

**Supplement
(To Prospectus Supplement dated September 22, 2004)**

\$957,260,500



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2004-81**

This is a supplement to the prospectus supplement dated September 22, 2004 (the "Prospectus Supplement"). If we use a capitalized term in this supplement without defining it, you will find the definition of that term in the Prospectus Supplement.

Notwithstanding anything set forth on page A-2 of the Prospectus Supplement, Recombination 9 is as follows:

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal Balance	Interest Rate	Interest Type	Principal Type	CUSIP Number	Final Distribution Date
Recombination 9								
MC	\$120,285,385	MK	\$130,309,167	4.5%	FIX	SEQ	31394BCY8	June 2022
MF	10,023,782							
MS	10,023,782*							

* Notional principal balance.

All other available Recombinations are as set forth in Schedule 1 of the Prospectus Supplement.

Carefully consider the risk factors starting on page S-10 of the Prospectus Supplement and on page 10 of the REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

The certificates, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

The certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

LEHMAN BROTHERS

The date of this Supplement is October 26, 2004

\$957,260,500



FannieMae®

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 2004-81

The Certificates

We, the Federal National Mortgage Association (Fannie Mae), will issue the classes of certificates listed in the chart on this page.

Payments to Certificateholders

We will make monthly payments on the certificates. You, the investor, will receive

- interest accrued on the balance of your certificate (except in the case of the accrual classes), and
- principal to the extent available for payment on your class.

We may pay principal at rates that vary from time to time. We may not pay principal to certain classes for long periods of time.

The Fannie Mae Guaranty

We will guarantee that required payments of principal and interest on the certificates are distributed to investors on time.

The Trust and its Assets

The trust will own Fannie Mae MBS.

The mortgage loans underlying the Fannie Mae MBS are first lien, single-family, fixed-rate loans.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The KJ, KA, KO, KB, KQ, KR, KT, KX, MK, ML, JF, SK and HM Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be October 29, 2004.

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
KI(1) ...	1	\$ 11,966,000(2)	NTL	4.50%	FIX/IO	31394BBA1	May 2012
KG(1) ..	1	53,847,000	PAC	3.50	FIX	31394BBB9	May 2012
KU(1) ..	1	4,826,444(2)	NTL	4.50	FIX/IO	31394BBC7	June 2014
KM(1)	1	21,719,000	PAC	3.50	FIX	31394BBD5	June 2014
KC(1) ..	1	35,812,000	PAC	4.50	FIX	31394BBE3	April 2017
KD	1	17,361,000	PAC	4.50	FIX	31394BBF0	July 2018
KE	1	21,862,000	PAC	4.50	FIX	31394BBG8	November 2019
AK	1	35,299,000	NSJ/TAC/AD	4.50	FIX	31394BBH6	November 2019
ZA	1	100,000	NSJ/TAC/AD	4.50	FIX/Z	31394BBJ2	November 2019
AZ	1	14,000,000	NSJ/SUP	4.50	FIX/Z	31394BBK9	November 2019
CB	2	14,675,000	NAS/SEQ	4.50	FIX	31394BBL7	December 2020
CD	2	20,000,000	AS/SEQ	4.50	FIX	31394BBM5	September 2022
CE	2	8,134,000	SEQ	4.50	FIX	31394BBN3	November 2024
AB	3	50,000,000	SEQ	4.00	FIX	31394BBP8	June 2017
AC	3	15,790,000	SEQ	4.00	FIX	31394BBQ6	November 2019
MC(1)	4	120,285,385	SEQ	4.25	FIX	31394BBR4	June 2022
MF(1) ..	4	36,085,615	SEQ	(3)	FLT	31394BBS2	June 2022
MS(1) ..	4	36,085,615(2)	NTL	(3)	INV/IO	31394BBT0	June 2022
VM(1)	4	13,576,000	SEQ/AD	5.00	FIX	31394BBU7	February 2014
VN(1)	4	6,795,000	SEQ/AD	5.00	FIX	31394BBV5	July 2017
MZ(1)	4	23,258,000	SEQ	5.00	FIX/Z	31394BBW3	November 2024
AG	5	75,000,000	SEQ	4.00	FIX	31394BBX1	March 2018
AH	5	15,361,500	SEQ	4.00	FIX	31394BBY9	November 2019
JW	6	48,065,477	NAS/SEQ	4.35	FIX	31394BBZ6	October 2020
JT	6	100,347,222	AS/SEQ	4.35	FIX	31394BCA0	April 2023
FK(1) ..	6	38,587,301	SEQ	(3)	FLT	31394BCB8	April 2023
JS(1) ...	6	38,587,301(2)	NTL	(3)	INV/IO	31394BCC6	April 2023
JX(1) ...	6	38,587,301(2)	NTL	(3)	INV/IO	31394BCD4	April 2023
JG	6	33,000,000	SEQ	5.00	FIX	31394BCE2	November 2024
HA	7	72,000,000	PAC/AD	4.25	FIX	31394BCF9	October 2024
ZH	7	329,724	PAC	4.25	FIX/Z	31394BCG7	November 2024
HF	7	45,206,077	PAC	(3)	FLT	31394BCH5	November 2024
HS	7	45,206,077(2)	NTL	(3)	INV/IO	31394BCJ1	November 2024
FA(1) ..	7	12,658,937	TAC/AD	(3)	FLT	31394BCK8	November 2024
SA(1) ..	7	5,754,063	TAC/AD	(3)	INV	31394BCL6	November 2024
HZ(1) ..	7	2,351,199	SUP	5.50	FIX/Z	31394BCM4	November 2024
R		0	NPR	0	NPR	31394BCN2	November 2024
RL		0	NPR	0	NPR	31394BCP7	November 2024

(1) Exchangeable classes.

(2) Notional balances. These classes are interest only classes.

(3) Based on LIBOR.

Carefully consider the risk factors starting on page S-10 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

You should read the REMIC prospectus as well as this prospectus supplement.

The certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

The certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

LEHMAN BROTHERS

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AVAILABLE INFORMATION

You should purchase the certificates only if you have read and understood this prospectus supplement and the following documents (the “Disclosure Documents”):

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated July 1, 2004 (the “MBS Prospectus”); and
- any information incorporated by reference in this prospectus supplement as discussed below under the heading “Incorporation by Reference.”

You can obtain copies of the Disclosure Documents by writing or calling us at:

Fannie Mae
MBS Helpline
3900 Wisconsin Avenue, N.W., Area 2H-3S
Washington, D.C. 20016
(telephone 1-800-237-8627).

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at www.fanniemae.com.

You also can obtain copies of the Disclosure Documents by writing or calling the dealer at:

Lehman Brothers
c/o ADP Financial Services
Prospectus Department
1155 Long Island Avenue
Edgewood, New York 11717
(telephone 631-254-7106).

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus supplement the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in the REMIC Prospectus, the MBS Prospectus and this prospectus supplement and any applicable supplements or amendments.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission (“SEC”):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (“Form 10-K”);
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since the end of the fiscal year covered by the Form 10-K until the date of this prospectus supplement, excluding any information “furnished” to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this prospectus supplement and prior to the completion of the offering of the certificates, excluding any information we “furnish” to the SEC on Form 8-K.

Any information incorporated by reference in this prospectus supplement is deemed to be modified or superseded for purposes of this prospectus supplement to the extent information contained or incorporated by reference in this prospectus supplement modifies or supersedes such information. In such case, the information will constitute a part of this prospectus supplement only as so modified or superseded.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can obtain copies of the periodic reports we file with the SEC without charge by calling or writing our Office of Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016, telephone: (202) 752-7115. The periodic and current reports that we file with the SEC are also available on our Web site. Information appearing on our Web site is not incorporated in this prospectus supplement except as specifically stated in this prospectus supplement.

In addition, you may read our SEC filings and other information about Fannie Mae at the offices of the New York Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange. Our SEC filings are also available at the SEC's Web site at www.sec.gov. You also may read and copy any document we file with the SEC by visiting the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room. We are providing the address of the SEC's Web site solely for the information of prospective investors. Information appearing on the SEC's Web site is not incorporated in this prospectus supplement except as specifically stated in this prospectus supplement.

REFERENCE SHEET

This reference sheet is not a summary of the transaction and does not contain complete information about the certificates. You should purchase the certificates only after reading this prospectus supplement and each of the additional disclosure documents listed on page S-3.

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS
5	Group 5 MBS
6	Group 6 MBS
7	Group 7 MBS

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of October 1, 2004)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$200,000,000	180	167	12	4.95%
Group 2 MBS	\$ 42,809,000	240	232	8	4.95%
Group 3 MBS	\$ 65,790,000	180	163	15	4.55%
Group 4 MBS	\$200,000,000	240	231	9	5.50%
Group 5 MBS	\$ 90,361,500	180	163	15	4.55%
Group 6 MBS	\$220,000,000	240	231	9	5.45%
Group 7 MBS	\$138,300,000	240	236	4	5.95%

The actual remaining terms to maturity, weighted average loan ages and interest rates of most of the mortgage loans will differ from the weighted averages shown above, perhaps significantly.

Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account principal payments in the same month). We publish the class factors on or shortly after the 11th day of each month.

Settlement Date

We expect to issue the certificates on October 29, 2004.

Distribution Dates

We will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day.

Book-Entry and Physical Certificates

We will issue the book-entry certificates through the U.S. Federal Reserve Banks, which will electronically track ownership of the certificates and payments on them. We will issue physical certificates in registered, certificated form.

We will issue the classes of certificates in the following forms:

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes of certificates other than the R and RL Classes	R and RL Classes

Exchanging Certificates Through Combination and Recombination

If you own certain certificates, you will be able to exchange them for a proportionate interest in the related RCR certificates as shown on Schedule 1. We will issue the RCR certificates upon such exchange. You can exchange your certificates by notifying us and paying an exchange fee. We use the principal and interest of the certificates exchanged to pay principal and interest on the related RCR certificates. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates.

Interest Rates

During each interest accrual period, the fixed rate classes will bear interest at the applicable annual interest rates listed on the cover of this prospectus supplement or on Schedule 1.

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, the floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
MF	1.85%	7.50%	0.25%	LIBOR + 25 basis points
MS	5.65%	7.25%	0.00%	7.25% – LIBOR
FK	1.80%	7.50%	0.20%	LIBOR + 20 basis points
JS	5.65%	7.25%	0.00%	7.25% – LIBOR
JX	0.05%	0.05%	0.00%	7.30% – LIBOR
JF	1.85%	7.50%	0.25%	LIBOR + 25 basis points
SK	5.70%	7.30%	0.00%	7.30% – LIBOR
HF	2.05%	7.50%	0.25%	LIBOR + 25 basis points
HS	5.45%	7.25%	0.00%	7.25% – LIBOR
FA	2.30%	8.00%	0.50%	LIBOR + 50 basis points
SA	12.54%	16.50%	0.00%	16.50% – (2.20 × LIBOR)

(1) We will establish LIBOR on the basis of the “BBA Method.”

We will apply interest payments from exchanged REMIC certificates to the corresponding RCR certificates, on a pro rata basis, following any exchange.

Notional Classes

A notional class will not receive any principal. Its notional principal balance is the balance used to calculate accrued interest. The notional principal balances will equal the percentages of the outstanding balances specified below immediately before the related distribution date:

<u>Class</u>	
KI	22.2222222222% of the KG Class
KU	22.2222201759% of the KM Class
MS	100% of the MF Class
JS	100% of the FK Class
JX	100% of the FK Class
SK	100% of the FK Class
HS	100% of the HF Class

Distributions of Principal

Group 1 Principal Distribution Amount

AZ Accrual Amount

1. If and only if the principal balance of the Group 1 MBS on that Distribution Date is *less than or equal to* the Group 1 MBS Specified Balance, to the AZ Class.

2. To Aggregate Group II to its Targeted Balance.

3. Thereafter to the AZ Class.

ZA Accrual Amount

To the AK Class to zero, and thereafter to the ZA Class.

Group 1 Cash Flow Distribution Amount

1. To Aggregate Group I to its Planned Balance.

2. If and only if the principal balance of the Group 1 MBS is *less than or equal to* the Group 1 MBS Specified Balance, to the AZ Class to zero.

3. To Aggregate Group II to its Targeted Balance.

4. To the AZ Class to zero.

5. To Aggregate Group II to zero.

6. To Aggregate Group I to zero.

For a description of Aggregate Groups I and II, see “Description of the Certificates—Distributions of Principal—*Group 1 Principal Distribution Amount*” in this prospectus supplement.

Group 2 Principal Distribution Amount

1. Beginning in July 2008, to the CB Class the amount specified in this prospectus supplement under “Description of the Certificates—Distributions of Principal—*Group 2 Principal Distribution Amount*.”

2. To the CD Class to zero.

3. To the CB Class to zero.

4. To the CE Class to zero.

Group 3 Principal Distribution Amount

To the AB and AC Classes, in that order, to zero.

Group 4 Principal Distribution Amount

MZ Accrual Amount

To the VM and VN Classes, in that order, to zero, and thereafter to the MZ Class.

Group 4 Cash Flow Distribution Amount

1. To the MC and MF Classes, pro rata, to zero.
2. To the VM, VN and MZ Classes, in that order, to zero.

Group 5 Principal Distribution Amount

To the AG and AH Classes, in that order, to zero.

Group 6 Principal Distribution Amount

1. (a) 79.3650796791% of such amount as follows:

first, beginning in July 2006, to the JW Class the amount specified in this prospectus supplement under “Description of the Certificates—Distributions of Principal—*Group 6 Principal Distribution Amount*.”

second, to the JT Class to zero; and

third, to the JW Class to zero, and

- (b) 20.6349203209% of such amount to the FK Class to zero.

2. To the JG Class to zero.

Group 7 Principal Distribution Amount

ZH Accrual Amount

To the HA Class to zero, and thereafter to the ZH Class.

HZ Accrual Amount

To Aggregate Group III to its Targeted Balance, and thereafter to the HZ Class.

Group 7 Cash Flow Distribution Amount

1. To Aggregate Group IV to its Planned Balance.
2. To Aggregate Group III to its Targeted Balance.
3. To the HZ Class to zero.
4. To Aggregate Group III to zero.
5. To Aggregate Group IV to zero.

For a description of Aggregate Groups III and IV, see “Description of the Certificates—Distributions of Principal—*Group 7 Principal Distribution Amount*” in this prospectus supplement.

We will apply principal payments from exchanged REMIC certificates to the corresponding RCR certificates, on a pro rata basis, following any exchange.

Weighted Average Lives (years) *

PSA Prepayment Assumption											
Group 1 Classes	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
KI, KG, KJ and KA	3.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.8	1.6
KU, KM, KO and KB	7.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.4	3.0	2.5
KC	9.3	5.8	5.8	5.8	5.8	5.8	5.8	5.8	4.8	4.2	3.5
KD	11.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	6.8	5.9	4.9
KE	12.3	11.0	11.0	11.0	11.0	11.0	11.0	11.0	9.8	8.9	7.6
AK	9.6	5.6	2.0	1.8	1.9	3.3	2.1	2.1	1.3	1.1	0.8
ZA.....	13.7	10.3	6.8	6.2	8.0	13.8	11.1	5.3	2.3	1.7	1.4
AZ.....	14.4	12.2	10.6	10.4	4.3	0.3	0.3	0.3	0.3	0.2	0.2
KQ, KR and KT	4.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.3	2.1	1.8
KX	6.1	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.1	2.8	2.4
PSA Prepayment Assumption											
Group 2 Classes	0%	100%	156%	250%	312%	400%	500%				
CB	8.4	6.3	5.9	5.7	4.9	4.0	3.4				
CD	12.4	5.7	3.9	2.0	1.7	1.4	1.3				
CE	19.0	16.2	14.6	12.0	10.5	8.7	7.2				
PSA Prepayment Assumption											
Group 3 Classes	0%	100%	153%	250%	306%	400%	500%				
AB	7.1	4.1	3.5	2.6	2.3	1.9	1.6				
AC	13.8	11.2	10.4	8.9	8.1	6.9	5.8				
PSA Prepayment Assumption											
Group 4 Classes	0%	100%	180%	250%	360%	400%	500%				
MC, MF, MS and MK	10.7	5.8	4.2	3.4	2.6	2.4	2.0				
VM	5.0	5.0	5.0	4.9	4.4	4.2	3.7				
VN	11.0	11.0	10.0	8.4	6.6	6.1	5.2				
MZ	18.8	15.8	13.9	12.2	9.9	9.2	7.8				
ML	18.8	15.8	13.4	11.5	9.1	8.3	6.9				
PSA Prepayment Assumption											
Group 5 Classes	0%	100%	159%	250%	318%	400%	500%				
AG	7.6	4.6	3.8	3.0	2.5	2.2	1.8				
AH	14.2	11.8	11.1	9.8	8.8	7.7	6.5				
PSA Prepayment Assumption											
Group 6 Classes	0%	100%	183%	250%	366%	400%	500%				
JW	8.8	6.1	5.1	4.6	3.9	3.8	3.4				
JT	12.4	6.5	4.4	3.4	2.4	2.2	1.7				
FK, JS, JX, JF and SK	11.2	6.4	4.7	3.8	2.9	2.7	2.3				
JG	19.2	16.8	14.6	12.8	10.1	9.4	7.8				
PSA Prepayment Assumption											
Group 7 Classes	0%	150%	300%	330%	410%	460%	500%	660%	800%		
HA	11.3	5.5	3.8	3.8	3.8	3.8	3.6	3.0	2.6		
ZH	18.4	15.6	15.6	15.6	15.6	15.6	14.8	11.9	9.8		
HF and HS	11.4	5.6	3.9	3.9	3.9	3.9	3.7	3.0	2.6		
FA and SA	17.2	13.8	8.6	6.6	2.6	1.9	1.6	1.1	0.9		
HZ	19.8	18.4	15.5	14.6	11.2	0.9	0.6	0.3	0.2		
HM	19.2	15.8	10.3	8.3	4.0	1.8	1.5	1.0	0.8		

* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement.

ADDITIONAL RISK FACTORS

The rate of principal payments on the certificates will be affected by the rate of principal payments on the underlying mortgage loans. The rate at which you receive principal payments on the certificates will be sensitive to the rate of principal payments on the mortgage loans underlying the related MBS, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

- at any of the prepayment rates we assumed in this prospectus supplement, or
- at any constant prepayment rate until maturity.

Yields may be lower than expected due to unexpected rate of principal payments. The actual yield on your certificates probably will be lower than you expect:

- if you buy your certificates at a premium and principal payments are faster than you expect, or
- if you buy your certificates at a discount and principal payments are slower than you expect.

Furthermore, in the case of interest only certificates and certificates purchased at a premium, you could lose money on your investment if prepayments occur at a rapid rate.

You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates.

Weighted average lives of the Non-Sticky Jump Classes are especially sensitive to prepayments under certain scenarios. The weighted average lives of the Non-Sticky Jump Classes are especially sensitive to the rate of principal payments, including prepayments, of the related mortgage loans. This sensitivity to prepayments is not necessarily proportional to the changes in prepayment rates. In some scenarios, small changes in prepayment rates of the related mortgage loans may have a dramatic effect on the weighted average lives of the Non-Sticky

Jump Classes. For an illustration of this sensitivity, see the related decrement tables for these classes in this prospectus supplement.

Any change in principal priority of a Non-Sticky jump Class may remain in effect for an extended period. Once a change in principal priority of a Non-Sticky Jump Class occurs, under many prepayment scenarios the new payment priority will continue in effect for subsequent periods. Moreover, it is possible that under various prepayment scenarios the change in payment priority would remain in effect indefinitely.

Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans. We have assumed that the mortgage loans underlying the MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

Level of floating rate index affects yields on certain certificates. The yield on any floating rate or inverse floating rate certificate will be affected by the level of its interest rate index. If the level of the index differs from the level you expect, then your actual yield may be lower than you expect.

Delay classes have lower yields and market values. Since certain classes do not receive interest immediately following each interest accrual period, these classes have lower yields and lower market values than they would if there were no such delay.

Reinvestment of certificate payments may not achieve same yields as certificates. The rate of principal payments of the certificates is uncertain. You may be unable to reinvest the payments on the certificates at the same yields provided by the certificates.

Unpredictable timing of last payment affects yields on certificates. The actual final pay-

ment of your class is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page of this prospectus supplement. If you assume that the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

Some investors may be unable to buy certain classes. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should obtain legal advice to determine whether you may purchase the certificates.

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of

your certificates will vary over time and that your certificates may not be easily sold.

Terrorist activities and related military and political actions by the U.S. government could cause reductions in investor confidence and substantial market volatility in real estate and securities markets. It is impossible to predict the extent to which terrorist activities may occur or, if they do occur, the extent of the effect on the certificates. Moreover, it is uncertain what effects any past or future terrorist activities or any related military or political actions on the part of the United States government and others will have on the United States and world financial markets, local, regional and national economies, real estate markets across the United States, or particular business sectors, including those affecting the performance of mortgage loan borrowers. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, defaults on the mortgage loans could increase, causing early payments of principal to you and, regardless of the performance of the underlying mortgage loans, the liquidity and market value of the certificates may be impaired.

DESCRIPTION OF THE CERTIFICATES

The material under this heading summarizes certain features of the Certificates. You will find additional information about the Certificates in the other sections of this prospectus supplement, as well as in the additional Disclosure Documents and the Trust Agreement. If we use a capitalized term in this prospectus supplement without defining it, you will find the definition of that term in the applicable Disclosure Document or in the Trust Agreement.

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of October 1, 2004 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

The Trust and the Lower Tier REMIC each will constitute a “real estate mortgage investment conduit” (“REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

- The REMIC Certificates (except the R and RL Classes) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.
- The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be the “regular interests” in the Lower Tier REMIC.
- The RL Class will be the “residual interest” in the Lower Tier REMIC.

The assets of the Trust will consist of the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of seven groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS,” “Group 4 MBS,” “Group 5 MBS,” “Group 6 MBS” and “Group 7 MBS” and, together, the “MBS”).

Each MBS represents a beneficial ownership interest in a pool of first lien, one- to four-family (“single-family”), fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described in this prospectus supplement.

Fannie Mae Guaranty. We guarantee that we will distribute to Certificateholders:

- required installments of principal and interest on the Certificates on time, and
- the principal balance of each Class of Certificates no later than its Final Distribution Date, whether or not we have received sufficient payments on the MBS.

In addition, we guarantee that we will distribute to each holder of an MBS:

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and
- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

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

Characteristics of Certificates. We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. U.S. Bank National Association (“US Bank”) in Boston, Massachusetts will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the R or RL Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R and RL Classes” below.

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, and the Holder of the RL Class will receive the proceeds of any remaining assets of the Lower Tier REMIC, in each case only by presenting and surrendering the related Certificate at the office of the Paying Agent. US Bank will be the initial Paying Agent.

Authorized Denominations. We will issue the Certificates in the following denominations:

<u>Classes</u>	<u>Denomination</u>
All Interest Only, Inverse Floating Rate and Non-Sticky Jump Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

We will issue the R and RL Classes as single Certificates with no principal balances.

Distribution Dates. We will make monthly payments on the Certificates on the 25th day of each month (or, if the 25th is not a business day, on the first business day after the 25th). We refer to each of these dates as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

Record Date. On each Distribution Date, we will make each monthly payment on the Certificates to Holders of record on the last day of the preceding month.

Class Factors. On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the applicable class factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of any Class, the product will equal the current principal balance (or notional principal balance) of that Certificate after taking into account payments on the Distribution Date in the same month (as well as any addition to principal in the case of the Accrual Classes).

No Optional Termination. We have no option to effect an early termination of the Lower Tier REMIC or the Trust. Further, we will not repurchase the Mortgage Loans underlying any MBS in a “clean-up call.” See “Description of the Certificates—Termination” in the MBS Prospectus.

Combination and Recombination

General. You are permitted to exchange all or a portion of the KI, KG, KU, KM, KC, MC, MF, MS, VM, VN, MZ, FK, JS, JX, FA, SA and HZ Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

Holders of RCR Certificates will be the beneficial owners of a proportionate interest in the related REMIC Certificates and will receive a proportionate share of the distributions on the related REMIC Certificates.

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. REMIC Certificates and RCR Certificates may be exchanged only in the proportions shown on Schedule 1.

Procedures. If a Certificateholder wishes to exchange Certificates, the Certificateholder must notify our Structured Transactions Department through one of our “REMIC Dealer Group” dealers in writing or by telefax no later than two business days before the proposed exchange date. The exchange date can be any business day other than the first or last business day of the month subject to our approval. The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. After receiving the Holder’s notice, we will telephone the dealer with delivery and wire payment instructions. Notice becomes irrevocable on the second business day before the proposed exchange date.

In connection with each exchange, the Holder must pay us a fee equal to 1/32 of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be exchanged. In no event, however, will our fee be less than \$2,000.

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

Additional Considerations. The characteristics of RCR Certificates will reflect the characteristics of the REMIC Certificates used to form those RCR Certificates. You should also consider a number of factors that will limit a Certificateholder's ability to exchange REMIC Certificates for RCR Certificates or vice versa:

- At the time of the proposed exchange, a Certificateholder must own Certificates of the related Class or Classes in the proportions necessary to make the desired exchange.
- A Certificateholder that does not own the Certificates may be unable to obtain the necessary REMIC Certificates or RCR Certificates.
- The Certificateholder of needed Certificates may refuse to sell them at a reasonable price (or any price) or may be unable to sell them.
- Certain Certificates may have been purchased and placed into other financial structures and thus be unavailable.
- Principal distributions will decrease the amounts available for exchange over time.
- Only the combinations listed on Schedule 1 are permitted.

The MBS

The following table contains certain information about the MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 15 years in the case of the Group 1, Group 3 and Group 5 MBS, and up to 20 years in the case of the Group 2, Group 4, Group 6 and Group 7 MBS. See "The Mortgage Pools" and "Yield, Maturity, and Prepayment Considerations" in the MBS Prospectus.

We expect the characteristics of the MBS and the related Mortgage Loans as of the Issue Date to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	4.50%
Range of WACs (annual percentages)	4.75% to 7.00%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM	167 months
Approximate Weighted Average WALA (weighted average loan age)	12 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$42,809,000
MBS Pass-Through Rate	4.50%
Range of WACs (annual percentages)	4.75% to 7.00%
Range of WAMs	181 months to 240 months
Approximate Weighted Average WAM	232 months
Approximate Weighted Average WALA	8 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$65,790,000
MBS Pass-Through Rate	4.00%
Range of WACs (annual percentages)	4.25% to 6.50%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM	163 months
Approximate Weighted Average WALA	15 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	181 months to 240 months
Approximate Weighted Average WAM	231 months
Approximate Weighted Average WALA	9 months

Group 5 MBS

Aggregate Unpaid Principal Balance	\$90,361,500
MBS Pass-Through Rate	4.00%
Range of WACs (annual percentages)	4.25% to 6.50%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM	163 months
Approximate Weighted Average WALA	15 months

Group 6 MBS

Aggregate Unpaid Principal Balance	\$220,000,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	181 months to 240 months
Approximate Weighted Average WAM	231 months
Approximate Weighted Average WALA	9 months

Group 7 MBS

Aggregate Unpaid Principal Balance	\$138,300,000
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	181 months to 240 months
Approximate Weighted Average WAM	236 months
Approximate Weighted Average WALA	4 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.com.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	KI, KG, KU, KM, KC, KD, KE, AK, ZA and AZ
Accrual	ZA and AZ
Interest Only	KI and KU
RCR**	KJ, KA, KO, KB, KQ, KR, KT and KX
Group 2 Classes	
Fixed Rate	CB, CD and CE
Group 3 Classes	
Fixed Rate	AB and AC
Group 4 Classes	
Fixed Rate	MC, VM, VN and MZ
Floating Rate	MF
Inverse Floating Rate	MS
Accrual	MZ
Interest Only	MS
RCR**	MK and ML
Group 5 Classes	
Fixed Rate	AG and AH
Group 6 Classes	
Fixed Rate	JW, JT and JG
Floating Rate	FK
Inverse Floating Rate	JS and JX
Interest Only	JS and JX
RCR**	JF and SK
Group 7 Classes	
Fixed Rate	HA, ZH and HZ
Floating Rate	HF and FA
Inverse Floating Rate	HS and SA
Interest Only	HS
Accrual	ZH and HZ
RCR**	HM
No Payment Residual	R and RL

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

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

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate (or added to principal, in the case of the Accrual Classes) on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Classes, see “—Accrual Classes” below.

We will apply interest payments from exchanged REMIC Certificates to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All Floating Rate and Inverse Floating Rate Classes	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors—*Delay classes have lower yields and market values*” in this prospectus supplement.

Accrual Classes. The ZA, AZ, MZ, ZH and HZ Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on the Accrual Classes will be added as principal to their respective principal balances on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

Notional Classes. The Notional Classes will not have principal balances. During each Interest Accrual Period, the Notional Classes will bear interest on their notional principal balances at their applicable interest rates. The notional principal balances of the Notional Classes will be calculated as specified under “Reference Sheet—Notional Classes” in this prospectus supplement.

We use the notional principal balance of a Notional Class to determine interest payments on that Class. Although a Notional Class will not have a principal balance and will not be entitled to any principal payments, we will publish a class factor for that Class. References in this prospectus supplement to the principal balances of the Certificates generally shall refer also to the notional principal balances of the Notional Classes.

Floating Rate and Inverse Floating Rate Classes. During each Interest Accrual Period, the Floating Rate and Inverse Floating Rate Classes will bear interest at rates determined as described under “Reference Sheet—Interest Rates” in this prospectus supplement.

Changes in the specified interest rate index (the “Index”) will affect the yields with respect to the related Classes. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of the Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the Index occurs.

Our establishment of each Index value and our determination of the interest rate for each applicable Class for the related Interest Accrual Period will be final and binding in the absence of manifest error. You may obtain each such interest rate by telephoning us at 1-800-237-8627.

Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of the “BBA Method,” as described in the REMIC Prospectus under “Description of Certificates—Indexes for Floating Rate Classes and Inverse Floating Rate Classes—*LIBOR*.”

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 1.60% in the case of the MF, MS, FK, JS, JX, JF and SK Classes, and 1.80% in the case of the HF, HS, FA and SA Classes.

Distributions of Principal

Categories of Classes

For the purpose of principal payments, the Classes fall into the following categories:

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
PAC	KG, KM, KC, KD and KE
TAC	AK and ZA
Support	AZ
Non-Sticky Jump	AK, ZA and AZ
Accretion Directed	AK and ZA
Notional	KI and KU
RCR**	KJ, KA, KO, KB, KQ, KR, KT and KX
Group 2 Classes	
Sequential Pay	CB, CD and CE
NAS†	CB
AS††	CD
Group 3 Classes	
Sequential Pay	AB and AC
Group 4 Classes	
Sequential Pay	MC, MF, VM, VN, and MZ
Accretion Directed	VM and VN
Notional	MS
RCR**	MK and ML
Group 5 Classes	
Sequential Pay	AG and AH
Group 6 Classes	
Sequential Pay	JW, JT, JG and FK
NAS†	JW
AS††	JT
Notional	JS and JX
RCR*	JF and SK
Group 7 Classes	
PAC	HA, ZH and HF
TAC	FA and SA
Support	HZ
Accretion Directed	FA, HA and SA
Notional	HS
RCR**	HM
No Payment Residual	R and RL

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

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

† The “NAS” designation refers to a “non-accelerated security” that is designed to receive limited or no principal prepayments prior to a designated date and thereafter to receive a gradually increasing percentage of principal prepayments in each month.

†† The “AS” designation refers to an “accelerated security” that is generally expected to receive principal payments more rapidly than the related NAS Class during the period in which the NAS Class is receiving limited or no principal prepayments.

Principal Distribution Amount

On the Distribution Date in each month, we will pay principal on the Certificates in an aggregate amount (the “Principal Distribution Amount”) equal to the sum of

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balances of the AZ and ZA Classes (the “AZ Accrual Amount” and “ZA Accrual Amount,” respectively and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 MBS (the “Group 4 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balance of the MZ Class (the “MZ Accrual Amount” and, together with the Group 4 Cash Flow Distribution Amount, the “Group 4 Principal Distribution Amount”),
- the principal then paid on the Group 5 MBS (the “Group 5 Principal Distribution Amount”),
- the principal then paid on the Group 6 MBS (the “Group 6 Principal Distribution Amount”), and
- the principal then paid on the Group 7 MBS (the “Group 7 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balances of the ZH and HZ Classes (the “ZH Accrual Amount” and “HZ Accrual Amount,” respectively, and, together with the Group 7 Cash Flow Distribution Amount, the “Group 7 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

AZ Accrual Amount

On each Distribution Date, we will pay the AZ Accrual Amount as principal of the Group 1 Classes specified below in the following priority:

- (i) if and only if the principal balance of the Group 1 MBS on that Distribution Date (after giving effect to distributions made on that date) is *less than or equal to* the Group 1 MBS Specified Balance for that Distribution Date, to the AZ Class;
- (ii) to Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Targeted Balance for that Distribution Date; and
- (iii) to the AZ Class.
- Non-Sticky
Jump Class
and Group
- Accretion
Directed
Group
- Accrual
Class

ZA Accrual Amount

On each Distribution Date, we will pay the ZA Accrual Amount as principal of the AK Class, until its principal balance is reduced to zero. Thereafter, we will pay the ZA Accrual Amount as principal of the ZA Class.	} Accretion Directed Class and Accrual Class
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Group 1 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 1 Cash Flow Distribution Amount as principal of the Group 1 Classes in the following priority:

- | | | |
|--|-----------------|-----------------------------------|
| (i) to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date; | } PAC Group | |
| (ii) if and only if the principal balance of the Group 1 MBS on that Distribution Date (after giving effect to distributions made on that date) is <i>less than or equal to</i> the Group 1 MBS Specified Balance for that Distribution Date, to the AZ Class, until its principal balance is reduced to zero; | } Support Class | } Non-Sticky Jump Class and Group |
| (iii) to Aggregate Group II, until the Aggregate II Balance is reduced to its Targeted Balance for that Distribution Date; | } TAC Group | |
| (iv) to the AZ Class, until its principal balance is reduced to zero; | } Support Class | |
| (v) to Aggregate Group II, without regard to its Targeted Balance and until the Aggregate II Balance is reduced to zero; and | } TAC Group | |
| (vi) to Aggregate Group I, without regard to its Planned Balance and until the Aggregate I Balance is reduced to zero. | } PAC Group | |

“Aggregate Group I” consists of the KG, KM, KC, KD and KE Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, sequentially, to the KG, KM, KC, KD and KE Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate I Balance” is equal to the aggregate of the principal balances of the Classes in Aggregate Group I.

“Aggregate Group II” consists of the AK and ZA Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II, sequentially, to the AK and ZA Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate II Balance” is equal to the aggregate of the principal balances of the Classes in Aggregate Group II. For determining principal payments on a Distribution Date, the Aggregate II Balance will include any increase in the principal balance of the ZA Class.

Group 2 Principal Distribution Amount

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount as principal of the Group 2 Classes in the following priority:

(i) beginning in July 2008, to the CB Class, an amount equal to the *lesser* of

- 99.0% of the Group 2 Principal Distribution Amount

and

- the *sum* of

(A) the *product* of

- the aggregate amount of scheduled payments of principal included in the Group 2 Principal Distribution Amount for that Distribution Date *multiplied* by
- the CB Class Specified Percentage (described below) for that date *multiplied* by
- 2.0

plus

(B) the *product* of

- the aggregate amount of unscheduled payments of principal included in the Group 2 Principal Distribution Amount for that Distribution Date *multiplied* by
- the CB Class Specified Percentage for that date *multiplied* by
- 100% minus the CB Class Lockout Percentage (described below) for that date;

NAS/
Sequential
Pay
Class

(ii) to the CD Class, until its principal balance is reduced to zero;

AS/
Sequential
Pay Class

(iii) to the CB Class, until its principal balance is reduced to zero; and

(iv) to the CE Class, until its principal balance is reduced to zero.

Sequential
Pay
Classes

The “CB Class Specified Percentage” for any Distribution Date will be equal to

- the principal balance of the CB Class on that date (before taking into account payments made on that date) *plus* \$14,675,000

divided by

- the aggregate principal balance of the CB and CD Classes on that date (before taking into account payments made on that date).

The “CB Class Lockout Percentage” for any Distribution Date during the periods specified below will be as follows:

<u>Distribution Date in</u>	<u>CB Class Lockout Percentage</u>
November 2004 through October 2007	100%
November 2007 through October 2008	70%
November 2008 through October 2009	60%
November 2009 through October 2010	40%
November 2010 through October 2011	20%
November 2011 and thereafter	0%

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, sequentially, as principal of the AB and AC Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 4 Principal Distribution Amount

MZ Accrual Amount

On each Distribution Date, we will pay the MZ Accrual Amount, sequentially, as principal of the VM and VN Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the MZ Accrual Amount as principal of the MZ Class. } Accretion Directed Classes and Accrual Class

Group 4 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 4 Cash Flow Distribution Amount as principal of the Group 4 Classes in the following priority:

- (i) concurrently, to the MC and MF Classes, pro rata (or 76.9230771690% and 23.0769228310%, respectively), until their principal balances are reduced to zero, and
 - (ii) sequentially, to the VM, VN and MZ Classes, in that order, until their principal balances are reduced to zero.
- } Sequential Pay Classes

Group 5 Principal Distribution Amount

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount, sequentially, as principal of the AG and AH Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 6 Principal Distribution Amount

On each Distribution Date, we will pay the Group 6 Principal Distribution Amount as principal of the Group 6 Classes in the following priority:

(i) (a) 79.3650796791% of such amount as follows:

first, beginning in July 2006, to the JW Class, an amount equal to the *lesser* of

- 99.0% of the product of (x) 79.3650796791% and (y) the Group 6 Principal Distribution Amount

and

- the *sum* of

(A) the *product* of

- the aggregate amount of scheduled payments of principal included in the Group 6 Principal Distribution Amount for that Distribution Date *multiplied* by
- the JW Class Specified Percentage (described below) for that date *multiplied* by
- 1.5

plus

(B) the *product* of

- the aggregate amount of unscheduled payments of principal included in the Group 6 Principal Distribution Amount for that Distribution Date *multiplied* by
- the JW Class Specified Percentage (described below) for that date *multiplied* by
- 100% minus the JW Class Lockout Percentage (described below) for that date *multiplied* by
- 0.8;

NAS/
Sequential
Pay
Class

second, to the JT Class, until its principal balance is reduced to zero;

AS/
Sequential
Pay Class

third, to the JW Class, until its principal balance is reduced to zero, and

(b) 20.6349203209% of such amount to the FK Class, until its principal balance is reduced to zero; and

Sequential
Pay
Classes

(ii) to the JG Class, until its principal balance is reduced to zero.

The “JW Class Specified Percentage” for any Distribution Date will be equal to

- the principal balance of the JW Class on that date (before taking into account payments made on that date) *plus* \$3,364,583.39

divided by

- the aggregate principal balance of the JW and JT Classes on that date (before taking into account payments made on that date).

The “JW Class Lockout Percentage” for any Distribution Date during the periods specified below will be as follows:

<u>Distribution Date in</u>	<u>JW Class Lockout Percentage</u>
November 2004 through October 2006	100%
November 2006 through October 2007	40%
November 2007 through October 2008	30%
November 2008 through October 2009	20%
November 2009 through October 2010	10%
November 2010 and thereafter	0%

Group 7 Principal Distribution Amount

ZH Accrual Amount

On each Distribution Date, we will pay the ZH Accrual Amount as principal of the HA Class, until its principal balance is reduced to zero. Thereafter, we will pay the ZH Accrual Amount as principal of the ZH Class. } Accretion Directed Class and Accrual Class

HZ Accrual Amount

On each Distribution Date, we will pay the HZ Accrual Amount as principal of Aggregate Group III (described below), until the Aggregate III Balance (described below) is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the HZ Accrual Amount as principal of the HZ Class. } Accretion Directed Group and Accrual Class

Group 7 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 7 Cash Flow Distribution Amount as principal of the Group 7 Classes in the following priority:

- (i) to Aggregate Group IV (described below), until the Aggregate IV Balance (described below) is reduced to its Planned Balance for that Distribution Date; } PAC Group
- (ii) to Aggregate Group III, until the Aggregate III Balance is reduced to its Targeted Balance for that Distribution Date; } TAC Group
- (iii) to the HZ Class, until its principal balance is reduced to zero; } Support Class
- (iv) to Aggregate Group III, without regard to its Targeted Balance and until the Aggregate III Balance is reduced to zero; and } TAC Group
- (v) to Aggregate Group IV, without regard to its Planned Balance and until the Aggregate IV Balance is reduced to zero. } PAC Group

“Aggregate Group III” consists of the FA and SA Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group III, concurrently, to the FA and SA Classes, pro rata (or 68.7499972845% and 31.2500027155%, respectively), until their principal balances are reduced to zero.

The “Aggregate III Balance” is equal to the aggregate of the principal balances of the Classes in Aggregate Group III.

“Aggregate Group IV” consists of the HF, HA and ZH Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group IV as follows:

- (a) 38.4615381998% to the HF Class, until its principal balance is reduced to zero, and
- (b) 61.5384618002%, sequentially, to the HA and ZH Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate IV Balance” is equal to the aggregate of the principal balances of the Classes in Aggregate Group IV. For determining principal payments on a Distribution Date, the Aggregate IV Balance will include any increase in the principal balance of the ZH Class.

We will apply principal payments from exchanged REMIC Certificates to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is October 29, 2004; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this prospectus supplement is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus.

It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other *constant* rate.

Structuring Ranges and Rates. The Principal Balance Schedules are found beginning on page B-1 of this prospectus supplement. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at a constant PSA rate within the applicable Structuring Ranges or at the applicable PSA rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related MBS and Groups (1)</u>	<u>Structuring Ranges and Rates</u>
Specified Balances	Group 1 MBS	226% PSA
Planned Balances	Aggregate Group I	Between 100% and 250% PSA
Targeted Balances	Aggregate Group II	170% PSA
Targeted Balances	Aggregate Group III	410% PSA
Planned Balances	Aggregate Group IV	Between 300% and 460% PSA

(1) The Structuring Ranges and Rates for the Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.

We cannot assure you that the balance of any MBS or Group listed above will conform on any Distribution Date to the specified balance in the Principal Balance Schedules. As a result, we cannot assure you that payments of principal of any Group listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules. We will distribute any excess of principal payments over the amount needed to reduce a Group to its

scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Group to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Ranges, principal distributions may be insufficient to reduce the applicable Groups to their scheduled balances if the prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Groups specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Ranges or at the applicable rates specified above.

Initial Effective Ranges. The Effective Range for a Group is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Group to its scheduled balance on each Distribution Date. The Initial Effective Ranges shown in the table below are based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Groups</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 250% PSA
Aggregate Group IV	Between 300% and 460% PSA

The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics are likely to differ from the Initial Effective Ranges. As a result, the applicable Groups might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges. This is so particularly if the rate were at the lower or higher end of this range. In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Groups to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.

The stability in principal payment of the Classes specified below will be supported by the corresponding supporting Classes as indicated in the follow table:

<u>Classes</u>	<u>Supporting Classes</u>
Group 1	
PAC	TAC and Support
Group 7	
PAC	TAC and Support

When the supporting Classes are retired, the Classes they support, if still outstanding, may no longer have Effective Ranges and will be more sensitive to prepayments.

Yield Tables

General. The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. We calculated the yields set forth in the tables by

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present values of the assumed streams of cash flows to equal the assumed aggregate purchase prices of those Classes, and

- converting the monthly rates to corporate bond equivalent rates.

These calculations do not take into account variations in the interest rates at which you could reinvest distributions on the Certificates. Accordingly, these calculations do not illustrate the return on any investment in the Certificates when reinvestment rates are taken into account.

We cannot assure you that

- the pre-tax yields on the applicable Certificates will correspond to any of the pre-tax yields shown here, or
- the aggregate purchase prices of the applicable Certificates will be as assumed.

In addition, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

- the Mortgage Loans will prepay at a constant PSA rate until maturity,
- all of the Mortgage Loans will prepay at the same rate, or
- the level of the Index will remain constant.

The Fixed Rate Interest Only Classes. The yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the Fixed Rate Interest Only Classes would be 0% if prepayments of the related Mortgage Loans were to occur at the constant rates shown in the tables below:

<u>Class</u>	<u>% PSA</u>
KI	351% PSA
KU	316% PSA

For either Fixed Rate Interest Only Class, if the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling that level for the remaining months, the investors in the applicable Class would lose money on their initial investments.

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Fixed Rate Interest Only Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
KI	8.125%
KU	15.500%

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

Sensitivity of the KI Class to Prepayments

	PSA Prepayment Assumption										
	<u>50%</u>	<u>100%</u>	<u>165%</u>	<u>170%</u>	<u>225%</u>	<u>226%</u>	<u>249%</u>	<u>250%</u>	<u>330%</u>	<u>400%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	18.2%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	2.2%	(5.7)%	(19.1)%

Sensitivity of the KU Class to Prepayments

	PSA Prepayment Assumption										
	50%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Pre-Tax Yields to Maturity . . .	14.2%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	(1.7)%	(10.6)%	(23.8)%

The Inverse Floating Rate Classes. The yields on the Inverse Floating Rate Classes will be sensitive in varying degrees to the rate of principal payments, including prepayments, of the related Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time without penalty. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from pool to pool. As illustrated in the applicable tables below, it is possible that investors in the MS, JS, JX, SK and HS Classes would lose money on their initial investments under certain Index and prepayment scenarios.

Changes in the Index may not correspond to changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur while the level of the Index increased.

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumptions that

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” in this prospectus supplement and for each following Interest Accrual Period will be based on the specified level of the Index, and
- the aggregate purchase prices of those Classes (expressed in each case as a percentage of original principal balance) are as follows:

Class	Price*
MS	9.500000%
JS	10.000000%
JX	0.171875%
SK	11.750000%
HS	11.000000%
SA	99.000000%

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

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	180%	250%	360%	400%	500%
0.60%	70.8%	66.8%	60.1%	53.8%	43.2%	39.1%	28.7%
1.60%	57.8%	53.7%	46.8%	40.3%	29.3%	25.1%	14.4%
3.60%	32.3%	28.0%	20.4%	13.0%	0.7%	(4.0)%	(15.7)%
5.60%	6.0%	0.8%	(8.7)%	(17.8)%	(32.8)%	(38.2)%	(51.5)%
7.25%	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	183%	250%	366%	400%	500%
0.60%	67.1%	63.5%	57.3%	52.1%	42.3%	39.4%	30.3%
1.60%	54.9%	51.3%	45.0%	39.6%	29.5%	26.4%	17.0%
3.60%	30.9%	27.2%	20.4%	14.4%	3.1%	(0.3)%	(10.7)%
5.60%	6.2%	1.8%	(6.4)%	(13.7)%	(27.4)%	(31.5)%	(43.5)%
7.25% and above ...	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	183%	250%	366%	400%	500%
7.25% and below ...	21.4%	17.4%	10.2%	3.8%	(8.2)%	(11.8)%	(22.8)%
7.26%	14.4%	10.3%	2.7%	(4.1)%	(16.8)%	(20.7)%	(32.1)%
7.27%	7.0%	2.7%	(5.5)%	(12.8)%	(26.3)%	(30.4)%	(42.4)%
7.28%	(1.2)%	(5.8)%	(14.7)%	(22.8)%	(37.5)%	(41.8)%	(54.6)%
7.29%	(11.7)%	(16.8)%	(27.0)%	(36.1)%	(52.5)%	(57.3)%	(71.0)%
7.30%	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	183%	250%	366%	400%	500%
0.6%	55.1%	51.5%	45.2%	39.8%	29.7%	26.6%	17.2%
1.6%	44.9%	41.3%	34.8%	29.2%	18.7%	15.5%	5.8%
3.6%	24.7%	20.9%	13.8%	7.6%	(4.1)%	(7.7)%	(18.4)%
5.6%	3.2%	(1.2)%	(9.7)%	(17.3)%	(31.3)%	(35.5)%	(47.9)%
7.3%	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption								
	50%	150%	300%	330%	410%	460%	500%	660%	800%
0.80%	58.1%	51.9%	42.4%	42.4%	42.4%	42.4%	41.3%	35.0%	28.6%
1.80%	47.1%	40.7%	30.9%	30.9%	30.9%	30.9%	29.7%	22.8%	16.0%
3.80%	25.4%	18.3%	8.0%	8.0%	8.0%	8.0%	6.4%	(1.8)%	(9.6)%
5.80%	2.2%	(6.5)%	(16.2)%	(16.2)%	(16.2)%	(16.2)%	(18.4)%	(28.0)%	(37.0)%
7.25%	*	*	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption								
	50%	150%	300%	330%	410%	460%	500%	660%	800%
0.8%	15.4%	15.4%	15.4%	15.4%	15.7%	15.8%	15.8%	16.1%	16.3%
1.8%	13.0%	13.0%	13.1%	13.1%	13.4%	13.5%	13.6%	13.9%	14.2%
3.8%	8.4%	8.4%	8.5%	8.6%	8.9%	9.1%	9.2%	9.6%	9.9%
5.8%	3.9%	3.9%	4.0%	4.1%	4.5%	4.7%	4.9%	5.4%	5.8%
7.5%	0.1%	0.1%	0.2%	0.3%	0.8%	1.0%	1.2%	1.8%	2.2%

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 the 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 the Certificate referred to in clause (a).

For a description of the factors which may influence the weighted average life of a Certificate, see “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Classes, and
- in the case of the Group 1 and Group 7 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates, and the corresponding weighted average lives of those Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	180 months	180 months	7.00%
Group 2 MBS	240 months	240 months	7.00%
Group 3 MBS	180 months	180 months	6.50%
Group 4 MBS	240 months	240 months	7.50%
Group 5 MBS	180 months	180 months	6.50%
Group 6 MBS	240 months	240 months	7.50%
Group 7 MBS	240 months	240 months	8.00%

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, WALAs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

KI†, KG, KJ and KA Classes											
Date	PSA Prepayment Assumption										
	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	94	86	86	86	86	86	86	86	86	86	86
October 2006	78	48	48	48	48	48	48	48	48	38	13
October 2007	62	12	12	12	12	12	12	12	0	0	0
October 2008	44	0	0	0	0	0	0	0	0	0	0
October 2009	24	0	0	0	0	0	0	0	0	0	0
October 2010	4	0	0	0	0	0	0	0	0	0	0
October 2011	0	0	0	0	0	0	0	0	0	0	0
October 2012	0	0	0	0	0	0	0	0	0	0	0
October 2013	0	0	0	0	0	0	0	0	0	0	0
October 2014	0	0	0	0	0	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	3.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.8	1.6

KU†, KM, KO and KB Classes											
Date	PSA Prepayment Assumption										
	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	100	100	100	100	100	100	100	100	100	100	100
October 2006	100	100	100	100	100	100	100	100	100	100	100
October 2007	100	100	100	100	100	100	100	100	95	39	0
October 2008	100	46	46	46	46	46	46	46	0	0	0
October 2009	100	0	0	0	0	0	0	0	0	0	0
October 2010	100	0	0	0	0	0	0	0	0	0	0
October 2011	55	0	0	0	0	0	0	0	0	0	0
October 2012	0	0	0	0	0	0	0	0	0	0	0
October 2013	0	0	0	0	0	0	0	0	0	0	0
October 2014	0	0	0	0	0	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.4	3.0	2.5

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

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

KC Class											
PSA Prepayment Assumption											
Date	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	100	100	100	100	100	100	100	100	100	100	100
October 2006	100	100	100	100	100	100	100	100	100	100	100
October 2007	100	100	100	100	100	100	100	100	100	100	81
October 2008	100	100	100	100	100	100	100	100	89	55	14
October 2009	100	81	81	81	81	81	81	81	37	6	0
October 2010	100	38	38	38	38	38	38	38	0	0	0
October 2011	100	3	3	3	3	3	3	3	0	0	0
October 2012	98	0	0	0	0	0	0	0	0	0	0
October 2013	60	0	0	0	0	0	0	0	0	0	0
October 2014	19	0	0	0	0	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	9.3	5.8	5.8	5.8	5.8	5.8	5.8	5.8	4.8	4.2	3.5

KD Class											
PSA Prepayment Assumption											
Date	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	100	100	100	100	100	100	100	100	100	100	100
October 2006	100	100	100	100	100	100	100	100	100	100	100
October 2007	100	100	100	100	100	100	100	100	100	100	100
October 2008	100	100	100	100	100	100	100	100	100	100	100
October 2009	100	100	100	100	100	100	100	100	100	100	38
October 2010	100	100	100	100	100	100	100	100	95	38	0
October 2011	100	100	100	100	100	100	100	100	32	0	0
October 2012	100	46	46	46	46	46	46	46	0	0	0
October 2013	100	0	0	0	0	0	0	0	0	0	0
October 2014	100	0	0	0	0	0	0	0	0	0	0
October 2015	48	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	6.8	5.9	4.9

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

KE Class											
PSA Prepayment Assumption											
Date	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	100	100	100	100	100	100	100	100	100	100	100
October 2006	100	100	100	100	100	100	100	100	100	100	100
October 2007	100	100	100	100	100	100	100	100	100	100	100
October 2008	100	100	100	100	100	100	100	100	100	100	100
October 2009	100	100	100	100	100	100	100	100	100	100	100
October 2010	100	100	100	100	100	100	100	100	100	100	83
October 2011	100	100	100	100	100	100	100	100	100	89	52
October 2012	100	100	100	100	100	100	100	100	88	59	32
October 2013	100	99	99	99	99	99	99	99	60	38	19
October 2014	100	69	69	69	69	69	69	69	39	24	11
October 2015	100	44	44	44	44	44	44	44	24	14	6
October 2016	61	25	25	25	25	25	25	25	13	7	3
October 2017	11	11	11	11	11	11	11	11	5	3	1
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.3	11.0	11.0	11.0	11.0	11.0	11.0	11.0	9.8	8.9	7.6

AK Class											
PSA Prepayment Assumption											
Date	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	85	71	58	57	57	87	83	83	67	53	33
October 2006	84	69	40	38	38	57	47	46	13	0	0
October 2007	82	67	26	23	23	35	22	21	0	0	0
October 2008	79	65	16	12	12	21	7	6	0	0	0
October 2009	77	63	9	5	6	15	1	*	0	0	0
October 2010	75	60	5	1	4	14	*	0	0	0	0
October 2011	73	51	0	0	2	13	*	0	0	0	0
October 2012	70	39	0	0	0	11	*	0	0	0	0
October 2013	67	24	0	0	0	9	0	0	0	0	0
October 2014	65	6	0	0	0	7	0	0	0	0	0
October 2015	62	0	0	0	0	5	0	0	0	0	0
October 2016	59	0	0	0	0	3	0	0	0	0	0
October 2017	36	0	0	0	0	1	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	9.6	5.6	2.0	1.8	1.9	3.3	2.1	2.1	1.3	1.1	0.8

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

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

ZA Class											
PSA Prepayment Assumption											
Date	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	105	105	105	105	105	105	105	105	105	105	105
October 2006	109	109	109	109	109	109	109	109	109	0	0
October 2007	114	114	114	114	114	114	114	114	0	0	0
October 2008	120	120	120	120	120	120	120	120	0	0	0
October 2009	125	125	125	125	125	125	125	125	0	0	0
October 2010	131	131	131	131	131	131	131	1	0	0	0
October 2011	137	137	0	0	137	137	137	1	0	0	0
October 2012	143	143	0	0	48	143	143	1	0	0	0
October 2013	150	150	0	0	0	150	131	1	0	0	0
October 2014	157	157	0	0	0	157	102	1	0	0	0
October 2015	164	0	0	0	0	164	73	1	0	0	0
October 2016	171	0	0	0	0	171	46	1	0	0	0
October 2017	179	0	0	0	0	179	21	1	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	13.7	10.3	6.8	6.2	8.0	13.8	11.1	5.3	2.3	1.7	1.4

AZ Class											
PSA Prepayment Assumption											
Date	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	105	105	105	105	77	0	0	0	0	0	0
October 2006	109	109	109	109	49	0	0	0	0	0	0
October 2007	114	114	114	114	32	0	0	0	0	0	0
October 2008	120	120	120	120	25	0	0	0	0	0	0
October 2009	125	125	125	125	26	0	0	0	0	0	0
October 2010	131	131	131	131	27	0	0	0	0	0	0
October 2011	137	137	133	124	28	0	0	0	0	0	0
October 2012	143	143	118	109	30	0	0	0	0	0	0
October 2013	150	150	100	92	25	0	0	0	0	0	0
October 2014	157	157	80	74	19	0	0	0	0	0	0
October 2015	164	131	59	54	14	0	0	0	0	0	0
October 2016	171	87	38	35	9	0	0	0	0	0	0
October 2017	179	42	18	16	4	0	0	0	0	0	0
October 2018	148	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.4	12.2	10.6	10.4	4.3	0.3	0.3	0.3	0.3	0.2	0.2

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

KQ, KR and KT Classes											
Date	PSA Prepayment Assumption										
	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
October 2005	96	90	90	90	90	90	90	90	90	90	90
October 2006	85	63	63	63	63	63	63	63	63	56	38
October 2007	73	37	37	37	37	37	37	37	27	11	0
October 2008	60	13	13	13	13	13	13	13	0	0	0
October 2009	46	0	0	0	0	0	0	0	0	0	0
October 2010	31	0	0	0	0	0	0	0	0	0	0
October 2011	16	0	0	0	0	0	0	0	0	0	0
October 2012	0	0	0	0	0	0	0	0	0	0	0
October 2013	0	0	0	0	0	0	0	0	0	0	0
October 2014	0	0	0	0	0	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.3	2.1	1.8

Date	KX Class											CB Class						
	PSA Prepayment Assumption											PSA Prepayment Assumption						
	0%	100%	165%	170%	225%	226%	249%	250%	330%	400%	500%	0%	100%	156%	250%	312%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	97	93	93	93	93	93	93	93	93	93	93	100	100	100	100	100	100	100
October 2006	89	75	75	75	75	75	75	75	75	70	58	100	100	100	100	100	100	100
October 2007	81	57	57	57	57	57	57	57	51	40	26	100	100	100	100	100	84	60
October 2008	73	41	41	41	41	41	41	41	29	18	5	97	93	91	90	71	46	22
October 2009	63	26	26	26	26	26	26	26	12	2	0	88	72	67	62	43	18	0
October 2010	54	12	12	12	12	12	12	12	0	0	0	78	53	46	40	20	0	0
October 2011	43	1	1	1	1	1	1	1	0	0	0	68	35	27	21	3	0	0
October 2012	31	0	0	0	0	0	0	0	0	0	0	57	18	10	6	0	0	0
October 2013	19	0	0	0	0	0	0	0	0	0	0	45	2	0	0	0	0	0
October 2014	6	0	0	0	0	0	0	0	0	0	0	32	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.1	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.1	2.8	2.4	8.4	6.3	5.9	5.7	4.9	4.0	3.4

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

Date	CD Class								CE Class								AB Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	156%	250%	312%	400%	500%	0%	100%	156%	250%	312%	400%	500%	0%	100%	153%	250%	306%	400%	500%			
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
October 2005	95	87	84	78	74	69	63	100	100	100	100	100	100	100	95	87	85	79	76	71	66			
October 2006	89	70	61	47	38	26	12	100	100	100	100	100	100	100	89	74	68	57	51	42	33			
October 2007	84	53	39	18	5	0	0	100	100	100	100	100	100	100	83	61	53	39	32	21	10			
October 2008	79	41	25	1	0	0	0	100	100	100	100	100	100	100	76	49	39	24	16	5	0			
October 2009	79	41	25	1	0	0	0	100	100	100	100	100	100	94	69	37	27	11	4	0	0			
October 2010	79	41	25	1	0	0	0	100	100	100	100	100	96	62	62	27	17	1	0	0	0			
October 2011	79	41	25	1	0	0	0	100	100	100	100	100	69	41	54	17	7	0	0	0	0			
October 2012	79	41	25	*	0	0	0	100	100	100	100	80	49	27	46	8	0	0	0	0	0			
October 2013	79	41	21	0	0	0	0	100	100	100	88	61	35	18	37	0	0	0	0	0	0			
October 2014	79	31	11	0	0	0	0	100	100	100	69	46	25	11	27	0	0	0	0	0	0			
October 2015	79	21	2	0	0	0	0	100	100	100	54	34	17	7	17	0	0	0	0	0	0			
October 2016	79	12	0	0	0	0	0	100	100	85	41	25	12	5	6	0	0	0	0	0	0			
October 2017	69	3	0	0	0	0	0	100	100	68	31	18	8	3	0	0	0	0	0	0	0			
October 2018	57	0	0	0	0	0	0	100	87	53	23	13	5	2	0	0	0	0	0	0	0			
October 2019	43	0	0	0	0	0	0	100	68	40	16	8	3	1	0	0	0	0	0	0	0			
October 2020	29	0	0	0	0	0	0	100	50	29	11	5	2	1	0	0	0	0	0	0	0			
October 2021	13	0	0	0	0	0	0	100	34	19	7	3	1	*	0	0	0	0	0	0	0			
October 2022	0	0	0	0	0	0	0	91	19	10	3	2	*	*	0	0	0	0	0	0	0			
October 2023	0	0	0	0	0	0	0	47	4	2	1	*	*	*	0	0	0	0	0	0	0			
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Weighted Average Life (years)**	12.4	5.7	3.9	2.0	1.7	1.4	1.3	19.0	16.2	14.6	12.0	10.5	8.7	7.2	7.1	4.1	3.5	2.6	2.3	1.9	1.6			

Date	AC Class							MC, MF, MS† and MK Classes								VM Class							
	PSA Prepayment Assumption							PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	153%	250%	306%	400%	500%	0%	100%	180%	250%	360%	400%	500%	0%	100%	180%	250%	360%	400%	500%		
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
October 2005	100	100	100	100	100	100	100	97	92	89	87	82	81	77	91	91	91	91	91	91	91		
October 2006	100	100	100	100	100	100	100	94	82	74	68	58	54	46	82	82	82	82	82	82	82		
October 2007	100	100	100	100	100	100	100	91	72	60	51	37	32	22	72	72	72	72	72	72	72		
October 2008	100	100	100	100	100	100	86	87	62	47	36	21	16	6	62	62	62	62	62	62	62		
October 2009	100	100	100	100	100	81	55	83	53	36	24	9	4	0	51	51	51	51	51	51	0		
October 2010	100	100	100	100	83	55	35	79	45	27	14	0	0	0	40	40	40	40	34	0	0		
October 2011	100	100	100	79	60	37	22	75	37	18	6	0	0	0	28	28	28	28	0	0	0		
October 2012	100	100	97	58	43	25	13	70	29	11	0	0	0	0	16	16	16	8	0	0	0		
October 2013	100	99	74	41	29	16	8	65	22	4	0	0	0	0	3	3	3	0	0	0	0		
October 2014	100	75	53	28	19	10	4	59	16	0	0	0	0	0	0	0	0	0	0	0	0		
October 2015	100	52	36	18	11	5	2	53	10	0	0	0	0	0	0	0	0	0	0	0	0		
October 2016	100	30	20	9	6	3	1	46	4	0	0	0	0	0	0	0	0	0	0	0	0		
October 2017	81	11	7	3	2	1	*	39	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2018	42	0	0	0	0	0	0	32	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2019	0	0	0	0	0	0	0	24	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2020	0	0	0	0	0	0	0	15	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2021	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Weighted Average Life (years)**	13.8	11.2	10.4	8.9	8.1	6.9	5.8	10.7	5.8	4.2	3.4	2.6	2.4	2.0	5.0	5.0	5.0	4.9	4.4	4.2	3.7		

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

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

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

Date	VN Class							MZ Class							ML Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	180%	250%	360%	400%	500%	0%	100%	180%	250%	360%	400%	500%	0%	100%	180%	250%	360%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	100	100	100	100	100	100	100	105	105	105	105	105	105	105	100	100	100	100	100	100	100
October 2006	100	100	100	100	100	100	100	110	110	110	110	110	110	110	100	100	100	100	100	100	100
October 2007	100	100	100	100	100	100	100	116	116	116	116	116	116	116	100	100	100	100	100	100	100
October 2008	100	100	100	100	100	100	100	122	122	122	122	122	122	122	100	100	100	100	100	100	100
October 2009	100	100	100	100	100	100	78	128	128	128	128	128	128	128	100	100	100	100	100	100	81
October 2010	100	100	100	100	100	72	0	135	135	135	135	135	135	101	100	100	100	100	98	83	54
October 2011	100	100	100	100	0	0	0	142	142	142	142	137	112	67	100	100	100	100	73	60	36
October 2012	100	100	100	100	0	0	0	149	149	149	149	101	80	44	100	100	100	97	54	43	23
October 2013	100	100	100	0	0	0	0	157	157	157	145	74	57	29	100	100	100	77	39	30	15
October 2014	78	78	50	0	0	0	0	165	165	165	114	54	40	19	100	100	96	61	29	21	10
October 2015	49	49	0	0	0	0	0	173	173	146	89	38	28	12	100	100	78	47	20	15	6
October 2016	19	19	0	0	0	0	0	182	182	118	68	27	19	8	100	100	63	36	14	10	4
October 2017	0	0	0	0	0	0	0	188	178	93	51	19	13	5	100	95	49	27	10	7	2
October 2018	0	0	0	0	0	0	0	188	144	71	37	13	8	3	100	77	38	20	7	4	1
October 2019	0	0	0	0	0	0	0	188	112	53	26	8	5	2	100	60	28	14	4	3	1
October 2020	0	0	0	0	0	0	0	188	83	37	18	5	3	1	100	44	20	9	3	2	*
October 2021	0	0	0	0	0	0	0	188	55	24	11	3	2	*	100	30	13	6	2	1	*
October 2022	0	0	0	0	0	0	0	154	30	12	5	1	1	*	82	16	6	3	1	*	*
October 2023	0	0	0	0	0	0	0	80	6	2	1	*	*	*	43	3	1	*	*	*	*
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.0	11.0	10.0	8.4	6.6	6.1	5.2	18.8	15.8	13.9	12.2	9.9	9.2	7.8	18.8	15.8	13.4	11.5	9.1	8.3	6.9

Date	AG Class							AH Class							JW Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	159%	250%	318%	400%	500%	0%	100%	159%	250%	318%	400%	500%	0%	100%	183%	250%	366%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	95	89	86	81	78	74	69	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2006	90	76	70	61	54	47	38	100	100	100	100	100	100	100	98	97	97	97	97	97	97
October 2007	84	64	56	44	36	27	18	100	100	100	100	100	100	100	92	84	80	77	70	68	62
October 2008	78	53	43	30	22	13	4	100	100	100	100	100	100	100	85	72	64	58	46	42	30
October 2009	72	43	32	19	11	3	0	100	100	100	100	100	100	78	78	59	49	40	24	19	2
October 2010	65	33	23	10	2	0	0	100	100	100	100	100	78	49	71	47	34	24	6	1	0
October 2011	58	24	14	2	0	0	0	100	100	100	100	80	53	31	64	36	22	11	0	0	0
October 2012	50	16	7	0	0	0	0	100	100	100	82	56	35	19	56	26	12	1	0	0	0
October 2013	42	8	*	0	0	0	0	100	100	100	58	38	22	11	48	18	4	0	0	0	0
October 2014	33	1	0	0	0	0	0	100	100	73	40	25	13	6	41	10	0	0	0	0	0
October 2015	24	0	0	0	0	0	0	100	73	48	25	15	8	3	33	4	0	0	0	0	0
October 2016	14	0	0	0	0	0	0	100	43	27	13	7	4	1	25	0	0	0	0	0	0
October 2017	3	0	0	0	0	0	0	100	15	9	4	2	1	*	18	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	59	0	0	0	0	0	0	11	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.6	4.6	3.8	3.0	2.5	2.2	1.8	14.2	11.8	11.1	9.8	8.8	7.7	6.5	8.8	6.1	5.1	4.6	3.9	3.8	3.4

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

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

Date	JT Class							FK, JS†, JX†, JF and SK† Classes							JG Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	183%	250%	366%	400%	500%	0%	100%	183%	250%	366%	400%	500%	0%	100%	183%	250%	366%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	96	90	85	82	76	74	68	97	93	90	88	83	82	79	100	100	100	100	100	100	100
October 2006	93	77	66	58	43	39	28	95	83	76	70	61	58	50	100	100	100	100	100	100	100
October 2007	91	69	54	44	27	23	12	91	74	63	54	41	38	28	100	100	100	100	100	100	100
October 2008	90	62	45	33	17	14	5	88	65	51	41	27	23	13	100	100	100	100	100	100	100
October 2009	88	56	37	26	11	8	3	85	57	41	30	15	12	3	100	100	100	100	100	100	100
October 2010	85	50	31	20	7	5	0	81	49	32	21	7	4	0	100	100	100	100	100	100	78
October 2011	83	44	25	15	1	0	0	77	42	24	14	*	0	0	100	100	100	100	100	87	52
October 2012	80	39	20	10	0	0	0	72	35	17	7	0	0	0	100	100	100	100	75	62	34
October 2013	77	34	15	3	0	0	0	67	28	12	2	0	0	0	100	100	100	100	55	44	22
October 2014	73	28	9	0	0	0	0	62	22	6	0	0	0	0	100	100	100	88	40	31	14
October 2015	68	23	3	0	0	0	0	57	17	2	0	0	0	0	100	100	100	69	28	22	9
October 2016	63	17	0	0	0	0	0	51	12	0	0	0	0	0	100	100	89	53	20	15	6
October 2017	57	10	0	0	0	0	0	44	7	0	0	0	0	0	100	100	70	40	14	10	4
October 2018	50	3	0	0	0	0	0	37	2	0	0	0	0	0	100	100	54	29	9	7	2
October 2019	42	0	0	0	0	0	0	30	0	0	0	0	0	0	100	87	40	20	6	4	1
October 2020	32	0	0	0	0	0	0	22	0	0	0	0	0	0	100	64	28	14	4	2	1
October 2021	19	0	0	0	0	0	0	13	0	0	0	0	0	0	100	43	18	8	2	1	*
October 2022	5	0	0	0	0	0	0	3	0	0	0	0	0	0	100	23	9	4	1	1	*
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	62	4	2	1	*	*	*
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.4	6.5	4.4	3.4	2.4	2.2	1.7	11.2	6.4	4.7	3.8	2.9	2.7	2.3	19.2	16.8	14.6	12.8	10.1	9.4	7.8

Date	HA Class									ZH Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	150%	300%	330%	410%	460%	500%	660%	800%	0%	150%	300%	330%	410%	460%	500%	660%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	97	93	89	89	89	89	89	89	89	104	104	104	104	104	104	104	104	104
October 2006	95	82	72	72	72	72	72	67	59	109	109	109	109	109	109	109	109	109
October 2007	92	70	53	53	53	53	52	39	29	114	114	114	114	114	114	114	114	114
October 2008	89	59	38	38	38	38	35	22	14	118	118	118	118	118	118	118	118	118
October 2009	85	50	27	27	27	27	23	13	7	124	124	124	124	124	124	124	124	124
October 2010	81	41	18	18	18	18	15	7	3	129	129	129	129	129	129	129	129	129
October 2011	77	33	12	12	12	12	10	4	1	135	135	135	135	135	135	135	135	135
October 2012	73	26	8	8	8	8	6	2	*	140	140	140	140	140	140	140	140	140
October 2013	68	19	5	5	5	5	4	1	0	146	146	146	146	146	146	146	146	96
October 2014	63	13	3	3	3	3	2	*	0	153	153	153	153	153	153	153	153	46
October 2015	57	8	2	2	2	2	1	0	0	159	159	159	159	159	159	159	159	22
October 2016	51	4	1	1	1	1	*	0	0	166	166	166	166	166	166	166	166	11
October 2017	45	*	*	*	*	*	0	0	0	174	174	174	174	174	174	168	29	5
October 2018	38	0	0	0	0	0	0	0	0	181	159	159	159	159	159	103	15	2
October 2019	30	0	0	0	0	0	0	0	0	189	98	98	98	98	98	61	8	1
October 2020	22	0	0	0	0	0	0	0	0	197	57	57	57	57	57	34	4	*
October 2021	13	0	0	0	0	0	0	0	0	206	31	31	31	31	31	18	2	*
October 2022	3	0	0	0	0	0	0	0	0	215	14	14	14	14	14	8	1	*
October 2023	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4	2	*	*
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.3	5.5	3.8	3.8	3.8	3.8	3.6	3.0	2.6	18.4	15.6	15.6	15.6	15.6	15.6	14.8	11.9	9.8

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

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

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

Date	HF and HS† Classes										FA and SA Classes									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	150%	300%	330%	410%	460%	500%	660%	800%	0%	150%	300%	330%	410%	460%	500%	660%	800%	0%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	98	93	90	90	90	90	90	90	90	99	99	99	95	82	82	82	57	35	99	99
October 2006	95	83	72	72	72	72	72	67	59	99	99	99	86	52	46	29	0	0	99	99
October 2007	92	71	54	54	54	54	52	39	30	98	98	98	78	27	13	0	0	0	98	98
October 2008	89	60	39	39	39	39	35	23	15	97	97	97	74	17	1	0	0	0	97	97
October 2009	85	50	27	27	27	27	24	13	7	96	96	94	70	13	*	0	0	0	96	96
October 2010	82	41	19	19	19	19	16	8	4	95	95	85	62	9	*	0	0	0	95	95
October 2011	78	33	13	13	13	13	11	4	2	94	94	72	51	4	*	0	0	0	94	94
October 2012	73	26	9	9	9	9	7	3	1	93	93	58	39	0	*	0	0	0	93	93
October 2013	69	20	6	6	6	6	5	1	*	92	92	44	27	0	*	0	0	0	92	92
October 2014	63	14	4	4	4	4	3	1	*	91	91	31	17	0	*	0	0	0	91	91
October 2015	58	9	3	3	3	3	2	*	*	89	89	19	7	0	*	0	0	0	89	89
October 2016	52	4	2	2	2	2	1	*	*	88	88	8	0	0	*	0	0	0	88	88
October 2017	45	1	1	1	1	1	1	*	*	87	81	0	0	0	*	0	0	0	87	81
October 2018	38	1	1	1	1	1	*	*	*	85	59	0	0	0	*	0	0	0	85	59
October 2019	31	*	*	*	*	*	*	*	*	84	38	0	0	0	*	0	0	0	84	38
October 2020	23	*	*	*	*	*	*	*	*	82	19	0	0	0	*	0	0	0	82	19
October 2021	14	*	*	*	*	*	*	*	*	80	2	0	0	0	*	0	0	0	80	2
October 2022	4	*	*	*	*	*	*	*	*	78	0	0	0	0	*	0	0	0	78	0
October 2023	*	*	*	*	*	*	*	*	*	36	0	0	0	0	*	0	0	0	36	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.4	5.6	3.9	3.9	3.9	3.9	3.7	3.0	2.6	17.2	13.8	8.6	6.6	2.6	1.9	1.6	1.1	0.9	17.2	13.8

Date	HZ Class										HM Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	150%	300%	330%	410%	460%	500%	660%	800%	0%	150%	300%	330%	410%	460%	500%	660%	800%	0%	150%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2005	106	106	106	106	106	45	0	0	0	100	100	100	96	85	78	73	50	31	100	100
October 2006	112	112	112	112	112	0	0	0	0	100	100	100	89	59	41	26	0	0	100	100
October 2007	118	118	118	118	118	0	0	0	0	100	100	100	82	38	11	0	0	0	100	100
October 2008	125	125	125	125	125	0	0	0	0	100	100	100	79	29	1	0	0	0	100	100
October 2009	132	132	132	132	132	0	0	0	0	100	100	98	77	27	*	0	0	0	100	100
October 2010	139	139	139	139	139	0	0	0	0	100	100	91	70	24	*	0	0	0	100	100
October 2011	147	147	147	147	147	0	0	0	0	100	100	81	62	20	*	0	0	0	100	100
October 2012	155	155	155	155	144	0	0	0	0	100	100	69	52	16	*	0	0	0	100	100
October 2013	164	164	164	164	114	0	0	0	0	100	100	58	43	13	*	0	0	0	100	100
October 2014	173	173	173	173	89	0	0	0	0	100	100	47	34	10	*	0	0	0	100	100
October 2015	183	183	183	183	67	0	0	0	0	100	100	38	27	8	*	0	0	0	100	100
October 2016	193	193	193	184	50	0	0	0	0	100	100	29	21	6	*	0	0	0	100	100
October 2017	204	204	198	138	36	0	0	0	0	100	95	22	16	4	*	0	0	0	100	95
October 2018	216	216	146	101	25	0	0	0	0	100	76	17	11	3	*	0	0	0	100	76
October 2019	228	228	105	71	17	0	0	0	0	100	59	12	8	2	*	0	0	0	100	59
October 2020	241	241	71	47	11	0	0	0	0	100	44	8	5	1	*	0	0	0	100	44
October 2021	254	254	45	29	6	0	0	0	0	100	30	5	3	1	*	0	0	0	100	30
October 2022	269	157	24	15	3	0	0	0	0	100	18	3	2	*	*	0	0	0	100	18
October 2023	284	59	8	5	1	0	0	0	0	64	7	1	1	*	*	0	0	0	64	7
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.8	18.4	15.5	14.6	11.2	0.9	0.6	0.3	0.2	19.2	15.8	10.3	8.3	4.0	1.8	1.5	1.0	0.8	19.2	15.8

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

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

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

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances and will not bear interest. If any assets of the Trust remain after the principal balances of all Classes are reduced to zero, we will pay the Holder of the R Class the proceeds from those assets. If any assets of the Lower Tier REMIC remain after the principal balances of the Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. Fannie Mae does not expect that any material assets will remain in either case.

A Residual Certificate will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of a Residual Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of a Residual Certificate to any person that is not a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. Any transferee of a Residual Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 (or, if applicable, a Form W-8ECI) on which the transferee provides its taxpayer identification number. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate and that, if the transferee is a partnership for U.S. federal income tax purposes, each person or entity that holds an interest (directly, or indirectly through a pass-through entity) in the partnership is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. In addition, the transferee must receive an affidavit containing these same representations from any new transferee. Transferors of a Residual Certificate should consult with their own tax advisors for further information regarding such transfers.

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”).

As discussed under the caption “Special Characteristics of Residual Certificates” in the REMIC Prospectus, the Regulations presume that a transferor does not have improper knowledge if two conditions are met. The Treasury Department has amended the Regulations to provide additional requirements that a transferor must satisfy to avail itself of the safe harbor regarding the presumed lack of improper knowledge. For transfers occurring on or after August 19, 2002, a transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the REMIC Prospectus, both (i) the transferee represents that it will not cause income from the Residual Certificate to be attributed to a foreign permanent establishment or fixed base of the transferee or another taxpayer and (ii) the transfer satisfies either the “asset test” or the “formula test.” The representation described in (i) will be included in the affidavit discussed above. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus.

A transfer satisfies the asset test if (i) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer), (ii) the transferee is an “eligible corporation” and the transferee agrees in writing that any subsequent transfer of the Residual Certificate will be to an eligible corporation and will comply with the safe harbor and satisfy the asset test, and (iii) the facts and circumstances known to the transferor do not reasonably indicate that the taxes associated with the Residual Certificate will not be paid. A transfer satisfies the formula test if

the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The Regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following tax discussion supplements the discussion under the caption “Certain Federal Income Tax Consequences” in the REMIC Prospectus. When read together, the two discussions describe the current federal income tax treatment of beneficial owners of Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

REMIC Elections and Special Tax Attributes

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

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes and the Accrual Classes will be issued with original issue discount (“OID”), and certain other Classes of REMIC Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. In addition, certain Classes of REMIC Certificates may be treated as having been issued at a premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

The Prepayment Assumptions that will be used in determining the rate of accrual of OID will be as follows:

<u>Group</u>	<u>Prepayment Assumption</u>
1	165% PSA
2	156% PSA
3	153% PSA
4	180% PSA
5	159% PSA
6	183% PSA
7	330% PSA

See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount—Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 5.70% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

The Treasury Department recently issued Regulations providing that, to clearly reflect income, an inducement fee paid to a transferee of a noneconomic residual interest in a REMIC must be included in income over a period that is reasonably related to the period during which the applicable REMIC is expected to generate taxable income or net loss allocable to the transferee. The Regulations set forth two safe harbor methods under which a taxpayer’s accounting for the inducement fee will be considered to clearly reflect income for these purposes. In addition, under the Regulations an inducement fee shall be treated as income from sources within the United States. The Regulations, which are effective for taxable years ending on or after May 11, 2004, contain additional details regarding their application. You should consult your own tax advisor regarding the application of the Regulations to the transfer of a Residual Certificate.

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes (each, a “Combination RCR Class”) will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. Each Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

Combination RCR Classes. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. Except in the case of a beneficial owner that acquires a Combination RCR Certificate in an exchange described under “—*Exchanges*” below, a beneficial owner of a Combination RCR Certificate must allocate its cost to acquire that Certificate among the underlying REMIC Certificates in proportion to their relative fair market values at the time of acquisition. Such

an owner should account for its ownership interest in each underlying REMIC Certificate as described under “—Taxation of Beneficial Owners of Regular Certificates” above and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, the owner must allocate the sale proceeds among the underlying REMIC Certificates in proportion to their relative fair market values at the time of sale.

Exchanges. If a beneficial owner exchanges one or more REMIC Certificates for the related RCR Certificate or Certificates in the manner described under “Description of the Certificates—Combination and Recombination” in this prospectus supplement, the exchange will not be taxable. Likewise, if a beneficial owner exchanges one or more RCR Certificates for the related REMIC Certificate or Certificates in the manner described in that discussion, the exchange will not be a taxable exchange. In each of these cases, the beneficial owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Certificates (or the same interest in the related REMIC Certificate) that it owned immediately prior to the exchange.

Tax Return Disclosure Requirements

The Treasury Department recently issued Regulations directed at “tax shelters” that could be read to apply to transactions generally not considered to be tax shelters. These Regulations require that taxpayers that participate in a “reportable transaction” disclose such transaction on their tax returns by attaching IRS Form 8886 and retain information related to the transaction. A transaction may be a “reportable transaction” based upon any of several indicia, one or more of which may be present with respect to the Certificates. You should consult your own tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Lehman Brothers Inc. (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2, 3, 4, 5, 6 or 7 Class bears to the aggregate original principal balance of all Group 1, 2, 3, 4, 5, 6 or 7 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1								
KI	\$ 5,983,000 (3)	KJ	\$ 53,847,000	4.0%	FIX	PAC	31394BCQ5	May 2012
KG	53,847,000							
Recombination 2								
KI	11,966,000 (3)	KA	53,847,000	4.5	FIX	PAC	31394BCR3	May 2012
KG	53,847,000							
Recombination 3								
KU	2,413,222 (3)	KO	21,719,000	4.0	FIX	PAC	31394BCS1	June 2014
KM	21,719,000							
Recombination 4								
KU	4,826,444 (3)	KB	21,719,000	4.5	FIX	PAC	31394BCT9	June 2014
KM	21,719,000							
Recombination 5								
KG	53,847,000	KQ	75,566,000	3.5	FIX	PAC	31394BCU6	June 2014
KM	21,719,000							
Recombination 6								
KG	53,847,000	KR	75,566,000	4.0	FIX	PAC	31394BCV4	June 2014
KM	21,719,000							
KI	5,983,000 (3)							
KU	2,413,222 (3)							
Recombination 7								
KI	11,966,000 (3)	KT	75,566,000	4.5	FIX	PAC	31394BCW2	June 2014
KG	53,847,000							
KU	4,826,444 (3)							
KM	21,719,000							

REMIC Certificates			RCR Certificates					
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 8								
KC	\$ 35,812,000	KX	\$111,378,000	4.5%	FIX	PAC	31394BCX0	April 2017
KI	11,966,000 (3)							
KG	53,847,000							
KU	4,826,444 (3)							
KM	21,719,000							
Recombination 9								
MC	120,285,385	MK	156,371,000	5.0	FIX	SEQ	31394BCY8	June 2022
MF	36,085,615							
MS	36,085,615 (3)							
Recombination 10								
VM	13,576,000	ML (4)	43,629,000	5.0	FIX	SEQ	31394B CZ5	November 2024
VN	6,795,000							
MZ	23,258,000							
Recombination 11								
FK	38,587,301	JF	38,587,301	(5)	FLT	SEQ	31394BDA9	April 2023
JX	38,587,301 (3)							
Recombination 12								
JS	38,587,301 (3)	SK	38,587,301 (3)	(5)	INV/IO	NTL	31394BDB7	April 2023
JX	38,587,301 (3)							
Recombination 13								
FA	12,658,937	HM (6)	20,764,199	5.5	FIX	SUP	31394BDC5	November 2024
SA	5,754,063							
HZ	2,351,199							

- (1) REMIC Certificates and RCR Certificates in Recombination 1, 2, 3, 4, 9, 11 or 12 may be exchanged only in the proportions shown in this Schedule 1. In an exchange under any other Recombination, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal balances of the related REMIC Classes at the time of exchange.
- (2) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” in this prospectus supplement.
- (3) Notional principal balance.
- (4) Principal payments on the REMIC Certificates in Recombination 10 from the MZ Accrual Amount will be paid as interest on the related RCR Certificates and thus will not reduce the principal balances of those RCR Certificates.
- (5) For a description of this interest rate, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.
- (6) Principal payments on the REMIC Certificates in Recombination 13 from the HZ Accrual Amount will be paid as interest on the related RCR Certificates and thus will not reduce the principal balances of those RCR Certificates.

Principal Balance Schedules

Aggregate Group I Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through		July 2009	\$ 72,323,626.03	October 2013	\$ 21,603,051.78
May 2005	\$150,601,000.00	August 2009	70,943,131.46	November 2013	20,992,630.48
June 2005	149,114,407.51	September 2009	69,570,571.97	December 2013	20,393,421.11
July 2005	147,599,685.34	October 2009	68,205,905.88	January 2014	19,805,244.67
August 2005	146,057,537.66	November 2009	66,849,091.73	February 2014	19,227,924.88
September 2005	144,488,682.26	December 2009	65,500,088.27	March 2014	18,661,288.05
October 2005	142,893,849.98	January 2010	64,158,854.46	April 2014	18,105,163.12
November 2005	141,273,784.14	February 2010	62,825,349.49	May 2014	17,559,381.57
December 2005	139,629,239.97	March 2010	61,499,532.73	June 2014	17,023,777.40
January 2006	137,960,984.01	April 2010	60,192,578.50	July 2014	16,498,187.10
February 2006	136,269,793.49	May 2010	58,907,705.67	August 2014	15,982,449.62
March 2006	134,556,455.74	June 2010	57,644,574.98	September 2014	15,476,406.31
April 2006	132,821,767.59	July 2010	56,402,852.12	October 2014	14,979,900.89
May 2006	131,096,871.60	August 2010	55,182,207.69	November 2014	14,492,779.44
June 2006	129,381,716.52	September 2010	53,982,317.09	December 2014	14,014,890.36
July 2006	127,676,251.34	October 2010	52,802,860.48	January 2015	13,546,084.30
August 2006	125,980,425.33	November 2010	51,643,522.71	February 2015	13,086,214.19
September 2006	124,294,188.01	December 2010	50,503,993.23	March 2015	12,635,135.13
October 2006	122,617,489.16	January 2011	49,383,966.06	April 2015	12,192,704.43
November 2006	120,950,278.82	February 2011	48,283,139.69	May 2015	11,758,781.55
December 2006	119,292,507.30	March 2011	47,201,217.05	June 2015	11,333,228.05
January 2007	117,644,125.16	April 2011	46,137,905.43	July 2015	10,915,907.59
February 2007	116,005,083.20	May 2011	45,092,916.39	August 2015	10,506,685.89
March 2007	114,375,332.50	June 2011	44,065,965.76	September 2015	10,105,430.68
April 2007	112,754,824.38	July 2011	43,056,773.54	October 2015	9,712,011.70
May 2007	111,143,510.40	August 2011	42,065,063.83	November 2015	9,326,300.67
June 2007	109,541,342.39	September 2011	41,090,564.81	December 2015	8,948,171.22
July 2007	107,948,272.41	October 2011	40,133,008.64	January 2016	8,577,498.92
August 2007	106,364,252.78	November 2011	39,192,131.44	February 2016	8,214,161.22
September 2007	104,789,236.08	December 2011	38,267,673.21	March 2016	7,858,037.41
October 2007	103,223,175.09	January 2012	37,359,377.79	April 2016	7,509,008.64
November 2007	101,666,022.88	February 2012	36,466,992.77	May 2016	7,166,957.82
December 2007	100,117,732.74	March 2012	35,590,269.51	June 2016	6,831,769.69
January 2008	98,578,258.21	April 2012	34,728,962.99	July 2016	6,503,330.71
February 2008	97,047,553.05	May 2012	33,882,831.84	August 2016	6,181,529.06
March 2008	95,525,571.29	June 2012	33,051,638.25	September 2016	5,866,254.65
April 2008	94,012,267.17	July 2012	32,235,147.93	October 2016	5,557,399.03
May 2008	92,507,595.19	August 2012	31,433,130.02	November 2016	5,254,855.44
June 2008	91,011,510.06	September 2012	30,645,357.13	December 2016	4,958,518.73
July 2008	89,523,966.74	October 2012	29,871,605.19	January 2017	4,668,285.34
August 2008	88,044,920.41	November 2012	29,111,653.48	February 2017	4,384,053.32
September 2008	86,574,326.51	December 2012	28,365,284.53	March 2017	4,105,722.25
October 2008	85,112,140.68	January 2013	27,632,284.10	April 2017	3,833,193.27
November 2008	83,658,318.80	February 2013	26,912,441.13	May 2017	3,566,369.01
December 2008	82,212,816.97	March 2013	26,205,547.69	June 2017	3,305,153.62
January 2009	80,775,591.53	April 2013	25,511,398.94	July 2017	3,049,452.69
February 2009	79,346,599.04	May 2013	24,829,793.08	August 2017	2,799,173.27
March 2009	77,925,796.28	June 2013	24,160,531.32	September 2017	2,554,223.84
April 2009	76,513,140.26	July 2013	23,503,417.80	October 2017	2,314,514.27
May 2009	75,108,588.21	August 2013	22,858,259.61	November 2017	2,079,955.84
June 2009	73,712,097.58	September 2013	22,224,866.67	December 2017	1,850,461.18

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
January 2018	\$ 1,625,944.25	May 2018	\$ 775,979.47	August 2018	\$ 186,750.01
February 2018	1,406,320.37	June 2018	575,106.61	September 2018 and thereafter	0.00
March 2018	1,191,506.14	July 2018	378,722.50		
April 2018	981,419.45				

Aggregate Group II Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$35,399,000.00	December 2006	\$12,377,943.74	February 2009	\$ 3,431,460.67
November 2004	33,763,144.14	January 2007	11,891,197.10	March 2009	3,224,059.10
December 2004	32,074,309.12	February 2007	11,417,130.81	April 2009	3,025,493.93
January 2005	30,333,717.59	March 2007	10,955,576.61	May 2009	2,835,637.56
February 2005	28,542,637.64	April 2007	10,506,368.02	June 2009	2,654,363.75
March 2005	26,702,381.27	May 2007	10,069,340.32	July 2009	2,481,547.61
April 2005	24,814,302.73	June 2007	9,644,330.49	August 2009	2,317,065.58
May 2005	22,879,796.85	July 2007	9,231,177.24	September 2009	2,160,795.44
June 2005	22,386,889.74	August 2007	8,829,720.96	October 2009	2,012,616.27
July 2005	21,878,589.20	September 2007	8,439,803.72	November 2009	1,872,408.45
August 2005	21,355,696.71	October 2007	8,061,269.28	December 2009	1,740,053.65
September 2005	20,819,033.31	November 2007	7,693,963.00	January 2010	1,615,434.82
October 2005	20,269,438.13	December 2007	7,337,731.90	February 2010	1,498,436.15
November 2005	19,707,766.91	January 2008	6,992,424.59	March 2010	1,388,943.10
December 2005	19,134,890.52	February 2008	6,657,891.33	April 2010	1,275,627.64
January 2006	18,551,693.42	March 2008	6,333,983.88	May 2010	1,155,118.61
February 2006	17,959,072.12	April 2008	6,020,555.64	June 2010	1,027,604.41
March 2006	17,357,933.56	May 2008	5,717,461.52	July 2010	893,269.89
April 2006	16,749,193.52	June 2008	5,424,557.98	August 2010	752,296.39
May 2006	16,154,730.20	July 2008	5,141,703.00	September 2010	604,861.81
June 2006	15,574,358.71	August 2008	4,868,756.07	October 2010	451,140.69
July 2006	15,007,896.06	September 2008	4,605,578.15	November 2010	291,304.22
August 2006	14,455,161.19	October 2008	4,352,031.72	December 2010	125,520.31
September 2006	13,915,974.91	November 2008	4,107,980.67	January 2011 and thereafter	0.00
October 2006	13,390,159.92	December 2008	3,873,290.38		
November 2006	12,877,540.74	January 2009	3,647,827.64		

Group 1 MBS Specified Balances

<u>Distribution Date</u>	<u>Specified Balance</u>	<u>Distribution Date</u>	<u>Specified Balance</u>	<u>Distribution Date</u>	<u>Specified Balance</u>
Initial Balance	\$200,000,000.00	November 2005	\$171,339,445.07	December 2006	\$137,824,458.33
November 2004	198,162,989.67	December 2005	168,773,339.26	January 2007	135,447,080.10
December 2004	196,257,254.58	January 2006	166,167,671.33	February 2007	133,104,103.56
January 2005	194,284,646.68	February 2006	163,525,024.74	March 2007	130,795,067.84
February 2005	192,247,095.82	March 2006	160,848,010.56	April 2007	128,519,518.02
March 2005	190,146,606.65	April 2006	158,139,262.96	May 2007	126,277,005.05
April 2005	187,985,255.35	May 2006	155,469,344.16	June 2007	124,067,085.61
May 2005	185,765,186.25	June 2006	152,837,736.46	July 2007	121,889,322.14
June 2005	183,488,608.27	July 2006	150,243,928.80	August 2007	119,743,282.67
July 2005	181,157,791.27	August 2006	147,687,416.67	September 2007	117,628,540.83
August 2005	178,775,062.19	September 2006	145,167,702.04	October 2007	115,544,675.73
September 2005	176,342,801.14	October 2006	142,684,293.29	November 2007	113,491,271.90
October 2005	173,863,437.36	November 2006	140,236,705.08	December 2007	111,467,919.22

Group 1 MBS (Continued)

<u>Distribution Date</u>	<u>Specified Balance</u>	<u>Distribution Date</u>	<u>Specified Balance</u>	<u>Distribution Date</u>	<u>Specified Balance</u>
January 2008	\$109,474,212.88	September 2011.....	\$ 45,794,727.47	April 2015.....	\$ 14,432,415.64
February 2008	107,509,753.29	October 2011	44,790,230.38	May 2015	13,938,320.79
March 2008	105,574,146.00	November 2011	43,801,469.11	June 2015	13,452,747.07
April 2008.....	103,667,001.65	December 2011	42,828,224.86	July 2015	12,975,571.19
May 2008	101,787,935.94	January 2012	41,870,281.69	August 2015	12,506,671.51
June 2008	99,936,569.51	February 2012	40,927,426.52	September 2015.....	12,045,928.00
July 2008	98,112,527.90	March 2012	39,999,449.05	October 2015	11,593,222.28
August 2008	96,315,441.50	April 2012.....	39,086,141.74	November 2015	11,148,437.51
September 2008.....	94,544,945.48	May 2012	38,187,299.78	December 2015	10,711,458.46
October 2008	92,800,679.71	June 2012	37,302,721.07	January 2016	10,282,171.43
November 2008	91,082,288.76	July 2012	36,432,206.15	February 2016	9,860,464.25
December 2008	89,389,421.76	August 2012	35,575,558.20	March 2016	9,446,226.25
January 2009	87,721,732.40	September 2012.....	34,732,582.98	April 2016.....	9,039,348.26
February 2009	86,078,878.86	October 2012	33,903,088.81	May 2016	8,639,722.58
March 2009	84,460,523.74	November 2012	33,086,886.56	June 2016	8,247,242.95
April 2009.....	82,866,334.02	December 2012	32,283,789.56	July 2016	7,861,804.56
May 2009	81,295,980.99	January 2013	31,493,613.62	August 2016	7,483,303.99
June 2009	79,749,140.21	February 2013	30,716,176.98	September 2016.....	7,111,639.24
July 2009	78,225,491.45	March 2013	29,951,300.29	October 2016	6,746,709.67
August 2009	76,724,718.64	April 2013.....	29,198,806.54	November 2016	6,388,416.01
September 2009.....	75,246,509.80	May 2013	28,458,521.09	December 2016	6,036,660.33
October 2009	73,790,557.01	June 2013	27,730,271.60	January 2017	5,691,346.00
November 2009	72,356,556.36	July 2013	27,013,888.01	February 2017	5,352,377.75
December 2009	70,944,207.88	August 2013	26,309,202.49	March 2017	5,019,661.55
January 2010	69,553,215.49	September 2013.....	25,616,049.47	April 2017.....	4,693,104.67
February 2010	68,183,286.99	October 2013	24,934,265.55	May 2017	4,372,615.63
March 2010	66,834,133.96	November 2013	24,263,689.49	June 2017	4,058,104.20
April 2010.....	65,505,471.75	December 2013	23,604,162.21	July 2017	3,749,481.36
May 2010	64,197,019.39	January 2014	22,955,526.72	August 2017.....	3,446,659.30
June 2010	62,908,499.59	February 2014	22,317,628.13	September 2017.....	3,149,551.43
July 2010	61,639,638.68	March 2014	21,690,313.59	October 2017	2,858,072.30
August 2010	60,390,166.55	April 2014.....	21,073,432.30	November 2017	2,572,137.65
September 2010.....	59,159,816.60	May 2014	20,466,835.44	December 2017	2,291,664.35
October 2010	57,948,325.73	June 2014	19,870,376.20	January 2018	2,016,570.42
November 2010	56,755,434.26	July 2014	19,283,909.69	February 2018	1,746,775.00
December 2010	55,580,885.90	August 2014	18,707,292.98	March 2018	1,482,198.30
January 2011	54,424,427.71	September 2014.....	18,140,385.02	April 2018.....	1,222,761.66
February 2011	53,285,810.07	October 2014	17,583,046.65	May 2018	968,387.46
March 2011	52,164,786.60	November 2014	17,035,140.57	June 2018	718,999.18
April 2011.....	51,061,114.15	December 2014	16,496,531.30	July 2018	474,521.31
May 2011	49,974,552.76	January 2015	15,967,085.17	August 2018.....	234,879.40
June 2011	48,904,865.59	February 2015	15,446,670.31	September 2018 and thereafter	0.00
July 2011	47,851,818.93	March 2015	14,935,156.59		
August 2011	46,815,182.10				

Aggregate Group III Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$18,413,000.00	February 2005	\$17,694,401.62	June 2005	\$16,588,770.43
November 2004	18,271,470.17	March 2005	17,452,733.29	July 2005	16,257,207.34
December 2004	18,104,271.66	April 2005.....	17,187,401.04	August 2005	15,905,445.82
January 2005	17,911,764.00	May 2005	16,899,138.82	September 2005.....	15,534,563.78

Aggregate Group III (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
October 2005	\$15,145,717.10	February 2008	\$ 4,138,938.47	June 2010	\$ 1,944,897.82
November 2005	14,740,135.64	March 2008	3,958,013.77	July 2010	1,872,681.67
December 2005	14,319,118.83	April 2008	3,792,046.11	August 2010	1,799,308.69
January 2006	13,884,030.76	May 2008	3,640,465.55	September 2010	1,724,882.08
February 2006	13,436,295.15	June 2008	3,502,719.54	October 2010	1,649,500.33
March 2006	12,977,389.77	July 2008	3,378,272.35	November 2010	1,573,257.35
April 2006	12,508,840.64	August 2008	3,266,604.70	December 2010	1,496,242.70
May 2006	12,032,215.96	September 2008	3,167,213.26	January 2011	1,418,541.68
June 2006	11,549,119.70	October 2008	3,079,610.19	February 2011	1,340,235.59
July 2006	11,061,185.10	November 2008	3,003,322.76	March 2011	1,261,401.77
August 2006	10,570,067.80	December 2008	2,937,892.88	April 2011	1,182,113.82
September 2006	10,077,438.98	January 2009	2,882,876.76	May 2011	1,102,441.75
October 2006	9,584,978.23	February 2009	2,837,844.44	June 2011	1,022,452.04
November 2006	9,094,366.48	March 2009	2,802,379.44	July 2011	942,207.88
December 2006	8,607,278.70	April 2009	2,763,729.30	August 2011	861,769.22
January 2007	8,146,145.42	May 2009	2,721,666.99	September 2011	781,192.91
February 2007	7,710,069.69	June 2009	2,676,392.37	October 2011	700,532.85
March 2007	7,298,180.79	July 2009	2,628,097.10	November 2011	619,840.08
April 2007	6,909,633.53	August 2009	2,576,964.88	December 2011	539,162.88
May 2007	6,543,607.59	September 2009	2,523,171.80	January 2012	458,546.93
June 2007	6,199,306.78	October 2009	2,466,886.54	February 2012	378,035.35
July 2007	5,875,958.44	November 2009	2,408,270.69	March 2012	297,668.85
August 2007	5,572,812.81	December 2009	2,347,479.00	April 2012	217,485.79
September 2007	5,289,142.38	January 2010	2,284,659.58	May 2012	137,522.31
October 2007	5,024,241.28	February 2010	2,219,954.21	June 2012	57,812.40
November 2007	4,777,424.71	March 2010	2,153,498.47	July 2012 and thereafter	0.00
December 2007	4,548,028.41	April 2010	2,085,422.08		
January 2008	4,335,407.99	May 2010	2,015,849.02		

Aggregate Group IV Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$117,535,801.00	June 2006	\$ 92,351,081.98	February 2008	\$ 56,770,219.89
November 2004	116,876,152.94	July 2006	90,539,854.09	March 2008	55,267,461.21
December 2004	116,146,622.02	August 2006	88,690,837.17	April 2008	53,792,013.15
January 2005	115,347,894.05	September 2006	86,806,420.71	May 2008	52,343,397.09
February 2005	114,480,764.07	October 2006	84,889,036.27	June 2008	50,921,142.59
March 2005	113,546,135.40	November 2006	82,941,152.03	July 2008	49,524,787.31
April 2005	112,545,018.49	December 2006	80,965,267.28	August 2008	48,153,876.82
May 2005	111,478,529.39	January 2007	79,024,958.89	September 2008	46,807,964.47
June 2005	110,347,888.07	February 2007	77,119,606.82	October 2008	45,486,611.30
July 2005	109,154,416.30	March 2007	75,248,601.64	November 2008	44,189,385.87
August 2005	107,899,535.37	April 2007	73,411,344.33	December 2008	42,915,864.16
September 2005	106,584,763.48	May 2007	71,607,246.09	January 2009	41,665,629.40
October 2005	105,211,712.90	June 2007	69,835,728.20	February 2009	40,438,272.01
November 2005	103,782,086.83	July 2007	68,096,221.84	March 2009	39,233,389.42
December 2005	102,297,675.99	August 2007	66,388,167.89	April 2009	38,062,935.09
January 2006	100,760,355.07	September 2007	64,711,016.81	May 2009	36,926,356.55
February 2006	99,172,078.79	October 2007	63,064,228.47	June 2009	35,822,693.54
March 2006	97,534,877.86	November 2007	61,447,271.97	July 2009	34,751,012.57
April 2006	95,850,854.65	December 2007	59,859,625.49	August 2009	33,710,406.27
May 2006	94,122,178.69	January 2008	58,300,776.16	September 2009	32,699,992.59

Aggregate Group IV (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
October 2009	\$ 31,718,914.18	March 2014	\$ 5,973,047.56	August 2018	\$ 921,115.67
November 2009	30,766,337.64	April 2014	5,780,008.34	September 2018	885,909.52
December 2009	29,841,452.87	May 2014	5,592,843.24	October 2018	851,871.75
January 2010	28,943,472.47	June 2014	5,411,380.02	November 2018	818,966.26
February 2010	28,071,631.05	July 2014	5,235,451.39	December 2018	787,158.03
March 2010	27,225,184.68	August 2014	5,064,894.80	January 2019	756,413.05
April 2010	26,403,410.25	September 2014	4,899,552.39	February 2019	726,698.35
May 2010	25,605,604.92	October 2014	4,739,270.82	March 2019	697,981.92
June 2010	24,831,085.53	November 2014	4,583,901.13	April 2019	670,232.71
July 2010	24,079,188.10	December 2014	4,433,298.64	May 2019	643,420.58
August 2010	23,349,267.26	January 2015	4,287,322.82	June 2019	617,516.31
September 2010	22,640,695.76	February 2015	4,145,837.19	July 2019	592,491.52
October 2010	21,952,863.93	March 2015	4,008,709.16	August 2019	568,318.70
November 2010	21,285,179.25	April 2015	3,875,809.99	September 2019	544,971.15
December 2010	20,637,065.81	May 2015	3,747,014.59	October 2019	522,422.98
January 2011	20,007,963.92	June 2015	3,622,201.52	November 2019	500,649.05
February 2011	19,397,329.58	July 2015	3,501,252.81	December 2019	479,625.01
March 2011	18,804,634.12	August 2015	3,384,053.89	January 2020	459,327.19
April 2011	18,229,363.72	September 2015	3,270,493.49	February 2020	439,732.67
May 2011	17,671,019.02	October 2015	3,160,463.57	March 2020	420,819.21
June 2011	17,129,114.74	November 2015	3,053,859.18	April 2020	402,565.22
July 2011	16,603,179.22	December 2015	2,950,578.41	May 2020	384,949.78
August 2011	16,092,754.13	January 2016	2,850,522.30	June 2020	367,952.59
September 2011	15,597,394.03	February 2016	2,753,594.75	July 2020	351,553.96
October 2011	15,116,666.06	March 2016	2,659,702.42	August 2020	335,734.80
November 2011	14,650,149.54	April 2016	2,568,754.70	September 2020	320,476.59
December 2011	14,197,435.69	May 2016	2,480,663.58	October 2020	305,761.38
January 2012	13,758,127.23	June 2016	2,395,343.62	November 2020	291,571.75
February 2012	13,331,838.13	July 2016	2,312,711.84	December 2020	277,890.81
March 2012	12,918,193.25	August 2016	2,232,687.69	January 2021	264,702.19
April 2012	12,516,828.06	September 2016	2,155,192.93	February 2021	251,990.02
May 2012	12,127,388.32	October 2016	2,080,151.60	March 2021	239,738.90
June 2012	11,749,529.82	November 2016	2,007,489.97	April 2021	227,933.90
July 2012	11,382,918.08	December 2016	1,937,136.44	May 2021	216,560.55
August 2012	11,027,228.10	January 2017	1,869,021.48	June 2021	205,604.83
September 2012	10,682,144.08	February 2017	1,803,077.60	July 2021	195,053.13
October 2012	10,347,359.15	March 2017	1,739,239.29	August 2021	184,892.26
November 2012	10,022,575.16	April 2017	1,677,442.92	September 2021	175,109.44
December 2012	9,707,502.39	May 2017	1,617,626.74	October 2021	165,692.29
January 2013	9,401,859.36	June 2017	1,559,730.80	November 2021	156,628.78
February 2013	9,105,372.56	July 2017	1,503,696.89	December 2021	147,907.29
March 2013	8,817,776.26	August 2017	1,449,468.51	January 2022	139,516.52
April 2013	8,538,812.27	September 2017	1,396,990.82	February 2022	131,445.53
May 2013	8,268,229.72	October 2017	1,346,210.59	March 2022	123,683.74
June 2013	8,005,784.91	November 2017	1,297,076.12	April 2022	116,220.87
July 2013	7,751,241.04	December 2017	1,249,537.26	May 2022	109,046.96
August 2013	7,504,368.05	January 2018	1,203,545.32	June 2022	102,152.37
September 2013	7,264,942.44	February 2018	1,159,053.04	July 2022	95,527.75
October 2013	7,032,747.08	March 2018	1,116,014.54	August 2022	89,164.05
November 2013	6,807,571.01	April 2018	1,074,385.30	September 2022	83,052.48
December 2013	6,589,209.29	May 2018	1,034,122.12	October 2022	77,184.56
January 2014	6,377,462.83	June 2018	995,183.05	November 2022	71,552.03
February 2014	6,172,138.21	July 2018	957,527.40	December 2022	66,146.92

Aggregate Group IV (Continued)

<u>Distribution Date</u>		<u>Planned Balance</u>		<u>Distribution Date</u>		<u>Planned Balance</u>		<u>Distribution Date</u>		<u>Planned Balance</u>
January 2023	\$	60,961.49		August 2023	\$	30,214.52		February 2024	\$	10,435.85
February 2023		55,988.27		September 2023		26,535.89		March 2024		7,637.62
March 2023		51,220.00		October 2023		23,017.43		April 2024		4,968.48
April 2023		46,649.65		November 2023		19,653.55		May 2024		2,423.80
May 2023		42,270.41		December 2023		16,438.81		June 2024 and thereafter		0.00
June 2023		38,075.70		January 2024		13,367.94				
July 2023		34,059.13								

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in this Prospectus Supplement and the additional Disclosure Documents. You must not rely on any unauthorized information or representation. This Prospectus Supplement and the additional Disclosure Documents do not constitute an offer or solicitation with regard to the Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this Prospectus Supplement and the additional Disclosure Documents at any time, no one implies that the information contained herein or therein is correct after the date hereof or thereof.

The Securities and Exchange Commission has not approved or disapproved the Certificates or determined if this Prospectus Supplement is truthful and complete. Any representation to the contrary is a criminal offense.

\$957,260,500



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Fannie Mae REMIC Trust 2004-81

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PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

September 22, 2004
