated form. As to the R Certificate, “Holder” or “Certificateholder” refers to the registered owner thereof. The R Certificate will be transferable at the corporate trust office of the Transfer Agent, or at the office 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 in a denomination of \$2,000.

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

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

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

The MBS

The MBS will have the aggregate unpaid principal balance and Pass-Through Rate set forth below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, commencing in the month following the month of the initial issuance of the MBS. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of

trust on one- to four-family (“single-family”) residential properties and having original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The characteristics of the MBS and the related Mortgage Loans as of August 1, 1998 (the “Issue Date”) are expected to be as follows:

MBS

Aggregate Unpaid Principal Balance	\$500,000,000
MBS Pass-Through Rate	6.50%

Mortgage Loans

Range of WACs (per annum percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	357 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 with respect to the 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 MBS, along with the weighted average of all the current or original WACs and the weighted average of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the MBS as of the Issue Date. The Final Data Statement will not accompany this Prospectus Supplement but will be made available by Fannie Mae. To request the Final Data Statement, telephone Fannie Mae at 1-800-BEST-MBS or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling Fannie Mae at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	T, A, ZA and R
Accrual	ZA
Floating Rate	F and FA
Inverse Floating Rate	S and SA

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

General. The interest-bearing Certificates will bear interest at the applicable per annum interest rates set forth on the cover or described herein. Interest on the interest-bearing Certificates is calculated on the basis of a 360-day year consisting of twelve 30-day months and is distributable monthly on each Distribution Date, commencing (except with respect to the Accrual 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.

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>
The F and S Classes	One month period ending on the day preceding the Distribution Date
All Fixed Rate Classes and the FA and SA Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

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

Accrual Class. The ZA Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable 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 A 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.

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 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 index specified (the “Index”), which changes may not correlate with changes in mortgage interest rates. It is possible that lower mortgage interest rates could occur concurrently with an increase in the level of the Index. Conversely, higher mortgage interest rates could occur concurrently with a decrease in the level of the Index.

The establishment of the Index value by Fannie Mae and Fannie Mae’s determination of the rate 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 of the Floating Rate and Inverse Floating Rate Classes have been reduced to zero, Fannie Mae will establish LIBOR for the related Interest Accrual Period. LIBOR will be established on the basis of the “BBA Method”, as described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—LIBOR.” With respect to the “BBA Method,” Interest Settlement Rates currently are based on rates quoted by sixteen BBA designated banks and are calculated by eliminating the four highest rates and the four lowest rates and averaging the eight remaining rates.

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%.

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>
TAC**	T
Segment (SCH)†/TAC**	A
Support	F, S, FA and SA
Segment (SCH)†/Support	ZA
Accretion Directed	A
Strip	R

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

** The Principal Balance Schedules are set forth herein beginning on page A-1.

† A Segment Class (“SEG”) is a Class that, in whole or in part, is combined with one or more other Classes (or portions thereof) to form a “Segment Group” or an “Aggregate Group” for purposes of allocating certain principal distribution amounts. The parenthetical designation following the “SEG” designation (e.g., “(TAC),” “(PAC)” or “(SCH)”) relates to the Principal Type associated with the “Segment Group” or “Aggregate Group,” as applicable.

Principal Distribution Amount

On each Distribution Date, principal will be distributed on the Certificates in an amount (the “Principal Distribution Amount”) equal to the sum of (i) the aggregate distributions of principal to be made on the MBS in the month of such Distribution Date (the “Cash Flow Distribution Amount”) and (ii) any interest accrued and added on such Distribution Date to the principal balance of the Accrual Class (the “Accrual Amount”).

Accrual Amount

On each Distribution Date, the Accrual Amount will be distributed as principal of the A Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date, and thereafter will be distributed as principal of the ZA Class. } Accretion Directed / TAC Class and Accrual Class

Cash Flow Distribution Amount

On each Distribution Date, 0.0004% of the Cash Flow Distribution Amount will be distributed as principal of the R Class. } Strip Class

On each Distribution Date, the remaining Cash Flow Distribution Amount will be distributed as principal of the remaining Classes in the following order of priority:

(i) to the T Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date; } TAC Class

(ii) to the Aggregate Group (as described below), until the Aggregate Balance (as described below) is reduced to its Scheduled Balance for such Distribution Date; } Scheduled Group

(iii) concurrently, to the F and S Classes, pro rata (or 76.4705882353% and 23.5294117647%, respectively), until the principal balances thereof are reduced to zero; } Support Classes

(iv) concurrently, to the FA and SA Classes, pro rata (or 81.2499978464% and 18.7500021536%, respectively), until the principal balances thereof are reduced to zero; }

(v) to the Aggregate Group, without regard to its Scheduled Balance and until the Aggregate Balance is reduced to zero; and } Scheduled Group

(vi) to the T Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero. } TAC Class

The “Aggregate Group” consists of the A and ZA Classes, and any distribution of principal of the Aggregate Group will be applied in the following order of priority:

(i) to the A Class, until the principal balance thereof is reduced to its Targeted Balance for such Distribution Date;

(ii) to the ZA Class, until the principal balance thereof is reduced to zero; and

(iii) to the A Class, without regard to its Targeted Balance and until the principal balance thereof is reduced to zero.

The “Aggregate Balance” for any Distribution Date is equal to \$146,278,000 minus the sum of all amounts previously applied thereto as specified above.

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS 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”;
- 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 August 28, 1998.

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

Structuring Range and Rates. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans prepay at a *constant* PSA rate within the Structuring Range or at the rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Group</u>	<u>Structuring Range and Rates</u>
Targeted Balance	T	60%
Targeted Balance	A	125%
Scheduled Balance	Aggregate Group	Between 155% and 198%(1)

(1) The Structuring Range for the Aggregate Group is associated with the Aggregate Balance but not with the individual balances of the related Classes.

There is no assurance that the balance of any Class or the Aggregate Group listed above will conform on any Distribution Date to the applicable balance specified for such Distribution Date in the Principal Balance Schedules herein, or that distributions of principal of such Class or Group will begin or end on the respective Distribution Dates specified therein. Because any excess of the principal distribution on any Distribution Date over the amount necessary to reduce any such Class or the Aggregate Group to its scheduled balance will be distributed, the ability to so reduce such Class or Group will not be enhanced by the averaging of high and low principal payments from month to month. In addition, even if prepayments occur on the related Mortgage Loans at rates falling within the Structuring Range specified above, principal distributions may be insufficient to reduce the Aggregate Group to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans (which may include recently originated Mortgage Loans), the Classes or Aggregate Group specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the Structuring Range or at the applicable rate specified above.

Initial Effective Range. The Effective Range for the Aggregate Group is the range of prepayment rates (measured by *constant* PSA rates) that would reduce such Group to its scheduled balance

on each Distribution Date. The Initial Effective Range set forth in the table below is based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Group</u>	<u>Initial Effective Range</u>
Aggregate Group (1)	Between 155% and 198%

(1) The Initial Effective Range for the Aggregate Group is associated with the Aggregate Balance but not with the individual balances of the related Classes.

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

Yield Tables

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

The Inverse Floating Rate Classes. The yields to investors in the Inverse Floating Rate Classes will be sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans and to the level of the 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.

Changes in the Index may not correlate with changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur concurrently with an increased level of 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 rates listed 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 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>Classes</u>	<u>Price*</u>
S	95.0%
SA	80.0

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>155%</u>	<u>175%</u>	<u>198%</u>	<u>300%</u>	<u>500%</u>
3.65625%	15.3%	15.3%	16.7%	18.0%	21.2%	25.5%
5.65625%	8.2%	8.3%	9.8%	11.2%	14.7%	19.4%
7.65625%	1.4%	1.4%	3.1%	4.6%	8.3%	13.3%
8.00000%	0.2%	0.3%	2.0%	3.5%	7.2%	12.3%

**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>155%</u>	<u>175%</u>	<u>198%</u>	<u>300%</u>	<u>500%</u>
3.65625%	18.9%	18.9%	19.1%	22.5%	30.7%	40.1%
5.65625%	7.9%	7.9%	8.1%	12.1%	20.4%	29.9%
7.05000%	0.8%	0.9%	1.0%	5.1%	13.5%	22.9%

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 sequences of distributions of principal of the Classes. The weighted average lives of certain Classes will also depend on the distribution of principal of certain Classes in accordance with the Principal Balance Schedules. See “Distributions of Principal” herein.

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

For an example of how the weighted average lives of the Classes may be affected at various constant prepayment rates, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various constant PSA 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 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>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
360 months	360 months	9.0%

It is not likely that (i) all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or (ii) the underlying Mortgage Loans will prepay at a constant PSA level. In addition, the diverse remaining terms to maturity of the Mortgage Loans 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 of the Mortgage Loans are identical to the remaining term to maturity and CAGE specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	T Class							A Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	60%	155%	175%	198%	300%	500%	0%	125%	155%	175%	198%	300%	500%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 1999.....	100	100	100	100	100	100	100	97	89	89	89	89	89	89
August 2000.....	99	96	96	96	96	96	96	96	75	73	73	73	73	38
August 2001.....	98	89	89	89	89	89	79	96	63	57	57	57	37	0
August 2002.....	97	82	82	82	82	82	55	95	53	42	42	42	7	0
August 2003.....	95	76	76	76	76	69	38	95	44	31	31	31	0	0
August 2004.....	93	69	69	69	69	56	26	95	36	21	21	21	0	0
August 2005.....	91	62	62	62	62	45	18	94	30	13	13	13	0	0
August 2006.....	89	56	56	56	56	36	12	94	25	7	7	7	0	0
August 2007.....	87	50	50	50	50	29	8	94	20	3	3	3	0	0
August 2008.....	85	44	44	44	44	23	6	93	17	1	1	1	0	0
August 2009.....	82	38	38	38	38	19	4	93	15	0	0	0	0	0
August 2010.....	79	32	32	32	33	15	3	92	14	0	0	0	0	0
August 2011.....	76	27	27	27	28	12	2	92	13	0	0	0	0	0
August 2012.....	72	21	22	23	24	9	1	91	12	0	0	0	0	0
August 2013.....	69	16	18	19	20	7	1	90	12	0	0	0	0	0
August 2014.....	64	11	14	15	17	6	1	90	11	0	0	0	0	0
August 2015.....	60	6	10	12	14	5	*	89	10	0	0	0	0	0
August 2016.....	55	*	7	9	12	4	*	88	10	0	0	0	0	0
August 2017.....	49	0	4	7	10	3	*	87	9	0	0	0	0	0
August 2018.....	43	0	2	5	8	2	*	87	3	0	0	0	0	0
August 2019.....	37	0	0	3	7	2	*	86	0	0	0	0	0	0
August 2020.....	29	0	0	1	5	1	*	85	0	0	0	0	0	0
August 2021.....	22	0	0	0	4	1	*	84	0	0	0	0	0	0
August 2022.....	13	0	0	0	3	1	*	82	0	0	0	0	0	0
August 2023.....	4	0	0	0	3	*	*	81	0	0	0	0	0	0
August 2024.....	0	0	0	0	2	*	*	65	0	0	0	0	0	0
August 2025.....	0	0	0	0	1	*	*	39	0	0	0	0	0	0
August 2026.....	0	0	0	0	1	*	*	10	0	0	0	0	0	0
August 2027.....	0	0	0	0	*	*	*	0	0	0	0	0	0	0
August 2028.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.4	9.3	9.5	9.7	10.1	7.7	5.1	24.3	6.1	3.9	3.9	3.9	2.6	1.8

* 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	ZA Class							F and S Classes					
	PSA Prepayment Assumption							PSA Prepayment Assumption					
	0%	125%	155%	175%	198%	300%	500%	0%	155%	175%	198%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100
August 1999	107	107	59	59	59	59	59	100	100	91	80	32	0
August 2000	114	114	0	0	0	0	0	100	100	70	35	0	0
August 2001	121	121	0	0	0	0	0	100	100	44	0	0	0
August 2002	130	130	0	0	0	0	0	100	100	24	0	0	0
August 2003	138	138	0	0	0	0	0	100	100	10	0	0	0
August 2004	148	148	0	0	0	0	0	100	100	0	0	0	0
August 2005	157	157	0	0	0	0	0	100	100	0	0	0	0
August 2006	168	168	0	0	0	0	0	100	100	0	0	0	0
August 2007	179	179	0	0	0	0	0	100	100	0	0	0	0
August 2008	191	191	0	0	0	0	0	100	96	0	0	0	0
August 2009	204	204	0	0	0	0	0	100	89	0	0	0	0
August 2010	218	218	0	0	0	0	0	100	85	0	0	0	0
August 2011	232	232	0	0	0	0	0	100	85	0	0	0	0
August 2012	248	248	0	0	0	0	0	100	85	0	0	0	0
August 2013	264	264	0	0	0	0	0	100	85	0	0	0	0
August 2014	282	282	0	0	0	0	0	100	85	0	0	0	0
August 2015	301	301	0	0	0	0	0	100	85	0	0	0	0
August 2016	321	321	0	0	0	0	0	100	85	0	0	0	0
August 2017	343	343	0	0	0	0	0	100	85	0	0	0	0
August 2018	366	366	0	0	0	0	0	100	85	0	0	0	0
August 2019	390	267	0	0	0	0	0	100	79	0	0	0	0
August 2020	416	106	0	0	0	0	0	100	44	0	0	0	0
August 2021	444	0	0	0	0	0	0	100	12	0	0	0	0
August 2022	474	0	0	0	0	0	0	100	0	0	0	0	0
August 2023	506	0	0	0	0	0	0	100	0	0	0	0	0
August 2024	539	0	0	0	0	0	0	100	0	0	0	0	0
August 2025	576	0	0	0	0	0	0	100	0	0	0	0	0
August 2026	614	0	0	0	0	0	0	100	0	0	0	0	0
August 2027	90	0	0	0	0	0	0	100	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.8	21.5	1.1	1.1	1.1	1.1	1.0	29.3	20.4	2.9	1.7	0.8	0.5

Date	FA and SA Classes						R Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	155%	175%	198%	300%	500%	0%	155%	175%	198%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
August 1999	100	100	100	100	100	51	99	96	96	96	94	90
August 2000	100	100	100	100	9	0	99	89	88	87	81	71
August 2001	100	100	100	85	0	0	98	80	78	76	66	49
August 2002	100	100	100	53	0	0	97	72	69	66	54	34
August 2003	100	100	100	30	0	0	96	64	61	57	43	24
August 2004	100	100	100	15	0	0	95	57	54	50	35	16
August 2005	100	100	94	5	0	0	94	51	47	43	28	11
August 2006	100	100	92	1	0	0	92	45	41	37	23	8
August 2007	100	100	90	*	0	0	91	40	36	32	18	5
August 2008	100	100	88	*	0	0	89	36	32	28	15	4
August 2009	100	100	85	0	0	0	88	32	28	24	12	2
August 2010	100	100	84	0	0	0	86	28	24	20	9	2
August 2011	100	100	84	0	0	0	84	25	21	17	7	1
August 2012	100	100	84	0	0	0	82	22	18	15	6	1
August 2013	100	100	84	0	0	0	79	19	16	13	5	1
August 2014	100	100	84	0	0	0	77	16	13	11	4	*
August 2015	100	100	84	0	0	0	74	14	12	9	3	*
August 2016	100	100	84	0	0	0	71	12	10	8	2	*
August 2017	100	100	84	0	0	0	67	11	8	6	2	*
August 2018	100	100	84	0	0	0	64	9	7	5	1	*
August 2019	100	100	84	0	0	0	59	7	6	4	1	*
August 2020	100	100	84	0	0	0	55	6	5	3	1	*
August 2021	100	100	82	0	0	0	50	5	4	3	1	*
August 2022	100	87	64	0	0	0	45	4	3	2	*	*
August 2023	100	67	49	0	0	0	39	3	2	2	*	*
August 2024	100	50	36	0	0	0	32	2	2	1	*	*
August 2025	100	34	24	0	0	0	25	2	1	1	*	*
August 2026	100	21	14	0	0	0	18	1	1	*	*	*
August 2027	100	8	6	0	0	0	9	*	*	*	*	*
August 2028	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.8	26.2	23.0	4.5	1.7	1.0	21.1	9.0	8.4	7.7	5.6	3.7

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

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

Characteristics of the R Class

In addition to distributions of principal and 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 (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 may 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 “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. See “Certain Federal Income Tax Consequences—Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Accrual Class and the SA Class 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 175% PSA. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the REMIC Prospectus. No

representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Description of the Certificates—Weighted Average Life and Final Distribution Dates” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium for federal income tax purposes. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Certificates Purchased at a Premium*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

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 6.71% (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.

PLAN OF DISTRIBUTION

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

Increase in Certificates. Before the Settlement Date, Fannie Mae and the Dealer may agree to offer hereby Classes in addition to those contemplated as of the date hereof. In such event, the related MBS will be increased in principal balance, but it is expected that all such additional MBS will have the same characteristics as described herein under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class bears to the aggregate original principal balance of all Classes will remain the same. In addition, the dollar amounts reflected in the Principal Balance Schedules will be increased in a pro rata amount that corresponds to the increase of the principal balances of the applicable Classes and Group.

LEGAL MATTERS

Certain legal matters will be passed upon for the Dealer by Cadwalader, Wickersham & Taft.

Principal Balance Schedules

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>Aggregate Group Scheduled Balance</u>	<u>T Class Targeted Balance</u>
Initial Balance	\$140,978,000.00	\$146,278,000.00	\$312,500,000.00
September 1998.....	140,221,946.82	145,475,135.84	312,500,000.00
October 1998	139,359,255.74	144,540,643.60	312,500,000.00
November 1998	138,390,177.91	143,474,838.56	312,500,000.00
December 1998	137,315,032.89	142,278,140.47	312,500,000.00
January 1999	136,134,208.62	140,951,073.58	312,500,000.00
February 1999	134,848,161.27	139,494,266.51	312,500,000.00
March 1999	133,457,415.11	137,908,451.97	312,500,000.00
April 1999.....	131,962,562.19	136,194,466.36	312,500,000.00
May 1999	130,364,262.06	134,353,249.23	312,500,000.00
June 1999	128,663,241.34	132,385,842.59	312,500,000.00
July 1999	126,860,293.21	130,293,390.10	312,500,000.00
August 1999	124,956,276.93	128,077,136.08	312,500,000.00
September 1999.....	122,952,117.16	125,738,424.45	312,500,000.00
October 1999	120,848,803.26	123,278,697.49	312,500,000.00
November 1999	118,647,388.56	120,699,494.44	312,500,000.00
December 1999	116,348,989.49	118,002,450.04	312,500,000.00
January 2000	113,954,784.71	115,189,292.88	312,500,000.00
February 2000	112,891,586.12	113,687,415.68	311,074,427.95
March 2000	111,783,225.64	112,121,261.20	309,600,751.99
April 2000.....	110,630,679.02	110,492,445.10	308,079,355.49
May 2000	109,434,965.06	108,802,654.31	306,510,636.65
June 2000	108,197,144.62	107,053,644.91	304,895,008.28
July 2000	106,918,319.40	105,247,239.93	303,232,897.68
August 2000	105,599,630.85	103,385,327.09	301,524,746.40
September 2000.....	104,242,258.85	101,469,856.33	299,771,010.11
October 2000	102,847,420.49	99,502,837.38	297,972,158.34
November 2000	101,416,368.71	97,486,337.15	296,128,674.30
December 2000	99,950,390.92	95,422,477.01	294,241,054.69
January 2001	98,501,556.10	93,387,144.63	292,357,894.74
February 2001	97,069,739.27	91,380,087.78	290,479,177.23
March 2001	95,654,816.35	89,401,056.40	288,604,884.92
April 2001.....	94,256,664.10	87,449,802.55	286,735,000.67
May 2001	92,875,160.14	85,526,080.42	284,869,507.35
June 2001	91,510,182.94	83,629,646.25	283,008,387.88
July 2001	90,161,611.83	81,760,258.41	281,151,625.21
August 2001	88,829,326.95	79,917,677.28	279,299,202.35
September 2001.....	87,513,209.29	78,101,665.31	277,451,102.34
October 2001	86,213,140.67	76,311,986.97	275,607,308.27
November 2001	84,929,003.72	74,548,408.74	273,767,803.26
December 2001	83,660,681.89	72,810,699.10	271,932,570.48
January 2002	82,408,059.45	71,098,628.48	270,101,593.14
February 2002	81,171,021.47	69,411,969.29	268,274,854.48
March 2002	79,949,453.81	67,750,495.90	266,452,337.80
April 2002.....	78,743,243.14	66,113,984.57	264,634,026.42
May 2002	77,552,276.92	64,502,213.49	262,819,903.71
June 2002	76,376,443.36	62,914,962.77	261,009,953.09
July 2002	75,215,631.50	61,352,014.35	259,204,158.00
August 2002	74,069,731.12	59,813,152.08	257,402,501.93
September 2002.....	72,938,632.78	58,298,161.65	255,604,968.42
October 2002	71,822,227.80	56,806,830.57	253,811,541.02

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>Aggregate Group Scheduled Balance</u>	<u>T Class Targeted Balance</u>
November 2002	\$ 70,720,408.25	\$ 55,338,948.18	\$252,022,203.34
December 2002	69,633,066.97	53,894,305.63	250,236,939.04
January 2003	68,560,097.53	52,472,695.85	248,455,731.80
February 2003	67,501,394.27	51,073,913.55	246,678,565.34
March 2003	66,456,852.23	49,697,755.20	244,905,423.43
April 2003	65,426,367.22	48,344,019.03	243,136,289.87
May 2003	64,409,835.75	47,012,504.98	241,371,148.49
June 2003	63,407,155.07	45,703,014.72	239,609,983.18
July 2003	62,418,223.14	44,415,351.62	237,852,777.86
August 2003	61,442,938.63	43,149,320.76	236,099,516.48
September 2003	60,481,200.94	41,904,728.85	234,350,183.02
October 2003	59,532,910.15	40,681,384.32	232,604,761.53
November 2003	58,597,967.05	39,479,097.20	230,863,236.07
December 2003	57,676,273.11	38,297,679.18	229,125,590.74
January 2004	56,767,730.53	37,136,943.57	227,391,809.68
February 2004	55,872,242.14	35,996,705.29	225,661,877.09
March 2004	54,989,711.49	34,876,780.84	223,935,777.16
April 2004	54,120,042.80	33,776,988.32	222,213,494.16
May 2004	53,263,140.95	32,697,147.39	220,495,012.37
June 2004	52,418,911.49	31,637,079.27	218,780,316.13
July 2004	51,587,260.64	30,596,606.72	217,069,389.79
August 2004	50,768,095.27	29,575,554.03	215,362,217.75
September 2004	49,961,322.91	28,573,747.02	213,658,784.45
October 2004	49,166,851.74	27,591,013.00	211,959,074.36
November 2004	48,384,590.56	26,627,180.79	210,263,071.99
December 2004	47,614,448.86	25,682,080.67	208,570,761.87
January 2005	46,856,336.72	24,755,544.41	206,882,128.59
February 2005	46,110,164.87	23,847,405.23	205,197,156.76
March 2005	45,375,844.67	22,957,497.78	203,515,831.03
April 2005	44,653,288.10	22,085,658.17	201,838,136.07
May 2005	43,942,407.76	21,231,723.92	200,164,056.62
June 2005	43,243,116.86	20,395,533.95	198,493,577.42
July 2005	42,555,329.23	19,576,928.58	196,826,683.27
August 2005	41,878,959.30	18,775,749.54	195,163,358.97
September 2005	41,213,922.11	17,991,839.91	193,503,589.40
October 2005	40,560,133.28	17,225,044.14	191,847,359.44
November 2005	39,917,509.05	16,475,208.04	190,194,654.02
December 2005	39,285,966.23	15,742,178.75	188,545,458.10
January 2006	38,665,422.23	15,025,804.75	186,899,756.66
February 2006	38,055,795.03	14,325,935.85	185,257,534.75
March 2006	37,457,003.20	13,642,423.14	183,618,777.41
April 2006	36,868,965.89	12,975,119.03	181,983,469.75
May 2006	36,291,602.79	12,323,877.22	180,351,596.88
June 2006	35,724,834.19	11,688,552.67	178,723,143.97
July 2006	35,168,580.93	11,069,001.62	177,098,096.22
August 2006	34,622,764.40	10,465,081.55	175,476,438.85
September 2006	34,087,306.58	9,876,651.22	173,858,157.11
October 2006	33,562,129.95	9,303,570.59	172,243,236.31
November 2006	33,047,157.58	8,745,700.86	170,631,661.76
December 2006	32,542,313.06	8,202,904.45	169,023,418.82
January 2007	32,047,520.55	7,675,044.97	167,418,492.89

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>Aggregate Group Scheduled Balance</u>	<u>T Class Targeted Balance</u>
February 2007	\$ 31,562,704.70	\$ 7,161,987.23	\$165,816,869.37
March 2007	31,087,790.74	6,663,597.25	164,218,533.73
April 2007	30,622,704.40	6,179,742.19	162,623,471.45
May 2007	30,167,371.94	5,713,356.37	161,031,668.04
June 2007	29,721,720.17	5,266,651.22	159,443,109.06
July 2007	29,285,676.37	4,839,394.51	157,857,780.08
August 2007	28,859,168.38	4,431,356.63	156,275,666.71
September 2007	28,442,124.53	4,042,310.49	154,696,754.60
October 2007	28,034,473.67	3,672,031.54	153,121,029.41
November 2007	27,636,145.13	3,320,297.75	151,548,476.86
December 2007	27,247,068.77	2,986,889.54	149,979,082.67
January 2008	26,867,174.94	2,671,589.79	148,412,832.62
February 2008	26,496,394.47	2,374,183.82	146,849,712.49
March 2008	26,134,658.70	2,094,459.32	145,289,708.12
April 2008	25,781,899.46	1,832,206.37	143,732,805.36
May 2008	25,438,049.04	1,587,217.39	142,178,990.09
June 2008	25,103,040.24	1,359,287.13	140,628,248.24
July 2008	24,776,806.32	1,148,212.63	139,080,565.75
August 2008	24,459,281.01	953,793.19	137,535,928.59
September 2008	24,150,398.54	775,830.40	135,994,322.78
October 2008	23,850,093.57	614,128.03	134,455,734.34
November 2008	23,558,301.26	468,492.08	132,920,149.35
December 2008	23,274,957.21	338,730.71	131,387,553.89
January 2009	22,999,997.49	224,654.26	129,857,934.08
February 2009	22,733,358.61	126,075.17	128,331,276.09
March 2009	22,474,977.56	42,808.01	126,807,566.09
April 2009	22,224,791.75	0.00	125,286,790.29
May 2009	21,982,739.06	0.00	123,768,934.93
June 2009	21,748,757.80	0.00	122,253,986.27
July 2009	21,522,786.71	0.00	120,741,930.62
August 2009	21,304,764.99	0.00	119,232,754.29
September 2009	21,094,632.27	0.00	117,726,443.63
October 2009	20,892,328.60	0.00	116,222,985.03
November 2009	20,697,794.47	0.00	114,722,364.89
December 2009	20,510,970.78	0.00	113,224,569.65
January 2010	20,331,798.86	0.00	111,729,585.76
February 2010	20,160,220.48	0.00	110,237,399.73
March 2010	19,996,177.79	0.00	108,747,998.06
April 2010	19,839,613.38	0.00	107,261,367.30
May 2010	19,690,470.23	0.00	105,777,494.03
June 2010	19,548,691.76	0.00	104,296,364.84
July 2010	19,414,221.77	0.00	102,817,966.35
August 2010	19,287,004.46	0.00	101,342,285.22
September 2010	19,166,984.45	0.00	99,869,308.14
October 2010	19,054,106.74	0.00	98,399,021.80
November 2010	18,948,316.73	0.00	96,931,412.93
December 2010	18,849,560.21	0.00	95,466,468.30
January 2011	18,757,783.36	0.00	94,004,174.69
February 2011	18,672,932.75	0.00	92,544,518.91
March 2011	18,594,955.33	0.00	91,087,487.79
April 2011	18,523,798.42	0.00	89,633,068.20

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>Aggregate Group Scheduled Balance</u>	<u>T Class Targeted Balance</u>
May 2011	\$ 18,458,543.67	\$ 0.00	\$ 88,181,247.03
June 2011	18,392,935.45	0.00	86,732,011.19
July 2011	18,326,971.85	0.00	85,285,347.62
August 2011	18,260,650.95	0.00	83,841,243.27
September 2011.....	18,193,970.81	0.00	82,399,685.16
October 2011	18,126,929.49	0.00	80,960,660.27
November 2011	18,059,525.03	0.00	79,524,155.66
December 2011	17,991,755.46	0.00	78,090,158.40
January 2012	17,923,618.80	0.00	76,658,655.56
February 2012	17,855,113.07	0.00	75,229,634.26
March 2012	17,786,236.27	0.00	73,803,081.64
April 2012.....	17,716,986.39	0.00	72,378,984.87
May 2012	17,647,361.40	0.00	70,957,331.13
June 2012	17,577,359.28	0.00	69,538,107.63
July 2012	17,506,977.98	0.00	68,121,301.61
August 2012	17,436,215.44	0.00	66,706,900.32
September 2012.....	17,365,069.61	0.00	65,294,891.04
October 2012	17,293,538.41	0.00	63,885,261.10
November 2012	17,221,619.74	0.00	62,477,997.80
December 2012	17,149,311.52	0.00	61,073,088.52
January 2013	17,076,611.63	0.00	59,670,520.62
February 2013	17,003,517.94	0.00	58,270,281.50
March 2013	16,930,028.33	0.00	56,872,358.59
April 2013.....	16,856,140.66	0.00	55,476,739.34
May 2013	16,781,852.75	0.00	54,083,411.21
June 2013	16,707,162.46	0.00	52,692,361.69
July 2013	16,632,067.59	0.00	51,303,578.30
August 2013	16,556,565.96	0.00	49,917,048.58
September 2013.....	16,480,655.36	0.00	48,532,760.09
October 2013	16,404,333.58	0.00	47,150,700.40
November 2013	16,327,598.39	0.00	45,770,857.13
December 2013	16,250,447.55	0.00	44,393,217.90
January 2014	16,172,878.81	0.00	43,017,770.35
February 2014	16,094,889.91	0.00	41,644,502.16
March 2014	16,016,478.56	0.00	40,273,401.01
April 2014.....	15,937,642.49	0.00	38,904,454.63
May 2014	15,858,379.39	0.00	37,537,650.75
June 2014	15,778,686.95	0.00	36,172,977.12
July 2014	15,698,562.84	0.00	34,810,421.52
August 2014	15,618,004.72	0.00	33,449,971.76
September 2014.....	15,537,010.25	0.00	32,091,615.64
October 2014	15,455,577.06	0.00	30,735,341.02
November 2014	15,373,702.77	0.00	29,381,135.75
December 2014	15,291,385.00	0.00	28,028,987.72
January 2015	15,208,621.33	0.00	26,678,884.82
February 2015	15,125,409.37	0.00	25,330,815.00
March 2015	15,041,746.67	0.00	23,984,766.18
April 2015.....	14,957,630.80	0.00	22,640,726.34
May 2015	14,873,059.30	0.00	21,298,683.46
June 2015	14,788,029.71	0.00	19,958,625.54
July 2015	14,702,539.54	0.00	18,620,540.61

<u>Distribution Date</u>	<u>A Class Targeted Balance</u>	<u>Aggregate Group Scheduled Balance</u>	<u>T Class Targeted Balance</u>
August 2015	\$ 14,616,586.30	\$ 0.00	\$ 17,284,416.72
September 2015.....	14,530,167.48	0.00	15,950,241.93
October 2015	14,443,280.55	0.00	14,618,004.33
November 2015	14,355,922.99	0.00	13,287,692.01
December 2015	14,268,092.25	0.00	11,959,293.11
January 2016	14,179,785.75	0.00	10,632,795.77
February 2016	14,091,000.92	0.00	9,308,188.14
March 2016	14,001,735.18	0.00	7,985,458.42
April 2016.....	13,911,985.92	0.00	6,664,594.80
May 2016	13,821,750.51	0.00	5,345,585.50
June 2016	13,731,026.33	0.00	4,028,418.76
July 2016	13,639,810.72	0.00	2,713,082.84
August 2016	13,548,101.03	0.00	1,399,566.01
September 2016.....	13,455,894.58	0.00	87,856.57
October 2016	13,363,188.68	0.00	0.00
November 2016	13,269,980.62	0.00	0.00
December 2016	13,176,267.69	0.00	0.00
January 2017	13,082,047.14	0.00	0.00
February 2017	12,987,316.23	0.00	0.00
March 2017	12,892,072.19	0.00	0.00
April 2017.....	12,796,312.25	0.00	0.00
May 2017	12,700,033.62	0.00	0.00
June 2017	12,603,233.47	0.00	0.00
July 2017	12,505,908.98	0.00	0.00
August 2017	12,408,057.33	0.00	0.00
September 2017.....	12,309,675.64	0.00	0.00
October 2017	12,210,761.05	0.00	0.00
November 2017	12,111,310.68	0.00	0.00
December 2017	11,511,341.91	0.00	0.00
January 2018	10,563,747.61	0.00	0.00
February 2018	9,621,340.33	0.00	0.00
March 2018	8,684,079.83	0.00	0.00
April 2018.....	7,751,926.11	0.00	0.00
May 2018	6,824,839.42	0.00	0.00
June 2018	5,902,780.18	0.00	0.00
July 2018	4,985,709.08	0.00	0.00
August 2018	4,073,586.99	0.00	0.00
September 2018.....	3,166,375.04	0.00	0.00
October 2018	2,264,034.53	0.00	0.00
November 2018	1,366,527.00	0.00	0.00
December 2018	473,814.20	0.00	0.00
January 2019 and thereafter	0.00	0.00	0.00

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.

\$500,000,000



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1998-53**

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PROSPECTUS SUPPLEMENT

Goldman, Sachs & Co.

August 6, 1998

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