

\$253,955,227



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2005-10**

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.

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
AE	1	\$100,000,000	SEQ	4.75%	FIX	31394CPK2	January 2023
FM	1	12,500,000	SEQ	(1)	FLT	31394CPL0	January 2023
SM	1	12,500,000(2)	NTL	(1)	INV/IO	31394CPM8	January 2023
AJ(3) ..	1	62,716,722	SEQ	5.00	FIX	31394CPN6	January 2023
VA(3) ..	1	7,192,000	SEQ/AD	5.00	FIX	31394CPP1	September 2012
VB(3) ..	1	20,007,463	SEQ/AD	5.00	FIX	31394CPQ9	March 2023
VZ(3) ..	1	15,942,000	SEQ	5.00	FIX/Z	31394CPR7	March 2025
TA(3) ..	2	10,735,000	PAC	5.00	FIX	31394CPS5	December 2017
TB(3) ..	2	9,925,000	PAC	5.00	FIX	31394CPT3	August 2023
TC(3) ..	2	3,798,625	PAC	5.00	FIX	31394CPU0	March 2025
BA	2	9,000,000	NSJ/TAC/AD	5.00	FIX	31394CPV8	March 2025
BZ	2	2,136,637	NSJ/SUP	5.00	FIX/Z	31394CPW6	March 2025
UZ	2	1,780	SUP	5.00	FIX/Z	31394CPX4	March 2025
R		0	NPR	0	NPR	31394CPY2	March 2025
RL		0	NPR	0	NPR	31394CPZ9	March 2025

(1) Based on LIBOR.

(2) Notional balance. This class is an interest only class.

(3) Exchangeable classes.

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 BK, AB, IO, AC, AD, AG and PM 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 February 28, 2005.

Carefully consider the risk factors starting on page S-9 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.

Merrill Lynch & Co.

The date of this Prospectus Supplement is January 5, 2005.

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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:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Prospectus Department
44B Colonial Drive
Piscataway, New Jersey 08854
(telephone 732-885-2760).

INCORPORATION BY REFERENCE

In this prospectus supplement, we are incorporating by reference the MBS Prospectus described above. In addition, we are incorporating by reference 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 this prospectus supplement, the REMIC Prospectus and the MBS Prospectus 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.

RECENT DEVELOPMENTS

On December 21, 2004, our Board of Directors announced the retirement of Chairman and Chief Executive Officer Franklin D. Raines and the resignation of Vice Chairman and Chief Financial Officer J. Timothy Howard. A member of our Board of Directors (the "Board"), Stephen B. Ashley, currently is serving as the non-executive chairman of the Board, Vice Chairman and Chief Operating Officer Daniel H. Mudd currently is serving as interim chief executive officer, and Executive Vice President Robert Levin currently is serving as interim chief financial officer. The Board further announced that the audit committee of the Board dismissed KPMG LLP as the company's independent auditors. On January 4, 2005, the Audit Committee of the Board approved the engagement of Deloitte & Touche LLP ("Deloitte") as our independent auditor. Deloitte will serve as our auditor for each of the fiscal years 2001, 2002, 2003 and 2004.

On December 21, 2004, the Office of Federal Housing Enterprise Oversight ("OFHEO") issued a letter (the "Letter") to our Board stating that we were significantly undercapitalized at September 30, 2004. In accordance with the provisions of the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, we must submit a capital restoration plan proposal to OFHEO for review and approval, and we are prohibited from making any capital distribution that would result in Fannie Mae being reclassified as critically undercapitalized. In addition, even if a capital distribution would not cause the company to become critically undercapitalized, we are prohibited from making the capital distribution unless OFHEO provides prior approval of the distribution after it finds that the distribution (i) will enhance the ability of the company to meet its capital requirements promptly; (ii) will contribute to long term safety and soundness; or (iii) is otherwise in the public interest. The Letter further states that the reclassification to significantly undercapitalized may lead to structural changes, restrictions on growth as well as OFHEO directives to terminate or modify any business activities that pose excessive risk. On January 18, 2005, the Board decided to reduce the first quarter 2005 dividend on our common stock by 50 percent in order to accelerate an increase in our capital.

On December 15, 2004, the Office of the Chief Accountant of the Securities and Exchange Commission (the "SEC") issued a statement (the "Statement") regarding certain accounting issues relating to Fannie Mae, including determinations by the SEC that Fannie Mae should (i) restate its financial statements to eliminate the use of hedge accounting under Financial Accounting Standard

No. 133, Accounting for Derivative Instruments and Hedging Activities (“FAS 133”), (ii) evaluate the accounting under Financial Accounting Standard No. 91, Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases (“FAS 91”) and restate its financial statements filed with the SEC if the amounts required for correction are material, and (iii) re-evaluate the information prepared under generally accepted accounting principles (“GAAP”) and non-GAAP information that we previously provided to investors. On December 16, 2004, we filed a Current Report on Form 8-K with the SEC that includes a copy of the Statement.

As a result of the SEC’s findings, we will restate our financial results from 2001 through June 30, 2004 to comply fully with the SEC’s determination. In a Form 12b-25 filed with the SEC on November 15, 2004, Fannie Mae estimated that loss of hedge accounting under FAS 133 for all derivatives could result in its recording into earnings a net cumulative loss on derivative transactions of approximately \$9.0 billion as of September 30, 2004. We also stated that there would be a corresponding decrease to retained earnings and, accordingly, regulatory capital. We are working to determine the effect of the restatement, including the effect on each prior reporting period. We expect that the impact will be material to our reported GAAP and core business results for many, if not all, periods and will vary substantially from period to period based on the amount and types of derivatives held and fluctuations in interest rates and volatility. Our restated financial statements also will reflect corrections as a result of our misapplication of FAS 91 for each prior reporting period described above. We also will consider the impact, if any, of the SEC’s decision on FAS 91 for periods prior to those described above.

Accordingly, on December 17, 2004, the Audit Committee of our Board concluded that our previously filed interim and audited financial statements and the independent auditors’ reports thereon for the periods from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared applying accounting practices that did not comply with GAAP. We have not yet filed our quarterly report on Form 10-Q for the quarter ended September 30, 2004. The financial information regarding our anticipated results of operations for the quarter ended September 30, 2004 that was contained in our Form 12b-25 filed November 15, 2004 and in a Form 8-K filed on November 16, 2004 was prepared applying the same policies and practices, and should also not be relied upon. The Audit Committee has discussed the matters described above and in a Form 8-K filed with the SEC on December 22, 2004 with KPMG LLP, our independent auditor through December 21, 2004.

On September 20, 2004, OFHEO delivered its report to Fannie Mae’s Board of Directors of its findings to date of the agency’s special examination. Among other matters, the OFHEO report raises a number of questions and concerns about our accounting policies and practices with respect to FAS 91 and FAS 133.

Forms 8-K that we file with the SEC prior to the completion of the offering of the certificates are incorporated by reference in our prospectus supplement. This means that we are disclosing information to you by referring you to those documents. You should refer to “Incorporation by Reference” in our prospectus supplement for further details on the information that we incorporate by reference in our prospectus supplement and where to find it.

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

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of February 1, 2005)

	<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	\$218,358,185	240	235	3	5.45%
Group 2 MBS	\$ 35,597,042	240	237	2	5.47%

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 February 28, 2005.

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>
FM	2.7%	7.0%	0.2%	LIBOR + 20 basis points
SM	4.3%	6.8%	0.0%	6.8% – 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>	
SM	100% of the FM Class
IO	20% of the AJ Class

Distributions of Principal

Group 1 Principal Distribution Amount

VZ Accrual Amount

1. To the VA and VB Classes, in that order, to zero.
2. Thereafter to the VZ Class.

Group 1 Cash Flow Distribution Amount

1. To the FM, AE and AJ Classes, pro rata, to zero.
2. To the VA, VB and VZ Classes, in that order, to zero.

Group 2 Principal Distribution Amount

UZ Accrual Amount

To the BA Class to zero, and thereafter to the UZ Class.

BZ Accrual Amount

To the BA Class to its Targeted Balance, and thereafter to the BZ Class.

Group 2 Cash Flow Distribution Amount

1. To the Aggregate Group to its Planned Balance.
2. If and only if the principal balance of the Group 2 MBS is *less than* the Group 2 MBS Specified Balance, to the BZ Class to zero.
3. To the BA Class to its Targeted Balance.
4. To the BZ Class to zero.
5. To the BA Class to zero.
6. To the UZ Class to zero.
7. To the Aggregate Group to zero.

For a description of the Aggregate Group, see “Description of the Certificates—Distributions of Principal—*Group 2 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) *

Group 1 Classes		PSA Prepayment Assumption				
		0%	150%	300%	450%	600%
AE, FM, SM, AJ, AB, AC, AD, AG and IO		10.8	5.1	3.4	2.6	2.1
VA		4.0	4.0	4.0	3.7	3.3
VB		14.2	11.7	8.5	6.4	5.1
VZ		19.1	16.0	12.6	9.8	7.8
BK		18.9	15.0	11.0	8.2	6.4

Group 2 Classes		PSA Prepayment Assumption									
		0%	100%	140%	220%	245%	246%	250%	300%	400%	500%
TA		6.4	3.5	3.5	3.5	3.5	3.5	3.5	3.4	3.0	2.7
TB		13.0	8.0	8.0	8.0	8.0	8.0	8.0	7.1	5.7	4.8
TC		16.3	14.3	14.3	14.3	14.3	14.3	14.3	13.0	10.8	9.0
BA		12.7	7.5	4.6	4.1	2.8	3.0	2.8	2.2	1.7	1.5
BZ		19.2	17.1	15.8	1.8	1.5	0.6	0.5	0.5	0.4	0.4
UZ		20.0	19.7	19.7	19.7	19.6	19.5	8.9	4.0	2.7	2.2
PM		10.6	7.0	7.0	7.0	7.0	7.0	7.0	6.4	5.3	4.5

* 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 payment 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 under-

stand 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 February 1, 2005 (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 two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 2 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>
The 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 VA, VB, VZ, AJ, TA, TB and TC 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.
- If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange.
- 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 provides 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 20 years. 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	\$218,358,185
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	235 months
Approximate Weighted Average WALA (weighted average loan age)	3 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$35,597,042
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	237 months
Approximate Weighted Average WALA	2 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	AE, AJ, VA, VB and VZ
Floating Rate	FM
Inverse Floating Rate	SM
Accrual	VZ
Interest Only	SM
RCR**	AB, AC, AD, AG, BK and IO
Group 2 Classes	
Fixed Rate	TA, TB, TC, BA, BZ and UZ
Accrual	BZ and UZ
RCR**	PM
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 Schedule 1 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>
The Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The 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 VZ, BZ and UZ 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 2.50%.

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	
Sequential Pay	AE, FM, AJ, VA, VB and VZ
Accretion Directed	VA and VB
Notional	SM
RCR**	AB, AC, AD, AG, BK and IO
Group 2 Classes	
PAC	TA, TB and TC
TAC	BA
Non-Sticky Jump	BA and BZ
Support	BZ and UZ
Accretion Directed	BA
RCR**	PM
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.

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 balance of the VZ Class (the “VZ Accrual Amount” and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”), and
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the BZ and UZ Classes (the “BZ Accrual Amount” and “UZ Accrual Amount,” respectively, and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

VZ Accrual Amount

On Each Distribution Date, we will pay the VZ Accrual Amount, sequentially, as principal of the VA and VB Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the VZ Accrual Amount as principal of the VZ Class.

Accretion
Directed
Classes and
Accrual Class

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) concurrently, to the FM, AE and AJ Classes, pro rata (or 7.1340222881%, 57.0721783050% and 35.7937994069%, respectively), until their principal balances are reduced to zero, and

(ii) sequentially, to the VA, VB and VZ Classes, in that order, until their principal balances are reduced to zero.

Sequential
Pay Classes

Group 2 Principal Distribution Amount

UZ Accrual Amount

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

BZ Accrual Amount

On each Distribution Date, we will pay the BZ Accrual Amount as principal of the BA Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the BZ Accrual Amount as principal of the BZ Class. } TAC / Accretion Directed Class and Accrual Class

Group 2 Cash Flow Distribution Amount

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

- | | | |
|---|-----------------|---------------------------|
| (i) to the Aggregate Group (described below), until the Aggregate Balance (described below) is reduced to its Planned Balance for the Distribution Date; | } PAC Group | |
| (ii) if and only if the principal balance of the Group 2 MBS for that Distribution Date (after giving effect to distributions made on that date) is <i>less than</i> the Group 2 MBS Specified Balance for that Distribution Date, to the BZ Class, until its principal balance is reduced to zero; | } Support Class | } Non-Sticky Jump Classes |
| (iii) to the BA Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; | } TAC Class | |
| (iv) to the BZ Class, until its principal balance is reduced to zero; | } Support Class | |
| (v) to the BA Class, without regard to its Targeted Balance and until its principal balance is reduced to zero; | } TAC Class | |
| (vi) to the UZ Class, until its principal balance is reduced to zero; and | } Support Class | |
| (vii) to the Aggregate Group, without regard to its Planned Balance and until the Aggregate Balance is reduced to zero. | } PAC Group | |

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

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

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 February 28, 2005; 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 Range 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 Range or at the applicable PSA rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Group(1), Class and MBS</u>	<u>Structuring Range and Rates</u>
Planned Balances	Aggregate Group	Between 100% and 250% PSA
Targeted Balances	BA	140% PSA
Specified Balances	Group 2 MBS	245% PSA

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

We cannot assure you that the balance of any Group, Class or MBS 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 or Class 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 or Class to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Group or Class 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 Structuring Range, principal distributions may be insufficient to reduce the Aggregate Group to its 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 Group and Class specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Range or at the applicable PSA rate specified above.

Initial Effective Range. 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 Range shown in the table below is based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Group</u>	<u>Initial Effective Range</u>
Aggregate Group	Between 100% and 250% PSA

The actual Effective Range 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 Range calculated on the basis of the actual characteristics is likely to differ from the Initial Effective Range. As a result, the Aggregate Group might not be reduced to its scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range. 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 Range, principal distributions may be insufficient to reduce the Aggregate Group to its 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 Range 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 2	
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 of the Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

- all of 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 Inverse Floating Rate Class. The yield on the Inverse Floating Rate Class will be sensitive to the rate of principal payments, including prepayments, of the related Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time 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 table below, it is possible that investors in the Inverse Floating Rate Class 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 table has been prepared on the basis of the Pricing Assumptions and the assumptions that

- the interest rate for the Inverse Floating Rate Class for the initial Interest Accrual Period is the rate 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 price of that Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
SM	7.826042%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>
0.5%	85.3%	79.3%	69.8%	59.7%	49.3%
2.5%	53.3%	46.8%	35.9%	24.4%	12.8%
4.5%	22.4%	14.4%	0.8%	(13.4)%	(27.0)%
6.8%	*	*	*	*	*

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

The Fixed Rate Interest Only Class. The yield to investors in the Fixed Rate Interest Only Class 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 Class would be 0% if prepayments of the related Mortgage Loans were to occur at the constant rate shown in the table below:

<u>Class</u>	<u>% PSA</u>
IO	388% PSA

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 IO Class would lose money on their initial investments.

The information shown in the yield table has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the Fixed Rate Interest Only Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
IO	14.0%

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

Sensitivity of the IO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>
Pre-Tax Yields to Maturity	28.4%	20.8%	7.9%	(5.6)%	(18.8)%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- 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,
- summing the results, and
- 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 2 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	240 months	240 months	7.50%
Group 2 MBS	240 months	240 months	7.50%

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

<u>Date</u>	<u>AE, FM, SM†, AJ, AB, AC, AD, AG and IO† Classes</u>					<u>VA Class</u>					<u>VB Class</u>					<u>VZ Class</u>				
	<u>PSA Prepayment Assumption</u>					<u>PSA Prepayment Assumption</u>					<u>PSA Prepayment Assumption</u>					<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>	<u>0%</u>	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>	<u>0%</u>	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>	<u>0%</u>	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006	97	93	89	86	82	89	89	89	89	89	100	100	100	100	100	105	105	105	105	105
February 2007	94	82	71	62	52	77	77	77	77	77	100	100	100	100	100	110	110	110	110	110
February 2008	91	69	52	36	23	64	64	64	64	64	100	100	100	100	100	116	116	116	116	116
February 2009	87	57	35	18	5	51	51	51	51	51	100	100	100	100	100	122	122	122	122	122
February 2010	84	47	23	5	0	37	37	37	37	0	100	100	100	100	55	128	128	128	128	128
February 2011	80	37	12	0	0	23	23	23	0	0	100	100	100	75	0	135	135	135	135	121
February 2012	75	29	4	0	0	7	7	7	0	0	100	100	100	13	0	142	142	142	142	73
February 2013	71	21	0	0	0	0	0	0	0	0	97	97	76	0	0	149	149	149	109	44
February 2014	65	14	0	0	0	0	0	0	0	0	91	91	25	0	0	157	157	157	75	26
February 2015	60	8	0	0	0	0	0	0	0	0	84	84	0	0	0	165	165	143	51	16
February 2016	54	3	0	0	0	0	0	0	0	0	78	78	0	0	0	173	173	107	34	9
February 2017	48	0	0	0	0	0	0	0	0	0	71	54	0	0	0	182	182	80	22	5
February 2018	41	0	0	0	0	0	0	0	0	0	63	9	0	0	0	191	191	58	15	3
February 2019	33	0	0	0	0	0	0	0	0	0	55	0	0	0	0	201	161	42	9	2
February 2020	25	0	0	0	0	0	0	0	0	0	47	0	0	0	0	211	123	29	6	1
February 2021	17	0	0	0	0	0	0	0	0	0	39	0	0	0	0	222	90	19	3	*
February 2022	8	0	0	0	0	0	0	0	0	0	30	0	0	0	0	234	61	11	2	*
February 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	245	35	6	1	*
February 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	127	12	2	*	*
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.8	5.1	3.4	2.6	2.1	4.0	4.0	4.0	3.7	3.3	14.2	11.7	8.5	6.4	5.1	19.1	16.0	12.6	9.8	7.8

* 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	BK Class					TA Class									
	PSA Prepayment Assumption					PSA Prepayment Assumption									
	0%	150%	300%	450%	600%	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2007	100	100	100	100	100	96	88	88	88	88	88	88	88	88	88
February 2008	100	100	100	100	100	87	61	61	61	61	61	61	61	51	26
February 2009	100	100	100	100	100	78	36	36	36	36	36	36	35	3	0
February 2010	100	100	100	100	73	68	12	12	12	12	12	12	*	0	0
February 2011	100	100	100	85	45	57	0	0	0	0	0	0	0	0	0
February 2012	100	100	100	59	27	45	0	0	0	0	0	0	0	0	0
February 2013	100	100	90	40	16	33	0	0	0	0	0	0	0	0	0
February 2014	100	100	69	28	10	19	0	0	0	0	0	0	0	0	0
February 2015	100	100	53	19	6	5	0	0	0	0	0	0	0	0	0
February 2016	100	100	40	13	3	0	0	0	0	0	0	0	0	0	0
February 2017	100	92	30	8	2	0	0	0	0	0	0	0	0	0	0
February 2018	100	75	22	5	1	0	0	0	0	0	0	0	0	0	0
February 2019	100	59	15	3	1	0	0	0	0	0	0	0	0	0	0
February 2020	100	45	11	2	*	0	0	0	0	0	0	0	0	0	0
February 2021	100	33	7	1	*	0	0	0	0	0	0	0	0	0	0
February 2022	100	22	4	1	*	0	0	0	0	0	0	0	0	0	0
February 2023	91	13	2	*	*	0	0	0	0	0	0	0	0	0	0
February 2024	47	4	1	*	*	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.9	15.0	11.0	8.2	6.4	6.4	3.5	3.5	3.5	3.5	3.5	3.5	3.4	3.0	2.7

Date	TB Class										TC Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2008	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2009	100	100	100	100	100	100	100	100	100	74	100	100	100	100	100	100	100	100	100	100
February 2010	100	100	100	100	100	100	100	100	65	37	100	100	100	100	100	100	100	100	100	100
February 2011	100	89	89	89	89	89	89	70	37	12	100	100	100	100	100	100	100	100	100	100
February 2012	100	66	66	66	66	66	66	46	16	0	100	100	100	100	100	100	100	100	100	88
February 2013	100	45	45	45	45	45	45	27	1	0	100	100	100	100	100	100	100	100	100	58
February 2014	100	28	28	28	28	28	28	12	0	0	100	100	100	100	100	100	100	100	72	38
February 2015	100	14	14	14	14	14	14	*	0	0	100	100	100	100	100	100	100	100	51	25
February 2016	88	3	3	3	3	3	3	0	0	0	100	100	100	100	100	100	100	75	36	16
February 2017	70	0	0	0	0	0	0	0	0	0	100	83	83	83	83	83	83	56	25	10
February 2018	50	0	0	0	0	0	0	0	0	0	100	63	63	63	63	63	63	41	17	6
February 2019	29	0	0	0	0	0	0	0	0	0	100	47	47	47	47	47	47	30	11	4
February 2020	6	0	0	0	0	0	0	0	0	0	100	34	34	34	34	34	34	21	7	2
February 2021	0	0	0	0	0	0	0	0	0	0	51	23	23	23	23	23	23	14	4	1
February 2022	0	0	0	0	0	0	0	0	0	0	15	15	15	15	15	15	15	8	3	1
February 2023	0	0	0	0	0	0	0	0	0	0	8	8	8	8	8	8	8	5	1	*
February 2024	0	0	0	0	0	0	0	0	0	0	3	3	3	3	3	3	3	2	*	*
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	13.0	8.0	8.0	8.0	8.0	8.0	8.0	7.1	5.7	4.8	16.3	14.3	14.3	14.3	14.3	14.3	14.3	13.0	10.8	9.0

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

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

Date	BA Class										BZ Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006	90	81	78	78	78	96	96	93	86	79	105	105	105	83	76	0	0	0	0	0
February 2007	84	67	59	59	59	63	62	52	32	13	110	110	110	41	19	0	0	0	0	0
February 2008	83	66	50	48	40	39	38	21	0	0	116	116	116	0	0	0	0	0	0	0
February 2009	81	64	43	34	22	22	20	0	0	0	122	122	122	0	0	0	0	0	0	0
February 2010	80	63	38	24	11	11	9	0	0	0	128	128	128	0	0	0	0	0	0	0
February 2011	78	61	33	18	5	4	2	0	0	0	135	135	135	0	0	0	0	0	0	0
February 2012	77	60	30	15	2	2	*	0	0	0	142	142	142	0	0	0	0	0	0	0
February 2013	75	57	27	14	2	2	0	0	0	0	149	149	149	0	0	0	0	0	0	0
February 2014	73	52	22	13	2	2	0	0	0	0	157	157	157	0	0	0	0	0	0	0
February 2015	71	45	16	12	2	1	0	0	0	0	165	165	165	0	0	0	0	0	0	0
February 2016	69	37	9	10	2	1	0	0	0	0	173	173	173	0	0	0	0	0	0	0
February 2017	67	27	1	9	1	1	0	0	0	0	182	182	182	0	0	0	0	0	0	0
February 2018	65	16	0	8	1	1	0	0	0	0	191	191	161	0	0	0	0	0	0	0
February 2019	62	5	0	6	1	1	0	0	0	0	201	201	135	0	0	0	0	0	0	0
February 2020	60	0	0	5	1	1	0	0	0	0	211	183	110	0	0	0	0	0	0	0
February 2021	57	0	0	4	*	*	0	0	0	0	222	144	85	0	0	0	0	0	0	0
February 2022	41	0	0	2	*	*	0	0	0	0	234	105	60	0	0	0	0	0	0	0
February 2023	9	0	0	1	*	*	0	0	0	0	246	66	37	0	0	0	0	0	0	0
February 2024	0	0	0	1	*	*	0	0	0	0	149	28	15	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.7	7.5	4.6	4.1	2.8	3.0	2.8	2.2	1.7	1.5	19.2	17.1	15.8	1.8	1.5	0.6	0.5	0.5	0.4	0.4

Date	UZ Class										PM Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%	0%	100%	140%	220%	245%	246%	250%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006	105	105	105	105	105	105	105	105	105	105	100	100	100	100	100	100	100	100	100	100
February 2007	110	110	110	110	110	110	110	110	110	110	98	95	95	95	95	95	95	95	95	95
February 2008	116	116	116	116	116	116	116	116	0	0	94	83	83	83	83	83	83	83	79	68
February 2009	122	122	122	122	122	122	122	0	0	0	90	72	72	72	72	72	72	71	57	46
February 2010	128	128	128	128	128	128	128	0	0	0	86	61	61	61	61	61	61	56	42	31
February 2011	135	135	135	135	135	135	135	0	0	0	81	51	51	51	51	51	51	44	30	20
February 2012	142	142	142	142	142	142	142	0	0	0	76	42	42	42	42	42	42	34	22	14
February 2013	149	149	149	149	149	149	20	0	0	0	71	34	34	34	34	34	34	27	16	9
February 2014	157	157	157	157	157	157	20	0	0	0	65	27	27	27	27	27	27	20	11	6
February 2015	165	165	165	165	165	165	20	0	0	0	58	21	21	21	21	21	21	16	8	4
February 2016	173	173	173	173	173	173	20	0	0	0	51	17	17	17	17	17	17	12	6	2
February 2017	182	182	182	182	182	182	20	0	0	0	44	13	13	13	13	13	13	9	4	2
February 2018	191	191	184	191	191	191	20	0	0	0	36	10	10	10	10	10	10	6	3	1
February 2019	201	201	184	201	201	201	20	0	0	0	27	7	7	7	7	7	7	5	2	1
February 2020	211	206	184	211	211	211	20	0	0	0	18	5	5	5	5	5	5	3	1	*
February 2021	222	206	184	222	222	222	20	0	0	0	8	4	4	4	4	4	4	2	1	*
February 2022	234	206	184	234	234	234	20	0	0	0	2	2	2	2	2	2	2	1	*	*
February 2023	246	206	184	246	246	246	20	0	0	0	1	1	1	1	1	1	1	1	*	*
February 2024	250	206	184	258	258	258	20	0	0	0	*	*	*	*	*	*	*	*	*	*
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.0	19.7	19.7	19.7	19.6	19.5	8.9	4.0	2.7	2.2	10.6	7.0	7.0	7.0	7.0	7.0	7.0	6.4	5.3	4.5

* 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.

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 Class 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 Conse-

quences—*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	300% PSA
2	220% 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 either 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 120% of the “federal long-term rate.” The rate will be published on or about January 20, 2005. 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 will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. The ownership interest represented by RCR Certificates will be one of two types. A Certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying REMIC Certificates. A Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

The AB, IO, AC, AD and AG Classes are Strip RCR Classes. The remaining RCR Classes are Combination RCR Classes.

Strip RCR Classes. The tax consequences to a beneficial owner of a Strip RCR Certificate will be determined under section 1286 of the Code, except as discussed below. Under section 1286, a beneficial owner of a Strip RCR Certificate will be treated as owning “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying REMIC Certificates. If a Strip RCR Certificate entitles the holder to payments of principal and interest on an underlying REMIC Certificate, the IRS could contend that the Strip RCR Certificate should be treated (i) as an interest in the underlying REMIC Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on the underlying REMIC Certificate, and (ii) with respect to the remainder, as an installment obligation consisting of “stripped bonds” to the extent of its share of principal payments or “stripped coupons” to the extent of its share of interest payments. For purposes of information reporting, however, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument, regardless of whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

Under section 1286, the beneficial owner of a Strip RCR Certificate must treat the Strip RCR Certificate as a debt instrument originally issued on the date the owner acquires it and as having OID equal to the excess, if any, of its “stated redemption price at maturity” over the price paid by the owner to acquire it. The stated redemption price at maturity for a Strip RCR Certificate is determined in the same manner as described with respect to Regular Certificates under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus.

If a Strip RCR Certificate has OID, the beneficial owner must include the OID in its ordinary income for federal income tax purposes as the OID accrues, which may be prior to the receipt of the cash attributable to that income. Although the matter is not entirely clear, a beneficial owner should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price. For a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time the Strip RCR Certificate is acquired or would be the original Prepayment Assumption for the underlying REMIC Certificates. For purposes of information reporting, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption. You should consult your own tax advisors regarding the proper method for accruing OID on a Strip RCR Certificate.

The rules of section 1286 of the Code also apply if (i) a beneficial owner of REMIC Certificates exchanges them for Strip RCR Certificates, (ii) the beneficial owner sells some, but not all, of the Strip RCR Certificates, and (iii) the combination of retained Strip RCR Certificates cannot be exchanged for the related REMIC Certificates. As of the date of such a sale, the beneficial owner must allocate its basis in the REMIC Certificates between the part of the REMIC Certificates underlying the Strip RCR Certificates sold and the part of the REMIC Certificates underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to the retained Certificates, and the beneficial owner must then accrue any OID with respect to the retained Certificates as described above. Section 1286 does not apply, however, if a beneficial owner exchanges REMIC Certificates for the related RCR Certificates and retains all the RCR Certificates, see “—*Exchanges*” below.

Upon the sale of a Strip RCR Certificate, a beneficial owner will realize gain or loss on the sale in an amount equal to the difference between the amount realized and its adjusted basis in the

Certificate. The owner's adjusted basis generally is equal to the owner's cost of the Certificate (or portion of the cost of REMIC Certificates allocable to the RCR Certificate), increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium. If the beneficial owner holds the Certificate as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under "Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Sales and Other Dispositions of Regular Certificates" in the REMIC Prospectus.

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under "—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*") a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case section 1286 would not apply. If a beneficial owner acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for REMIC Certificates, see "—*Exchanges*" below.

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 Merrill Lynch, Pierce Fenner & Smith Incorporated (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 Certificates 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 or Group 2 Class bears to the aggregate original principal balance of all Group 1 or Group 2 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. Milbank, Tweed, Hadley & McCloy LLP will provide legal representation for the Dealer.

Available Recombinations (1) (2)

REMIC Certificates		RCR Certificates						
Classes	Original Principal Balances	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1								
VA	\$ 7,192,000	BK (4)	\$43,141,463	5.00%	FIX	SEQ	31394CQE5	March 2025
VB	20,007,463							
VZ	15,942,000							
Recombination 2								
AJ	62,716,722	AB	62,716,722	4.00	FIX	SEQ	31394CQA3	January 2023
		IO	12,543,344 (5)	5.00	FIX/IO	NTL	31394CQF2	January 2023
Recombination 3								
AJ	62,716,722	AC	62,716,722	4.25	FIX	SEQ	31394CQB1	January 2023
		IO	9,407,508 (5)	5.00	FIX/IO	NTL	31394CQF2	January 2023
Recombination 4								
AJ	62,716,722	AD	62,716,722	4.50	FIX	SEQ	31394CQC9	January 2023
		IO	6,271,672 (5)	5.00	FIX/IO	NTL	31394CQF2	January 2023
Recombination 5								
AJ	62,716,722	AG	62,716,722	4.75	FIX	SEQ	31394CQD7	January 2023
		IO	3,135,836 (5)	5.00	FIX/IO	NTL	31394CQF2	January 2023
Recombination 6								
TA	10,735,000	PM	24,458,625	5.00	FIX	PAC	31394CQG0	March 2025
TB	9,925,000							
TC	3,798,625							

- (1) In any exchange under Recombination 1 or 6, 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. REMIC Certificates and RCR Certificates in Recombination 2, 3, 4 or 5 may be exchanged only in the proportions shown in this Schedule 1.
- (2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See "Description of the Certificate—General—*Authorized Denominations*" in this prospectus supplement.
- (3) 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.
- (4) Principal payments on the REMIC Certificates in Recombination 1 from the VZ 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) Notional principal balance.

Principal Balance Schedules

Aggregate Group 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		October 2010	\$13,365,392.58	January 2015	\$ 5,332,623.36
August 2006	\$24,458,625.00	November 2010	13,168,109.26	February 2015	5,227,120.05
September 2006	24,253,924.87	December 2010	12,971,892.46	March 2015	5,123,338.33
October 2006	24,044,219.19	January 2011	12,776,736.67	April 2015	5,021,252.32
November 2006	23,829,603.01	February 2011	12,582,636.41	May 2015	4,920,836.53
December 2006	23,610,173.85	March 2011	12,389,586.20	June 2015	4,822,065.84
January 2007	23,386,031.58	April 2011	12,197,580.62	July 2015	4,724,915.48
February 2007	23,157,278.38	May 2011	12,006,614.26	August 2015	4,629,361.04
March 2007	22,924,018.67	June 2011	11,816,681.75	September 2015	4,535,378.46
April 2007	22,686,358.97	July 2011	11,627,777.74	October 2015	4,442,944.05
May 2007	22,444,407.89	August 2011	11,439,896.90	November 2015	4,352,034.42
June 2007	22,198,276.02	September 2011	11,253,033.95	December 2015	4,262,626.54
July 2007	21,953,463.22	October 2011	11,067,183.62	January 2016	4,174,697.73
August 2007	21,709,962.66	November 2011	10,882,340.67	February 2016	4,088,225.60
September 2007	21,467,767.56	December 2011	10,698,499.88	March 2016	4,003,188.11
October 2007	21,226,871.19	January 2012	10,515,656.07	April 2016	3,919,563.53
November 2007	20,987,266.82	February 2012	10,333,804.09	May 2016	3,837,330.45
December 2007	20,748,947.79	March 2012	10,152,938.79	June 2016	3,756,467.75
January 2008	20,511,907.44	April 2012	9,973,055.08	July 2016	3,676,954.64
February 2008	20,276,139.18	May 2012	9,794,147.87	August 2016	3,598,770.63
March 2008	20,041,636.42	June 2012	9,617,366.05	September 2016	3,521,895.50
April 2008	19,808,392.62	July 2012	9,443,365.51	October 2016	3,446,309.34
May 2008	19,576,401.28	August 2012	9,272,105.20	November 2016	3,371,992.55
June 2008	19,345,655.93	September 2012	9,103,544.71	December 2016	3,298,925.77
July 2008	19,116,150.12	October 2012	8,937,644.16	January 2017	3,227,089.95
August 2008	18,887,877.44	November 2012	8,774,364.26	February 2017	3,156,466.32
September 2008	18,660,831.53	December 2012	8,613,666.26	March 2017	3,087,036.36
October 2008	18,435,006.04	January 2013	8,455,512.00	April 2017	3,018,781.83
November 2008	18,210,394.66	February 2013	8,299,863.82	May 2017	2,951,684.77
December 2008	17,986,991.12	March 2013	8,146,684.63	June 2017	2,885,727.45
January 2009	17,764,789.17	April 2013	7,995,937.85	July 2017	2,820,892.43
February 2009	17,543,782.60	May 2013	7,847,587.44	August 2017	2,757,162.49
March 2009	17,323,965.24	June 2013	7,701,597.85	September 2017	2,694,520.70
April 2009	17,105,330.92	July 2013	7,557,934.06	October 2017	2,632,950.33
May 2009	16,887,873.54	August 2013	7,416,561.55	November 2017	2,572,434.94
June 2009	16,671,587.01	September 2013	7,277,446.27	December 2017	2,512,958.30
July 2009	16,456,465.28	October 2013	7,140,554.67	January 2018	2,454,504.43
August 2009	16,242,502.33	November 2013	7,005,853.70	February 2018	2,397,057.57
September 2009	16,029,692.16	December 2013	6,873,310.76	March 2018	2,340,602.20
October 2009	15,818,028.81	January 2014	6,742,893.71	April 2018	2,285,123.02
November 2009	15,607,506.36	February 2014	6,614,570.89	May 2018	2,230,604.96
December 2009	15,398,118.90	March 2014	6,488,311.09	June 2018	2,177,033.18
January 2010	15,189,860.56	April 2014	6,364,083.53	July 2018	2,124,393.02
February 2010	14,982,725.51	May 2014	6,241,857.89	August 2018	2,072,670.08
March 2010	14,776,707.94	June 2014	6,121,604.29	September 2018	2,021,850.14
April 2010	14,571,802.06	July 2014	6,003,293.24	October 2018	1,971,919.19
May 2010	14,368,002.13	August 2014	5,886,895.72	November 2018	1,922,863.45
June 2010	14,165,302.44	September 2014	5,772,383.09	December 2018	1,874,669.31
July 2010	13,963,697.28	October 2014	5,659,727.16	January 2019	1,827,323.38
August 2010	13,763,181.00	November 2014	5,548,900.09	February 2019	1,780,812.45
September 2010	13,563,747.97	December 2014	5,439,874.50	March 2019	1,735,123.53

Aggregate Group (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>
April 2019	\$ 1,690,243.79	March 2021	\$ 854,514.01	February 2023	\$ 314,091.47
May 2019	1,646,160.61	April 2021	825,661.56	March 2023	295,751.87
June 2019	1,602,861.55	May 2021	797,352.63	April 2023	277,785.32
July 2019	1,560,334.34	June 2021	769,578.51	May 2023	260,185.68
August 2019	1,518,566.91	July 2021	742,330.63	June 2023	242,946.89
September 2019	1,477,547.35	August 2021	715,600.54	July 2023	226,062.99
October 2019	1,437,263.95	September 2021	689,379.93	August 2023	209,528.09
November 2019	1,397,705.14	October 2021	663,660.59	September 2023	193,336.41
December 2019	1,358,859.54	November 2021	638,434.46	October 2023	177,482.26
January 2020	1,320,715.94	December 2021	613,693.58	November 2023	161,960.01
February 2020	1,283,263.29	January 2022	589,430.12	December 2023	146,764.15
March 2020	1,246,490.70	February 2022	565,636.36	January 2024	131,889.23
April 2020	1,210,387.44	March 2022	542,304.69	February 2024	117,329.89
May 2020	1,174,942.95	April 2022	519,427.64	March 2024	103,080.85
June 2020	1,140,146.81	May 2022	496,997.82	April 2024	89,136.91
July 2020	1,105,988.77	June 2022	475,007.97	May 2024	75,492.95
August 2020	1,072,458.71	July 2022	453,450.94	June 2024	62,143.93
September 2020	1,039,546.69	August 2022	432,319.66	July 2024	49,084.89
October 2020	1,007,242.90	September 2022	411,607.21	August 2024	36,310.92
November 2020	975,537.66	October 2022	391,306.74	September 2024	23,817.23
December 2020	944,421.46	November 2022	371,411.52	October 2024	11,599.07
January 2021	913,884.93	December 2022	351,914.90	November 2024 and thereafter	0.00
February 2021	883,918.81	January 2023	332,810.37		

BA Class 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	\$9,000,000.00	March 2007	\$5,220,240.95	April 2009	\$3,812,815.19
March 2005	8,882,432.57	April 2007	5,155,953.76	May 2009	3,768,266.61
April 2005	8,756,246.21	May 2007	5,090,499.49	June 2009	3,724,549.71
May 2005	8,621,499.18	June 2007	5,023,953.87	July 2009	3,681,654.83
June 2005	8,478,256.09	July 2007	4,958,486.71	August 2009	3,639,572.40
July 2005	8,326,587.84	August 2007	4,894,086.24	September 2009	3,598,292.92
August 2005	8,166,571.57	September 2007	4,830,740.78	October 2009	3,557,806.97
September 2005	7,998,290.64	October 2007	4,768,438.77	November 2009	3,518,105.21
October 2005	7,821,834.49	November 2007	4,707,168.74	December 2009	3,479,178.40
November 2005	7,637,298.63	December 2007	4,646,919.30	January 2010	3,441,017.34
December 2005	7,444,784.51	January 2008	4,587,679.19	February 2010	3,403,612.96
January 2006	7,244,399.46	February 2008	4,529,437.22	March 2010	3,366,956.22
February 2006	7,036,256.54	March 2008	4,472,182.31	April 2010	3,331,038.18
March 2006	6,820,474.53	April 2008	4,415,903.46	May 2010	3,295,849.98
April 2006	6,597,177.69	May 2008	4,360,589.78	June 2010	3,261,382.84
May 2006	6,366,495.74	June 2008	4,306,230.46	July 2010	3,227,628.03
June 2006	6,128,563.71	July 2008	4,252,814.79	August 2010	3,194,576.92
July 2006	5,883,521.74	August 2008	4,200,332.15	September 2010	3,162,220.95
August 2006	5,631,515.04	September 2008	4,148,772.01	October 2010	3,130,551.63
September 2006	5,577,393.80	October 2008	4,098,123.93	November 2010	3,099,560.53
October 2006	5,521,618.22	November 2008	4,048,377.56	December 2010	3,069,239.32
November 2006	5,464,252.57	December 2008	3,999,522.64	January 2011	3,039,579.73
December 2006	5,405,363.09	January 2009	3,951,548.98	February 2011	3,010,573.54
January 2007	5,345,017.84	February 2009	3,904,446.51	March 2011	2,982,212.64
February 2007	5,283,286.64	March 2009	3,858,205.22	April 2011	2,954,488.95

BA Class (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>
May 2011	\$2,927,394.50	June 2013	\$2,285,870.50	June 2015	\$1,216,299.45
June 2011	2,900,921.35	July 2013	2,250,454.44	July 2015	1,163,689.83
July 2011	2,875,061.66	August 2013	2,214,088.23	August 2015	1,110,583.35
August 2011	2,849,807.64	September 2013	2,176,794.96	September 2015	1,056,994.83
September 2011	2,825,151.56	October 2013	2,138,597.32	October 2015	1,002,938.85
October 2011	2,801,085.79	November 2013	2,099,517.58	November 2015	948,429.69
November 2011	2,777,602.73	December 2013	2,059,577.64	December 2015	893,481.37
December 2011	2,754,694.86	January 2014	2,018,798.99	January 2016	838,107.63
January 2012	2,732,354.73	February 2014	1,977,202.75	February 2016	782,321.97
February 2012	2,710,574.94	March 2014	1,934,809.65	March 2016	726,137.59
March 2012	2,689,348.18	April 2014	1,891,640.06	April 2016	669,567.46
April 2012	2,668,667.17	May 2014	1,847,713.97	May 2016	612,624.31
May 2012	2,648,524.72	June 2014	1,803,051.02	June 2016	555,320.59
June 2012	2,627,759.75	July 2014	1,757,670.50	July 2016	497,668.53
July 2012	2,605,704.28	August 2014	1,711,591.33	August 2016	439,680.11
August 2012	2,582,387.30	September 2014	1,664,832.10	September 2016	381,367.08
September 2012	2,557,837.34	October 2014	1,617,411.06	October 2016	322,740.94
October 2012	2,532,082.41	November 2014	1,569,346.12	November 2016	263,812.99
November 2012	2,505,150.05	December 2014	1,520,654.87	December 2016	204,594.28
December 2012	2,477,067.32	January 2015	1,471,354.58	January 2017	145,095.64
January 2013	2,447,860.81	February 2015	1,421,462.17	February 2017	85,327.70
February 2013	2,417,556.66	March 2015	1,370,994.29	March 2017	25,300.85
March 2013	2,386,180.54	April 2015	1,319,967.25	April 2017 and thereafter	0.00
April 2013	2,353,757.69	May 2015	1,268,397.06		
May 2013	2,320,312.89				

Group 2 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	\$35,597,042.00	January 2007	\$29,262,725.85	December 2008	\$20,226,664.04
March 2005	35,469,533.06	February 2007	28,852,188.25	January 2009	19,894,680.81
April 2005	35,327,223.78	March 2007	28,433,483.95	February 2009	19,567,636.91
May 2005	35,170,217.61	April 2007	28,007,058.18	March 2009	19,245,462.41
June 2005	34,998,636.81	May 2007	27,573,363.63	April 2009	18,928,088.32
July 2005	34,812,622.43	June 2007	27,132,859.59	May 2009	18,615,446.59
August 2005	34,612,334.13	July 2007	26,698,825.69	June 2009	18,307,470.15
September 2005	34,397,950.00	August 2007	26,271,170.95	July 2009	18,004,092.80
October 2005	34,169,666.37	September 2007	25,849,805.63	August 2009	17,705,249.30
November 2005	33,927,697.54	October 2007	25,434,641.22	September 2009	17,410,875.28
December 2005	33,672,275.47	November 2007	25,025,590.44	October 2009	17,120,907.28
January 2006	33,403,649.47	December 2007	24,622,567.19	November 2009	16,835,282.68
February 2006	33,122,085.82	January 2008	24,225,486.55	December 2009	16,553,939.77
March 2006	32,827,867.36	February 2008	23,834,264.79	January 2010	16,276,817.65
April 2006	32,521,293.03	March 2008	23,448,819.31	February 2010	16,003,856.29
May 2006	32,202,677.39	April 2008	23,069,068.65	March 2010	15,734,996.48
June 2006	31,872,350.10	May 2008	22,694,932.47	April 2010	15,470,179.83
July 2006	31,530,655.38	June 2008	22,326,331.53	May 2010	15,209,348.74
August 2006	31,177,951.42	July 2008	21,963,187.68	June 2010	14,952,446.42
September 2006	30,814,609.72	August 2008	21,605,423.85	July 2010	14,699,416.88
October 2006	30,441,014.51	September 2008	21,252,964.02	August 2010	14,450,204.88
November 2006	30,057,562.00	October 2008	20,905,733.23	September 2010	14,204,755.94
December 2006	29,664,659.75	November 2008	20,563,657.55	October 2010	13,963,016.37

Group 2 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>
November 2010	\$13,724,933.18	April 2015	\$ 5,184,312.12	September 2019	\$ 1,549,710.93
December 2010	13,490,454.14	May 2015	5,082,134.52	October 2019	1,507,912.69
January 2011	13,259,527.73	June 2015	4,981,595.87	November 2019	1,466,850.02
February 2011	13,032,103.16	July 2015	4,882,672.04	December 2019	1,426,511.64
March 2011	12,808,130.32	August 2015	4,785,339.25	January 2020	1,386,886.42
April 2011	12,587,559.81	September 2015	4,689,574.07	February 2020	1,347,963.38
May 2011	12,370,342.92	October 2015	4,595,353.36	March 2020	1,309,731.74
June 2011	12,156,431.60	November 2015	4,502,654.35	April 2020	1,272,180.82
July 2011	11,945,778.46	December 2015	4,411,454.57	May 2020	1,235,300.14
August 2011	11,738,336.81	January 2016	4,321,731.85	June 2020	1,199,079.35
September 2011	11,534,060.55	February 2016	4,233,464.38	July 2020	1,163,508.25
October 2011	11,332,904.26	March 2016	4,146,630.61	August 2020	1,128,576.80
November 2011	11,134,823.13	April 2016	4,061,209.32	September 2020	1,094,275.08
December 2011	10,939,772.99	May 2016	3,977,179.58	October 2020	1,060,593.33
January 2012	10,747,710.27	June 2016	3,894,520.76	November 2020	1,027,521.95
February 2012	10,558,592.01	July 2016	3,813,212.52	December 2020	995,051.43
March 2012	10,372,375.84	August 2016	3,733,234.81	January 2021	963,172.45
April 2012	10,189,019.99	September 2016	3,654,567.87	February 2021	931,875.80
May 2012	10,008,483.27	October 2016	3,577,192.19	March 2021	901,152.39
June 2012	9,830,725.05	November 2016	3,501,088.58	April 2021	870,993.29
July 2012	9,655,705.28	December 2016	3,426,238.08	May 2021	841,389.68
August 2012	9,483,384.46	January 2017	3,352,622.04	June 2021	812,332.88
September 2012	9,313,723.63	February 2017	3,280,222.03	July 2021	783,814.33
October 2012	9,146,684.40	March 2017	3,209,019.91	August 2021	755,825.60
November 2012	8,982,228.89	April 2017	3,138,997.80	September 2021	728,358.37
December 2012	8,820,319.76	May 2017	3,070,138.06	October 2021	701,404.45
January 2013	8,660,920.18	June 2017	3,002,423.30	November 2021	674,955.77
February 2013	8,503,993.84	July 2017	2,935,836.39	December 2021	649,004.38
March 2013	8,349,504.94	August 2017	2,870,360.43	January 2022	623,542.44
April 2013	8,197,418.17	September 2017	2,805,978.76	February 2022	598,562.23
May 2013	8,047,698.73	October 2017	2,742,674.97	March 2022	574,056.13
June 2013	7,900,312.28	November 2017	2,680,432.88	April 2022	550,016.65
July 2013	7,755,224.98	December 2017	2,619,236.53	May 2022	526,436.39
August 2013	7,612,403.46	January 2018	2,559,070.20	June 2022	503,308.08
September 2013	7,471,814.80	February 2018	2,499,918.37	July 2022	480,624.54
October 2013	7,333,426.56	March 2018	2,441,765.78	August 2022	458,378.70
November 2013	7,197,206.75	April 2018	2,384,597.35	September 2022	436,563.59
December 2013	7,063,123.81	May 2018	2,328,398.24	October 2022	415,172.35
January 2014	6,931,146.65	June 2018	2,273,153.81	November 2022	394,198.21
February 2014	6,801,244.59	July 2018	2,218,849.63	December 2022	373,634.51
March 2014	6,673,387.38	August 2018	2,165,471.48	January 2023	353,474.69
April 2014	6,547,545.22	September 2018	2,113,005.34	February 2023	333,712.27
May 2014	6,423,688.70	October 2018	2,061,437.39	March 2023	314,340.88
June 2014	6,301,788.83	November 2018	2,010,754.01	April 2023	295,354.24
July 2014	6,181,817.04	December 2018	1,960,941.78	May 2023	276,746.16
August 2014	6,063,745.13	January 2019	1,911,987.46	June 2023	258,510.54
September 2014	5,947,545.33	February 2019	1,863,878.00	July 2023	240,641.37
October 2014	5,833,190.24	March 2019	1,816,600.56	August 2023	223,132.74
November 2014	5,720,652.84	April 2019	1,770,142.44	September 2023	205,978.82
December 2014	5,609,906.50	May 2019	1,724,491.18	October 2023	189,173.85
January 2015	5,500,924.97	June 2019	1,679,634.44	November 2023	172,712.18
February 2015	5,393,682.36	July 2019	1,635,560.10	December 2023	156,588.24
March 2015	5,288,153.13	August 2019	1,592,256.19	January 2024	140,796.52

Group 2 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>
February 2024	\$	125,331.62		June 2024	\$	66,634.71		October 2024	\$	12,754.25
March 2024		110,188.20		July 2024		52,725.47		November 2024 and		
April 2024		95,361.02		August 2024		39,112.22		thereafter		0.00
May 2024		80,844.89		September 2024		25,790.08				

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.

\$253,955,227



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 2005-10

PROSPECTUS SUPPLEMENT

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Merrill Lynch & Co.

January 5, 2005
