

Supplement to Prospectus Supplement dated August 7, 1998

\$284,306,000



FannieMae

***Guaranteed REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 1998-M6***

This is a Supplement to the Prospectus Supplement dated August 7, 1998 (the "Prospectus Supplement"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Prospectus Supplement.

The following loans which are listed on Exhibit A of the Prospectus Supplement bear interest on the basis of a 360-day year and actual days elapsed, notwithstanding the absence of a notation to that effect:

<i>Property Name</i>	<i>Original Loan Balance</i>
<i>Las Brisas & Vida Del Mar Apts</i>	<i>\$3,681,100</i>
<i>Maddox Apartments</i>	<i>3,360,000</i>
<i>Garden East Apartments</i>	<i>2,380,000</i>
<i>Shangri La Apartments</i>	<i>1,480,000</i>
<i>Villa Grande</i>	<i>700,000</i>

See "Risk Factors Associated with Multifamily Remic Pass-Through Certificates" on page S-6 of the Prospectus Supplement 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.

MORGAN STANLEY DEAN WITTER

September 8, 1998

\$284,306,000 (Approximate)



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 1998-M6**

The Guaranteed REMIC Pass-Through Certificates (the "Certificates") will represent beneficial ownership interests in one of two trust funds. The Certificates, other than the RL Class, will represent beneficial ownership interests in Fannie Mae Multifamily REMIC Trust 1998-M6 (the "Trust"). The Certificates (other than the RL Class), together with the five classes of subordinate certificates (individually, a "Subordinate Class" and, together, the "Subordinate Classes"), which are not offered hereby, will represent the entire beneficial ownership interest in the Trust. The assets of the Trust will consist of the "regular interests" in a separate trust fund (the "Lower Tier REMIC"). The assets of the Lower Tier REMIC will consist primarily of a pool (the "Mortgage Pool") of: (i) approximately \$100,809,173 principal amount of conventional, monthly pay, mortgage loans (each, a "Cooperative Mortgage Loan") secured by first liens on multifamily properties (each, a "Cooperative Mortgaged Property") consisting primarily of five or more cooperative units and (ii) approximately \$203,490,214 principal amount of conventional, monthly pay mortgage loans (each a "Multifamily Mortgage Loan") secured by first liens on multifamily properties (each, a "Multifamily Mortgaged Property") consisting primarily of five or more rental units. The Cooperative Mortgage Loans and the Multifamily Mortgage Loans are referred to collectively as the "Mortgage Loans". The Cooperative Mortgaged Properties and the Multifamily Mortgaged Properties are referred to collectively as the "Mortgaged Properties". The Mortgage Pool consists solely of Fixed Rate Mortgage Loans of which Balloon Mortgage Loans represent approximately 99.3% of the Issue Date Pool Balance. The Mortgage Loans and the Mortgaged Properties are more fully described herein under "Description of the Mortgage Pool" and in Exhibit A hereto.

The Certificates will be issued and guaranteed by Fannie Mae as to the timely distribution of interest on the Certificates and the Senior Principal Distribution Amount for each Distribution Date, which will result in the distribution of all principal of each Class of the Certificates on or before the Final Distribution Date for each such Class. The rights of Holders of Certificates will be senior to the rights of the holders of the Subordinate Classes. Fannie Mae will not guarantee (i) the Subordinate Classes or (ii) the payment to Certificateholders of any Prepayment Premiums or Yield Maintenance Charges. See "Description of the Certificates—General—Fannie Mae Guaranty" herein.

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

See "Risk Factors Associated with Multifamily REMIC Pass-Through Certificates" on page S-6 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. PROSPECTIVE INVESTORS IN ANY CLASS OF CERTIFICATES SHOULD CAREFULLY CONSIDER WHETHER SUCH AN INVESTMENT IS APPROPRIATE FOR THEIR INVESTMENT OBJECTIVES. SEE "DESCRIPTION OF THE CERTIFICATES" HEREIN.

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

Class (1)	Original Principal Balance (2)	Principal Type (3)	Interest Rate	Interest Type (3)	CUSIP Number	Final Distribution Date
A-1	\$ 47,306,000	SEQ	6.17%	FIX	31359UQR9	July 2007
A-2	237,000,000	SEQ	6.32	FIX	31359UQS7	August 2008
IO	304,299,387 (4)	NLT	(5)	WAC/IO	31359UQT5	August 2013
R	0	NPR	0	NPR	31359UQZ1	August 2013
RL	0	NPR	0	NPR	31359UR45	August 2013

(1) The Classes (other than the RL Class) will be entitled to receive distributions of Prepayment Premiums and Yield Maintenance Charges which may be received with respect to Mortgage Loans for which a principal prepayment is received, to the extent described under "Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges" herein.

(2) Subject to a permitted variance of plus or minus 5%. The principal balances listed in this column reflect the application of principal payments due on the Mortgage Loans on or before the Issue Date, whether or not received.

(3) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "Distributions of Principal" herein.

(4) This Class will be a Notional Class, will have no principal balance and will bear interest on its notional principal balance. The notional principal balance of the Notional Class initially will be as set forth above and thereafter will be calculated as specified herein. See "Description of the Certificates—Distributions of Interest—The Notional Class" herein.

(5) The IO Class will bear interest at a variable rate per annum calculated as specified herein. Initially, the IO Class will bear interest at a per annum rate of 0.53%. See "Description of the Certificates—Distributions of Interest—The Notional Class" herein.

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

The Certificates are offered by the Dealer, when, as and if issued, delivered to and accepted by the Dealer, and subject to the Dealer's right to reject any order in whole or in part. It is expected that the Certificates, except for the R and RL Classes, will be available through the book-entry system of The Depository Trust Company on or about August 20, 1998 (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 in New York, New York on or about the Settlement Date.

MORGAN STANLEY DEAN WITTER

August 7, 1998

(Cover continued from previous page)

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

- Subject to certain restrictions (including Lock-Out Periods and/or the imposition of Prepayment Premiums and Yield Maintenance Charges (as hereinafter defined)) on principal prepayments (as defined below), Mortgage Loans generally may be prepaid prior to their stated maturities; accordingly, the rate of principal payments thereon is likely to vary considerably from time to time. See “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—Prepayment Provisions” herein. As used herein, “principal prepayment” means any payment or other collection of principal on a Mortgage Loan which is received in advance of its scheduled due date and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of payment.
- Slight variations in Mortgage Loan characteristics could substantially affect the weighted average lives and yields of some of or all the Classes.
- In the case of any Certificates purchased at a discount from their principal amounts, a slower than anticipated rate of principal payments is likely to result in a lower than anticipated yield.
- 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 Notional Class, a faster than anticipated rate of principal payments is likely to result in a lower than anticipated yield and, in certain cases, an actual loss on the investment.
- The allocation to any Class of any Prepayment Premium or Yield Maintenance Charge may be insufficient to offset fully the adverse effect on the anticipated yield arising out of the corresponding principal prepayment. See “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges” herein and “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—Prepayment Provisions” herein.
- The yields and weighted average lives (and, therefore, the date of actual final payment) of the Certificates will be affected by the allocation of all principal payments to Certificates for so long as they are outstanding *vis-à-vis* the Subordinate Classes. See “Description of the Certificates—Distributions of Principal—Principal Distribution Amount” herein.

See “Description of the Certificates—Yield Considerations” and “—Weighted Average Lives of the Certificates” herein.

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

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

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

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

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

- Fannie Mae’s Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates dated November 1, 1995 (the “Multifamily REMIC Prospectus”), which is attached to this Prospectus Supplement; 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 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). The Information Statement may also be obtained from the Dealer by writing or calling Morgan Stanley & Co. Incorporated at 1585 Broadway, New York, New York 10036, Telephone: 212-761-6775.

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REFERENCE SHEET

This reference sheet is not a complete summary of the transactions described herein and it does not contain complete information about the Certificates. Investors should purchase the Certificates only after reading this Prospectus Supplement and each of the additional Disclosure Documents described herein in their entirety. Capitalized terms defined in the Glossary and not otherwise defined herein shall have the meanings assigned thereto in the Glossary.

The Certificates

The Series 1998-M6 Certificates will consist of five classes of senior certificates designated as the A-1 Class, A-2 Class, IO Class, R Class and RL Class (collectively, the “Certificates”) and five classes of subordinate certificates (individually, a “Subordinate Class” and, together, the “Subordinate Classes”). The Certificates (other than the RL Class) and the Subordinate Classes will represent the entire beneficial ownership interest in one of two trusts (the “Trust”). The assets of the Trust will consist of the “regular interests” in a separate trust fund (the “Lower Tier REMIC”).

It is expected that the assets of the Lower Tier REMIC will consist of Mortgage Loans having an Issue Date Pool Balance of approximately \$304,299,387 (subject to a variance of plus or minus 5% in the aggregate). The initial principal balance of the Certificates will be approximately \$284,306,000 and initially will evidence an undivided ownership interest of approximately 93.43% in the Mortgage Loans. The initial balance of the Subordinate Classes will be approximately \$19,993,387 and initially will evidence an undivided ownership interest of approximately 6.57% in the Mortgage Loans. The aggregate initial principal balance of the Certificates and the Subordinate Classes will equal the sum of the Issue Date Pool Balance of the Mortgage Loans.

Only the Certificates are being offered hereby.

Interest Rates. The Certificates will bear interest at the respective per annum interest rates set forth on the cover or described herein. See also “Description of the Certificates—Distributions of Interest” herein.

Notional Class. The IO Class is a Notional Class and will have a notional principal balance equal immediately prior to the related Distribution Date to the amount determined as set forth below:

Class

IO	100% of the Class Balance of the Certificates and the Subordinate Classes
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Distributions of Principal. On each Distribution Date, the Senior Principal Distribution Amount will be distributed on the A-1 Class and the A-2 Class in that order, until the respective principal balances thereof are reduced to zero. See “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” herein.

Weighted Average Lives (years) *

Class	Lockout**				
	CPR Prepayment Assumption				
	0%	10%	35%	60%	100%
A-1	5.4	1.2	0.4	0.2	0.1
A-2	9.7	7.8	5.0	3.9	2.8
IO	9.0	7.0	4.6	3.7	2.8

Class	Extended Protection**				
	CPR Prepayment Assumption				
	0%	10%	35%	60%	100%
A-1	5.4	5.2	5.0	4.9	4.7
A-2	9.7	9.6	9.4	9.2	8.7
IO	9.0	9.0	8.8	8.6	8.1

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

** “Lockout” assumes no prepayment through the applicable Lock-Out Period end dates and “Extended Protection” assumes no prepayment through any applicable Lock-Out Period and Yield Maintenance Charge period end dates. See “Description of the Certificates—Structuring Assumptions—Pricing Assumptions” herein.

Characteristics of Mortgage Loans in the Mortgage Pool. Exhibit A hereto sets forth information regarding each Mortgage Loan. The following table provides summary information regarding the Mortgage Loans as of the Issue Date after application of payments due on that date, whether or not received. The information with respect to the Mortgage Loans set forth on Exhibit A hereto, under “Description of the Mortgage Pool”, and contained in the following table, has been collected and summarized by the Mortgage Loan Sellers and provided to Fannie Mae. Fannie Mae has made no independent verification of such information relating to the Mortgage Loans sold by NCB and AMRESKO and, therefore, does not warrant its truth or accuracy and shall not be responsible therefor.

Number of Loans	162
Issue Date Pool Balance	\$304,299,387
Average Mortgage Loan Principal Balance	\$1,878,391
Minimum Mortgage Loan Principal Balance	\$122,433
Maximum Mortgage Loan Principal Balance	\$8,215,320
Weighted Average LTV Ratio for the Cooperative Mortgage Loans (as Cooperatives)	23.3%
Weighted Average LTV Ratio for the Multifamily Mortgage Loans (as Rentals)	73.9%
Weighted Average Remaining Amortization Term	377 months
Weighted Average Original Term to Stated Maturity	119 months
Minimum Original Term to Stated Maturity	84 months
Maximum Original Term to Stated Maturity	120 months
Weighted Average Remaining Term to Stated Maturity	116 months
Minimum Remaining Term to Stated Maturity	78 months
Maximum Remaining Term to Stated Maturity	120 months
Weighted Average Mortgage Rate	7.06%
Minimum Mortgage Rate	6.61%
Maximum Mortgage Rate	8.62%
Weighted Average Net Mortgage Rate	6.77%
Minimum Net Mortgage Rate	6.37%
Maximum Net Mortgage Rate	8.27%

For additional information as to the Mortgage Pool see “Description of the Mortgage Pool—Additional Mortgage Loan Information” herein.

RISK FACTORS ASSOCIATED WITH MULTIFAMILY REMIC PASS-THROUGH CERTIFICATES

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

Certain Risks Associated with Cooperative Apartment Buildings. 81 of the Mortgaged Properties securing approximately 33.1% of the Issue Date Pool Balance are cooperative apartment buildings with five or more cooperative units, together with the land owned or leased thereunder. The units are primarily owned by tenant-stockholders, but a percentage of the units in certain of the cooperative mortgaged properties consist of sponsor-held units. Any shortfall between the rent collected, if any, on such sponsor-held units and the maintenance charges on such units (the “negative carry”) may have an impact on the sponsor’s ability to contribute its share of the Cooperative’s maintenance payments. Furthermore, to the extent that sponsor-held units are subject to rent control, rent stabilization or tenants’ rights laws, the ability of the sponsor to increase rents on such units may be limited. In addition, certain units may be held by investors and will not be owner-occupied and, therefore, raise concerns similar to those applicable to sponsor-held units. Following foreclosure, proprietary lessees may be entitled to remain in occupancy of their respective apartments at rents that are regulated by the applicable jurisdiction and such rents may be substantially below market rents. A New York case, *Federal Home Loan Mortgage Corporation v. New York Division of Housing and Community Renewal*, 87 N.Y. 2d 325 (1995), has held that “units in a rent stabilized building that was converted to cooperative ownership revert to units subject to the [New York City] Rent Stabilization Law [(see, NYC Admin. Code §26-501, et. seq.)] upon the foreclosure of the cooperative’s underlying mortgage and the return of the building to operation as rental housing”. The case, however, did not resolve the uncertainty as to the appropriate rent level. It is anticipated that this issue will be addressed by regulations which are being promulgated by the New York State Division of Housing and Community Renewal.

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

Geographic Concentration. 86 of the Mortgaged Properties securing approximately 38.9% of the Issue Date Pool Balance are located in the State of New York of which 47 securing approximately 16.3% of the Issue Date Pool Balance are located in the Borough of Manhattan in New York City. 29 of the Mortgaged Properties securing approximately 18.3% of the Issue Date Pool Balance are located in California. 8 of the Mortgaged Properties securing approximately 5.4% of the Issue Date Pool Balance are located in Texas.

Repayments by Mortgagors and the market value of the Mortgaged Properties could be affected by economic conditions generally or in regions where the Mortgagors and the Mortgaged Properties

are located, changes in governmental rules and fiscal policies, acts of nature and other factors which are beyond the control of the Mortgagors.

The Mortgaged Properties located in California may be more susceptible to special hazard losses (such as earthquakes) than properties located in other areas of the country. The Mortgage Loans generally do not require the maintenance of earthquake insurance.

Existing and Potential Subordinate Mortgage Affecting the Cooperative Mortgaged Properties.

a. 22 of the Cooperative Mortgaged Properties securing approximately 12.9% of the Issue Date Pool Balance are subject to subordinate mortgage liens securing additional term loans and/or lines of credit that have not been assigned to Fannie Mae (“Existing Second Liens”). Subject to applicable grace and cure periods, if any, a default by the Mortgagor under these Existing Second Liens likewise constitutes a default under the related Mortgage Loan.

b. 13 of the Cooperative Mortgages securing approximately 7.0% of the Issue Date Pool Balance permit the Mortgagor, upon the satisfaction of certain conditions, to grant additional, subordinate mortgage liens securing additional term loans and/or lines of credit (“Potential Junior Liens”).

Collection of Prepayment Premiums and Yield Maintenance Charges. Fannie Mae will not guarantee the payment to Certificateholders of any Prepayment Premiums or Yield Maintenance Charges. Generally, a principal prepayment resulting from condemnation of, or casualty on, the related Mortgaged Property need not be accompanied by a Prepayment Premium or Yield Maintenance Charge. In addition, certain state laws limit the amounts that a lender may collect from a Mortgagor as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for Prepayment Premiums or Yield Maintenance Charges upon an involuntary prepayment is unclear. See “Description of the Certificates—General—*Fannie Mae Guaranty*” and “—Allocation of Prepayment Premiums and Yield Maintenance Charges” herein.

Repurchases Due to Breach of Representations and Warranties. National Consumer Cooperative Bank (“NCB”), AMRESKO Capital, L.P. (“AMRESKO”) and Fannie Mae (individually, a “Mortgage Loan Seller” and collectively, the “Mortgage Loan Sellers”) will make certain customary representations and warranties with respect to each Mortgage Loan sold by it. If a breach is discovered that is determined to affect materially and adversely the value of any Mortgage Loan, the applicable Mortgage Loan Seller may be required to purchase the affected Mortgage Loan from the Lower Tier REMIC at the applicable Purchase Price. Prepayments of principal resulting from repurchases of Mortgage Loans out of the Lower Tier REMIC due to breaches of representations and warranties may significantly affect the yield to Certificateholders, particularly the IO Class. If a Mortgage Loan is repurchased, the Certificateholders will not receive any Prepayment Premiums or Yield Maintenance Charges. See “Description of the Certificates—Yield Considerations” and “The Sale and Servicing Agreement—Representations and Warranties; Repurchases” herein.

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

DESCRIPTION OF THE CERTIFICATES

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

General

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

The Certificates (other than the R and RL Classes) and the Subordinate Classes will be designated as the “regular interests” (the “Regular Interests”), and the R Class will be designated as the “residual interest” (the “Residual Interest”), in the REMIC constituted by the Trust.

The interests in the Lower Tier REMIC, other than the RL Class (the “Lower Tier Regular Interests”), will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

The assets of the Trust will consist of the Lower-Tier Regular Interests. The Certificates (other than the RL Class) and the Subordinate Classes will evidence the entire beneficial ownership in the distributions of principal of and interest on the Lower Tier Regular Interests.

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

Fannie Mae Guaranty. Fannie Mae guarantees to the Holders of the Certificates the timely payment of:

(a) the interest that accrues thereon during each Interest Accrual Period at the Certificate Rate set forth on the cover or described herein, whether or not sufficient funds are available therefor in the Trust Account (see “—Distributions of Interest—*General*” herein); and

(b) the Senior Principal Distribution Amount (as hereinafter defined) on each Distribution Date, including the timely payment of Balloon Payments on the stated maturity dates of the related Mortgage Loans, until the A-2 Class Balance is reduced to zero, whether or not sufficient funds are available therefor in the Trust Account, which will result in the distribution of all principal of each Class of the Certificates on or before the Final Distribution Date for each Class. See “—Distributions of Principal—*Principal Distribution Amount*” herein.

Fannie Mae will not guarantee (i) the Subordinate Classes or (ii) the payment to Certificateholders of any Prepayment Premiums or Yield Maintenance Charges. Accordingly, Certificateholders entitled to receive Prepayment Premiums or Yield Maintenance Charges will receive them only to the extent actually received by the Trustee from a Master Servicer. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus and “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges” herein. For a description of the Prepayment Premiums and Yield Maintenance Charges, see “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*” herein. Certain state laws may affect the collectibility of Prepayment Premiums and Yield Maintenance Charges. See “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges” herein.

The guaranty of Fannie Mae is not backed by the full faith and credit of the United States.

Characteristics of Certificates. The Certificates, other than the R and RL Certificates, will be 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.

See “Description of the Certificates—Book-Entry Procedures” herein.

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 Certificates, “Holder” or “Certificateholder” refers to the registered owner thereof. The R and RL Certificates will be transferable at the corporate trust office of the Transfer Agent, or at the agency of the Transfer Agent in New York, New York. The Transfer Agent initially will be State Street Bank and Trust Company in Boston, Massachusetts (“State Street”). A service charge may be imposed for registration of transfer of the R or RL Certificate, and Fannie Mae may require payment of a sum sufficient to cover any tax or other governmental charge. See also “—Characteristics of the R and RL Classes” herein.

The distribution to the Holder of a R or RL Certificate of the proceeds of any remaining assets of the Trust or Lower Tier REMIC, as applicable, will be made only upon presentation and surrender of such Certificates at the office of the paying agent. The paying agent on such Certificates initially will be State Street.

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

Distribution Dates. Distributions on the Certificates will be made on the 15th day of each month (or, if such 15th day is not a business day, on the first business day next succeeding such 15th day) (each, a “Distribution Date”), commencing in the month following the Settlement Date.

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

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

Optional Termination. Fannie Mae or a Master Servicer, a Special Servicer or the Subordinate Directing Holder may effect an early termination of the Trust as described herein under (i) “The Trust Agreement—Termination” or (ii) “The Sale and Servicing Agreement—Termination,” respectively.

Book-Entry Procedures

General

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

Each distribution on the DTC Certificates will be distributed 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. 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.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	A-1 and A-2
Weighted Average Coupon	IO
Interest Only	IO
No Payment Residual	R and RL

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

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

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

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

See "—Yield Considerations" herein.

The Notional Class. A Notional Class will have no principal balance and will bear interest at the applicable per annum interest rate described below during each Interest Accrual Period on its notional principal balance (the "Class Notional Amount"). The IO Class will bear interest on its Class Notional Amount at a variable rate per annum such that, on each Distribution Date, the IO Class will be entitled to receive interest in an amount equal to the excess of (i) the aggregate amount of interest accrued on the Mortgage Loans during the related Due Period at the Weighted Average Net Mortgage

Rate over (ii) the aggregate amount of interest accrued on the A-1 Class, A-2 Class and Subordinated Classes for the related Interest Accrual Period. The Class Notional Amount of the IO Class will be equal, immediately prior to the related Distribution Date, to the amount determined as set forth below:

<u>Class</u>	
IO	100% of the Class Balance of the Certificates and the Subordinated Classes

The Class Notional Amount of a Notional Class is used for purposes of the determination of interest distributions thereon and does not represent an interest in the principal distributions of the A-1 Class and the A-2 Class, the Subordinate Classes or the underlying Mortgage Loans. Although a Notional Class will not have a principal balance, a REMIC Trust Factor (as described herein) will be published with respect to the IO Class that will be applicable to its Class Notional Amount, and references herein to the principal balances of the Certificates generally shall be deemed to refer also to the Class Notional Amount of the IO Class.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Sequential Pay	A-1 and A-2
Notional	IO
No Payment Residual	R and RL

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

Principal Distribution Amount. On each Distribution Date, the Senior Principal Distribution Amount will be distributed to the A-1 Class and the A-2 Class in that order, until the respective principal balances thereof are reduced to zero. The “Senior Principal Distribution Amount,” for any Distribution Date with respect to the A-1 Class and the A-2 Class, shall generally equal the sum of (i) the Aggregate Principal Distribution Amount (as defined below), (ii) any Fannie Mae Balloon Advance Amount and (iii) on and after the Subordinate Class Termination Date, an amount equal to any Realized Losses (as determined after giving effect to the allocation of Realized Losses to the Subordinate Classes on such Distribution Date).

With respect to any Distribution Date, the “Aggregate Principal Distribution Amount” will generally constitute, without duplication, for all Mortgage Loans and REO Loans, the sum of (i) the principal component of all Scheduled Payments (including Balloon Payments that are timely made) which become due on the related Mortgage Loans or REO Loans, in each case during the Due Period ending in the month in which such Distribution Date occurs; and (ii) the aggregate of all payments, revenues and proceeds received on or in respect of the Mortgage Loans or REO Loans during the calendar month preceding the month in which such Distribution Date occurs, which payments, revenues and proceeds were applied by the Master Servicer as recoveries of principal of such Mortgage Loans or REO Loans in accordance with the Sale and Servicing Agreement (including, without limitation, voluntary prepayments, mandatory prepayments and involuntary prepayments), in each case net of a portion of such amounts included in clause (i).

Subordination

The rights of the holders of the Subordinate Classes to receive distributions with respect to the Mortgage Loans and REO Loans will be subordinate to the rights of the Certificateholders and to the payment to Fannie Mae of Fannie Mae Reimbursement Amounts. This subordination is effected by

the allocation on each Distribution Date of all principal payments on the Mortgage Loans to the A-1 Class and the A-2 Class until retired. This subordination is also effected through the allocation of Realized Losses as described below.

Realized Losses

Before each Distribution Date, a determination will be made of the aggregate amount of Realized Losses that were incurred at any time following the Issue Date through the end of the related Due Period and in any event that were not previously allocated on any prior Distribution Date. See the “Glossary” for a definition of Realized Losses. All Realized Losses will be allocated to, and therefore reduce, the Class Balance of the Subordinate Classes having the lowest priority until the Class Balance of each Subordinate Class is reduced to zero. Thereafter, whenever a Realized Loss occurs, Fannie Mae will be required, pursuant to its guaranty, to make distributions on the A-1 Class and the A-2 Class to the extent of the Senior Principal Distribution Amount. See “Distributions of Principal—*Principal Distribution Amount*” and “General—*Fannie Mae Guaranty*”.

Allocation of Prepayment Premiums and Yield Maintenance Charges

If a Mortgagor is required to pay any Yield Maintenance Charge or any Prepayment Premium, to the extent such payments are actually collected and received by Fannie Mae, Fannie Mae will distribute such payments on the Distribution Date in the month next succeeding the month of such collection and receipt as follows: (i) the amount of such payments of Yield Maintenance Charge will be distributed in respect of each of the A-1 Class, the A-2 Class and the IO Class, to the extent described below, for so long as they are outstanding and (ii) the amount of such payments of Prepayment Premium will be distributed in respect of the IO Class for so long as it is outstanding, and, in each case, thereafter, to the R Class. For a description of Prepayment Premiums and Yield Maintenance Charges, see “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*” herein.

For any Distribution Date, with respect to any particular Yield Maintenance Charge actually received in respect of a Mortgage Loan during the calendar month preceding the month in which such Distribution Date occurs, the A-1 Class or the A-2 Class, as applicable, is entitled to distributions in the amount of the product of (a) a fraction (not greater than one), the numerator of which is the A-1 Certificate Rate or the A-2 Certificate Rate, as applicable, less the discount rate (as provided in the Mortgage Note) used in calculating such Yield Maintenance Charge (see “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*” herein), and the denominator of which is the Mortgage Rate of the applicable Mortgage Loan, less such discount rate, multiplied by (b) the appropriate Class Prepayment Percentage (as defined below) multiplied by (c) the amount of such Yield Maintenance Charge received. On each Distribution Date, the IO Class is entitled to receive any remaining portion of such Yield Maintenance Charge received until the Class Notional Amount has been reduced to zero. If the relevant discount rate is greater than the A-1 Class or the A-2 Certificate Rate, as applicable, the A-1 Class or the A-2 Class, as applicable, will not be entitled to receive distributions with respect to any such Yield Maintenance Charge, and such Yield Maintenance Charge will be distributed to the IO Class. For any Distribution Date, the “Class Prepayment Percentage” means, for each of the A-1 Class or the A-2 Class, the ratio, expressed as a percentage, of (i) the portion of the Senior Principal Distribution Amount to be distributed on such Distribution Date on such Class to (ii) the Senior Principal Distribution Amount to be distributed on such Distribution Date on all such Classes.

Fannie Mae does not guarantee that any Prepayment Premium or Yield Maintenance Charge due under any Mortgage Loan will in fact be collected. In certain limited circumstances, each of the Master Servicers and the Special Servicers may have the right to waive collection of any Prepayment Premium or Yield Maintenance Charge. See “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” and “The Sale and Servicing Agreement—General—*Special Servicer*” herein. In addition, certain state laws limit the amounts that a lender may

collect from a borrower as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for a Prepayment Premium or Yield Maintenance Charge upon an involuntary prepayment is unclear. No assurance can be given that, at the time a Prepayment Premium or a Yield Maintenance Charge is required to be paid on a Mortgage Loan in connection with an involuntary prepayment, the obligation to pay such Prepayment Premium or Yield Maintenance Charge will be enforceable under applicable state law. See “Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans” in the Multifamily REMIC Prospectus, and “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*” herein. Furthermore, a Mortgage Loan Seller’s repurchase of a Mortgage Loan pursuant to the Sale and Servicing Agreement or any purchase of a Mortgage Loan by Fannie Mae, a Master Servicer, a Special Servicer or the Subordinate Directing Holder will not be accompanied by payment of any Prepayment Premium or Yield Maintenance Charge. See “The Sale and Servicing Agreement—Representations and Warranties; Repurchases,” and “—Termination” and “The Trust Agreement—Termination” herein.

Structuring Assumptions

Pricing Assumptions. The information in the tables under “—Yield Considerations” and “—Decrement Tables” has been prepared on the basis of the actual characteristics of the Mortgage Loans (as described in “Description of the Mortgage Pool” and Exhibit A hereto) and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- (i) scheduled interest and principal payments on the Mortgage Loans are received in a timely manner;
- (ii) the Mortgage Loans prepay at the percentages of CPR specified; provided, that (x) with respect to “Lockout” tables and information, no prepayments occur through the applicable Lock-Out Period end dates and (y) with respect to “Extended Protection” tables and information, no prepayments occur through the applicable Lock-Out Period and Yield Maintenance Charge Period end dates;
- (iii) there are no repurchases of Mortgage Loans or exercises of optional termination of the Trust as described under “The Sales and Servicing Agreement—Termination” and “The Trust Agreement—Termination” herein;
- (iv) no modifications, extensions, waivers or amendments regarding the payment by the Mortgagors of principal and interest on the Mortgage Loans occur;
- (v) each Distribution Date occurs on the 15th day of each month, and the first Distribution Date occurs in September 1998;
- (vi) there are no defaults, losses or delinquencies on the Mortgage Loans;
- (vii) the Settlement Date for the sale of the Certificates is August 20, 1998;
- (viii) the Due Date for each Mortgage Loan is the first day of each month; and
- (ix) no Prepayment Premiums or Yield Maintenance Charges are received.

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

Yield Considerations

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

There can be no assurance that prepayments due to a default under a Mortgage Loan or a casualty or condemnation with respect to a Mortgaged Property will not occur during a Lock-Out Period. There can be no assurance that, following any applicable Lock-Out Periods, the Mortgage Loans will prepay at any of the rates assumed herein, or at any other particular rate. The rate and timing of principal payments on the Certificates will be primarily based on the rate and timing of principal payments (including principal prepayments) on the Mortgage Loans. See "Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*" herein.

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

The effective yield on the Delay Classes will be reduced below the yield otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 15th day following the end of the related Interest Accrual Period and will not bear interest during such delay. As a result of the foregoing, the market value of the Delay Classes will be lower than would have been the case if there were no such delay. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

All principal (including prepayments) with respect to the Mortgage Loans will be distributed sequentially to the A-1 Certificates and the A-2 Certificates until the A-2 Class Balance is reduced to zero. See "—Distributions of Principal—*Principal Distribution Amount*". As a result, the average lives of the A-1 Class and the A-2 Class will be shorter than would be the case for, and the performance characteristics will be different from, other mortgage pass-through certificates that do not disproportionately allocate principal payments (including prepayments) on Mortgage Loans according to certificate class.

The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of the Mortgage Loans, the level of prevailing interest rates, the application of Lock-Out Periods or the assessment of Prepayment Premiums or Yield Maintenance Charges and other economic, geographic and social factors. 157 of the Mortgage Loans representing approximately 99.3% of the Issue Date Pool Balance provide for Balloon Payments; 87 of the Mortgage Loans representing approximately 41.3% of the Issue Date Pool Balance provide for Lock-Out Periods. The remaining Mortgage Loans can generally be prepaid subject to the payment of Yield Maintenance Charges or Prepayment Premiums. See Exhibit A hereto. See also "Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*" herein. The requirement to pay Prepayment Premiums or Yield Maintenance Charges may not be a sufficient disincentive to prevent the voluntary prepayment of the Mortgage Loans and, even if collected,

allocation thereof to any Class may be insufficient to offset fully the adverse effects on the anticipated yield thereon arising out of the corresponding principal prepayment.

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

The Interest Only Classes. The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the IO Class to various constant percentages of CPR. The yields set forth in the table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Certificates and consequently do not purport to reflect the return on any investment in the Certificates when such reinvestment rates are considered.

As indicated in the table below, the yield to investors in the IO Class will be sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. 87 of the Mortgage Loans representing approximately 41.3% of the Issue Date Pool Balance provide for Lock-Out Periods during which voluntary prepayments of such Mortgage Loans are prohibited, and Mortgage Loans not in their Lock-Out Periods permit prepayments generally subject to the payment during specified periods of Prepayment Premiums or Yield Maintenance Charges. There can be no assurance that such Prepayment Premiums or Yield Maintenance Charges will reduce the actual rate of prepayments of the Mortgage Loans following the applicable Lock-Out Periods. Furthermore, prepayments due to a default under a Mortgage Loan or a casualty or condemnation with respect to a Mortgaged Property or a repurchase or a purchase of such a Mortgage Loan out of the Lower Tier REMIC may occur during a Lock-Out Period or Extended Protection Period. Any Prepayment Premiums or Yield Maintenance Charges actually received will be allocated, in part, to the IO Class in the manner described above. See “—Allocation of Prepayment Premiums and Yield Maintenance Charges” herein. Such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment. In addition, any early termination of the Trust as described herein may adversely affect the yield to the Certificateholders of the IO Class.

On the basis of the Pricing Assumptions and the aggregate purchase prices set forth below (including the assumption that no Prepayment Premiums or Yield Maintenance Charges are received), the yield to maturity on the IO Class would be 0% if prepayments were to occur at a constant rate of approximately 15% CPR, assuming no prepayments were to occur before the Lock-Out Period end dates. If the actual prepayment rate of the Mortgage Loans were to exceed the foregoing levels for as little as one month while equaling such level for the remaining months, the investors in the IO Class would not fully recoup their initial investments. There can be no assurance that the Mortgage Loans will prepay at any of the rates assumed herein or at any other particular rate, that the pre-tax yield on the IO Class will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of the IO Class will be as assumed below.

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

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

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

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

<u>Class</u>	<u>Lock-Out**</u>				
	<u>CPR Prepayment Assumption</u>				
	<u>0%</u>	<u>10%</u>	<u>35%</u>	<u>60%</u>	<u>100%</u>
IO	9.1	2.6	(7.5)	(12.4)	(18.5)

<u>Class</u>	<u>Extended Protection**</u>				
	<u>CPR Prepayment Assumption</u>				
	<u>0%</u>	<u>10%</u>	<u>35%</u>	<u>60%</u>	<u>100%</u>
IO	9.1	8.9	8.5	8.1	7.0

** “Lockout” assumes no prepayment through the applicable Lock-Out Period end dates and “Extended Protection” assumes no prepayment through any applicable Lock-Out Period and Yield Maintenance Charge period end dates.

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

Weighted Average Lives of the Certificates

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

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

The Trust Agreement permits Modifications (as hereinafter defined), including extensions, of the Mortgage Loans under certain circumstances; however, any extension of a Mortgage Loan will not cause an extension of the weighted average life of a Certificate. See “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” herein.

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

Decrement Tables

The following tables indicate the percentages of original principal balance of the specified Classes that would be outstanding after each of the dates shown at various *constant* CPR levels and the corresponding weighted average lives of such Classes. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any level of CPR, or that the events described in the Pricing Assumptions will conform to the assumptions with respect thereto and no representation is made that the Mortgage Loans will prepay at the CPRs shown or at any other *constant* prepayment rate or that such events will so conform. Prepayments due to a default under a Mortgage Loan or a casualty or condemnation with respect to a Mortgaged Property or a repurchase or a purchase of a Mortgage Loan out of the Lower Tier REMIC may occur during a Lock-Out Period and Extended Protection Period. The table has been prepared on the basis of the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

<u>Date</u>	A-1 Class									
	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	10%	35%	60%	100%	0%	10%	35%	60%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
August 1999	93	57	0	0	0	93	93	93	93	93
August 2000	86	17	0	0	0	86	86	86	86	86
August 2001	78	0	0	0	0	78	78	78	78	78
August 2002	70	0	0	0	0	70	70	70	70	70
August 2003	61	0	0	0	0	61	61	59	58	53
August 2004	51	0	0	0	0	51	50	48	46	44
August 2005	30	0	0	0	0	30	26	16	4	0
August 2006	19	0	0	0	0	19	7	0	0	0
August 2007	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)*	5.4	1.2	0.4	0.2	0.1	5.4	5.2	5.0	4.9	4.7

<u>Date</u>	A-2 Class									
	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	10%	35%	60%	100%	0%	10%	35%	60%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
August 1999	100	100	93	75	46	100	100	100	100	100
August 2000	100	100	75	56	44	100	100	100	100	100
August 2001	100	96	63	47	37	100	100	100	100	100
August 2002	100	89	53	40	34	100	100	100	100	100
August 2003	100	82	45	35	32	100	100	100	100	100
August 2004	100	76	40	33	31	100	100	100	100	100
August 2005	100	68	33	26	13	100	100	100	100	88
August 2006	100	61	25	18	12	100	100	96	91	86
August 2007	99	53	16	6	0	99	94	83	74	54
August 2008	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)*	9.7	7.9	5.0	3.9	2.8	9.7	9.6	9.4	9.2	8.7

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

†† “Lockout” assumes no prepayment through the applicable Lock-Out Period end dates and “Extended Protection” assumes no prepayment through any applicable Lock-Out Period and Yield Maintenance Charge end dates.

Date	IO Class†									
	CPR Prepayment Assumption									
	Lockout††					Extended Protection††				
	0%	10%	35%	60%	100%	0%	10%	35%	60%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100
August 1999	99	93	79	65	43	99	99	99	99	99
August 2000	98	87	65	50	41	98	98	98	98	98
August 2001	97	81	56	43	36	97	97	97	97	97
August 2002	95	76	48	38	33	95	95	95	95	95
August 2003	94	70	42	34	31	94	94	94	93	93
August 2004	92	65	38	32	31	92	92	92	92	91
August 2005	89	60	33	27	17	89	89	87	85	75
August 2006	87	54	26	20	16	87	86	81	77	73
August 2007	84	48	19	11	2	84	80	71	64	49
August 2008	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)*	9.0	7.0	4.6	3.7	2.8	9.0	9.0	8.8	8.6	8.1

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

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

†† “Lockout” assumes no prepayment through the applicable Lock-Out Period end dates and “Extended Protection” assumes no prepayment through any applicable Lock-Out Period and Yield Maintenance Charge end dates.

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances and will not bear interest. The Holder of the R Class will be entitled to receive the proceeds of the remaining assets of the Trust, if any, after the principal balances of all Classes of Certificates and all Subordinate Classes have been reduced to zero and all interest due on the Certificates has been paid in full. The Holder of the R Class will also be entitled to receive payments of Yield Maintenance Charges and Prepayment Premiums as set forth under “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges” herein. 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 any such circumstance.

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

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust, and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the Multifamily REMIC Prospectus. Pursuant to the Trust Agreement, Fannie Mae will be obligated to provide to such Holders (i) such information as is necessary to

enable them to prepare their federal income tax returns and (ii) any reports regarding the R and RL Classes that may be required under the Code.

THE TRUST AGREEMENT

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

Servicing of the Mortgage Loans

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

Substantially all the Mortgage Loans also have “due-on-encumbrance” clauses generally providing that each such Mortgage Loan may at the mortgagee’s option become due and payable upon the creation of any additional lien or other encumbrance on the Mortgaged Property that is not permitted by the related Mortgage. The right of the related Mortgagor to grant subordinate mortgages on the Mortgaged Property is subject to the satisfaction of certain conditions and generally to the consent of the holder of the Mortgage Note (which consent generally may not be unreasonably withheld). In the case of Cooperative Properties: (1) if the Mortgage Loan permits subordinate financing but requires the consent of the mortgagee to any such subordinate financing and, pursuant to applicable law or the provisions of the Mortgage Loan, such consent must not be unreasonably withheld, then the Trust Agreement permits Fannie Mae to consider requests by a Mortgagor to permit subordinate financing subject to the satisfaction of certain conditions; and (2) the Trust Agreement permits Fannie Mae to consent to subordinate financing even though prohibited by the Mortgage Loan, subject to the satisfaction of certain conditions. The Trust Agreement also permits Fannie Mae to consent to subordinate financing with respect to the Multifamily Mortgage Loans even though prohibited by the Mortgage Loans, subject to the satisfaction of certain conditions.

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

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

The Trust Agreement does not permit the waiver or modification of any payment of any applicable Prepayment Premium or Yield Maintenance Charge due to be paid under the terms of any

Mortgage Loan, unless (A) there is a determination that the Mortgage Loan is in default due to bona fide cash flow deficiencies and not an effort to avoid payment of a Prepayment Premium or Yield Maintenance Charge, or (B) there is a substantial risk that the Prepayment Premium or Yield Maintenance Charge provisions would be found unenforceable by a court with jurisdiction of the action or (C) the prepayment of the Mortgage Loan is made due to a casualty loss or a condemnation.

If the Mortgagor reasonably requests a partial release of a Mortgaged Property, the Trust Agreement permits Fannie Mae to grant such a partial release provided that, among other conditions, (i) the Mortgagor pays, for application to the unpaid principal balance of the related Mortgage Loan(s), an amount equal to the appraised value of the released portion of the Mortgaged Property, (ii) the lien of the related Mortgage(s) on the remaining property is not adversely affected and the remaining property can, practically and economically, continue to be used for its intended purposes, (iii) the income of the Mortgaged Property is not adversely affected by such release, (iv) Fannie Mae has obtained an opinion that such release is not a “significant modification” of the Mortgage Loan for purposes of Section 1001 of the Code and (v) the resulting Loan-to-Value Ratio would be no higher than the Loan-to-Value Ratio at the Issue Date.

Realization Upon Defaulted Mortgage Loans. The Trust Agreement permits Fannie Mae (i) to sell an REO Property or (ii) to sell a Defaulted Mortgage Loan or to foreclose upon or otherwise comparably convert the ownership of the related Mortgaged Property or Properties, if no satisfactory arrangements can be made for collection of delinquent payments, subject to the limitations described below. Fannie Mae has the right to purchase any Defaulted Mortgage Loan and to bid on any REO Property.

Promptly after any Mortgage Loan becomes a Specially Serviced Mortgage Loan, then with respect to any payment default or performance default by the Mortgagor thereunder, the Trust Agreement permits Fannie Mae, subject to the foregoing, to initiate a dialogue with the related Mortgagor, including with respect to any Modification requested thereby and to commence the foreclosure process. Promptly upon commencement of a foreclosure action, the Trust Agreement permits the taking of action to obtain control of the rents and other revenues of each related Mortgaged Property and the Mortgaged Property for the benefit of Certificateholders.

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

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

Fannie Mae is required to sell any such REO Property within three years after the Lower Tier REMIC acquires ownership of such REO Property, unless Fannie Mae either (i) is granted an extension of time (an “REO Extension”) by the Internal Revenue Service to sell such REO Property

or (ii) obtains an opinion of counsel to the effect that the holding of such REO Property subsequent to the third anniversary of such acquisition will not result in the imposition of taxes on “prohibited transactions” as defined in Section 860F of the Code or cause the Lower Tier REMIC to fail to qualify as a REMIC at any time that any Certificates or Subordinate Classes are outstanding.

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

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

Certain Rights of the Subordinate Directing Holder

Pursuant to the Trust Agreement and the Sale and Servicing Agreement, the Subordinate Directing Holder has the right to appoint a special servicer (a “Special Servicer”), to direct the course of action to be followed with respect to any Specially Serviced Mortgage Loans, to purchase Defaulted Mortgage Loans and to bid on REO Properties and to effect a termination of the Trust by purchasing the Mortgage Loans and the REO Properties remaining in the Lower Tier REMIC. See “—Servicing of the Mortgage Loans” and “The Sale and Servicing Agreement—General—*Special Servicer*” and “—Termination” herein. Notwithstanding the foregoing, during any Final Control Period for a Mortgage Loan or REO Property, Fannie Mae will have the right, but not the obligation, (i) in the case of a Defaulted Mortgage Loan, to direct the course of action to be followed by the applicable Special Servicer with respect to the relevant default, (ii) in the case of a Mortgage Loan with a due-on-sale clause, to approve any transferee of the related Mortgaged Property, (iii) in the case of any Mortgage Loan with a due-on-encumbrance clause, to consent to allowance of any subordinate financing, (iv) to consent to any action to be taken by a Special Servicer with respect to any Mortgaged Property in the event of the existence of certain environmental conditions with respect to such Mortgaged Property, (v) to evaluate and determine the advisability of certain extensions to such Mortgage Loan, (vi) to consent to Modifications to such Mortgage Loan and (vii) to consent to the acquisition or sale of an REO Property or the sale of a Defaulted Mortgage Loan. Fannie Mae has the right to terminate a Special Servicer, with or without cause, during the Final Control Period and to terminate a Special Servicer at any other time with cause. See “Glossary” herein.

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

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

Termination

Pursuant to the Trust Agreement, Fannie Mae, in its corporate capacity, is entitled to purchase all the Mortgage Loans and any REO Properties remaining in the Lower Tier REMIC and effect an early termination of the Lower Tier REMIC and the Trust at any time that the aggregate Scheduled Principal Balance of all the Mortgage Loans and REO Loans remaining in the Lower Tier REMIC is five percent or less of the Issue Date Pool Balance, for a purchase price equal to the aggregate

Purchase Price for all the Mortgage Loans (including the REO Loans) remaining in the Lower Tier REMIC.

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

THE SALE AND SERVICING AGREEMENT

Fannie Mae, as purchaser, the Mortgage Loan Sellers, NCB, as Master Servicer and initial Special Servicer of the Cooperative Mortgage Loans, and Banc One Mortgage Capital Markets, LLC, as Master Servicer and initial Special Servicer of the Multifamily Mortgage Loans, are parties to a Sale and Servicing Agreement dated as of August 1, 1998, which incorporates by reference certain portions of the Fannie Mae Negotiated Transactions Guide (the “Sale and Servicing Agreement”). Pursuant to the Sale and Servicing Agreement, Fannie Mae acquired the Mortgage Loans from the Mortgage Loan Sellers and, pursuant to its powers under the Trust Agreement, Fannie Mae engaged the Master Servicers and the Special Servicers, as independent contractors to Fannie Mae, to service the Mortgage Loans, subject to the right of the Subordinate Directing Holder to appoint a Special Servicer and direct the course of action thereof with respect to Specially Serviced Mortgage Loans. See “The Trust Agreement—Certain Rights of the Subordinate Directing Holder” herein.

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

General

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

Master Servicers. In general, each Master Servicer is responsible, with respect to the Mortgage Loans serviced by it, for (i) making determinations with respect to the enforcement of due-on-sale and due-on-encumbrance clauses, as well as consents to permitted subordinate financing, as described under “The Trust Agreement—Servicing of the Mortgage Loans—*Due-on-Sale Clauses; Due-on-Encumbrance Clauses; Subordinate Financing*” herein, (ii) making determinations with respect to a partial release of a Mortgaged Property as described under “Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” herein, (iii) making Advances and (iv) collecting payments on the Mortgage Loans (other than the REO Loans) and maintaining various accounts with respect thereto. Notwithstanding the foregoing, during any Final Control Period, Fannie Mae has the right, but not the obligation, to approve the course of action to be taken by a Master Servicer under clauses (i) and (ii) of the preceding sentence. Subject to the consent right of Fannie Mae during the Final Control Period, a Master Servicer has the right to purchase any Defaulted Mortgage Loan and to bid on any REO Property.

Special Servicers. In general, each Special Servicer is responsible, with respect to the Mortgage Loans serviced by it, for (i) the servicing and administering of the Specially Serviced Mortgage Loans and any REO Loans, including the management and operation of any REO Properties, including taking the actions with respect to defaulted Mortgage Loans described under “The Trust Agreement—Servicing of the Mortgage Loans—*Realization Upon Defaulted Mortgage Loans*” herein and (ii) negotiating and determining whether to approve a Modification described under “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” herein.

See “The Trust Agreement—Certain Rights of the Subordinate Directing Holder” herein for a description of the right, but not the obligation, of Fannie Mae to direct, approve of, or consent to, the actions of a Special Servicer described in the preceding sentence during the Final Control Period. Subject to the consent right of Fannie Mae during the Final Control Period, a Special Servicer has the right to purchase any Defaulted Mortgage Loan and to bid on any REO Property.

Representations and Warranties; Repurchases

In the Sale and Servicing Agreement, the Mortgage Loan Sellers will make certain customary representations and warranties for the benefit of Fannie Mae, as purchaser, with respect to the Mortgage Loans being sold by the Mortgage Loan Sellers. In the Trust Agreement, Fannie Mae will assign or cause to be assigned to the Trustee all such representations and warranties given to Fannie Mae with respect to the Mortgage Loans and shall also give the Trustee the right to enforce directly the remedies set forth in the Sale and Servicing Agreement with respect to a breach of any such representations and warranties. The representations and warranties in the Sale and Servicing Agreement will continue in effect throughout the term of the Sale and Servicing Agreement. Following the discovery of a breach of any of such representations and warranties that is determined to materially and adversely affect the value of a Mortgage Loan, the related Mortgage Loan Seller may be required to purchase the affected Mortgage Loan from the Lower Tier REMIC at the applicable Purchase Price. See “Risk Factors Associated with Multifamily REMIC Pass-Through Certificates—*Repurchase Due to Breach of Representations and Warranties*” herein.

Amendment

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

Termination

The obligations and responsibilities created by the Sale and Servicing Agreement will terminate upon payment (or provision for payment) to the Certificateholders and the holders of the Subordinate Classes of all amounts held by or on behalf of the Trustee and required under the Trust Agreement to be so paid on the Distribution Date following the earlier to occur of (i) the purchase by Fannie Mae, a Master Servicer, a Special Servicer or the Subordinate Directing Holder of all the Mortgage Loans and REO Properties remaining in the Lower Tier REMIC if the aggregate Scheduled Principal Balance of the Mortgage Loans and any REO Loans remaining in the Lower Tier REMIC as of the date of such election is five percent or less of the Issue Date Pool Balance and (ii) the final payment (or any advance with respect thereto) on or other liquidation of the last Mortgage Loan or REO Property remaining in the Lower Tier REMIC. The purchase price payable by Fannie Mae, a Master Servicer, a Special Servicer or the Subordinate Directing Holder pursuant to clause (i) of the preceding sentence will be equal to the aggregate Purchase Price of all the Mortgage Loans (including, without limitation, all the REO Loans) then remaining in the Lower Tier REMIC.

DESCRIPTION OF THE MORTGAGE POOL

General

The Lower Tier REMIC will consist of 162 Mortgage Loans with an aggregate Issue Date Balance of \$304,299,387 (the “Issue Date Pool Balance”), subject to a permitted variance of plus or minus 5%. The “Issue Date Balance” of each Mortgage Loan is the actual unpaid principal balance thereof as of

the Issue Date, after application of all payments of principal due on or before such date, whether or not received.

Each Mortgage Loan is evidenced by a note, bond or other evidence of indebtedness (a “Mortgage Note”). Each Mortgage Loan is generally secured by a single mortgage, deed of trust or other similar security instrument (each, a “Mortgage”) that creates a first mortgage lien on a multifamily project (a “Mortgaged Property”) consisting of a Cooperative Mortgaged Property or of a Multifamily Mortgaged Property. 23 of the Mortgage Loans bear interest on the basis of a 360-day year and the actual number of days in each month; the balance of the Mortgage Loans bear interest on the basis of a 360-day year consisting of twelve 30-day months.

22 of the Cooperative Mortgaged Properties, securing approximately 12.9% of the Issue Date Pool Balance, are subject to Existing Second Liens. Subject to applicable grace and cure periods, if any, a default by the Mortgagor under these Existing Second Liens likewise constitutes a default under the related loan that is part of the Mortgage Pool.

13 of the Cooperative Mortgages, securing approximately 7.0% of the Issue Date Pool Balance permit the Mortgagor, upon the satisfaction of certain conditions, to grant Potential Junior Liens.

1 of the Cooperative Mortgaged Properties, securing approximately 0.4% of the Issue Date Pool Balance, is constructed on land that is not owned, but leased by the Mortgagor.

3 Multifamily Mortgaged Properties, securing approximately 4.4% of the Issue Date Pool Balance, have the same Key Principal. 4 Multifamily Mortgaged Properties, securing approximately 3.0% of the Issue Date Pool Balance, have substantial number of student tenants (approximately 100% in the case of 3 Multifamily Mortgaged Properties and approximately 50% in the fourth case). Approximately 21% of the units of 1 Multifamily Mortgaged Property and 23% of the units of another Multifamily Mortgaged Property, securing in the aggregate approximately 2.23% of the Issue Date Pool Balance, are occupied by residents employed at military bases.

Each Mortgage covers a Mortgagor’s entire interest in the Mortgaged Property. None of the Mortgage Loans is insured or guaranteed by the United States, any governmental agency or any private mortgage insurer.

Substantially all the Mortgage Loans were originated between 1997 and 1998 and will be acquired by Fannie Mae from the Mortgage Loan Sellers on or before the Settlement Date pursuant to the Sale and Servicing Agreement.

The information with respect to the Mortgage Loans set forth in “Description of the Mortgage Pool” and in Exhibit A hereto has been collected and summarized by the Mortgage Loan Sellers and provided to Fannie Mae. Fannie Mae has made no independent verification of such information relating to the Mortgage Loans sold by NCB and AMRESCO and, therefore, does not warrant its truth or accuracy and shall not be responsible therefor.

Cooperative Properties

Generally, in a typical housing cooperative, a cooperative apartment building is owned by a cooperative corporation (a “Cooperative”). Accordingly, the Cooperative owns all the apartment units and common areas in such building. However, an apartment building and the land thereunder may be submitted to the condominium form of ownership, and thereby be divided into two or more condominium units. Generally, in such instances, the Cooperative does not own the entire apartment building and the land under the building, but rather owns a single Condominium Unit that generally comprises the residential portions of such apartment building. The other condominium units in such apartment building will generally comprise commercial space and will generally be owned by persons or entities other than the Cooperative. In instances where an apartment building has been submitted

to the condominium form of ownership, certain of the common areas in such building may be owned by the Cooperative and other common areas (often including the land under the building) may constitute common elements of the condominium, which common elements are owned in common by the Cooperative and the owners of the other condominium units.

Generally, in a cooperative apartment building, the Cooperative is directly responsible for building management and payment of real estate taxes and hazard and liability insurance premiums. Where the apartment building has been converted to the condominium form of ownership, each condominium unit owner will be directly responsible for the payment of real estate taxes on such owner's unit, but certain specified maintenance and other obligations, including hazard and liability insurance premiums, may not be the direct responsibility of the Cooperative but rather will be the responsibility of the condominium board of managers.

Each Cooperative's ability to pay debt service obligations on its Mortgage Loan and its expenses is dependent primarily upon the receipt of maintenance payments from the tenant-stockholders, as well as any rental income from units or commercial areas that the Cooperative owns. Unanticipated expenditures may, in some cases, have to be paid by special assessments on the tenant-stockholders. In addition, where the building has been converted to the condominium form of ownership, the ability of the condominium board of managers to pay certain expenses of the building will be dependent upon the payment by all condominium unit owners of common charges assessed by the condominium board of managers. Each Cooperative's ability to pay the Balloon Payment of a Mortgage Loan at maturity depends primarily on its ability to refinance the Mortgage Loan or to levy against each unit, and collect from the tenant-stockholders who own the Cooperative, a special assessment. The Mortgage Loan Sellers will have no obligation to provide refinancing for the Mortgage Loans.

Cooperative Mortgage Loans representing approximately 2.9% of the Issue Date Pool Balance are secured by Mortgaged Properties that have the benefit of a property tax abatement and/or exemption pursuant to the so-called J-51 program in New York City. The expiration of such abatement and/or exemption may result in a significant increase in property maintenance charges. There can be no assurance that the Cooperative affected by increased tax burdens will be able to increase maintenance requirements in an amount sufficient to meet its debt service requirements.

Tenant-stockholders own a Cooperative through ownership of stock, shares or membership certificates in the Cooperative. Tenant-stockholders receive proprietary leases or occupancy agreements which confer exclusive rights to occupy specific apartments or units. Generally, a tenant-stockholder of a Cooperative must make a monthly payment to the Cooperative representing such tenant-stockholder's *pro rata* share of the debt service obligations on the Mortgage Loan and the expenses of the Cooperative. Such payments are in addition to any payments of principal and interest the tenant-stockholder must make on any loans of the tenant-stockholder secured by its shares in the Cooperative.

In a typical cooperative conversion plan, the owner of a rental apartment building contracts to sell the building to a newly formed Cooperative. Under a typical non-eviction plan, shares are allocated to each apartment unit by the owner or sponsor, and the current tenants have a certain period to subscribe at prices discounted from the prices to be offered to the public after such period. As part of the consideration for the sale, the owner or sponsor receives all the unsold shares of the Cooperative. Each purchaser of shares in the Cooperative generally enters into a long-term proprietary lease which provides the stockholder with the right to occupy the apartment. However, a tenant at the time of conversion who chooses not to purchase shares is entitled to reside in the unit, as a subtenant from the owner of the shares allocated to such apartment unit. The subtenant would continue to be protected by any applicable rent control and rent stabilization laws, may be entitled to renew its lease indefinitely and would be protected from rent increases by the stockholder above those permitted by any applicable rent control and rent stabilization laws. The stockholder is responsible for the maintenance payments to the Cooperative without regard to its receipt or non-receipt of rent from the

subtenant, which may be lower than maintenance payments on the units. Newly-formed Cooperatives typically have the greatest concentration of non-tenant stockholders.

In general, a tenant-stockholder of a “cooperative housing corporation” (as defined in the Code) is allowed a deduction for amounts paid or accrued within its taxable year to the Cooperative to the extent of its proportionate share of certain interest expenses and certain real estate taxes allowable as a deduction to the Cooperative. Because qualification as a “cooperative housing corporation” is made on a year-to-year basis, there can be no assurance that Cooperatives relating to the Mortgage Loans will so qualify for any particular year. In the event that such a Cooperative fails to qualify for one or more years, the value of the Mortgaged Property securing the related Mortgage Loan could be significantly impaired because no deduction would be allowable to tenant-stockholders with respect to those years.

13 of the Cooperative Mortgage Loans, representing approximately 1.4% of the Issue Date Pool Balance were originated pursuant to a program designed to attract Mortgagors owning smaller properties. No Cooperative Mortgage Loan in this category has an Issue Date Balance of more than \$483,537. The primary difference between these Cooperative Mortgage Loans and the other Cooperative Mortgage Loans in the Mortgage Pool is that the third party reporting requirements for these Cooperative Mortgage Loans, including environmental reporting requirements, are less comprehensive than those applicable to other Mortgage Loans in the Mortgage Pool.

Certain Terms and Conditions of the Mortgage Loans

Due Dates. Monthly Payments under the Mortgage Loans will be due on the first day of each month. See Exhibit A hereto. As of the Settlement Date, no Monthly Payment on any Mortgage Loan will be more than 30 days past due.

Mortgage Rates. All the Mortgage Loans are Fixed Rate Mortgage Loans.

Monthly Payments. All the Mortgage Loans provide for monthly payments of principal based on amortization schedules ranging from 10 to 70 years, which in the case of 157 Mortgage Loans representing approximately 99.3% of the Issue Date Pool Balance are significantly longer than the remaining terms of such Mortgage Loans (each, a “Balloon Mortgage Loan”), thereby leaving substantial principal amounts due and payable (each such payment, a “Balloon Payment”) on their respective stated Maturity Dates, unless prepaid prior thereto. The “Maturity Date” of a Mortgage Loan is the stated maturity date thereof. See Exhibit A hereto.

Prepayment Provisions. 87 Mortgage Loans representing approximately 41.3% of the Issue Date Pool Balance have a period during which voluntary principal prepayments are prohibited (a “Lock-Out Period”).

With respect to Mortgage Loans with Lock-Out Periods, the Lock-Out Periods remaining as of the Issue Date generally range from approximately 1.5 to 9.5 years. However, 69 Mortgage Loans representing approximately 57.0% of the Issue Date Pool Balance may be voluntarily prepaid at any time but generally require the payment of a Yield Maintenance Charge (unless prepayment resulted from condemnation of, or casualty on, the related Mortgaged Property). Generally, there is a period, ranging from 0 to 90 days immediately prior to the Maturity Date for the Mortgage Loans during which a principal prepayment of such a Mortgage Loan need not be accompanied by a Yield Maintenance Charge or Prepayment Premium. The “Yield Maintenance Charge” will be computed on the basis of a formula specified in the related Mortgage Note. The “Maturity Date” of a Mortgage Loan is the stated maturity date thereof. See Exhibit A hereto.

After any applicable Lock-Out Period, certain of the Mortgage Loans provide that any principal prepayment must be accompanied by a Yield Maintenance Charge or Prepayment Premium (unless the prepayment resulted from a condemnation of, or casualty on, the related Mortgaged Property). Further information regarding the Lock-Out Periods, prepayment premium periods and yield maintenance periods applicable to the Mortgage Loans is set forth on Exhibit A hereto.

Unless the Mortgage Loan to be prepaid is relatively near its Maturity Date or unless the sale price or the amount of the proceeds of a refinancing of the related Mortgaged Property is considerably higher than the current outstanding principal balance of such Mortgage Loan (due to an increase in the value of the Mortgaged Property or otherwise), the Yield Maintenance Charge or Prepayment Premium may, in a lower interest rate environment, offset entirely or render insignificant any economic benefit to be received by the Mortgagor upon a refinancing or sale of the Mortgaged Property. The Yield Maintenance Charge or Prepayment Premium provision of a Mortgage Loan creates an economic disincentive for the Mortgagor to prepay such a Mortgage Loan voluntarily and, accordingly, the Mortgagor may elect not to prepay such Mortgage Loan. However, there can be no assurance that the imposition of a Yield Maintenance Charge or Prepayment Premium will provide a sufficient disincentive to prevent a voluntary principal prepayment.

A Special Servicer will not be permitted to waive or modify any term of a Mortgage Loan that requires the payment of a Prepayment Premium or a Yield Maintenance Charge in connection with any principal prepayment thereon except in certain circumstances. See “Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*” herein. If and to the extent received, Prepayment Premiums are distributable to the IO Class for so long as it is outstanding and Yield Maintenance Charges are distributable to the A-1, A-2 and IO Classes for so long as they are outstanding, and, in each case, thereafter to the R Class as described herein under “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges”. Certain state laws limit the amounts that a lender may collect from a borrower as an additional charge in connection with the prepayment of a mortgage loan. Furthermore, the enforceability, under the laws of a number of states, of provisions providing for Prepayment Premiums or Yield Maintenance Charges upon an involuntary prepayment is unclear. No assurance can be given that, at the time a Prepayment Premium or a Yield Maintenance Charge is required to be made on a Mortgage Loan in connection with an involuntary prepayment, the obligation to pay such Prepayment Premium or Yield Maintenance Charge will be enforceable under applicable state law. See “Maturity and Prepayment Considerations and Risks—Early Repayment of Mortgage Loans” in the Multifamily REMIC Prospectus.

Additional Mortgage Loan Information

The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Issue Date. The figures in the columns titled “Issue Date Balance” in the tables below are based on the Issue Date Balances of the related Mortgage Loans, which reflect the application of principal payments due on the Mortgage Loans on or before the Issue Date, whether or not received. The sum in any column of the following tables, or in the table set forth in Exhibit A hereto, may not equal the indicated total due to rounding.

Following the issuance of the Certificates, Fannie Mae will make available in electronic form certain data specific to the Certificates and certain information with respect to the underlying Mortgage Loans, in each case as of the Issue Date, including the information set forth in Exhibit A hereto and will make available certain other information relating to the Mortgage Loans and Mortgaged Properties. To obtain this information in electronic form, call Fannie Mae at 1-800-752-6440 or 202-752-6000. Certain updated information with respect to the Certificates and the Mortgage Loans may be available periodically and may be available from Bloomberg L.P.

Mortgage Loan Sellers

<u>Source</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
Fannie Mae	72	\$180,860,431	59.44%	7.11%	115
NCB.....	82	102,156,878	33.57	7.02	117
Amresco	8	21,282,079	6.99	6.83	119
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>

Issue Date Balances for the Mortgage Loan Pool

<u>Issue Date Balance (\$)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
1 to 500,000....	22	\$ 7,061,442	2.32%	7.42%	116
500,001 to 1,000,000....	31	22,238,645	7.31	7.19	117
1,000,001 to 1,500,000....	26	32,747,743	10.76	7.22	116
1,500,001 to 2,000,000....	30	52,199,973	17.15	6.98	113
2,000,001 to 2,500,000....	17	38,151,041	12.54	7.02	116
2,500,001 to 5,000,000....	28	97,694,433	32.10	7.09	116
5,000,001 to 7,500,000....	6	38,390,792	12.62	6.95	118
7,500,001 and above.....	<u>2</u>	<u>15,815,320</u>	<u>5.20</u>	<u>6.84</u>	<u>117</u>
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>
Minimum Balance:	\$122,433				
Maximum Balance:	\$8,215,320				
Average Balance:	\$1,878,391				

Issue Date Balance Per Unit for the Mortgage Loan Pool

<u>Issue Date Balance per Unit (\$)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
1 to 10,000	3	\$ 3,126,234	1.03%	7.73%	113
10,001 to 20,000	42	56,159,502	18.46	7.17	114
20,001 to 30,000	44	92,889,595	30.53	7.03	116
30,001 to 40,000	34	80,865,539	26.57	7.08	117
40,001 to 50,000	15	17,665,961	5.81	7.13	116
50,001 to 60,000	13	31,404,113	10.32	6.91	117
60,001 to 70,000	3	10,587,758	3.48	6.88	119
70,001 to 80,000	2	4,688,954	1.54	6.94	117
80,001 to 90,000	4	4,614,798	1.52	6.96	114
90,001 to 100,000	2	2,296,933	0.75	7.02	117
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>
Minimum Balance:	\$4,884				
Maximum Balance:	\$99,927				
Average Balance:	\$33,252				

Mortgage Rate for the Mortgage Loans as of the Issue Date

<u>Mortgage Rate (%)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
6.51 to 7.00	63	\$163,351,890	53.68%	6.87%	118
7.01 to 7.50	81	128,063,876	42.08	7.21	114
7.51 to 8.00	15	6,891,910	2.26	7.67	116
8.01 to 8.50	2	4,661,350	1.53	8.40	107
8.51 to 9.00	1	1,330,363	0.44	8.62	106
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06</u>	<u>116</u>
Minimum Mortgage Rate:		6.61%			
Maximum Mortgage Rate:		8.62%			
Weighted Average Mortgage Rate:		7.06%			

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

<u>Net Mortgage Rate (%)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
6.01 to 6.50	13	\$ 35,728,588	11.74%	6.72%	118
6.51 to 7.00	105	224,274,620	73.70	7.01	116
7.01 to 7.50	37	35,829,275	11.77	7.41	115
7.51 to 8.00	5	3,566,167	1.17	7.90	113
8.01 to 8.50	<u>2</u>	<u>4,900,739</u>	<u>1.61</u>	<u>8.53</u>	<u>107</u>
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>
Minimum Net Mortgage Rate:		6.37%			
Maximum Net Mortgage Rate:		8.27%			
Weighted Average Net Mortgage Rate:		6.77%			

Geographic Distribution of the Mortgaged Properties

<u>State</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
New York	86	\$118,341,674	38.89%	7.04%	116
California	29	55,686,475	18.30	7.01	117
Texas	8	16,464,229	5.41	7.31	111
Nevada	3	13,472,381	4.43	7.14	117
Washington	5	11,555,922	3.80	7.44	115
North Carolina	2	10,796,006	3.55	6.84	119
Alabama	3	10,625,648	3.49	6.96	117
Michigan	4	8,755,687	2.88	7.07	117
Georgia	1	8,215,320	2.70	6.93	115
Colorado	2	7,914,090	2.60	7.01	118
Pennsylvania	2	7,729,753	2.54	7.02	117
Arizona	3	6,201,012	2.04	7.01	93
Oregon	3	5,426,383	1.78	7.41	116
Massachusetts	2	5,193,499	1.71	7.27	116
Illinois	2	4,596,805	1.51	6.64	119
South Carolina	1	4,353,990	1.43	7.00	114
South Dakota	1	2,398,000	0.79	6.92	119
Utah	1	2,194,558	0.72	7.00	117
Maryland	1	1,634,998	0.54	7.17	115
Virginia	1	1,392,397	0.46	7.37	113
Mississippi	1	723,379	0.24	7.11	115
Minnesota	<u>1</u>	<u>627,182</u>	<u>0.21</u>	<u>7.51</u>	<u>117</u>
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>

Geographic Distribution of the Cooperative Mortgaged Properties

State	Number of Mortgage Loans	Issue Date Cooperative Mortgage Loan Balance	Percent of Issue Date Cooperative Mortgage Loan Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (in Months)	Weighted Average LTV as a Coop	Weighted Average LTV as a Rental	Weighted Average DSCR as a Rental
New York								
Manhattan	47	\$ 49,604,985	49.21%	7.02%	116	13.8%	20.7%	6.79
Kew Gardens	1	6,185,403	6.14	6.79	116	41.8	43.6	2.67
Bronx	4	5,717,351	5.67	7.14	117	35.9	47.8	2.62
New Rochelle	4	5,377,645	5.33	7.02	116	26.5	32.2	3.63
Flushing	2	4,838,965	4.80	6.97	117	37.9	34.2	4.41
Forest Hills	2	4,297,425	4.26	7.14	118	35.8	45.3	3.48
Brooklyn	3	4,264,327	4.23	7.20	115	20.1	29.8	3.95
Rego Park	2	3,100,000	3.08	6.96	120	44.7	50.1	2.25
Bronxville	2	2,917,490	2.89	6.78	117	25.4	28.3	6.35
Yonkers	1	2,199,140	2.18	6.91	119	27.2	32.3	3.89
East Rockaway	1	1,994,845	1.98	6.79	117	33.9	39.9	2.95
Riverdale	2	1,650,000	1.64	6.90	120	22.3	24.6	5.00
Elmhurst	1	1,625,000	1.61	7.06	120	38.9	52.4	2.07
Larchmont	1	1,546,126	1.53	6.94	118	38.2	37.7	2.88
Jamaica	1	1,199,169	1.19	7.35	118	39.3	42.8	2.74
Woodside	1	850,000	0.84	6.73	120	34.0	34.0	3.41
Pleasantville	1	731,562	0.73	7.33	114	29.7	35.5	3.11
Village of Pelham	1	698,218	0.69	7.23	113	28.5	38.8	3.10
Peekskill	1	595,871	0.59	7.56	114	9.6	8.9	12.41
Long Beach	1	244,710	0.24	7.71	113	9.2	12.9	6.16
Minnesota								
Minneapolis	1	627,182	0.62	7.51	117	8.7	22.4	2.86
Michigan								
Detroit	<u>1</u>	<u>543,757</u>	<u>0.54</u>	<u>7.38</u>	<u>118</u>	<u>13.5</u>	<u>25.2</u>	<u>2.38</u>
Total or Weighted Average	<u>81</u>	<u>\$100,809,173</u>	<u>100.00%</u>	<u>7.02%</u>	<u>117</u>	<u>23.3%</u>	<u>29.5%</u>	<u>5.15</u>

Geographic Distribution of the Multifamily Mortgaged Properties

<u>State</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Multifamily Mortgage Loan Balance</u>	<u>Percent of Issue Date Multifamily Mortgage Loan Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (in Months)</u>	<u>Weighted Average LTV as a a Rental</u>	<u>Weighted Average Weighted DSCR</u>
California	29	\$ 55,686,475	27.37%	7.01%	117	73.6%	1.36
New York	7	18,703,439	9.19	7.18	115	71.2	1.53
Texas	8	16,464,229	8.09	7.31	111	72.2	1.30
Nevada	3	13,472,381	6.62	7.14	117	79.6	1.34
Washington	5	11,555,922	5.68	7.44	115	70.5	1.32
North Carolina	2	10,796,006	5.31	6.84	119	76.0	1.33
Alabama	3	10,625,648	5.22	6.96	117	75.8	1.42
Georgia	1	8,215,320	4.04	6.93	115	74.7	1.69
Michigan	3	8,211,929	4.04	7.05	116	77.4	1.36
Colorado	2	7,914,090	3.89	7.01	118	75.9	1.31
Pennsylvania	2	7,729,753	3.80	7.02	117	75.9	1.28
Arizona	3	6,201,012	3.05	7.01	93	72.6	1.41
Oregon	3	5,426,383	2.67	7.41	116	72.4	1.31
Massachusetts	2	5,193,499	2.55	7.27	116	74.1	1.42
Illinois	2	4,596,805	2.26	6.64	119	66.7	1.88
South Carolina	1	4,353,990	2.14	7.00	114	73.5	1.32
South Dakota	1	2,398,000	1.18	6.92	119	79.9	1.27
Utah	1	2,194,558	1.08	7.00	117	71.3	1.30
Maryland	1	1,634,998	0.80	7.17	115	70.3	1.40
Virginia	1	1,392,397	0.68	7.37	113	79.6	1.27
Mississippi	<u>1</u>	<u>723,379</u>	<u>0.36</u>	<u>7.11</u>	<u>115</u>	<u>59.8</u>	<u>1.33</u>
Total or Weighted Average	<u>81</u>	<u>\$203,490,215</u>	<u>100.00%</u>	<u>7.08%</u>	<u>116</u>	<u>73.9%</u>	<u>1.39</u>

Original Term to Stated Maturity (in Months) for the Mortgage Loans

<u>Original Term (in months)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
84	3	\$ 5,897,568	1.94%	7.07%	78
120	<u>159</u>	<u>298,401,820</u>	<u>98.06</u>	<u>7.06</u>	<u>117</u>
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>
Minimum Original Term to Stated Maturity:			84		
Maximum Original Term to Stated Maturity:			120		
Weighted Average Original Term to Stated Maturity:			119		

Remaining Term To Maturity (in months) for the Mortgage Loans as of the Issue Date

<u>Remaining Term to Maturity (in months)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
61 to 84.....	3	\$ 5,897,568	1.94%	7.07%	78
85 to 120	<u>159</u>	<u>298,401,820</u>	<u>98.06</u>	<u>7.06</u>	<u>117</u>
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>
Minimum Remaining Term to Stated Maturity:			78		
Maximum Remaining Term to Stated Maturity:			120		
Weighted Average Remaining Term to Stated Maturity:			116		

Issue Date Mortgage Loan Age (in Months)

<u>Seasoning (in months)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Balance</u>	<u>Percent of Issue Date Pool Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (In Months)</u>
0	11	\$ 25,237,000	8.29%	6.84%	120
1 to 6.....	133	248,250,435	81.58	7.02	116
7 to 12.....	16	25,911,214	8.52	7.36	112
13 to 18.....	<u>2</u>	<u>4,900,739</u>	<u>1.61</u>	<u>8.53</u>	<u>107</u>
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>
Minimum Age (in months):	0				
Maximum Age (in months):	14				
Weighted Average Age (in months):	3				

Original Amortization Term (in months) for the Mortgage Loans

Original Amortization Term (in Months)	Number of Mortgage Loans	Issue Date Balance	Percent of Issue Date Pool Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (In Months)
120	5	\$ 2,092,767	0.69%	7.47%	116
180	2	968,090	0.32	7.26	114
240	8	11,172,680	3.67	6.84	116
300	15	20,640,019	6.78	7.22	117
324	1	2,589,020	0.85	6.99	116
360	108	222,650,726	73.17	7.08	116
420	2	7,085,403	2.33	6.81	117
480	11	16,408,715	5.39	7.06	117
540	2	3,399,107	1.12	7.01	119
720	7	15,593,331	5.12	6.81	116
840	1	1,699,530	0.56	6.96	114
Total or Weighted Average	<u>162</u>	<u>\$304,299,388</u>	<u>100.00%</u>	<u>7.06%</u>	<u>116</u>

Minimum Original Amortization Term: 120

Maximum Original Amortization Term: 840

Weighted Average Original Amortization Term: 380

Debt Service Coverage Ratio for Multifamily Mortgage Loans

Debt Service Coverage Ratio as a Rental	Number of Mortgage Loans	Issue Date Multifamily Mortgage Loan Principal Balance	Percent of Issue Date Multifamily Mortgage Loan Principal Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (in Months)	Weighted Average LTV as a Rental	Weighted Average DSCR
1.16 to 1.25	9	\$ 24,641,624	12.11%	7.10%	117	75.2%	1.25
1.26 to 1.35	42	99,394,650	48.84	7.16	115	75.0	1.30
1.36 to 1.50	21	58,855,297	28.92	7.01	115	74.8	1.41
1.51 to 1.75	4	13,657,478	6.71	6.95	116	69.4	1.66
1.76 to 2.00	2	4,596,805	2.26	6.64	119	66.7	1.88
2.01 to 3.00	2	996,657	0.49	6.95	116	35.6	2.28
3.01 to 4.00	1	1,347,705	0.66	6.83	118	29.3	3.96
Total or Weighted Average	<u>81</u>	<u>\$203,490,215</u>	<u>100.00%</u>	<u>7.08%</u>	<u>116</u>	<u>73.9%</u>	<u>1.39</u>

Minimum Debt Service Coverage Ratio: 1.25

Maximum Debt Service Coverage Ratio: 3.96

Weighted Average Debt Service Coverage Ratio: 1.39

Sponsor-Owned Units in the Cooperative Mortgage Loans

Percentage of Sponsor-Owned Units (%)	Number of Mortgage Loans	Issue Date Cooperative Mortgage Loan Principal Balance	Percent of Issue Date Cooperative Mortgage Loan Principal Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (in months)	Weighted Average LTV as a Coop	Weighted Average LTV as a Rental	Weighted Average DSCR as a Rental
0.00	38	\$ 33,854,236	33.58%	7.06%	116	13.6%	20.1%	7.26
0.01 to 10.00	3	6,688,578	6.63	6.83	118	13.8	23.1	6.32
10.01 to 20.00	11	19,175,193	19.02	6.97	115	29.2	30.6	4.36
20.01 to 30.00	6	11,636,239	11.54	6.88	116	28.4	35.4	4.01
30.01 to 40.00	8	7,532,067	7.47	6.98	118	23.4	28.5	4.28
40.01 to 50.00	6	10,491,963	10.41	7.12	118	31.4	39.5	3.42
50.01 to 60.00	4	3,748,832	3.72	7.23	118	29.9	44.5	2.50
70.01 to 80.00	3	5,297,741	5.26	7.17	119	37.3	45.5	3.23
80.01 to 90.00	1	1,550,000	1.54	6.96	120	43.9	48.4	2.31
90.01 to 100.00	<u>1</u>	<u>834,324</u>	<u>0.83</u>	<u>7.06</u>	<u>119</u>	<u>28.0</u>	<u>32.1</u>	<u>3.56</u>
Total or Weighted Average	<u>81</u>	<u>\$100,809,173</u>	<u>100.00%</u>	<u>7.02%</u>	<u>117</u>	<u>23.3%</u>	<u>29.5%</u>	<u>5.15</u>
Minimum Percentage of Sponsor-Owned Units:				0.00%				
Maximum Percentage of Sponsor-Owned Units:				94.00%				
Weighted Average Percentage of Sponsor-Owned Units:				21.72%				

Year Converted to Cooperative for the Cooperative Mortgage Loans

Year Converted to Cooperative	Number of Mortgage Loans	Issue Date Cooperative Mortgage Loan Principal Balance	Percent of Issue Date Cooperative Mortgage Loan Principal Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to to Maturity (in months)	Weighted Average LTV as a Coop	Weighted Average LTV as a Rental	Weighted Average DSCR as a Rental
1941 to 1950	2	\$ 2,526,004	2.51%	6.92%	115	4.0%	13.3%	10.63
1951 to 1960	2	1,743,757	1.73	6.99	119	12.2	15.2	8.46
1961 to 1970	2	3,797,916	3.77	6.95	114	7.8	12.6	11.37
1971 to 1980	21	18,388,280	18.24	7.05	115	11.9	17.5	6.89
1981 to 1990	53	73,928,817	73.34	7.02	117	27.9	34.1	4.15
1991 to 1998	<u>1</u>	<u>424,399</u>	<u>0.42</u>	<u>7.76</u>	<u>118</u>	<u>24.8</u>	<u>42.4</u>	<u>2.63</u>
Total or Weighted Average	<u>81</u>	<u>\$100,809,173</u>	<u>100.00%</u>	<u>7.02%</u>	<u>117</u>	<u>23.3%</u>	<u>29.5%</u>	<u>5.15</u>
Earliest Year Converted to a Cooperative:				1946				
Latest Year Converted to a Cooperative:				1992				
Weighted Average Year Converted to a Cooperative:				1982				

Year Built Or Renovated for Cooperative Mortgage Loans

Year Built or Renovated	Number of Mortgage Loans	Issue Date Cooperative Mortgage Loan Principal Balance	Percent of Issue Date Cooperative Mortgage Loan Principal Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (in months)	Weighted Average LTV as a Coop	Weighted Average LTV as a Rental	Weighted Average DSCR as a Rental
Before 1900	22	\$ 13,104,298	13.00%	7.25%	116	13.9%	22.0%	6.12
1901 to 1910	8	6,701,105	6.65	7.12	116	15.2	20.6	5.86
1911 to 1920	5	5,939,824	5.89	7.04	117	25.9	32.2	5.14
1921 to 1930	12	17,032,779	16.90	6.95	116	17.3	23.0	6.72
1931 to 1940	4	6,572,583	6.52	6.99	117	22.2	27.5	5.89
1941 to 1950	5	8,459,720	8.39	7.11	117	34.9	44.5	2.54
1951 to 1960	14	19,825,109	19.67	7.08	117	26.7	33.9	4.37
1961 to 1970	8	15,052,192	14.93	6.82	117	23.2	26.7	5.64
1971 to 1980	1	6,185,403	6.14	6.79	116	41.8	43.6	2.67
1981 to 1990	2	1,936,160	1.92	7.05	114	20.9	32.4	3.50
Total or Weighted Average	<u>81</u>	<u>\$100,809,173</u>	<u>100.00%</u>	<u>7.02%</u>	<u>117</u>	<u>23.3%</u>	<u>29.5%</u>	<u>5.15</u>
Earliest Year Built or Renovated:			1869					
Most Recent Year Built or Renovated:			1986					
Weighted Average Year Built or Renovated:			1937					

Year Built Or Renovated for the Multifamily Mortgage Loans

Year Built or Renovated	Number of Mortgage Loans	Issue Date Multifamily Mortgage Loan Principal Balance	Percent of Issue Date Multifamily Mortgage Loan Principal Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (in months)	Weighted Average LTV as a Rental	Weighted Average DSCR
1921 to 1930	2	\$ 3,890,195	1.91%	6.91%	117	62.1%	2.25
1931 to 1940	3	10,578,617	5.20	6.97	118	72.7	1.29
1941 to 1950	2	9,077,609	4.46	6.80	120	75.1	1.32
1951 to 1960	6	24,876,221	12.22	7.26	115	78.2	1.30
1961 to 1970	22	57,004,632	28.01	7.13	117	74.1	1.35
1971 to 1980	28	62,330,705	30.63	7.05	114	73.0	1.41
1981 to 1990	14	30,293,078	14.89	7.06	114	73.8	1.43
1991 to 1998	4	5,439,158	2.67	7.07	118	72.1	1.31
Total or Weighted Average	<u>81</u>	<u>\$203,490,215</u>	<u>100.00%</u>	<u>7.08%</u>	<u>116</u>	<u>73.9%</u>	<u>1.39</u>
Earliest Year Built or Renovated:			1926				
Most Recent Year Built or Renovated:			1998				
Weighted Average Year Built or Renovated:			1968				

The following tables set forth the range of (i) the Issue Date LTV Ratios of the Cooperative Mortgage Loans as Cooperative Properties; (ii) the Issue Date LTV Ratios of the Cooperative Mortgage Loans as though they were secured by multifamily rental property; and (iii) the Issue Date LTV Ratios of the Multifamily Mortgage Loans as multifamily rental property. An “Issue Date LTV Ratio” is a fraction, expressed as a percentage, the numerator of which is the Issue Date Balance of a Mortgage Loan, and the denominator of which is the appraised value of the related Mortgaged Property as a multifamily rental property or Cooperative Property, as applicable, in each case as determined by the appraisal made in connection with the origination of such Mortgage Loan. The Issue Date LTV Ratio is typically calculated based on each such appraisal because in the event of a foreclosure or the acceptance of a deed in lieu of foreclosure with respect to a Cooperative Property it could be operated as a multifamily rental property. An Issue Date LTV Ratio, because it is based on

the appraised value of a Mortgaged Property determined as of loan origination, is not necessarily a reliable measure of the Mortgagor's current equity, if any, in that Mortgaged Property. In evaluating the Cooperative Mortgage Loans, Fannie Mae used a different methodology for calculating loan to value ratios than that described herein. Application of such different methodology with regard to certain Cooperative Mortgage Loans produced results which differ from those set forth in the following tables and in Exhibit A hereto.

Issue Date LTV Ratios for the Cooperative Mortgage Loans As Cooperative Properties

<u>LTV as a Cooperative (%)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Cooperative Mortgage Loan Principal Balance</u>	<u>Percent of Issue Date Cooperative Mortgage Loan Principal Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average LTV as a Coop</u>	<u>Weighted Average LTV as a Rental</u>	<u>Weighted Average DSCR as a Rental</u>
0.01 to 10.00	19	\$ 17,643,269	17.50%	7.00%	115	7.6%	13.0%	9.56
10.01 to 20.00	26	32,137,388	31.88	7.01	116	14.0	20.6	6.02
20.01 to 30.00	16	16,869,560	16.73	7.10	116	25.2	33.7	3.57
30.01 to 40.00	14	19,128,694	18.98	6.95	117	36.2	39.3	3.27
40.01 to 50.00	6	15,030,261	14.91	7.06	118	43.2	50.5	2.29
Total or Weighted Average	<u>81</u>	<u>\$100,809,173</u>	<u>100.00%</u>	<u>7.02%</u>	<u>117</u>	<u>23.3%</u>	<u>29.5%</u>	<u>5.15</u>

Minimum LTV Ratio: 2.5%
Maximum LTV Ratio: 45.6%
Weighted Average LTV Ratio: 23.3%

Issue Date LTV Ratios for the Cooperative Mortgage Loans As Rental Properties

<u>LTV as a Rental (%)</u>	<u>Number of Mortgage Loans</u>	<u>Issue Date Cooperative Mortgage Loan Principal Balance</u>	<u>Percent of Issue Date Cooperative Mortgage Loan Principal Balance</u>	<u>Weighted Average Mortgage Rate</u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average LTV as a Coop</u>	<u>Weighted Average LTV as a Rental</u>	<u>Weighted Average DSCR as a Rental</u>
0.01 to 10.00	4	\$ 4,015,341	3.98%	6.83%	116	6.5%	8.8%	12.85
10.01 to 20.00	28	28,121,764	27.90	6.98	116	12.6	14.9	8.13
20.01 to 30.00	20	25,004,351	24.80	7.07	116	16.4	24.6	4.83
30.01 to 40.00	14	16,848,242	16.71	6.99	117	30.0	36.2	3.15
40.01 to 50.00	11	18,598,137	18.45	6.98	116	37.5	44.5	2.65
50.01 to 60.00	4	8,221,338	8.16	7.23	119	43.2	56.5	1.97
Total or Weighted Average	<u>81</u>	<u>\$100,809,173</u>	<u>100.00%</u>	<u>7.02%</u>	<u>117</u>	<u>23.3%</u>	<u>29.5%</u>	<u>5.15</u>

Minimum LTV Ratio: 5.3%
Maximum LTV Ratio: 59.5%
Weighted Average LTV Ratio: 29.5%

Issue Date LTV Ratios for the Multifamily Mortgage Loans As Rental Properties

LTV as a Rental (%)	Number of Mortgage Loans	Issue Date Multifamily Loan Principal Balance	Percent of Issue Date Multifamily Mortgage Loan Principal Balance	Weighted Average Mortgage Rate	Weighted Average Remaining Term to Maturity (in months)	Weighted Average LTV as a Rental	Weighted Average DSCR
20.1 to 30.0	1	\$ 1,347,705	0.66%	6.83%	118	29.3%	3.96
30.1 to 40.0	2	996,657	0.49	6.95	116	35.6	2.28
50.1 to 60.0	4	5,247,346	2.58	7.44	114	55.3	1.53
60.1 to 70.0	16	26,025,538	12.79	7.02	109	66.3	1.43
70.1 to 80.0	56	162,034,515	79.63	7.09	117	76.0	1.35
80.1 to 90.0	2	7,838,454	3.85	6.86	118	80.4	1.27
Total or Weighted Average	<u>81</u>	<u>\$203,490,215</u>	<u>100.00%</u>	<u>7.08%</u>	<u>116</u>	<u>73.9%</u>	<u>1.39</u>

Minimum LTV Ratio: 29.3%

Maximum LTV Ratio: 80.8%

Weighted Average LTV Ratio: 73.9%

Changes in Mortgage Pool Characteristics

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

Elections will be made to treat the Trust and the Lower Tier REMIC as REMICs for federal income tax purposes. 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 Class and the RL Class) and the Subordinate Classes will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests,” and the RL Class will be designated as the “residual interest,” in the Lower Tier REMIC.

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

Taxation of Beneficial Owners of Regular Certificates

The Notional Class will be, and certain other Classes of Certificates may be, issued with original issue discount for federal income tax purposes, which generally will result in recognition of some taxable income in advance of the receipt of the cash attributable to such income. The Prepayment Assumption that will be used in determining the rate of accrual of original issue discount will be 0% CPR. See “Certain Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Original Issue Discount*” in the Multifamily REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the Lower Tier REMIC will prepay at either that or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” herein and “Maturity and Prepayment Considerations and Risks—Weighted Average Life and Final Distribution Dates” in the Multifamily REMIC Prospectus. In addition, 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 Multifamily REMIC Prospectus.

The Taxpayer Relief Act of 1997 added 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 Class.

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 Multifamily REMIC Prospectus.

For purposes of determining the portion of the taxable income of the Trust and the Lower Tier REMIC 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 Multifamily REMIC Prospectus. The federal income tax consequences of any consideration paid to a transferee on the transfer of an R or RL Certificate are unclear; any transferee receiving such consideration should consult its own tax advisors.

The Taxpayer Relief Act of 1997 added provisions to the Code that 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

The Mortgage Loan Sellers will receive the Certificates and the Subordinate Classes in exchange for the Mortgage Loans pursuant to a Fannie Mae commitment. The Dealer, on behalf of the Mortgage Loan Sellers, 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 other dealers.

LEGAL MATTERS

Certain legal matters will be passed upon for Fannie Mae by Arter & Hadden LLP, Washington, D.C.; and an opinion with respect to certain tax matters will be delivered to Fannie Mae by Arnold & Porter, Washington, D.C. Andrews & Kurth L.L.P., Washington, D.C., will act as counsel to the Dealer.

GLOSSARY

A-1 Class: As defined herein on the Prospectus Supplement cover page.

A-1 Class Balance: The outstanding principal balance of such Class.

A-1 Certificate Rate: As defined on the Prospectus Supplement cover page.

A-2 Class: As defined herein on the Prospectus Supplement cover page.

A-2 Class Balance: The outstanding principal balance of such Class.

A-2 Certificate Rate: As defined on the Prospectus Supplement cover page.

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

Aggregate Principal Distribution Amount: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*”.

AMRESCO: As defined herein under “Risk Factors Associated with Multifamily Pass-Through Certificates—*Repurchase Due to Breach of Representations and Warranties*”.

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

Assumed Payment: With respect to any Distribution Date any Balloon Mortgage Loan that is delinquent and still outstanding in respect of its Balloon Payment, including any REO Loan as to which the related Mortgage Note provided for a Balloon Payment which would have been past due, an amount deemed to be due for such Balloon Mortgage Loan on the related Due Date, which shall be equal to the Monthly Payment that would have been due on such Mortgage Loan on such Due Date had such Balloon Payment not become due; *provided, however*, that in the case of any Mortgage for which a partial Balloon Payment was received in any calendar month, in determining the amount of the Assumed Payment, if any, for the immediately succeeding calendar month and for every subsequent calendar month (unless and until any further Balloon Payment is received in connection with such Mortgage Loan, in which case this proviso shall apply to recalculate the Assumed Payments, if any, thereafter), the related Master Servicer shall take into account such partial Balloon Payment, the interest paid by the related Borrower in respect thereof for the calendar month in which such partial Balloon Payment was received, and the amount of Balloon Payment interest shortfall to be paid by such Master Servicer as a result of such partial Balloon Payment, all so as (i) not to double pay interest on such Balloon Payment for such immediately succeeding calendar month, and (ii) to continue amortizing the unpaid portion of the Balloon Payment over the remaining portion of the amortization period applicable to such Mortgage Loan.

Balloon Mortgage Loan: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Monthly Payments*”.

Balloon Payment: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Monthly Payments*”.

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

Certificate Balance: With respect to any Certificate or Subordinate Certificate, as of any date of determination, the then outstanding principal amount of such Certificate or Subordinate Certificate equal to the product of (a) the Percentage Interest evidenced by such Certificate or Subordinate Certificate, multiplied by (b) the then Class Balance of the Class of Certificates or Subordinate Certificates to which such Certificate or Subordinate Certificate belongs.

Certificate Rate: The interest rate of the A-1, A-2 and IO Classes as set forth on the Prospectus Supplement cover page or as described herein.

Certificateholder: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*”.

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

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

Class Balance: With respect to the Certificates (other than the R and RL Classes) and the Subordinate Certificates, the Class Balance outstanding at any time represents the maximum amount that the Holders of such Certificates or the holders of such Subordinate Certificates, respectively, are entitled to receive as distributions allocable to principal from the cash flow on the Mortgage Loans.

Class Notional Amount: As defined herein under “Description of the Certificates—Distributions of Interest—*The Notional Class*”.

Class Prepayment Percentage: As defined herein under “Description of the Certificates—Allocation of Prepayment Premiums and Yield Maintenance Charges”.

Code: As defined herein on page S-2.

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

Cooperative Apartment Building: As defined herein on the Prospectus Supplement cover page.

Cooperative Mortgaged Property: As defined herein under “Risk Factors Associated with Multifamily REMIC Pass-Through Certificates—*Certain Risks Associated with Cooperative Apartment Buildings*”.

CPR: As defined herein under “Description of the Certificates—Structuring Assumptions—*CPR Assumptions*”.

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

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

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

Delinquency Advance: An advance by the applicable Master Servicer of principal of, or interest on, a Mortgage Loan, in accordance with, and subject to the limitations in, the Sale and Servicing Agreement.

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

Distribution Date: As defined herein under “Description of the Certificates—General—*Distribution Dates*”.

Due Date: With respect to each Mortgage Loan, including, without limitation, a Mortgage Loan that is 30 days or more delinquent in respect of any payment due thereunder, including a Balloon Payment, and with respect to each REO Loan, the first day of each month.

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

Existing Second Liens: As defined herein under “Risk Factors Associated with Multifamily REMIC Pass-Through Certificates—*Existing and Potential Subordinate Mortgage Affecting the Mortgaged Properties*”.

Fannie Mae: As defined herein under “Description of the Certificates—General—*Structure*”.

Fannie Mae Balloon Advance Amount: For any Distribution Date on or before the Distribution Date on which the A-1 Class and the A-2 Class are paid in full, the sum, without duplication, for all Mortgages or REO Loans, of all Balloon Payments which became due during the Due Period ending in the month in which such Distribution Date occurs but were not timely paid. For the purpose of the foregoing sentence, a Balloon Payment with respect to a Defaulted Mortgage Loan or REO Loan as to which the Stated Principal Balance has been reduced to zero upon a Final Recovery Determination shall be deemed to be equal to the Scheduled Principal Balance immediately prior to such reduction and shall be deemed to be due on the date on which the Balloon Payment on such Defaulted Mortgage Loan or REO Loan was originally due; *provided, however*, the Fannie Mae Balloon Advance Amount will never exceed the Senior Balance.

Fannie Mae Balloon Advance Payment: Any distribution to the holders of the A-1 Class and the A-2 Class with respect to a Fannie Mae Balloon Advance Amount out of Fannie Mae’s own funds (i.e., not funds from the Mortgages and/or REO Properties).

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

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

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

Final Control Period: With respect to any Mortgage Loan or REO Property, as of any date of determination, any period during which (i) the Senior Balance or the amount owed to Fannie Mae with respect to its guaranty is greater than zero and the Subordinate Balance is equal to or less than a percentage determined in accordance with the Sale and Servicing Agreement (which percentage may be less than 1% of the Issue Date Pool Balance), or (ii) the Senior Balance exceeds the aggregate Assigned Asset Value of all the Mortgage Loans and REO Properties; provided, however, that for purposes of this determination: (i) the Senior Balance shall reflect all distributions of principal made on the Certificates on the Distribution Date immediately preceding such date of determination; and

(ii) the Scheduled Principal Balance of the Mortgage Loans shall reflect all reductions to be made thereto on the Distribution Date immediately preceding such date of determination.

Final Distribution Date: As set forth on the Prospectus Supplement cover page; for the IO, R and RL Classes, the Final Distribution Date reflects (i) the right to extend the maturity of a Mortgage Loan for three years beyond the stated maturity and (ii) an additional two-year period to foreclose upon or liquidate such Mortgage Loan.

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

Final Recovery Determination: A determination by the applicable Master Servicer based upon information produced by the related Special Servicer with respect to any Defaulted Mortgage Loan or REO Property (other than a Mortgage Loan or REO Property, as the case may be, that was purchased by (i) a Mortgage Loan Seller as described herein under “The Sale and Servicing Agreement—Representations and Warranties; Repurchases,” (ii) by Fannie Mae as described herein under “The Trust Agreement—Termination” or by (iii) Fannie Mae, such Master Servicer, such Special Servicer or the Subordinate Directing Holder as summarized herein under “The Sale and Servicing Agreement—Termination”) that there has been a recovery of all insurance proceeds, liquidation proceeds and other payments or recoveries that such Master Servicer, in its reasonable and good faith judgment, exercised without regard to any obligation of such Master Servicer to make payments from its own funds to cover certain deductible amounts under insurance policies covering the Mortgage Property or REO Property, expects to be ultimately recoverable.

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

Holder: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*”.

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

Interest Accrual Period: As defined herein under “Description of the Certificates—Distributions of Interest—*Interest Accrual Period*”.

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

Issue Date: August 1, 1998. Information set forth herein as of the Issue Date reflects application of payments due on the Mortgage Loans on or before such date, whether or not received.

Issue Date Balance: As defined herein under “Description of the Mortgage Pool—General”.

Issue Date Pool Balance: As defined herein under “Description of the Mortgage Pool—General”.

Key Principal: The individuals that have been determined to be critical to the successful operation and management of a Mortgaged Property.

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

herein under “Description of the Sale and Servicing Agreement—Termination” or by Fannie Mae as summarized herein under “The Trust Agreement—Termination”.

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

Lock-Out Period: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*”.

Lower Tier Interests: As defined herein under “Description of the Certificates—General—*Structure*”.

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

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

Master Servicer: As defined under “The Sale and Servicing Agreement” herein.

Materially Modified Loan: Any Mortgage Loan as to which, by reason of a bankruptcy or similar proceeding involving the related Mortgagor or a Modification of such Mortgage Loan granted or agreed to by the Special Servicer, as summarized herein under “The Sale and Servicing Agreement—General—*Special Servicer*” and “The Trust Agreement—Servicing of the Mortgage Loans—*Modifications, Waivers and Amendments*,” the Maturity Date therefor has been extended and/or the Mortgage Rate or the Monthly Payment is reduced.

Maturity Date: As defined herein under “Description of the Mortgage Pool—Certain Terms and Conditions of the Mortgage Loans—*Prepayment Provisions*”.

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

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

Mortgage: As defined herein under “Description of the Mortgage Pool—General”.

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

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

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

Mortgage Loan Schedule: The mortgage loan schedule or schedules attached to the Trust Agreement, which identifies the Mortgage Loans transferred to the Lower Tier REMIC.

Mortgage Loan Sellers: As defined herein under “Risk Factors Associated with Multifamily REMIC Pass-Through Certificates—*Repurchases Due to Breach of Representations and Warranties*”.

Mortgage Note: As defined herein under “Description of the Mortgage Pool—General”.

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

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

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

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

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

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

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

NCB: As defined herein under “Risk Factors Associated with Multifamily REMIC Pass-Through Certificates—*Repurchases Due to Breach of Representations and Warranties*”.

Net Mortgage Rate: For any Mortgage Loan or REO Loan, as of any date of determination, the rate per annum equal to (i) the applicable Mortgage Rate (without regard to any modification thereof made in connection with a bankruptcy proceeding or in connection with a default or a threatened default) minus (ii) the sum of the applicable Servicing Fee Rate and the Fannie Mae Fee Rate; *provided, however*, that the net mortgage rate of any Mortgage Loan that accrues interest on a basis other than a 360-day year consisting of twelve 30-day months, shall be appropriately adjusted to convert it to an interest rate calculated on the basis of a 360-day year consisting of twelve 30-day months. For information as to the Net Mortgage Rates (without any adjustment as provided above) applicable to the Mortgage Loans, see Exhibit A hereto.

Notional Class: The IO Class.

Percentage Interest: With respect to any Certificate (other than the R or RL Certificate) or Subordinate Certificate, the portion of the relevant Class evidenced by such Certificate, expressed as a percentage, the numerator of which is the Certificate Balance of such Certificate (other than the R or RL Certificate) or Subordinate Certificate as of the Settlement Date, as specified on the face thereof, and the denominator of which is the original Class Balance of the relevant Class. With respect to a Class R or Class RL Certificate, the percentage interest in distributions to be made with respect to such Class, as stated on the face of such Class R or Class RL Certificate.

Potential Junior Liens: As defined herein under “Risk Factors Associated with Multifamily REMIC Pass-Through Certificates—*Existing and Potential Subordinate Mortgage Affecting the Mortgaged Properties*”.

Prepayment Premium: Any premium, penalty or fee (other than a Yield Maintenance Charge) paid or payable, as the context requires, by a Mortgagor in connection with a principal prepayment.

Pricing Assumptions: As defined herein under “Description of the Certificates—Structuring Assumptions—*Pricing Assumptions*”.

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

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

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

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

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

Regular Interests: As defined herein under “Description of the Certificates—General—*Structure*”.

Regulations: As defined herein under “Description of the Certificates—Characteristics of the R and RL Classes”.

REMIC: As defined herein on page S-2.

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

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

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

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

REO Property: A Mortgaged Property acquired on behalf of the Lower Tier REMIC through foreclosure, acceptance of a deed in lieu of foreclosure or otherwise in connection with a default or imminent default of a Mortgage Loan.

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

Residual Interest: As defined herein under “Description of the Certificates—General—Structure”.

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

Sale and Servicing Agreement: As defined herein under “The Sale and Servicing Agreement”.

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

Scheduled Principal Balance: With respect to any Mortgage Loan (or any REO Loan), as of the Issue Date, the Issue Date Balance. With respect to any Mortgage Loan (or any REO Loan), as of any Due Date subsequent to the Issue Date, an amount (not less than zero) equal to the Issue Date Balance of such Mortgage Loan, minus the sum of, without duplication, the following: (a) the aggregate of the principal portions of all Scheduled Payments (other than any Balloon Payment) due, and of any Assumed Payments deemed due, whether or not received or advanced; (b) the aggregate of all payments, insurance proceeds and liquidation proceeds received on or in respect of such Mortgage Loan (or, in the case of such REO Loan, revenues from the REO Property, insurance proceeds and liquidation proceeds received on or in respect of the related REO Property), applied as recoveries of principal of such Mortgage Loan (or REO Loan), in each case net of any portion of the particular payment or other collection which represents a recovery of the principal portion of any Scheduled Payment (other than a Balloon Payment) due, or of the principal portion of any Assumed Payment deemed due in respect of such Mortgage Loan (or REO Loan) on a Due Date during or prior to the Due Period in which such collection was received; and (c) the principal portion of any realized loss incurred in respect of such Mortgage Loan (or such REO Loan) during the period subsequent to the Issue Date through and including such Due Date (including, without limitation, any Deficient Valuation). Notwithstanding the foregoing, if a Liquidation Event occurs in respect of any Mortgage Loan or REO Property, then the “Scheduled Principal Balance” of such Mortgage Loan or of the related REO Loan, as the case may be, shall be zero as of the Due Date in the calendar month following the month during which such Liquidation Event occurred and as of each Due Date thereafter.

Senior Balance: The aggregate of the Class Balances of the A-1 Class and the A-2 Class.

Senior Principal Distribution Amount: As defined herein under “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*”.

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

Servicing Advances: All customary, reasonable and necessary “out-of-pocket” costs and expenses (including attorneys’ fees and expenses and fees of real estate brokers) incurred by a Master Servicer in connection with the servicing and administering of (a) a Mortgage Loan in respect of

which a default, delinquency or other unanticipated event has occurred (without regard to any grace or cure period available to the applicable Mortgagor) or as to which a default is imminent or (b) an REO Property; however “Servicing Advance” will not include any cost or expense that such Master Servicer is expressly required by the Sale and Servicing Agreement to bear out of its own funds or without right of reimbursement or that the Sale and Servicing Agreement expressly states is not to be borne by Fannie Mae or the Trust or is not a Servicing Advance.

Servicing Fee: With respect to each Mortgage Loan and REO Loan, the fee payable to the related Master Servicer and the related Special Servicer pursuant to the Sale and Servicing Agreement, as calculated using the Servicing Fee Rate.

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

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

Special Servicer: As defined herein under “The Trust Agreement—Certain Rights of the Subordinate Directing Holder”.

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

State Street: As defined herein under “Description of the Certificates—General—*Characteristics of Certificates*”.

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

Subordinate Certificate: A certificate of a Subordinate Class.

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

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

Subordinate Directing Holder: The person, if any, which is the holder of at least fifty-one percent (51%) of the aggregate Class Balance of the most junior of the Subordinate Classes that, on

such Distribution Date, has an aggregate Class Balance at least equal to twenty-five hundredths percent (0.25%) of the Issue Date Balances of all the Mortgages; *provided, however*, that such person shall not become a Subordinate Directing Holder unless, at the time in question (and at all times thereafter), the aggregate Class Balance of such most junior (as of the Issue Date) of the Subordinate Classes is greater than one percent (1%) of the aggregate principal portion of the Issue Date Balances of all Mortgages originally in the Lower-Tier REMIC. If no person satisfies the requirements of this definition, there shall be no Subordinate Directing Holder, and Fannie Mae will have the rights of the Subordinate Directing Holder or, Fannie Mae, in its sole discretion, may delegate any or all rights of the Subordinate Directing Holder to any holder of a Subordinate Certificate selected by Fannie Mae.

Subordinated Principal Distribution Amount: With respect to any Distribution Date, the sum of (a) the excess, if any, of the Aggregate Principal Distribution Amount over the Senior Principal Distribution Amount and (b) the Subordinated Principal Shortfall with respect to the immediately preceding Distribution Date.

Subordinated Principal Shortfall: With respect to any Distribution Date, the amount equal to the excess, if any, of (a) the Subordinated Principal Distribution Amount with respect to such Distribution Date, over (b) the aggregate distributions of principal actually made to the holders of the Subordinate Classes on such Distribution Date.

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

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

Trust Agreement: As defined herein under “Description of the Certificates—General—*Structure*”.

Trustee: As defined herein under “Description of the Certificates—General—*Structure*”.

U.S. Person: A citizen or resident of the United States, a corporation, partnership or other entity created or organized in, or under the laws of, the United States or any political subdivision thereof, or an estate or trust the income of which is subject to United States federal income tax regardless of the source of its income or a trust if a court within the United States can exercise primary jurisdiction over its administration and one or more U.S. Persons have the authority to control all substantial decisions of the trust.

Weighted Average Net Mortgage Rate: With respect to each Interest Accrual Period, an annualized rate equal to a fraction (expressed as a percentage and rounded to eight decimal places) the numerator of which is the aggregate amount of interest accrued on the Scheduled Principal Balance of each Mortgage Loan or REO Loan at the Net Mortgage Rate for such Mortgage Loan or REO Loan as of the Due Date in such Interest Accrual Period and the denominator of which is the aggregate Scheduled Principal Balance of all Mortgage Loans and REO Loans.

Yield Maintenance Charge: Payments paid or payable, as the context requires, on a Mortgage Loan as the result of a principal prepayment thereon, not otherwise due thereon in respect of principal or interest, which have been calculated (based on Scheduled Payments on such Mortgage Loan) to compensate the holder of the Mortgage Loan for reinvestment losses based on the value of an interest rate index (plus, in certain instances a specified number of basis points) at or near the time of prepayment. Prepayment premiums, penalties and fees not so calculated will not be considered Yield Maintenance Charges.

Supplement to Prospectus Supplement dated August 7, 1998

\$284,306,000



FannieMae

***Guaranteed REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 1998-M6***

This is a Supplement to the Prospectus Supplement dated August 7, 1998 (the "Prospectus Supplement"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Prospectus Supplement.

The following loans which are listed on Exhibit A of the Prospectus Supplement bear interest on the basis of a 360-day year and actual days elapsed, notwithstanding the absence of a notation to that effect:

<i>Property Name</i>	<i>Original Loan Balance</i>
<i>Las Brisas & Vida Del Mar Apts</i>	<i>\$3,681,100</i>
<i>Maddox Apartments</i>	<i>3,360,000</i>
<i>Garden East Apartments</i>	<i>2,380,000</i>
<i>Shangri La Apartments</i>	<i>1,480,000</i>
<i>Villa Grande</i>	<i>700,000</i>

See "Risk Factors Associated with Multifamily Remic Pass-Through Certificates" on page S-6 of the Prospectus Supplement 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.

MORGAN STANLEY DEAN WITTER

September 8, 1998

Exhibit A

A-1

Property Name	Cooperative/ Multifamily	City / County / Borough	State	Original Loan Balance	Issue Date Balance	Issue Date Balance Per Unit	Mortgage Rate	Net Mortgage Rate	Note Date	First Monthly Payment Date	Maturity Date	Original Amorti- zation Term (Mos)	Original Term (Mos)	Mortgage Loan Age (Mos)	Lockout Penalty Codes**	Current Pre- payment Status	Remaining Lockout Period (Mos)	Open Window* (Mos)	Issue Date Coop LTV Ratio	Issue Date Rental LTV Ratio	Percentage of Sponsor Held Units
Southern Pines Apartments	Multifamily	Atlanta	GA	\$8,250,000	\$8,215,320	\$20,335	6.930%	6.623%	02/13/98	04/98	03/08	360	120	5	1	Y/M	0	3	NA	74.68%	NA
Woodcrest Apartments†	Multifamily	Torrance	CA	7,600,000	7,600,000	62,295	6.745	6.438	07/01/98	09/98	08/08	360	120	0	1	Y/M	0	3	NA	76.00	NA
Woodhaven Apartments	Multifamily	Las Vegas	NV	7,500,000	7,481,989	33,106	7.150	6.823	04/30/98	06/98	05/08	360	120	3	10	Y/M	0	6	NA	79.68	NA
The Summit Apartments†	Multifamily	Westminster	CO	7,000,000	6,989,826	30,657	6.990	6.673	05/18/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	75.98	NA
Strawberry Ridge†	Multifamily	Waterford	NY	6,560,000	6,550,303	34,842	6.920	6.613	05/29/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	77.06	NA
Park Lane South Owners, Inc.	Cooperative	Kew Gardens	NY	6,200,000	6,185,403	29,881	6.790	6.560	03/12/98	05/98	04/08	420	120	4	12	L/O	110	6	41.79%	43.56	18.84%
Mebane Mills Apartments†	Multifamily	Mebane	NC	6,000,000	5,996,006	53,536	6.790	6.480	06/30/98	08/98	07/08	360	120	1	1	Y/M	0	3	NA	80.33	NA
The Highlands Apartments	Multifamily	Butler	PA	5,200,000	5,187,264	30,877	7.050	6.743	04/02/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	74.10	NA
Tara East Apartments	Multifamily	Raleigh	NC	4,800,000	4,800,000	24,490	6.910	6.600	07/28/98	09/98	08/08	360	120	0	1	Y/M	0	3	NA	70.59	NA
Sheridan Square Owners Corp.	Cooperative	New York	NY	4,750,000	4,749,056	29,868	6.790	6.560	05/12/98	07/98	06/08	720	120	2	3	L/O	100	18	14.98	27.53	3.14
Summer Tree Apartments†	Multifamily	Phenix City	AL	4,750,000	4,743,063	32,266	6.970	6.663	05/15/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	79.05	NA
Prairie Gardens†	Multifamily	Torrance	CA	4,720,000	4,716,883	57,523	6.817	6.510	06/17/98	08/98	07/08	360	120	1	1	Y/M	0	3	NA	78.81	NA
Catalina Apartments	Multifamily	Los Angeles	CA	4,500,000	4,488,869	35,069	7.000	6.686	04/14/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	78.75	NA
Indigo Creek Apartments†	Multifamily	Charleston	SC	4,375,000	4,353,990	19,437	7.000	6.693	01/30/98	03/98	02/08	360	120	6	5	L/O	17	3	NA	73.49	NA
Greenfield Apartments	Multifamily	Grand Rapids	MI	4,160,000	4,139,880	24,642	7.160	6.853	01/07/98	03/98	02/08	360	120	6	1	Y/M	0	3	NA	79.61	NA
Redwood Garden Apartments	Multifamily	Las Vegas	NV	3,800,000	3,793,944	31,355	7.158	6.826	05/14/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	79.87	NA
Carousel Apartments	Multifamily	Hoover	AL	3,787,603	3,787,603	25,251	7.070	6.763	03/09/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	78.42	NA
Rivers Landing	Multifamily	Everett	WA	3,700,000	3,696,845	37,342	6.800	6.493	06/19/98	08/98	07/08	360	120	1	11	L/O	34	3	NA	70.35	NA
Las Brisas&Vida Del Mar Apartments	Multifamily	Huntington Beach	CA	3,681,100	3,674,927	59,273	6.900	6.593	05/28/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	79.37	NA
Greentree Village	Multifamily	Seattle	WA	3,600,000	3,570,376	17,248	8.494	8.060	06/16/97	08/97	07/07	360	120	13	1	Y/M	0	3	NA	72.86	NA
Park Villas/Ridgmar Court	Multifamily	Fort Worth	TX	3,571,000	3,565,423	12,643	7.260	6.933	05/08/98	07/98	06/08	360	120	2	11	L/O	33	3	NA	75.06	NA
Maddox Apartments	Multifamily	Huntington Beach	CA	3,360,000	3,354,366	59,899	6.900	6.593	05/28/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	79.87	NA
Culver Boulevard Apartments	Multifamily	Culver City	CA	3,320,000	3,301,430	50,791	7.220	6.893	12/30/97	02/98	01/08	360	120	7	1	Y/M	0	3	NA	79.55	NA
Highland Terrace Apartments	Multifamily	Milwaukee	OR	3,277,000	3,261,821	29,123	7.460	7.033	03/20/98	05/98	04/08	300	120	4	1	Y/M	0	3	NA	73.30	NA
425 East 86 Apartments Corp.	Cooperative	New York	NY	3,070,000	3,039,576	33,039	6.830	6.600	02/05/98	04/98	03/08	240	120	5	2	L/O	79	3	11.01	15.35	14.13
Ravenwood Apartments	Multifamily	Ithaca	NY	3,000,000	2,997,504	74,938	6.925	6.618	06/17/98	08/98	07/08	360	120	1	1	Y/M	0	3	NA	74.94	NA
Sandy Bay Estates†	Multifamily	Rockport	MA	3,000,000	2,984,802	35,533	7.330	7.023	12/30/97	02/98	01/08	360	120	7	7	L/O	52	3	NA	73.88	NA
Mediterranean Villas	Multifamily	San Antonio	TX	2,950,000	2,937,815	20,984	7.020	6.668	02/23/98	04/98	03/08	360	120	5	1	Y/M	0	3	NA	77.31	NA
91-50 195th Street†	Multifamily	Hollis	NY	2,944,000	2,927,852	34,445	7.460	7.153	11/12/97	01/98	12/07	360	120	8	1	Y/M	0	3	NA	71.41	NA
Casa Nueva Apartments	Multifamily	Dallas	TX	2,900,000	2,893,185	16,439	7.330	6.938	05/18/98	07/98	06/08	300	120	2	1	Y/M	0	3	NA	65.02	NA
Butterfield Tower†	Multifamily	Elmhurst	IL	2,800,000	2,798,042	50,873	6.620	6.380	06/30/98	08/98	07/08	360	120	1	6	L/O	47	6	NA	65.07	NA
67th Road Housing Corporation ..	Cooperative	Forest Hills	NY	2,800,000	2,798,011	35,872	7.260	7.030	05/13/98	07/98	06/08	480	120	2	2	L/O	82	3	44.41	59.53	43.59
7 West 96th Street Corporation ..	Cooperative	New York	NY	2,600,000	2,598,169	32,477	7.090	6.860	11/10/97	01/98	12/07	720	120	8	2	L/O	76	3	9.21	14.76	0.00
Soho Plaza Corp.	Cooperative	New York	NY	2,600,000	2,589,490	69,986	7.130	6.900	02/27/98	04/98	03/08	360	120	5	2	L/O	79	3	11.46	20.39	0.00
34 Plaza Owners Corp.	Cooperative	Brooklyn	NY	2,600,000	2,589,020	23,537	6.990	6.760	03/26/98	05/98	04/08	324	120	4	3	L/O	98	18	15.98	28.14	20.91
Spring Valley Apartments†	Multifamily	Harrisburg	PA	2,550,000	2,542,490	26,484	6.960	6.653	03/30/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	79.45	NA
144-70 41st Owners, Inc.	Cooperative	Flushing	NY	2,500,000	2,489,593	24,649	6.980	6.750	02/13/98	04/98	03/08	360	120	5	3	L/O	97	18	38.01	47.88	28.71
Vista Pointe Apartments	Multifamily	Rapid City	SD	2,400,000	2,398,000	49,958	6.917	6.610	06/18/98	08/98	07/08	360	120	1	11	L/O	34	3	NA	79.93	NA
Casa Espana/Casa Royal†	Multifamily	Tucson	AZ	2,400,000	2,394,989	31,933	6.990	6.683	04/08/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	79.83	NA
Garden East Apartments	Multifamily	Modesto	CA	2,380,000	2,380,000	25,870	6.681	6.374	07/01/98	09/98	08/08	360	120	0	1	Y/M	0	3	NA	70.00	NA
134-54 Maple Avenue Tenants Corp.	Cooperative	Flushing	NY	2,350,000	2,349,372	21,753	6.960	6.730	06/30/98	08/98	07/08	540	120	1	3	L/O	101	18	37.83	19.74	19.44
Pelhamdale Manor Corp.	Cooperative	New Rochelle	NY	2,300,000	2,291,047	26,334	6.910	6.680	05/27/98	07/98	06/08	240	120	2	3	L/O	100	18	26.64	37.56	39.08
Village Grove Apartments†	Multifamily	Ypsilanti	MI	2,250,000	2,248,555	15,091	6.910	6.670	06/05/98	08/98	07/08	360	120	1	6	L/O	47	6	NA	72.53	NA
Barnes Gardens Owners Corp.	Cooperative	Bronx	NY	2,250,000	2,248,327	23,667	7.490	7.260	06/11/98	08/98	07/08	360	120	1	3	L/O	101	18	43.24	59.17	72.63
90-10 149th Street†	Multifamily	Jamaica - Queens	NY	2,250,000	2,237,658	24,863	7.460	7.153	11/12/97	01/98	12/07	360	120	8	1	Y/M	0	3	NA	72.18	NA
Parkview Apartments†	Multifamily	Holyoke	MA	2,210,000	2,208,697	20,451	7.190	6.883	06/16/98	08/98	07/08	360	120	1	11	L/O	34	3	NA	74.49	NA
480 Riverdale Avenue Tenants Corp.	Cooperative	Yonkers	NY	2,200,000	2,199,140	16,535	6.910	6.680	06/15/98	08/98	07/08	480	120	1	3	L/O	101	18	27.15	32.34	44.36
Tam O Chelle Apartments	Multifamily	Las Vegas	NV	2,200,000	2,196,448	29,286	7.092	6.765	05/28/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	78.73	NA
Roman Gardens Apartments	Multifamily	Provo	UT	2,200,000	2,194,558	46,693	7.000	6.673	04/10/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	71.25	NA
305315 Equities Corp.	Cooperative	New York	NY	2,100,000	2,096,130	23,034	7.160	6.930	02/13/98	04/98	03/08	480	120	5	3	L/O	97	18	16.64	24.66	46.15
Westport Apartments†	Multifamily	Mobile	AL	2,100,000	2,094,982	14,964	6.747	6.440	06/01/98	07/98	06/08	300	120	2	1	Y/M	0	3	NA	63.48	NA
Brazos Park Apartments	Multifamily	Arlington	TX	2,100,000	2,091,545	20,505	7.150	6.798	02/02/98	04/98	03/05	360	84	5	4	Y/M	0	3	NA	67.69	NA
Orchard Park Apartments	Multifamily	Port Orchard	WA	2,032,000	2,032,000	30,788	6.870	6.570	07/15/98	09/98	08/08	360	120	0	1	Y/M	0	3	NA	75.26	NA
Capitol House Tenants Corp.	Cooperative	East Rockaway	NY	2,000,000	1,994,845	23,196	6.790	6.560	04/15/98	06/98	05/08	360	120	3	2	L/O	81	3	33.93	39.90	0.00
Casa Mar Vista	Multifamily	Whittier	CA	2,000,000	1,989,117	39,002	7.360	7.008	12/17/97	02/98	01/08	360	120	7	1	Y/M	0	3	NA	79.56	NA
445/86 Owners Corp.	Cooperative	New York	NY	2,000,000	1,979,702	13,287	6.630	6.400	02/04/98	04/98	03/08	240	120	5	2	L/O	79	3	7.17	9.69	0.00
Colony II Apartments	Multifamily	Phoenix	AZ	1,950,000	1,940,326	16,169	7.030	6.703	01/15/98	03/98	02/05	360	84	6	8	Y/M	0	3	NA	69.30	NA
Mesa View Apartments	Multifamily	Santee	CA	1,920,000	1,911,019	49,000	7.330	6.978	01/02/98	03/98	02/08	360	120	6	1	Y/M	0	3	NA	77.21	NA
993 Fifth Avenue Corporation	Cooperative	New York	NY	1,900,000	1,898,823	82,558	6.730	6.500	01/22/98	03/98	02/08	720	120	6	2	L/O	78	3	2.53	10.32	0.00
Colony I Apartments	Multifamily	Phoenix	AZ	1,875,000	1,865,698	16,084	7.030	6.690	01/15/98	03/98	02/05										

Property Name	Cooperative/ Multifamily	City / County / Borough	State	Original Loan Balance	Issue Date Balance	Issue Date Balance Per Unit	Mortgage Rate	Net Mortgage Rate	Note Date	First Monthly Payment Date	Maturity Date	Original Amorti- zation Term (Mos)	Original Term (Mos)	Mortgage Loan Age (Mos)	Lockout Penalty Codes**	Current Pre- payment Status	Remaining Lockout Period (Mos)	Open Window* (Mos)	Issue Date Coop LTV Ratio	Issue Date Rental LTV Ratio	Percentage of Sponsor Held Units
2736 Independence Ave. Owners Corp.	Cooperative	Bronx	NY	\$1,800,000	\$1,799,021	\$27,677	6.610%	6.380%	02/25/98	04/98	03/08	720	120	5	3	L/O	97	18	34.87%	41.64%	26.15%
Yorkville Apartments†	Multifamily	Yorkville	IL	1,800,000	1,798,763	24,983	6.680	6.440	06/25/98	08/98	07/08	360	120	1	6	L/O	47	6	NA	69.18	NA
309-317 West 93 Owners Corp.	Cooperative	New York	NY	1,800,000	1,797,202	33,909	6.960	6.730	03/24/98	05/98	04/08	480	120	4	2	L/O	80	3	16.55	21.92	13.21
East Avenue Manor	Multifamily	Turlock	CA	1,800,000	1,797,077	20,192	7.063	6.711	05/04/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	56.69	NA
Villa Ave Apartments	Multifamily	San Jose	CA	1,760,000	1,754,436	44,986	7.230	6.878	03/02/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	66.21	NA
Tudor Arms Owners Corp.	Cooperative	Bronxville	NY	1,725,000	1,717,490	30,669	6.750	6.520	02/11/98	04/98	03/08	360	120	5	3	L/O	97	18	35.09	40.65	28.57
830-832/834 Broadway Owner's Corporation	Cooperative	New York	NY	1,700,000	1,699,530	89,449	6.960	6.730	01/07/98	03/98	02/08	840	120	6	2	L/O	78	3	9.82	17.05	0.00
310 Lexington Owners Corp.	Cooperative	New York	NY	1,700,000	1,699,501	13,277	6.830	6.600	04/08/98	06/98	05/08	720	120	3	2	L/O	81	3	12.00	13.31	9.38
Rio Grande Vista Apartments	Multifamily	Vista	CA	1,700,000	1,694,508	30,259	7.120	6.768	03/16/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	73.67	NA
Greenwich St.	Cooperative	New York	NY	1,700,000	1,691,450	73,541	6.960	6.730	01/07/98	03/98	02/08	360	120	6	2	L/O	78	3	22.55	35.24	0.00
200 Mercer St. Apartment Corp.	Cooperative	New York	NY	1,650,000	1,649,014	58,893	6.810	6.580	01/08/98	03/98	02/08	720	120	6	2	L/O	78	3	10.54	11.78	0.00
17 West Apartments Corp.	Cooperative	New York	NY	1,650,000	1,636,656	44,234	6.640	6.410	03/17/98	05/98	04/08	240	120	4	2	L/O	80	3	8.00	12.49	0.00
Wyman Towers Apartments	Multifamily	Baltimore	MD	1,645,000	1,634,998	11,596	7.170	6.778	02/18/98	04/98	03/08	300	120	5	1	Y/M	0	3	NA	70.32	NA
83-06 Vioter Avenue Realty Corp.	Cooperative	Elmhurst	NY	1,625,000	1,625,000	18,895	7.060	6.830	07/08/98	09/98	08/08	360	120	0	3	L/O	102	18	38.92	52.42	51.16
Harbor View Apartments†	Multifamily	National City	CA	1,600,000	1,596,805	22,178	7.160	6.808	04/02/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	70.97	NA
Tripp Apartments	Multifamily	San Jose	CA	1,600,000	1,592,077	56,860	7.040	6.688	01/15/98	03/98	02/08	360	120	6	1	Y/M	0	3	NA	76.73	NA
Villa De La Paz†	Multifamily	Spring Valley	CA	1,575,000	1,573,403	26,223	7.117	6.765	06/18/98	08/98	07/08	300	120	1	1	Y/M	0	3	NA	71.52	NA
166-05 88th Avenue†	Multifamily	Jamaica	NY	1,560,000	1,551,443	29,273	7.460	7.153	11/12/97	01/98	12/07	360	120	8	1	Y/M	0	3	NA	73.88	NA
Jupiter Court Corp.	Cooperative	Rego Park	NY	1,550,000	1,550,000	22,794	6.960	6.730	07/17/98	09/98	08/08	360	120	0	3	L/O	102	18	45.59	51.67	77.94
MYDL Owners, Inc.	Cooperative	Rego Park	NY	1,550,000	1,550,000	21,528	6.960	6.730	07/17/98	09/98	08/08	360	120	0	3	L/O	102	18	43.91	48.44	80.56
Patricia Gardens Owners, Inc.	Cooperative	Larchmont	NY	1,550,000	1,546,126	23,787	6.940	6.710	05/12/98	07/98	06/08	300	120	2	3	L/O	100	18	38.18	37.71	29.23
Thomas Jefferson Owners Corp. ...	Cooperative	Forest Hills	NY	1,500,000	1,499,414	15,458	6.910	6.680	06/25/98	08/98	07/08	480	120	1	3	L/O	101	18	19.73	18.74	78.35
The Glass House Cooperative, Inc.	Cooperative	New York	NY	1,500,000	1,497,521	93,595	6.740	6.510	03/10/98	05/98	04/08	480	120	4	2	L/O	80	2	11.10	20.16	0.00
590 West End Owners Corp.	Cooperative	New York	NY	1,500,000	1,494,990	17,588	6.950	6.720	03/26/98	05/98	04/08	360	120	4	3	L/O	98	18	8.59	11.24	23.53
Heather Crossing Apartments	Multifamily	Milwaukie	OR	1,487,000	1,480,112	34,421	7.460	7.033	03/20/98	05/98	04/08	300	120	4	1	Y/M	0	3	NA	73.09	NA
Shangri La Apartments	Multifamily	Pacific Grove	CA	1,480,000	1,477,609	34,363	7.090	6.738	05/06/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	70.36	NA
Pinehaven Garden Apartments	Multifamily	Castro Valley	CA	1,400,000	1,396,527	43,641	6.985	6.633	04/17/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	50.05	NA
Longview Terrace Apartments	Multifamily	Alexandria	VA	1,400,000	1,392,397	33,961	7.370	6.993	12/19/97	02/98	01/08	360	120	7	1	Y/M	0	3	NA	79.57	NA
County Estates	Multifamily	Larchmont	NY	1,350,000	1,347,705	17,278	6.830	6.600	05/19/98	07/98	06/08	360	120	2	3	L/O	100	18	NA	29.30	NA
Hidden Hollow Apartments	Multifamily	Arlington	TX	1,342,000	1,330,363	9,503	8.620	8.268	05/07/97	07/97	06/07	360	120	14	1	Y/M	0	3	NA	56.61	NA
Pinehurst Owners Corp.	Cooperative	New York	NY	1,300,000	1,299,512	24,065	7.050	6.820	06/10/98	08/98	07/08	480	120	1	13	L/O	100	3	32.49	39.98	44.44
Emerald Estates Apartments	Multifamily	Fresno	CA	1,300,000	1,292,981	10,957	7.400	6.993	12/24/97	02/98	01/08	360	120	7	1	Y/M	0	3	NA	67.70	NA
Empire State Lofts Limited	Cooperative	New York	NY	1,300,000	1,292,406	53,850	6.930	6.700	04/30/98	06/98	05/08	240	120	3	2	L/O	81	3	11.76	16.36	0.00
Heathcoate-Wiltshire Corp.	Cooperative	New Rochelle	NY	1,300,000	1,291,681	22,270	7.230	7.000	11/26/97	01/98	12/07	360	120	8	2	L/O	76	3	23.92	27.25	10.34
McCorkle Cooperative Apartments, Inc.	Cooperative	Bronxville	NY	1,200,000	1,200,000	9,375	6.820	6.590	07/09/98	09/98	08/08	360	120	0	3	L/O	102	18	11.64	10.63	0.00
60 Tenants Corp.	Cooperative	New York	NY	1,200,000	1,199,747	14,455	6.660	6.430	05/21/98	07/98	06/08	720	120	2	2	L/O	82	3	4.63	7.89	0.00
88-30 182nd Street Realty Corp.	Cooperative	Jamaica	NY	1,200,000	1,199,169	18,449	7.350	7.120	05/20/98	07/98	06/08	480	120	2	3	L/O	100	18	39.32	42.83	46.15
Canfield Apartments	Multifamily	Los Angeles	CA	1,200,000	1,197,055	59,853	7.040	6.688	04/03/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	76.73	NA
Lake City Apartments	Multifamily	Seattle	WA	1,152,000	1,147,932	35,873	7.338	6.861	04/02/98	06/98	05/08	300	120	3	1	Y/M	0	3	NA	64.49	NA
J & V Apartments	Multifamily	Seattle	WA	1,114,000	1,108,769	42,645	7.310	6.833	01/27/98	03/98	02/08	360	120	6	1	Y/M	0	3	NA	60.92	NA
3050 Fairfield Avenue Owners Corp.	Cooperative	Bronx	NY	1,100,000	1,095,606	15,217	7.190	6.960	02/26/98	04/98	03/08	360	120	5	3	L/O	97	18	21.07	40.58	52.78
310 West 99th Street Owners Corp.	Cooperative	New York	NY	1,100,000	1,095,332	16,851	7.820	7.590	01/27/98	03/98	02/08	360	120	6	2	L/O	78	3	17.06	21.69	0.00
Hildring Place Apartments	Multifamily	Fort Worth	TX	1,100,000	1,094,823	12,731	7.360	7.008	03/13/98	05/98	04/08	300	120	4	1	Y/M	0	3	NA	79.34	NA
444 East 87th Street Owners Corp.	Cooperative	New York	NY	1,100,000	1,092,974	26,658	7.240	7.010	11/25/97	01/98	12/07	360	120	8	14	L/O	82	30	26.66	36.43	19.51
92-07 195th Place	Multifamily	Hollis, Queens	NY	1,100,000	1,090,974	40,406	8.090	7.763	07/29/97	09/97	08/07	360	120	12	1	Y/M	0	3	NA	71.31	NA
Sterling Court	Multifamily	Los Angeles	CA	1,085,000	1,082,410	30,067	7.180	6.828	04/13/98	06/98	05/08	360	120	3	1	Y/M	0	3	NA	60.98	NA
266 Pelham Road Corporation	Cooperative	New Rochelle	NY	1,050,000	1,049,735	18,416	7.130	6.900	06/04/98	08/98	07/08	540	120	1	3	L/O	101	18	25.54	26.51	31.58
315 St. John's Owners Inc.	Cooperative	Brooklyn	NY	985,000	976,787	20,783	7.340	7.110	12/31/97	02/98	01/08	300	120	7	2	L/O	77	3	13.88	20.35	12.77
Casa Nicholson II	Multifamily	Monterey Park	CA	960,000	956,923	47,846	7.160	6.808	03/23/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	78.76	NA
Holiday House Apartments	Multifamily	Denver	CO	925,000	924,264	15,665	7.151	6.806	06/26/98	08/98	07/08	360	120	1	9	Y/M	0	3	NA	75.14	NA
6601 Broadway Owners Corp.	Cooperative	Riverdale	NY	900,000	900,000	11,538	6.950	6.720	07/17/98	09/98	08/08	420	120	0	3	L/O	102	18	23.08	24.26	44.87
119 West 71st Street Owners Corp.	Cooperative	New York	NY	900,000	897,104	24,920	7.140	6.910	03/09/98	05/98	04/08	360	120	4	2	L/O	80	3	9.25	16.93	33.33
50-05 43rd Avenue Corp.	Cooperative	Woodside	NY	850,000	850,000	11,806	6.730	6.500	07/09/98	09/98	08/08	360	120	0	3	L/O	102	18	34.00	34.00	33.33
45 Overlook Terrace Owners Corp.	Cooperative	New York	NY	835,000	834,324	16,686	7.060	6.830	06/02/98	08/98	07/08	360	120	1	3	L/O	101	18	28.05	32.09	94.00
222 Bowery Owners Corp.	Cooperative	New York	NY	800,000	799,412	99,927	7.550	7.320	06/15/98	08/98	07/08	360	120	1	2	L/O	83	3	24.98	49.96	0.00
Bagley Avenue Apartments†	Multifamily	Los Angeles	CA	775,000	773,910	48,369	7.126	6.774	05/19/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	73.71	NA
3030 Johnson Avenue Corp.	Cooperative	Riverdale	NY	750,000	750,000	12,712	6.840	6.610	07/16/98	09/98	08/08	480	120	0	2	L/O	84	3	21.43	25.00	32.20
Charisma Apartments	Multifamily	Carmichael	CA	750,000	746,932	28,728	7.070	6.718	02/12/98	04/98	03/08	360	120	5	1	Y/M	0	3	NA	71.82	NA
Palmer Avenue Owners Inc.	Cooperative	New Rochelle	NY	750,000	745,183	18,630	6.820	6.590	02/09/98	04/98	03/08	300	120	5	2	L/O	79	3	31.		

Property Name	Cooperative/ Multifamily	City / County / Borough	State	Original Loan Balance	Issue Date Balance	Issue Date Balance Per Unit	Mortgage Rate	Net Mortgage Rate	Note Date	First Monthly Payment Date	Maturity Date	Original Amorti- zation Term (Mos)	Original Term (Mos)	Mortgage Loan Age (Mos)	Lockout Penalty Codes**	Current Pre- payment Status	Remaining Lockout Period (Mos)	Open Window* (Mos)	Issue Date Coop LTV Ratio	Issue Date Rental LTV Ratio	Percentage of Sponsor Held Units
Meadows Apartments	Multifamily	Canton	MS	\$ 735,000	\$ 723,379	\$12,917	7.110%	6.783%	02/11/98	04/98	03/08	180	120	5	1	Y/M	0	3	NA	59.78%	NA
Ann Edward Court†	Multifamily	Houston	TX	710,000	708,627	59,052	7.280	6.953	04/15/98	06/98	05/08	360	120	3	7	L/O	56	3	NA	76.20	NA
Villa Grande	Multifamily	San Leandro	CA	700,000	698,880	58,240	7.138	6.786	05/08/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	78.97	NA
179 Ocean Owners Corp.	Cooperative	Brooklyn	NY	700,000	698,520	18,382	7.790	7.560	04/07/98	06/98	05/08	360	120	3	2	L/O	81	3	44.21%	49.19	0.00%
Pelhamdale Avenue Owners Corp.	Cooperative	Village of Pelham	NY	700,000	698,218	27,929	7.230	7.000	12/15/97	02/98	01/08	480	120	7	2	L/O	77	3	28.50	38.79	20.00
Nebraska Court Apartments	Multifamily	Portland	OR	685,000	684,450	38,025	7.100	6.720	06/24/98	08/98	07/08	360	120	1	1	Y/M	0	3	NA	66.45	NA
38 Gramercy Park, Inc.	Cooperative	New York	NY	675,000	674,169	20,429	7.020	6.790	06/12/98	08/98	07/08	300	120	1	3	L/O	101	18	15.77	18.22	30.30
45-47 Crosby Street Tenants Corp.	Cooperative	New York	NY	650,000	649,496	49,961	7.280	7.050	06/03/98	08/98	07/08	360	120	1	3	L/O	101	18	7.78	16.65	0.00
Two Jane Street Owners Corp.	Cooperative	New York	NY	650,000	646,744	40,421	6.980	6.750	01/28/98	03/98	02/08	360	120	6	2	L/O	78	3	25.36	28.12	31.25
120 East 83rd Street Owners Corp.	Cooperative	New York	NY	640,000	639,523	31,976	7.480	7.250	06/29/98	08/98	07/08	360	120	1	3	L/O	101	18	34.76	49.19	60.00
510 Groveland Associates	Cooperative	Minneapolis	MN	638,000	627,182	16,951	7.510	7.280	04/29/98	06/98	05/08	120	120	3	2	L/O	81	1.5	8.65	22.40	0.00
Peekskill Towers Corp.	Cooperative	Peekskill	NY	600,000	595,871	4,884	7.560	7.330	01/14/98	03/98	02/08	300	120	6	2	L/O	78	3	9.58	8.93	0.00
3231-5-9 Barker Owners, Inc.	Cooperative	Bronx	NY	575,000	574,398	15,955	7.330	7.100	04/27/98	06/98	05/08	480	120	3	3	L/O	99	18	38.94	36.59	16.67
Huntington Ave Apartments	Multifamily	Monterey Park	CA	560,000	559,112	34,944	7.182	6.830	05/01/98	07/98	06/08	360	120	2	1	Y/M	0	3	NA	65.78	NA
Trunck-3627 Livonia Ave.†	Multifamily	Los Angeles	CA	550,000	549,652	45,804	6.958	6.606	06/11/98	08/98	07/08	360	120	1	1	Y/M	0	3	NA	75.81	NA
55 Midblock Tenants Corp.	Cooperative	New York	NY	550,000	547,358	26,065	7.230	7.000	03/04/98	05/98	04/08	300	120	4	2	L/O	80	3	18.31	24.88	0.00
Joliet Town Houses Cooperative Association	Cooperative	Detroit	MI	550,000	543,757	11,821	7.380	7.150	05/29/98	07/98	06/08	120	120	2	2	L/O	82	0	13.51	25.17	0.00
Cypress Drive Apartments	Multifamily	Laguna Beach	CA	535,000	532,909	88,818	7.300	6.948	02/02/98	04/98	03/08	360	120	5	1	Y/M	0	3	NA	68.32	NA
Presidio Apartments	Multifamily	Monterey	CA	500,000	498,328	22,651	6.945	6.593	03/16/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	36.91	NA
Royal Oaks Apartments	Multifamily	Monterey	CA	500,000	498,328	22,651	6.945	6.593	03/16/98	05/98	04/08	360	120	4	1	Y/M	0	3	NA	34.37	NA
Spring Street Studios, Inc.	Cooperative	New York	NY	485,000	483,537	80,589	7.460	7.230	03/30/98	05/98	04/08	360	120	4	2	L/O	80	3	8.83	16.12	0.00
314 West 19 Corp.	Cooperative	New York	NY	425,000	424,399	53,050	7.760	7.530	05/08/98	07/98	06/08	360	120	2	2	L/O	82	3	24.82	42.44	12.50
Fumoha Development Corp.	Cooperative	New York	NY	400,000	398,268	66,378	7.720	7.490	01/07/98	03/98	02/08	360	120	6	2	L/O	78	3	9.42	13.83	0.00
Sullivan Tenant Corp.	Cooperative	New York	NY	400,000	388,704	11,779	7.640	7.410	02/23/98	04/98	03/08	120	120	5	3	L/O	97	18	9.26	14.95	54.55
108 Northview Apartments, Inc. ..	Cooperative	New York	NY	385,000	384,706	38,471	7.360	7.130	06/26/98	08/98	07/08	360	120	1	3	L/O	101	18	16.84	26.17	0.00
124 East 91 Street Corp.	Cooperative	New York	NY	375,000	374,329	17,825	7.570	7.340	06/11/98	08/98	07/08	240	120	1	3	L/O	101	18	11.43	17.83	0.00
336 East 6th Street Owners Corp. ..	Cooperative	New York	NY	375,000	373,269	17,775	7.480	7.250	03/12/98	05/98	04/08	300	120	4	3	L/O	98	18	21.64	20.18	38.10
14 E 74 Apartment Corp.	Cooperative	New York	NY	300,000	299,531	49,922	7.250	7.020	05/21/98	07/98	06/08	360	120	2	3	L/O	100	18	14.98	27.23	0.00
514 East 11th Street Incorporated	Cooperative	New York	NY	300,000	299,463	37,433	7.570	7.340	06/09/98	08/98	07/08	240	120	1	2	L/O	83	3	30.87	33.27	0.00
133 Mercer St. Housing Corp.	Cooperative	New York	NY	300,000	298,766	42,681	7.040	6.810	02/18/98	04/98	03/08	360	120	5	2	L/O	79	3	6.95	11.95	0.00
368 West 23rd St. Apartments, Inc.	Cooperative	New York	NY	300,000	293,103	36,638	7.260	7.030	03/26/98	05/98	04/08	120	120	4	2	L/O	80	3	12.74	17.24	0.00
305 East 91st Street Housing Corporation	Cooperative	New York	NY	285,000	284,785	18,986	7.420	7.190	06/08/98	08/98	07/08	360	120	1	15	L/O	90	29	13.66	16.75	0.00
West 82nd Street Owners Corp. ..	Cooperative	New York	NY	260,000	259,501	25,950	7.010	6.780	06/24/98	08/98	07/08	240	120	1	3	L/O	101	18	10.55	13.31	0.00
432-434 East 10th Street Corporation	Cooperative	New York	NY	258,000	256,942	32,118	7.990	7.760	01/29/98	03/98	02/08	360	120	6	2	L/O	78	3	13.47	17.72	0.00
23 East 37th St. Apartment Corp. Sea Breeze Town Houses Owners, Inc.	Cooperative	New York	NY	250,000	248,905	31,113	7.660	7.430	01/13/98	03/98	02/08	360	120	6	2	L/O	78	3	13.45	17.78	0.00
Prince-Wooster Corp.	Cooperative	Long Beach	NY	250,000	244,710	15,294	7.710	7.480	12/04/97	02/98	01/08	180	120	7	2	L/O	77	3	9.23	12.88	0.00
250-21 Housing Corporation	Cooperative	New York	NY	250,000	240,021	18,463	7.580	7.350	12/22/97	02/98	01/08	120	120	7	2	L/O	77	3	3.10	5.33	7.69
Teric Realty Corp.	Cooperative	New York	NY	200,000	199,853	19,985	7.550	7.320	06/03/98	08/98	07/08	360	120	1	2	L/O	83	3	13.98	21.04	0.00
36 W. 88 Owners Corp.	Cooperative	New York	NY	190,000	189,561	31,594	7.350	7.120	04/24/98	06/98	05/08	360	120	3	2	L/O	81	3	7.93	13.54	0.00
	Cooperative	New York	NY	123,000	122,433	24,487	7.400	7.170	01/23/98	03/98	02/08	360	120	6	2	L/O	78	3	6.37	15.30	0.00

(footnotes on following page)

† These Mortgage Loans bear interest on the basis of a 360-day year and actual days elapsed.

Notes to Exhibit A:

Y/M: Yield Maintenance Charge period

L/O: Lock-Out Period

N/A: Not Applicable

* Open Window is the period of time prior to the Maturity Date during which the Mortgage Loan will not be assessed a prepayment penalty.

** Lockout/Prepayment Penalty Codes (all subject to the respective Open Window period):

- 1 For 114 months from the date of the note, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. If the prepayment is made after the expiration of the yield maintenance period, but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance of the note.
- 2 Lockout for 84 months from the First Monthly Payment Date; thereafter prepayment penalty of 2.0% of the prepaid amount until the applicable Open Window Period of the Mortgage Loan.
- 3 Lockout for 102 months from the First Monthly Payment Date; thereafter no prepayment penalty is imposed.
- 4 For 78 months from the date of the note, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. If the prepayment is made after the expiration of the yield maintenance period, but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance of the note.
- 5 Lockout for 24 months beginning from the date of the note. For 93 months after the lockout period, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. If the prepayment is made after the expiration of the yield maintenance period, but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance of the note.
- 6 Lockout for 48 months beginning from the First Monthly Payment date. For 66 months after the lockout period, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. Thereafter no prepayment penalty is imposed.
- 7 Lockout for 60 months beginning from the date of the note. For 54 months after the lockout period, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. If the prepayment is made after the expiration of the yield maintenance period, but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance of the note.
- 8 For 60 months from the date of the note, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. If the prepayment is made after the expiration of the yield maintenance period, but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance of the note.
- 9 For 84 months from the First Monthly Payment date, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. A prepayment penalty of 3% of the prepaid amount for the next 12 mortgage loan payment dates beyond that date, declining by 1% annually thereafter. No prepayment penalty is imposed for the last three mortgage loan payment dates.
- 10 For 114 months from the date of the note, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. Thereafter no prepayment penalty is imposed.
- 11 Lockout for 36 months beginning from the date of the note. For 78 months after the lockout period, the prepayment premium shall be the greater of 1% on the unpaid principal balance or yield maintenance. If the prepayment is made after the expiration of the yield maintenance period, but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance of the note.
- 12 Lockout for 114 months from the First Monthly Payment Date; and thereafter no prepayment penalty is imposed.
- 13 Lockout for 101 months from the First Monthly Payment Date. For the next 16 months thereafter, the prepayment penalty will be 2% of the prepaid amount. Thereafter no prepayment penalty is imposed.
- 14 Lockout for 90 months from the First Monthly Payment Date; and thereafter no prepayment penalty is imposed.
- 15 Lockout for 91 months from the First Monthly Payment Date; and thereafter no prepayment penalty is imposed.

NOTE: The information with respect to the Mortgage Loans set forth on this Exhibit A has been collected and summarized by the related Mortgage Loan Sellers and provided to Fannie Mae. In evaluating the Mortgage Loans sold by NCB and AMRESO, Fannie Mae used a different methodology for calculating loan-to-value ratios than that described in the Prospectus Supplement under "Description of the Mortgage Pool—Additional Mortgage Loan Information" herein. Application of such different methodology with respect to certain Cooperative Mortgage Loans produced results which differ from those set forth on this Exhibit A.

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

\$284,306,000
(Approximate)



FannieMae

**Guaranteed REMIC
Pass-Through Certificates**

**Fannie Mae Multifamily
REMIC Trust 1998-M6**

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PROSPECTUS SUPPLEMENT

MORGAN STANLEY DEAN WITTER

August 7, 1998