

\$393,454,000



Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 2005-37

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
AF(1)	1	\$ 104,208,000	PAC/AD	(2)	FLT	31394DKK5	March 2035
AS(1)	1	26,052,000	PAC/AD	(2)	INV	31394DKL3	March 2035
AI(1)	1	26,052,000(3)	NTL	(2)	INV/IO	31394DKM1	March 2035
FA(1)	1	33,277,600	PAC/AD	(2)	FLT	31394DKN9	June 2034
SA(1)	1	33,277,600(3)	NTL	(2)	INV/IO	31394DKP4	June 2034
AC(1)	1	39,916,400	PAC/AD	5.0%	FIX	31394DKQ2	June 2034
AO	1	10,000,000	PAC/AD	5.0	FIX	31394DKR0	June 2034
ZB	1	60,000,000	CPT/SUP/SEQ/AD	6.0	CPT/FIX/Z	31394DKS8	May 2035
KG(1)	2	36,209,000	NAS/SEQ/AD	4.5	FIX	31394DKT6	December 2024
KH(1)	2	26,491,000	NAS/SEQ/AD	4.5	FIX	31394DKU3	May 2031
KR(1)	2	14,950,286	AS/SEQ/AD	4.0	FIX	31394DKV1	September 2028
KT(1)	2	29,021,143	AS/SEQ/AD	4.0	FIX	31394DKW9	January 2033
FL	2	7,328,571	AS/SEQ/AD	(2)	FLT	31394DKX7	January 2033
SL	2	7,328,571(3)	NTL	(2)	INV/IO	31394DKY5	January 2033
ZK	2	6,000,000	SEQ	4.5	FIX/Z	31394DKZ2	May 2035
R		0	NPR	0	NPR	31394DLA6	May 2035
RL		0	NPR	0	NPR	31394DLB4	May 2035

(1) Exchangeable classes.

(2) Based on LIBOR.

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

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 SU, AP, GA, AB, KN and KQ 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 April 29, 2005.

Carefully consider the risk factors starting on page S-11 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

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

LEHMAN BROTHERS

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AVAILABLE INFORMATION

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

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

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

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

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

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

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

INCORPORATION BY REFERENCE

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 (the "Board") 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 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 our independent auditor. 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 the company's 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 the 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 submitted 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 and 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 February 23, 2005, we announced that OFHEO approved our proposed capital restoration plan. Under the plan, we detail how we expect to meet our minimum capital requirement on an ongoing basis, as well as achieve OFHEO's 30 percent surplus capital requirement by September 30, 2005. A summary of the capital restoration plan was filed as an exhibit to a Form 8-K that we filed with the Securities and Exchange Commission (the "SEC") on February 23, 2005.

On December 15, 2004, the Office of the Chief Accountant of 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 our 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 our 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, we estimated that a loss of hedge accounting under FAS 133 for all derivatives could result in recording into earnings a net cumulative loss on derivative transactions of approximately \$9.0 billion as of September 30, 2004. (We estimate that as of December 31, 2004, this net cumulative after-tax loss was approximately \$8.4 billion.) We also stated that there would be a corresponding decrease to retained earnings and, accordingly, regulatory capital. In a Form 12b-25 filed with the SEC on March 17, 2005, we stated that if we do not qualify for hedge accounting for mortgage commitments accounted for as derivatives since our July 1, 2003 adoption of Financial Accounting Standard No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities (“FAS 149”), we estimate that we would be required to record in earnings a net cumulative after-tax loss related to these commitments of approximately \$2.4 billion as of December 31, 2004. 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 the Board concluded that our previously filed interim and audited financial statements and the independent auditor’s 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 or our annual report on Form 10-K for the year ended December 31, 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 on November 15, 2004 and in a Form 8-K filed on November 16, 2004 was prepared applying the same policies and practices, and, accordingly, should 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 the Board of its findings to date of the agency’s special examination. Among other matters, the OFHEO report raised a number of questions and concerns about our accounting policies and practices with respect to FAS 91 and FAS 133. On February 23, 2005, we announced that OFHEO notified our Board and management of several additional accounting and internal control issues and questions that OFHEO identified in its ongoing special examination, and directed that these matters be included in the internal reviews by the Board and management and reviewed by Deloitte. OFHEO indicated that it has not completed its review of all aspects of these issues, but has identified policies that it believes appear to be inconsistent with generally accepted accounting principles as well as internal control deficiencies that raise safety and

soundness concerns. The issues and questions include the following areas: securities accounting, loan accounting, consolidations, accounting for commitments, and practices to smooth certain income and expense amounts. OFHEO also raised concerns regarding journal entry controls, systems limitations, and database modifications, as well as FAS 149 and new developments relating to FAS 91. A summary of the additional questions raised in OFHEO's ongoing special examination of Fannie Mae has been filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005.

Forms 8-K that we file with the SEC prior to the completion of the offering of the certificates are incorporated by reference in this prospectus supplement. This means that we are disclosing information to you by referring you to those documents. You should refer to "Incorporation by Reference" above for further details on the information that we incorporate by reference in this 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 April 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	\$273,454,000	360	345	15	6.50%
Group 2 MBS	\$120,000,000	360	357	3	5.25%

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 April 29, 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.

Components

The ZB Class is made up of payment components. Each component will have the original principal balance, principal type and interest type as set forth below.

	<u>Original Principal Balance</u>	<u>Principal Type</u>	<u>Interest Type</u>
ZB1	\$56,856,000	SUP/AD	FIX/Z
ZB2	2,733,819	SUP/AD	FIX/Z
ZB3	410,181	SEQ	FIX/Z

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>
AF	3.0%	7.5%	0.2%	LIBOR + 20 basis points
AS	13.5%	21.9%	0.0%	21.9% - (3 × LIBOR)
AI	4.5%	7.3%	0.0%	7.3% - LIBOR
FA	3.1%	7.5%	0.3%	LIBOR + 30 basis points
SA	4.4%	7.2%	0.0%	7.2% - LIBOR
FL	3.1%	7.5%	0.3%	LIBOR + 30 basis points
SL	4.4%	7.2%	0.0%	7.2% - LIBOR
SU	18.0%	29.2%	0.0%	29.2% - (4 × 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>	
AI	100% of the AS Class
SA	100% of the FA Class
SL	100% of the FL Class

Distributions of Principal

Group 1 Principal Distribution Amount

ZB1 Accrual Amount

To Aggregate Group II to its Planned Balance, and thereafter to the ZB1 Component.

ZB2 Accrual Amount

1. To Aggregate Group II to its Planned Balance.
2. To the ZB1 Component to zero.
3. To Aggregate Group II to zero.
4. Thereafter to the ZB2 Component.

Group 1 Cash Flow Distribution Amount and ZB3 Accrual Amount

1. To Aggregate Group I to its Planned Balance.
2. To Aggregate Group II to its Planned Balance.
3. To the ZB1 Component to zero.
4. To Aggregate Group II to zero.
5. To the ZB2 Component to zero.
6. To Aggregate Group I to zero.
7. To the ZB3 Component to zero.

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

Group 2 Principal Distribution Amount

1. Beginning in March 2006, to the KG and KH Classes, in that order, the amount specified in this prospectus supplement under “Description of the Certificates—Distributions of Principal—Group 2 Principal Distribution Amount.”

2. (a) 85.7142865497% to the KR and KT Classes, in that order, to zero, and
(b) 14.2857134503% to the FL Class to zero.

3. To the KG, KH and ZK Classes, in that order, to zero.

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%	100%	235%	265%	325%	500%	650%	800%
AF, AS, AI, SU and AP	14.4	4.3	4.3	4.3	4.3	4.3	3.5	2.8
FA, SA, AC, AO, GA and AB	8.4	6.9	2.3	2.3	2.3	2.1	1.5	1.2
ZB	26.5	18.4	12.5	11.8	8.0	1.6	0.9	0.7
Group 2 Classes	PSA Prepayment Assumption							
	0%	100%	225%	350%	475%	600%	700%	
KG	9.1	4.0	4.0	3.8	3.2	2.8	2.5	
KH	18.2	9.2	9.0	7.9	6.1	5.0	4.4	
KR	20.4	5.1	1.4	1.0	0.8	0.7	0.6	
KT	25.6	16.6	6.8	3.0	2.3	1.9	1.7	
FL, SL and KQ	23.8	12.7	5.0	2.3	1.8	1.5	1.3	
ZK	28.9	25.1	19.1	14.3	11.1	9.0	7.7	
KN	13.0	6.2	6.1	5.5	4.4	3.7	3.3	

* 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.

The rate of prepayment of relocation mortgage loans may be higher than that of non-relocation mortgage loans. The mortgage loans underlying the Group 2 MBS are relocation mortgage loans made to borrowers whose employers frequently relocate their employees. Accordingly, the rate of prepayment of these mortgage loans will be influenced by:

- the circumstances of individual employees and employers,
- the characteristics of the relocation programs and
- the occurrence and timing of the relocation of the borrowers.

It is possible that borrowers under relocation mortgage loans are more likely than other borrowers to be transferred by their employers. If so, relocation mortgage loans would experience a higher rate of prepayment than non-relocation mortgage loans. Because many unpredictable factors affect the prepayment rate of relocation mortgage loans, we cannot estimate the prepayment experience of such mortgage loans. We are unaware of any conclusive data on the prepayment rate of relocation mortgage loans.

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 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 April 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 and Inverse Floating Rate 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 AF, AS, AI, FA, SA, AC, KG, KH, KR and KT 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 provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years. See "The Mortgage Pools" and "Yield, Maturity, and Prepayment Considerations" in the MBS Prospectus.

Furthermore, the Mortgage Loans underlying the Group 2 MBS will be relocation mortgage loans. This type of loan is originated pursuant to agreements between lenders and employers in connection with relocation programs maintained by employers that frequently relocate their employees.

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	\$273,454,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	345 months
Approximate Weighted Average WALA (weighted average loan age)	15 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$120,000,000
MBS Pass-Through Rate	4.50%
Range of WACs (annual percentages)	4.75% to 7.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	357 months
Approximate Weighted Average WALA	3 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 and Components

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

<u>Interest Type*</u>	<u>Classes and Components</u>
Group 1 Classes and Components	
Fixed Rate	AC, AO, ZB1, ZB2 and ZB3
Floating Rate	AF and FA
Inverse Floating Rate	AS, AI and SA
Accrual	ZB1, ZB2 and ZB3
Interest Only	AI and SA
Component	ZB
RCR**	SU, AP, GA and AB
Group 2 Classes	
Fixed Rate	KG, KH, KR, KT and ZK
Floating Rate	FL
Inverse Floating Rate	SL
Accrual	ZK
Interest Only	SL
RCR**	KN and KQ
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.

Components. For purposes of calculating the payments it receives, the ZB Class consists of the payment components having the designations and original principal balances specified in this prospectus supplement under "Reference Sheet—Components." The payment characteristics of the ZB Class will reflect a combination of the payment characteristics of the related components. Components are not separately transferable from the related Class of Certificates.

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the

Accrual Classes and Components) 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 and Components) 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 and Components*” below.

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

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

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

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

Accrual Classes and Components. The ZB and ZK Classes are Accrual Classes and the ZB1, ZB2 and ZB3 Components are Accrual Components. Interest will accrue on the Accrual Classes (and, in the case of the ZB Class, on the related Components) at the applicable annual rates specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Classes (or Components). Instead, interest accrued on the Accrual Classes (or Components) will be added as principal to their respective principal balances on each Distribution Date. We will pay principal on the Accrual Classes (and Components) 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 2.80%.

Distributions of Principal

Categories of Classes and Components

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

<u>Principal Type*</u>	<u>Classes and Components</u>
Group 1 Classes and Components	
PAC	AF, AS, FA, AC and AO
Support	ZB1 and ZB2
Sequential Pay	ZB3
Component	ZB
Accretion Directed	AF, AS, FA, AC, AO, ZB1 and ZB2
Notional	AI and SA
RCR**	SU, AP, GA and AB
Group 2 Classes	
Sequential Pay	KG, KH, KR, KT, FL and ZK
NAS†	KG and KH
AS††	KR, KT and FL
Accretion Directed	KG, KH, KR, KT and FL
Notional	SL
RCR**	KN and KQ
No Payment Residual	R and RL

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

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

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

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

Components. For purposes of calculating the principal payments it receives, the ZB Class consists of the payment components having the designations and original principal balances specified in this prospectus supplement under “Reference Sheet—Components.” The payment characteristics of the ZB Class will reflect a combination of the payment characteristics of the related components. Components are not separately transferable from the related Class of Certificates.

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balances of the ZB1, ZB2 and ZB3 Components (the “ZB1 Accrual Amount,” “ZB2 Accrual Amount” and “ZB3 Accrual Amount,” respectively, 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 plus any interest then accrued and added to the principal balance of the ZK Class (the “Group 2 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

ZB1 Accrual Amount

On each Distribution Date, we will pay the ZB1 Accrual Amount as principal of Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Planned Balance for that Distribution Date. Thereafter, we will pay the ZB1 Accrual Amount as principal of the ZB1 Component.

} PAC /
Accretion
Directed
Group
and
Accrual
Component

ZB2 Accrual Amount

On each Distribution Date, we will pay the ZB2 Accrual Amount as principal of the Group 1 Classes and Components specified below in the following priority:

- | | | |
|---|------------------------|-------------------------|
| (i) to Aggregate Group II, until the Aggregate II Balance is reduced to its Planned Balance for that Distribution Date; | } PAC
Group | } Accretion
Directed |
| (ii) to the ZB1 Component, until its principal balance is reduced to zero; | } Support
Component | |
| (iii) to Aggregate Group II, without regard to its Planned Balance and until the Aggregate II Balance is reduced to zero; and | } PAC
Group | |
| (iv) thereafter to the ZB2 Component. | | } Accrual |

Group 1 Cash Flow Distribution Amount and ZB3 Accrual Amount

On each Distribution Date, we will pay the sum of the Group 1 Cash Flow Distribution Amount and the ZB3 Accrual Amount as principal of the Group 1 Classes and Components in the following priority:

- | | |
|---|----------------------------------|
| (i) to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date; | } PAC
Groups |
| (ii) to Aggregate Group II, until the Aggregate II Balance is reduced to its Planned Balance for that Distribution Date; | |
| (iii) to the ZB1 Component, until its principal balance is reduced to zero; | } Support
Component |
| (iv) to Aggregate Group II, without regard to its Planned Balance and until the Aggregate II Balance is reduced to zero; | } PAC
Group |
| (v) to the ZB2 Component, until its principal balance is reduced to zero; | } Support
Component |
| (vi) to Aggregate Group I, without regard to its Planned Balance and until the Aggregate I Balance is reduced to zero; and | } PAC
Group |
| (vii) to the ZB3 Component, until its principal balance is reduced to zero. | } Sequential
Pay
Component |

“Aggregate Group I” consists of the AF and AS Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, concurrently, to the AF and AS Classes, pro rata (or 80% and 20%, respectively), until their principal balances are reduced to zero.

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

“Aggregate Group II” consists of the FA, AC and AO Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II, concurrently, to the FA, AC and AO Classes, pro rata (or 40.0000000000%, 47.9799023968% and 12.0200976032%, respectively), until their principal balances are reduced to zero.

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

Group 2 Principal Distribution Amount

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

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> (i) beginning in March 2006, sequentially, to the KG and KH Classes, in that order, the NAS Priority Amount (defined below), until their principal balances are reduced to zero; (ii) (a) 85.7142865497% of the remaining amount, sequentially, to the KR and KT Classes, in that order, until their principal balances are reduced to zero, and (b) 14.2857134503% of such remaining amount to the FL Class, until its principal balance is reduced to zero; and (iii) sequentially, to the KG, KH and ZK Classes, in that order, until their principal balances are reduced to zero. | } | <div style="display: inline-block; vertical-align: middle;"> NAS
Classes </div> <div style="display: inline-block; vertical-align: middle; margin-top: 10px;"> Sequential
Pay </div> <div style="display: inline-block; vertical-align: middle; margin-top: 10px;"> AS
Classes </div> |
|---|---|---|

The “NAS Priority Amount” for any Distribution Date is equal to the *lesser* of

- 99.5% of the Group 2 Principal Distribution Amount

and

- the *sum* of

(A) the *product* of

- the aggregate amount of scheduled payments of principal included in the Group 2 Cash Flow Distribution Amount for that Distribution Date *multiplied* by
- the NAS Percentage (described below) for that date *multiplied* by
- 2.8

plus

(B) the *product* of

- the aggregate amount of unscheduled payments of principal included in the Group 2 Cash Flow Distribution Amount for that Distribution Date *multiplied* by
- the NAS Percentage for that date *multiplied* by
- 100% minus the Lockout Percentage (described below) for that date *multiplied* by
- 0.75.

The “NAS Percentage” for any Distribution Date will be equal to

- the *sum* of the principal balances of the KG and KH Classes on that date (before taking into account payments made on that date) *plus* \$61,446,000

divided by

- the aggregate of the principal balances of the KG, KH, KR, KT and FL Classes on that date (before taking into account payments made on that date).

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

<u>Distribution Date in</u>	<u>Lockout Percentage</u>
May 2005 through April 2013	100%
May 2013 through April 2014	50%
May 2014 and thereafter	0%

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 April 29, 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 or at any other *constant* rate.

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

<u>Principal Balance Schedule References</u>	<u>Related Groups (1)</u>	<u>Structuring Ranges</u>
Planned Balances	Aggregate Group I	Between 100% and 500% PSA
Planned Balances	Aggregate Group II	Between 235% and 325% PSA

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

We cannot assure you that the balance of any Group, listed above will conform on any Distribution Date to the specified balance in the Principal Balance Schedules. As a result,

we cannot assure you that payments of principal of any Group listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules. We will distribute any excess of principal payments over the amount needed to reduce a Group to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Group to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Ranges, principal distributions may be insufficient to reduce the applicable Groups to their scheduled balances if the prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Groups specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Ranges specified above.

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

<u>Groups</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 500% PSA
Aggregate Group II	Between 235% and 325% PSA

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

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

<u>Classes</u>	<u>Supporting Classes</u>
Group 1	
Aggregate Group I	Aggregate Group II and Support
Aggregate Group II	ZB1 Component

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

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

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

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

<u>Class</u>	<u>Price*</u>
AS	110.0000%
AI	9.5000%
SA	6.4375%
SL	8.0000%
SU	119.0000%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>235%</u>	<u>265%</u>	<u>325%</u>	<u>500%</u>	<u>650%</u>	<u>800%</u>
0.8%	17.1%	16.3%	16.3%	16.3%	16.3%	16.3%	15.8%	15.1%
2.8%	11.3%	10.6%	10.6%	10.6%	10.6%	10.6%	10.1%	9.5%
4.8%	5.7%	5.0%	5.0%	5.0%	5.0%	5.0%	4.5%	3.9%
6.8%	0.0%	(0.6)%	(0.6)%	(0.6)%	(0.6)%	(0.6)%	(1.1)%	(1.7)%
7.3%	(1.4)%	(2.0)%	(2.0)%	(2.0)%	(2.0)%	(2.0)%	(2.4)%	(3.0)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>235%</u>	<u>265%</u>	<u>325%</u>	<u>500%</u>	<u>650%</u>	<u>800%</u>
0.8%	65.9%	57.0%	57.0%	57.0%	57.0%	57.0%	53.2%	46.0%
2.8%	40.4%	31.1%	31.1%	31.1%	31.1%	31.1%	25.6%	16.9%
4.8%	14.6%	4.7%	4.7%	4.7%	4.7%	4.7%	(3.2)%	(13.8)%
6.8%	(19.5)%	(29.1)%	(29.1)%	(29.1)%	(29.1)%	(29.1)%	(41.5)%	(55.4)%
7.3%	*	*	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>235%</u>	<u>265%</u>	<u>325%</u>	<u>500%</u>	<u>650%</u>	<u>800%</u>
0.8%	112.2%	112.2%	75.1%	75.1%	75.1%	71.4%	48.2%	20.3%
2.8%	72.1%	71.9%	34.7%	34.7%	34.7%	29.0%	1.2%	(27.8)%
4.8%	34.1%	33.0%	(6.7)%	(6.7)%	(6.7)%	(15.7)%	(49.3)%	(78.7)%
6.8%	(10.4)%	(16.3)%	(65.4)%	(65.4)%	(65.4)%	(80.9)%	*	*
7.2%	*	*	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>350%</u>	<u>475%</u>	<u>600%</u>	<u>700%</u>
0.8%	88.9%	85.2%	70.7%	52.0%	33.7%	17.3%	5.3%
2.8%	59.0%	55.3%	40.0%	17.0%	(3.0)%	(20.0)%	(32.0)%
4.8%	30.8%	27.2%	11.6%	(21.2)%	(43.9)%	(61.3)%	(73.1)%
6.8%	(0.7)%	(4.8)%	(20.8)%	(79.9)%	*	*	*
7.2%	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	235%	265%	325%	500%	800%
0.8%	20.7%	19.3%	19.3%	19.3%	19.3%	19.3%	17.3%
2.8%	13.5%	12.1%	12.1%	12.1%	12.1%	12.1%	10.1%
4.8%	6.3%	5.1%	5.1%	5.1%	5.1%	5.1%	3.0%
6.8%	(0.8)%	(1.9)%	(1.9)%	(1.9)%	(1.9)%	(1.9)%	(3.9)%
7.3%	(2.5)%	(3.6)%	(3.6)%	(3.6)%	(3.6)%	(3.6)%	(5.6)%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of the Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the reductions in principal balance of the Certificate referred to in clause (a).

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Classes, and
- in the case of the Group 1 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.

As described under “Reference Sheet—Components,” the ZB Class consists of multiple payment components for purposes of calculating payments. Since these components are not divisible, the payment characteristics of the ZB Class will reflect a combination of the payment characteristics of the related components.

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 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	360 months	360 months	8.50%
Group 2 MBS	360 months	360 months	7.00%

It is unlikely

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

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

Percent of Original Principal Balances Outstanding

Date	AF, AS, AI†, SU and AP Classes								FA, SA†, AC, AO, GA and AB Classes							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	235%	265%	325%	500%	650%	800%	0%	100%	235%	265%	325%	500%	650%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2006	98	88	88	88	88	88	88	88	96	96	77	77	77	77	77	70
April 2007	97	74	74	74	74	74	74	70	91	91	52	52	52	52	21	0
April 2008	95	61	61	61	61	61	54	36	86	86	32	32	32	22	0	0
April 2009	93	48	48	48	48	48	32	18	81	81	17	17	17	4	0	0
April 2010	90	36	36	36	36	36	19	9	75	75	5	5	5	0	0	0
April 2011	88	25	25	25	25	25	11	4	69	69	0	0	0	0	0	0
April 2012	85	17	17	17	17	17	7	2	63	58	0	0	0	0	0	0
April 2013	82	11	11	11	11	11	4	1	56	44	0	0	0	0	0	0
April 2014	79	8	8	8	8	8	2	*	49	28	0	0	0	0	0	0
April 2015	76	5	5	5	5	5	1	0	41	11	0	0	0	0	0	0
April 2016	72	3	3	3	3	3	*	0	33	0	0	0	0	0	0	0
April 2017	68	2	2	2	2	2	0	0	25	0	0	0	0	0	0	0
April 2018	64	1	1	1	1	1	0	0	16	0	0	0	0	0	0	0
April 2019	59	*	*	*	*	*	0	0	6	0	0	0	0	0	0	0
April 2020	54	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0
April 2021	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2022	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2023	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.4	4.3	4.3	4.3	4.3	4.3	3.5	2.8	8.4	6.9	2.3	2.3	2.3	2.1	1.5	1.2

Date	ZB Class								KG Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	235%	265%	325%	500%	650%	800%	0%	100%	225%	350%	475%	600%	700%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
April 2006	106	106	106	100	88	54	25	6	99	98	97	97	97	97	97	
April 2007	113	113	111	99	75	12	6	1	95	82	82	82	82	82	82	
April 2008	120	120	115	99	69	6	1	1	90	67	66	66	66	41	19	
April 2009	127	127	119	101	67	7	1	1	85	50	50	49	22	0	0	
April 2010	135	135	123	103	69	2	1	1	80	34	33	26	0	0	0	
April 2011	143	143	121	101	67	1	1	1	74	17	15	0	0	0	0	
April 2012	152	152	111	91	59	1	1	1	68	0	0	0	0	0	0	
April 2013	161	161	99	81	51	1	1	1	62	0	0	0	0	0	0	
April 2014	171	171	87	70	43	1	1	1	55	0	0	0	0	0	0	
April 2015	182	182	76	60	36	1	1	1	47	0	0	0	0	0	0	
April 2016	193	183	66	51	29	1	1	*	39	0	0	0	0	0	0	
April 2017	205	169	56	43	24	1	1	*	31	0	0	0	0	0	0	
April 2018	218	155	48	36	20	1	1	*	22	0	0	0	0	0	0	
April 2019	231	141	40	30	16	2	*	*	12	0	0	0	0	0	0	
April 2020	240	128	34	25	13	2	*	*	2	0	0	0	0	0	0	
April 2021	240	115	28	20	10	1	*	*	0	0	0	0	0	0	0	
April 2022	240	102	23	16	8	1	*	*	0	0	0	0	0	0	0	
April 2023	240	91	18	13	6	*	*	*	0	0	0	0	0	0	0	
April 2024	240	79	15	10	4	*	*	*	0	0	0	0	0	0	0	
April 2025	240	69	12	8	3	*	*	*	0	0	0	0	0	0	0	
April 2026	240	59	9	6	2	*	*	*	0	0	0	0	0	0	0	
April 2027	241	50	7	4	2	*	*	*	0	0	0	0	0	0	0	
April 2028	221	41	5	3	1	*	*	*	0	0	0	0	0	0	0	
April 2029	197	33	4	2	1	*	*	*	0	0	0	0	0	0	0	
April 2030	171	25	3	2	1	*	*	*	0	0	0	0	0	0	0	
April 2031	142	18	2	1	*	*	*	*	0	0	0	0	0	0	0	
April 2032	111	11	1	1	*	*	*	*	0	0	0	0	0	0	0	
April 2033	77	5	*	*	*	*	*	0	0	0	0	0	0	0	0	
April 2034	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
April 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (years)**	26.5	18.4	12.5	11.8	8.0	1.6	0.9	0.7	9.1	4.0	4.0	3.8	3.2	2.8	2.5	

* 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.

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

Date	KH Class							KR Class							KT Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	225%	350%	475%	600%	700%	0%	100%	225%	350%	475%	600%	700%	0%	100%	225%	350%	475%	600%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2006	100	100	100	100	100	100	100	93	81	65	48	32	16	3	100	100	100	100	100	100	100
April 2007	100	100	100	100	100	100	100	93	72	23	0	0	0	0	100	100	100	87	63	40	22
April 2008	100	100	100	100	100	100	100	93	56	0	0	0	0	0	100	100	84	43	7	0	0
April 2009	100	100	100	100	100	88	60	93	44	0	0	0	0	0	100	100	62	13	0	0	0
April 2010	100	100	100	100	82	44	21	93	35	0	0	0	0	0	100	100	47	0	0	0	0
April 2011	100	100	100	97	48	15	0	93	29	0	0	0	0	0	100	100	37	0	0	0	0
April 2012	100	99	96	67	23	0	0	93	26	0	0	0	0	0	100	100	32	0	0	0	0
April 2013	100	76	70	43	5	0	0	92	26	0	0	0	0	0	100	100	31	0	0	0	0
April 2014	100	53	46	24	0	0	0	92	25	0	0	0	0	0	100	100	31	0	0	0	0
April 2015	100	32	26	9	0	0	0	92	25	0	0	0	0	0	100	100	31	0	0	0	0
April 2016	100	12	8	0	0	0	0	92	25	0	0	0	0	0	100	100	31	0	0	0	0
April 2017	100	0	0	0	0	0	0	92	14	0	0	0	0	0	100	100	25	0	0	0	0
April 2018	100	0	0	0	0	0	0	92	0	0	0	0	0	0	100	93	14	0	0	0	0
April 2019	100	0	0	0	0	0	0	92	0	0	0	0	0	0	100	79	5	0	0	0	0
April 2020	100	0	0	0	0	0	0	92	0	0	0	0	0	0	100	67	0	0	0	0	0
April 2021	87	0	0	0	0	0	0	92	0	0	0	0	0	0	100	55	0	0	0	0	0
April 2022	71	0	0	0	0	0	0	92	0	0	0	0	0	0	100	43	0	0	0	0	0
April 2023	54	0	0	0	0	0	0	92	0	0	0	0	0	0	100	32	0	0	0	0	0
April 2024	36	0	0	0	0	0	0	91	0	0	0	0	0	0	100	22	0	0	0	0	0
April 2025	16	0	0	0	0	0	0	91	0	0	0	0	0	0	100	12	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	84	0	0	0	0	0	0	100	2	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	49	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	13	0	0	0	0	0	0	100	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	65	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17	0	0	0	0	0	0
April 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.2	9.2	9.0	7.9	6.1	5.0	4.4	20.4	5.1	1.4	1.0	0.8	0.7	0.6	25.6	16.6	6.8	3.0	2.3	1.9	1.7

Date	FL, SL† and KQ Classes							ZK Class							KN Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	225%	350%	475%	600%	700%	0%	100%	225%	350%	475%	600%	700%	0%	100%	225%	350%	475%	600%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2006	98	93	88	82	77	71	67	105	105	105	105	105	105	105	100	99	99	99	99	99	99
April 2007	98	91	74	58	42	27	15	109	109	109	109	109	109	109	97	90	90	90	90	90	90
April 2008	98	85	55	28	4	0	0	114	114	114	114	114	114	114	94	81	81	80	80	66	53
April 2009	98	81	41	8	0	0	0	120	120	120	120	120	120	120	91	71	71	71	55	37	25
April 2010	98	78	31	0	0	0	0	125	125	125	125	125	125	125	88	62	61	57	35	18	9
April 2011	97	76	24	0	0	0	0	131	131	131	131	131	131	124	85	52	51	41	20	7	0
April 2012	97	75	21	0	0	0	0	137	137	137	137	137	125	70	82	42	40	28	10	0	0
April 2013	97	75	20	0	0	0	0	143	143	143	143	143	78	40	78	32	29	18	2	0	0
April 2014	97	75	20	0	0	0	0	150	150	150	150	116	49	23	74	22	19	10	0	0	0
April 2015	97	75	20	0	0	0	0	157	157	157	157	81	30	13	70	13	11	4	0	0	0
April 2016	97	75	20	0	0	0	0	164	164	164	151	56	19	7	65	5	3	0	0	0	0
April 2017	97	71	16	0	0	0	0	171	171	171	115	39	12	4	60	0	0	0	0	0	0
April 2018	97	61	9	0	0	0	0	179	179	179	88	27	7	2	55	0	0	0	0	0	0
April 2019	97	52	3	0	0	0	0	188	188	188	67	18	4	1	49	0	0	0	0	0	0
April 2020	97	44	0	0	0	0	0	196	196	179	51	13	3	1	43	0	0	0	0	0	0
April 2021	97	36	0	0	0	0	0	205	205	148	38	9	2	*	37	0	0	0	0	0	0
April 2022	97	28	0	0	0	0	0	215	215	121	29	6	1	*	30	0	0	0	0	0	0
April 2023	97	21	0	0	0	0	0	224	224	99	21	4	1	*	23	0	0	0	0	0	0
April 2024	97	14	0	0	0	0	0	235	235	80	16	3	*	*	15	0	0	0	0	0	0
April 2025	97	8	0	0	0	0	0	246	246	64	12	2	*	*	7	0	0	0	0	0	0
April 2026	94	2	0	0	0	0	0	257	257	51	8	1	*	*	0	0	0	0	0	0	0
April 2027	83	0	0	0	0	0	0	269	230	40	6	1	*	*	0	0	0	0	0	0	0
April 2028	70	0	0	0	0	0	0	281	193	31	4	*	*	*	0	0	0	0	0	0	0
April 2029	57	0	0	0	0	0	0	294	159	23	3	*	*	*	0	0	0	0	0	0	0
April 2030	43	0	0	0	0	0	0	307	126	17	2	*	*	*	0	0	0	0	0	0	0
April 2031	27	0	0	0	0	0	0	321	96	12	1	*	*	*	0	0	0	0	0	0	0
April 2032	11	0	0	0	0	0	0	336	68	8	1	*	*	*	0	0	0	0	0	0	0
April 2033	0	0	0	0	0	0	0	297	42	4	*	*	*	*	0	0	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	154	17	2	*	*	*	*	0	0	0	0	0	0	0
April 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.8	12.7	5.0	2.3	1.8	1.5	1.3	28.9	25.1	19.1	14.3	11.1	9.0	7.7	13.0	6.2	6.1	5.5	4.4	3.7	3.3

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

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

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

Characteristics of the R and RL Classes

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

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

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

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

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

taxes associated with the Residual Certificate will not be paid. A transfer satisfies the formula test if the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The Regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

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

Taxation of Beneficial Owners of Regular Certificates—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	265% PSA
2	350% 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 March 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 (each, a “Combination RCR Class”) will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. Each Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

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

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

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

Tax Return Disclosure Requirements

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

PLAN OF DISTRIBUTION

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

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1 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. Cleary Gottlieb Steen & Hamilton LLP will provide legal representation for the Dealer.

Available Recombinations (1) (2)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal Balance	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1		SU	\$ 26,052,000	(4)	INV	PAC/AD	31394DLC2	March 2035
AS	\$ 26,052,000							
AI	26,052,000(5)							
Recombination 2		AP	130,260,000	6.00%	FIX	PAC/AD	31394DLD0	March 2035
AF	104,208,000							
AS	26,052,000							
AI	26,052,000(5)							
Recombination 3		GA	39,916,400	5.00	FIX	PAC/AD	31394DLE8	June 2034
AC	39,916,400							
Recombination 4		AB	44,351,555	5.25	FIX	PAC/AD	31394DLF5	June 2034
AC	39,916,400							
FA	4,435,155							
SA	4,435,155(5)							
Recombination 5		KN	62,700,000	4.50	FIX	NAS/SEQ/AD	31394DLG3	May 2031
KG	36,209,000							
KH	26,491,000							
Recombination 6		KQ	43,971,429	4.00	FIX	AS/SEQ/AD	31394DLH1	January 2033
KR	14,950,286							
KT	29,021,143							

(1) REMIC Certificates and RCR Certificates in Recombinations 1, 2, 3 and 4 may be exchanged only in the proportions shown in this Schedule 1. In any exchange under Recombination 5 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.

(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 Certificates—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) For a description of this interest rate, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.

(5) Notional principal balance.

Principal Balance Schedules

Aggregate Group I Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$130,260,000.00	December 2009	\$ 51,823,224.57	August 2014	\$ 8,617,318.38
May 2005	129,246,653.83	January 2010	50,537,504.36	September 2014	8,320,887.22
June 2005	128,188,524.96	February 2010	49,258,300.46	October 2014	8,033,482.12
July 2005	127,086,054.26	March 2010	47,985,579.19	November 2014	7,754,826.89
August 2005	125,939,705.43	April 2010	46,719,307.07	December 2014	7,484,653.71
September 2005	124,749,964.68	May 2010	45,459,450.76	January 2015	7,222,702.83
October 2005	123,517,340.37	June 2010	44,205,977.12	February 2015	6,968,722.40
November 2005	122,242,362.71	July 2010	42,958,853.17	March 2015	6,722,468.17
December 2005	120,925,583.32	August 2010	41,718,046.09	April 2015	6,483,608.28
January 2006	119,567,574.91	September 2010	40,483,523.22	May 2015	6,252,198.06
February 2006	118,168,930.82	October 2010	39,255,252.10	June 2015	6,027,729.79
March 2006	116,730,264.63	November 2010	38,033,200.42	July 2015	5,810,082.49
April 2006	115,252,209.67	December 2010	36,841,552.74	August 2015	5,599,046.74
May 2006	113,735,418.61	January 2011	35,686,102.58	September 2015	5,394,419.45
June 2006	112,180,562.94	February 2011	34,565,755.80	October 2015	5,196,003.69
July 2006	110,588,332.49	March 2011	33,479,451.11	November 2015	5,003,608.51
August 2006	109,004,200.65	April 2011	32,426,159.08	December 2015	4,817,048.75
September 2006	107,428,125.61	May 2011	31,404,881.21	January 2016	4,636,144.84
October 2006	105,860,065.83	June 2011	30,414,648.96	February 2016	4,460,722.70
November 2006	104,299,979.95	July 2011	29,454,522.91	March 2016	4,290,613.49
December 2006	102,747,826.84	August 2011	28,523,591.86	April 2016	4,125,653.53
January 2007	101,203,565.55	September 2011	27,620,971.97	May 2016	3,965,684.09
February 2007	99,667,155.37	October 2011	26,745,805.99	June 2016	3,810,551.26
March 2007	98,138,555.80	November 2011	25,897,262.42	July 2016	3,660,105.80
April 2007	96,617,726.52	December 2011	25,074,534.75	August 2016	3,514,203.02
May 2007	95,104,627.45	January 2012	24,276,840.74	September 2016	3,372,702.62
June 2007	93,599,218.70	February 2012	23,503,421.66	October 2016	3,235,468.55
July 2007	92,101,460.57	March 2012	22,753,541.60	November 2016	3,102,368.91
August 2007	90,611,313.59	April 2012	22,026,486.79	December 2016	2,973,275.80
September 2007	89,128,738.48	May 2012	21,321,564.93	January 2017	2,848,065.22
October 2007	87,653,696.16	June 2012	20,638,104.55	February 2017	2,726,616.93
November 2007	86,186,147.75	July 2012	19,975,454.41	March 2017	2,608,814.35
December 2007	84,726,054.58	August 2012	19,332,982.85	April 2017	2,494,544.46
January 2008	83,273,378.16	September 2012	18,710,077.23	May 2017	2,383,697.66
February 2008	81,828,080.21	October 2012	18,106,143.37	June 2017	2,276,167.71
March 2008	80,390,122.64	November 2012	17,520,604.96	July 2017	2,171,851.58
April 2008	78,959,467.57	December 2012	16,952,903.07	August 2017	2,070,649.40
May 2008	77,536,077.30	January 2013	16,402,495.61	September 2017	1,972,464.31
June 2008	76,119,914.32	February 2013	15,868,856.81	October 2017	1,877,202.45
July 2008	74,710,941.33	March 2013	15,351,476.75	November 2017	1,784,772.77
August 2008	73,309,121.19	April 2013	14,849,860.88	December 2017	1,695,087.03
September 2008	71,914,416.99	May 2013	14,363,529.57	January 2018	1,608,059.66
October 2008	70,526,791.98	June 2013	13,892,017.62	February 2018	1,523,607.72
November 2008	69,146,209.61	July 2013	13,434,873.91	March 2018	1,441,650.77
December 2008	67,772,633.51	August 2013	12,991,660.88	April 2018	1,362,110.86
January 2009	66,406,027.51	September 2013	12,561,954.18	May 2018	1,284,912.39
February 2009	65,046,355.62	October 2013	12,145,342.30	June 2018	1,209,982.08
March 2009	63,693,582.02	November 2013	11,741,426.09	July 2018	1,137,248.88
April 2009	62,347,671.09	December 2013	11,349,818.51	August 2018	1,066,643.93
May 2009	61,008,587.39	January 2014	10,970,144.15	September 2018	998,100.44
June 2009	59,676,295.65	February 2014	10,602,038.97	October 2018	931,553.68
July 2009	58,350,760.80	March 2014	10,245,149.91	November 2018	866,940.91
August 2009	57,031,947.94	April 2014	9,899,134.59	December 2018	804,201.28
September 2009	55,719,822.34	May 2014	9,563,660.95	January 2019	743,275.81
October 2009	54,414,349.46	June 2014	9,238,406.98	February 2019	684,107.34
November 2009	53,115,494.94	July 2014	8,923,060.40	March 2019	626,640.44

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
April 2019	\$ 570,821.38	September 2019	\$ 314,675.45	February 2020	\$ 92,555.08
May 2019	516,598.07	October 2019	267,703.75	March 2020	51,752.42
June 2019	463,920.02	November 2019	222,047.13	April 2020	12,067.81
July 2019	412,738.30	December 2019	177,663.67	May 2020 and thereafter	0.00
August 2019	363,005.44	January 2020	134,512.78		

Aggregate Group II 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	\$83,194,000.00	March 2007	\$44,628,174.43	February 2009	\$15,685,687.74
May 2005	81,861,498.51	April 2007	43,053,295.46	March 2009	14,727,059.50
June 2005	80,475,086.83	May 2007	41,510,964.13	April 2009	13,789,657.14
July 2005	79,036,558.80	June 2007	40,000,598.46	May 2009	12,873,075.05
August 2005	77,547,797.24	July 2007	38,521,625.57	June 2009	11,976,913.95
September 2005	76,010,770.39	August 2007	37,073,481.50	July 2009	11,100,780.71
October 2005	74,427,528.17	September 2007	35,655,611.09	August 2009	10,244,288.33
November 2005	72,800,198.12	October 2007	34,267,467.87	September 2009	9,407,055.83
December 2005	71,130,981.33	November 2007	32,908,513.89	October 2009	8,588,708.11
January 2006	69,422,148.01	December 2007	31,578,219.60	November 2009	7,788,875.88
February 2006	67,676,033.03	January 2008	30,276,063.69	December 2009	7,007,195.61
March 2006	65,895,031.23	February 2008	29,001,533.00	January 2010	6,243,309.36
April 2006	64,081,592.63	March 2008	27,754,122.36	February 2010	5,496,864.74
May 2006	62,238,217.47	April 2008	26,533,334.47	March 2010	4,767,514.86
June 2006	60,367,451.17	May 2008	25,338,679.78	April 2010	4,054,918.14
July 2006	58,471,879.16	June 2008	24,169,676.38	May 2010	3,358,738.33
August 2006	56,614,526.82	July 2008	23,025,849.84	June 2010	2,678,644.35
September 2006	54,794,723.47	August 2008	21,906,733.16	July 2010	2,014,310.23
October 2006	53,011,808.88	September 2008	20,811,866.56	August 2010	1,365,415.09
November 2006	51,265,133.18	October 2008	19,740,797.44	September 2010	739,097.28
December 2006	49,554,056.66	November 2008	18,693,080.23	October 2010	136,651.59
January 2007	47,877,949.66	December 2008	17,668,276.30	November 2010 and thereafter	0.00
February 2007	46,236,192.30	January 2009	16,665,953.84		

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.

\$393,454,000



FannieMae®

**Guaranteed
REMIC Pass-Through
Certificates**

Fannie Mae REMIC Trust 2005-37

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PROSPECTUS SUPPLEMENT

LEHMAN BROTHERS

March 14, 2005
