

\$250,000,000



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2006-7**

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 class), 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.

<i>Class</i>	<i>Original Class Balance</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
TA(1)	\$61,995,000	PAC	6.0%	FIX	31394VZY9	May 2028
TB	23,078,000	PAC	6.0	FIX	31394VZZ6	February 2031
TC	26,868,000	PAC	6.0	FIX	31394VA26	September 2033
TD	20,208,000	PAC	6.0	FIX	31394VA34	April 2035
TE	11,588,000	PAC	6.0	FIX	31394VA42	February 2036
FA	74,610,400	TAC/AD	(2)	FLT	31394VA59	February 2036
SA	18,652,600	TAC/AD	(2)	INV	31394VA67	February 2036
BZ	13,000,000	SUP	6.0	FIX/Z	31394VA75	February 2036
R	0	NPR	0	NPR	31394VA83	February 2036

(1) Exchangeable class.

(2) Based on LIBOR.

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 TG, TH, TJ, TK and IT 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 January 31, 2006.

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

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

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

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

Goldman, Sachs & Co.

The date of this Prospectus Supplement is January 9, 2006

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	<i>Cash Flow Distribution Amount</i>	S-17
INCORPORATION BY REFERENCE ...	S- 3	STRUCTURING ASSUMPTIONS	S-18
RECENT DEVELOPMENTS	S- 4	<i>Pricing Assumptions</i>	S-18
REFERENCE SHEET	S- 7	<i>Prepayment Assumptions</i>	S-18
ADDITIONAL RISK FACTORS	S-10	<i>Structuring Range and Rate</i>	S-18
DESCRIPTION OF THE		<i>Initial Effective Range</i>	S-19
CERTIFICATES	S-11	YIELD TABLES	S-19
GENERAL	S-11	<i>General</i>	S-19
<i>Structure</i>	S-11	<i>The Inverse Floating Rate Class</i>	S-20
<i>Fannie Mae Guaranty</i>	S-12	<i>The Fixed Rate Interest Only Class</i>	S-20
<i>Characteristics of Certificates</i>	S-12	WEIGHTED AVERAGE LIVES OF THE	
<i>Authorized Denominations</i>	S-13	CERTIFICATES	S-21
<i>Distribution Dates</i>	S-13	DECREMENT TABLES	S-22
<i>Record Date</i>	S-13	CHARACTERISTICS OF THE R CLASS	S-25
<i>Class Factors</i>	S-13	CERTAIN ADDITIONAL FEDERAL	
<i>No Optional Termination</i>	S-13	INCOME TAX CONSEQUENCES	S-26
COMBINATION AND RECOMBINATION	S-13	U.S. TREASURY CIRCULAR 230 NOTICE	S-26
<i>General</i>	S-13	REMIC ELECTION AND SPECIAL TAX	
<i>Procedures</i>	S-13	ATTRIBUTES	S-26
<i>Additional Considerations</i>	S-14	TAXATION OF BENEFICIAL OWNERS OF	
THE MBS	S-14	REGULAR CERTIFICATES	S-26
FINAL DATA STATEMENT	S-15	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF INTEREST	S-15	RESIDUAL CERTIFICATES	S-27
<i>Categories of Classes</i>	S-15	TAXATION OF BENEFICIAL OWNERS OF	
<i>General</i>	S-15	RCR CERTIFICATES	S-27
<i>Interest Accrual Periods</i>	S-16	<i>General</i>	S-27
<i>Accrual Class</i>	S-16	<i>Strip RCR Classes</i>	S-27
<i>Notional Class</i>	S-16	<i>Exchanges</i>	S-29
<i>Floating Rate and Inverse Floating Rate</i>		TAX RETURN DISCLOSURE REQUIREMENTS ..	S-29
<i>Classes</i>	S-16	PLAN OF DISTRIBUTION	S-29
CALCULATION OF LIBOR	S-16	<i>General</i>	S-29
DISTRIBUTIONS OF PRINCIPAL	S-17	<i>Increase in Certificates</i>	S-29
<i>Categories of Classes</i>	S-17	LEGAL MATTERS	S-29
<i>Principal Distribution Amount</i>	S-17	SCHEDULE 1	A- 1
<i>BZ Accrual Amount</i>	S-17	PRINCIPAL BALANCE SCHEDULES ..	B- 1

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 January 1, 2006 (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:

Goldman, Sachs & Co.
Prospectus Department
85 Broad Street, Concourse Level
New York, New York 10004
(telephone 212-902-1171).

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. 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. 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 our auditor for each of the fiscal years 2001, 2002, 2003, 2004 and 2005.

Stephen B. Ashley, a member of the Board, currently is serving as the non-executive Chairman of the Board. On June 1, 2005, the Board announced that it had selected Daniel H. Mudd, the former Chief Operating Officer of Fannie Mae, to be the new President and Chief Executive Officer. Mr. Mudd had been serving as the interim Chief Executive Officer since the retirement of Mr. Raines. Executive Vice President Robert Levin currently is serving as the interim Chief Financial Officer.

On December 15, 2004, the Office of the Chief Accountant of the Securities and Exchange Commission (the "SEC") issued a statement (the "Statement") regarding certain accounting issues relating to Fannie Mae, including determinations by the SEC that we 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 reports on Form 10-Q for the quarters ended September 30, 2004, March 31, 2005 and June 30, 2005, 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, the Office of Federal Housing Enterprise Oversight (“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.

Our Board and management are addressing the issues and questions raised by OFHEO. In addition, the Board designated its Special Review Committee to review the findings of OFHEO’s September 2004 special examination report. This review, led by former Senator Warren Rudman of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison (“Paul Weiss”), is focused on: accounting issues, including accounting policies, procedures and controls regarding FAS 91 and FAS 133; organization, structure and governance, including Board oversight and management responsibilities and resources; and executive compensation. Paul Weiss’ work continues as it examines these areas and other issues that may arise in the course of its review, reporting regularly to the Board. We will report to OFHEO regarding each of these issues and will continue to work with OFHEO to resolve these matters as part of our ongoing internal reviews and restatement process. In light of the foregoing,

management has initiated a comprehensive review of accounting routines and controls, the financial reporting process and the application of GAAP, which will include the issues OFHEO has identified, as well as issues identified by management and/or Deloitte. Management, working with accounting consultants, will develop a view on these issues, which then will be reviewed with the Audit Committee, Deloitte and OFHEO. Upon conclusion of this review, our financial statements will be restated where necessary and submitted to Deloitte for review as part of its audit. We are providing periodic updates to the SEC and the New York Stock Exchange on the restatement. In addition, the SEC and the U.S. Attorney's Office for the District of Columbia are conducting ongoing investigations into these matters.

OFHEO is required to review our capital classification quarterly, and as of September 30, 2004 and December 31, 2004, classified us as "significantly undercapitalized." As a result of this classification, we submitted a capital restoration plan to OFHEO in January 2005, and 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 SEC on February 23, 2005. On May 19, 2005, OFHEO classified us as "adequately capitalized" as of March 31, 2005. OFHEO has noted that this classification is subject to revision pending the outcome of ongoing accounting reviews, and that this classification does not amend any existing capital restoration plans currently in place between Fannie Mae and OFHEO.

In a Form 12b-25 filed with the SEC on August 9, 2005, we reported that, based on our current assessment, we are not likely to complete and file our Annual Report on Form 10-K for the year ended December 31, 2004, which will contain restated financial information, prior to the second half of 2006. We also reported in that Form 12b-25 that we are uncertain whether Deloitte will be able to opine on either the effectiveness of our internal control over financial reporting or management's process for assessing the effectiveness of internal control over financial reporting as of December 31, 2004 or December 31, 2005. We also reported in that Form 12b-25 that current NYSE listing standards allow the NYSE to continue to list the securities of a listed company for up to nine months after a company is delinquent in filing its Annual Report on Form 10-K (until December 16, 2005, in the case of Fannie Mae). The NYSE, in its sole discretion, also may extend the listing of a company's securities for another three months after that date, depending on the company's circumstances. Under the rules of the NYSE, Fannie Mae would have a right to a review of any decision to delist its securities by a committee of the NYSE Board of Directors.

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.

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of January 1, 2006)

Approximate Principal Balance	Original Term to Maturity (in months)	Approximate Weighted Average Remaining Term to Maturity (in months)	Approximate Weighted Average Loan Age (in months)	Approximate Weighted Average Coupon
\$122,173,104	360	355	4	6.490%
\$ 3,449,950*	360	354	4	6.565%
\$ 59,998,837**	360	359	1	6.750%
\$ 46,551,213***	360	359	1	6.439%
\$ 17,826,896	360	335	21	6.399%

* As further described in this prospectus supplement, the mortgage loans underlying approximately 1.4% of the principal amount of MBS provide for interest only periods that may range from greater than 3 to no more than 5 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 54 months.

** As further described in this prospectus supplement, the mortgage loans underlying approximately 24% of the principal amount of MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 119 months.

*** As further described in this prospectus supplement, the mortgage loans underlying approximately 18.6% of the principal amount of MBS provide for interest only periods that may range from greater than 10 to no more than 15 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 179 months.

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 January 31, 2006.

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 Class	R Class

Exchanging Certificates Through Combination and Recombination

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

Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FA	4.80%	7.50%	0.40%	LIBOR + 40 basis points
SA	10.80%	28.40%	0.00%	28.4% - (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 Class

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

<u>Class</u>	
IT	16.6666666667% of the TA Class

Distributions of Principal

Principal Distribution Amount

BZ Accrual Amount

To Aggregate Group II to its Targeted Balance, and thereafter to the BZ Class.

Cash Flow Distribution Amount

1. To Aggregate Group I to its Planned Balance.
2. To Aggregate Group II to its Targeted Balance.
3. To the BZ Class to zero.

4. To Aggregate Group II to zero.

5. To Aggregate Group I to zero.

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

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

Weighted Average Lives (years) *

<u>Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>273%</u>	<u>350%</u>	<u>500%</u>	<u>650%</u>	<u>800%</u>
TA, TG, TH, TJ, TK and								
IT	12.4	2.8	2.8	2.8	2.8	2.6	2.3	2.1
TB	19.2	5.9	5.9	5.9	5.9	4.5	3.6	3.0
TC	21.5	8.0	8.0	8.0	8.0	5.8	4.5	3.7
TD	23.3	11.0	11.0	11.0	11.0	7.8	6.0	4.9
TE	24.4	16.5	16.5	16.5	16.5	12.0	9.1	7.3
FA and SA	20.9	14.1	9.1	6.2	3.2	2.1	1.7	1.4
BZ	28.6	24.6	22.2	1.1	0.8	0.5	0.4	0.3

* 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 MBS, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

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

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

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

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

Certain mortgage loans underlying the MBS provide for interest only payments for a lengthy initial period and thus may be more likely to be refinanced than other mortgage loans. The scheduled monthly payments on certain of the mortgage loans underlying the MBS represent accrued interest only during periods that may range from greater than three to no more than five years, at least seven to no more than ten years, or greater than ten to no more than fifteen years, as applicable, following origination. Thereafter, the scheduled monthly payments in each case are increased to amounts sufficient to pay current interest and to fully amortize each of these mortgage loans by its maturity date. As a result, borrowers may be more likely to refinance these mortgage loans on

or before the dates on which the scheduled monthly payments increase.

Recent hurricanes in the Gulf Coast region may present risk of increased mortgage loan prepayments. In August and September 2005, Hurricane Katrina and Hurricane Rita and related events caused catastrophic damage to extensive areas along the Gulf Coast of the United States, including portions of coastal and inland Alabama, Florida, Louisiana, Mississippi, and Texas. The full extent of the physical damage resulting from severe flooding, high winds and environmental contamination remains uncertain at this time. Hundreds of thousands of people have been displaced and interruptions in the regional economy have been significant. Although the long-term effects are unclear, these events could lead to a general economic downturn in the Gulf Coast region, including job losses and declines in real estate values. Accordingly, defaults on any mortgage loans in the affected areas may increase, in turn resulting in early payments of principal of the certificates backed by those mortgage loans. Additionally, casualty losses on mortgage properties with hurricane or flood damage may result in early payment of principal of the related certificates.

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 understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) pursuant to a trust agreement dated as of January 1, 2006 (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 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 Class) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.

The assets of the Trust will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (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 Class) 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 Certificate in fully registered, certificated form. The “Holder” or “Certificateholder” of the R Certificate is its registered owner. The R 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 Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R Class” below.

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust 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 Class)	\$1,000 minimum plus whole dollar increments

We will issue the R Class as a single Certificate with no principal balance.

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 Class).

No Optional Termination. We have no option to effect an early termination of 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 TA Class 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 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 (by principal balance at the Issue Date), are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. The Mortgage Loans have original maturities of up to 30 years.

In addition, in the case of approximately 18.6% of the Mortgage Loans underlying the MBS (by principal balance at the Issue Date), the scheduled monthly payments on those loans represent accrued interest only for periods that may range from greater than ten to no more than fifteen years following origination. In the case of approximately 24% of the Mortgage Loans underlying the MBS (by principal balance at the Issue Date), the scheduled monthly payments on those loans represent accrued interest only for periods that may range from at least seven to no more than ten years following origination. Finally, the case of approximately 1.4% of the Mortgage Loans underlying the MBS (by principal balance at the Issue Date), the scheduled monthly payments on those loans represent accrued interest only for periods that may range from greater than three to no more than five years following origination. Beginning with the first monthly payment following the expiration of the applicable interest only period, the scheduled monthly payment on each of these Mortgage Loans will be increased by an amount sufficient to pay accrued interest and to fully amortize the Mortgage Loan by its scheduled maturity date.

See "The Mortgage Pools" and "Yield, Maturity, and Prepayment Considerations" in the MBS Prospectus.

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

Aggregate Unpaid Principal Balance	\$250,000,000
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	355 months*
Approximate Weighted Average WALA (weighted average loan age)	4 months

* As described above, approximately 18.6% of the Mortgage Loans (by principal balance at the Issue Date) provide for interest only periods that may range from greater than 10 to no more than 15 years following origination. In addition, approximately 24% of the Mortgage Loans (by principal balance at the Issue Date) provide for interest only periods that may range from at least 7 to no more than 10 years following origination. Finally, approximately 1.4% of the Mortgage Loans (by principal balance at the Issue Date) provide for interest only periods that may range from greater than 3 to no more than 5 years following origination. The approximate weighted average remaining terms to expiration of the interest only periods for those Mortgage Loans are expected to be approximately 179 months, 119 months, and 54 months, respectively.

Final Data Statement

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

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	TA, TB, TC, TD, TE and BZ
Floating Rate	FA
Inverse Floating Rate	SA
Accrual	BZ
RCR**	TG, TH, TJ, TK and IT
No Payment Residual	R

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

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

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Class) 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 Class) 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 Class, see “—*Accrual Class*” 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 Class. The BZ Class is the Accrual Class. Interest will accrue on the Accrual Class at the annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

Notional Class. The Notional Class will not have a principal balance. During each Interest Accrual Period, the Notional Class will bear interest on its notional principal balance at its applicable interest rate. The notional principal balance of the Notional Class will be calculated as specified under “Reference Sheet—Notional Class” in this prospectus supplement.

We use the notional principal balance of the Notional Class to determine interest payments on that Class. Although the 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 balance of the Notional Class.

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 4.40%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
PAC	TA, TB, TC, TD and TE
TAC	FA and SA
Support	BZ
Accretion Directed	FA and SA
RCR**	TG, TH, TJ, TK and IT
No Payment Residual	R

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

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

Principal Distribution Amount

On the Distribution Date in each month, we will pay principal on the Certificates in an aggregate amount (the “Principal Distribution Amount”) equal to the sum of the principal then paid on the MBS (the “Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the BZ Class (the “BZ Accrual Amount”).

BZ Accrual Amount

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

Cash Flow Distribution Amount

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

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

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

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

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

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

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 tables;
- the settlement date for the sale of the Certificates is January 31, 2006; and
- each Distribution Date occurs on the 25th day of a month.

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

Structuring Range and Rate. 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 Structuring Range or at the PSA rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Groups (1)</u>	<u>Structuring Range and Rate</u>
Planned Balances	Aggregate Group I	Between 100% and 350% PSA
Targeted Balances	Aggregate Group II	150% PSA

(1) The Structuring Range and Rate 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 either 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 either 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 Mortgage Loans prepay at a rate falling within the Structuring Range, principal distributions may be insufficient to reduce the applicable Group to its scheduled balance if the

prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the 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 Structuring Range or at the rate specified above.

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

<u>Group</u>	<u>Initial Effective Range</u>
Aggregate Group I	Between 100% and 350% PSA

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

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

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

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 to changes in the Index. We calculated the yields set forth in the tables by

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

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

We cannot assure you that

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

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

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

The Inverse Floating Rate Class. The yield on the Inverse Floating Rate Class will be sensitive to the rate of principal payments, including prepayments, of the 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.

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

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

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

<u>Class</u>	<u>Price*</u>
SA	100.75%

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

Sensitivity of the 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>150%</u>	<u>273%</u>	<u>350%</u>	<u>500%</u>	<u>650%</u>	<u>800%</u>
2.4%	19.3%	19.3%	19.2%	19.1%	18.9%	18.7%	18.5%	18.4%
4.4%	10.9%	10.9%	10.9%	10.8%	10.7%	10.6%	10.5%	10.4%
6.4%	2.8%	2.8%	2.8%	2.8%	2.7%	2.7%	2.7%	2.7%
7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The Fixed Rate Interest Only Class. The yield to investors in the Fixed Rate Interest Only Class will be very sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the Fixed

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

<u>Class</u>	<u>% PSA</u>
IT	485% PSA

If the actual prepayment rate of the Mortgage Loans were to exceed the level specified for as little as one month while equaling that level for the remaining months, the investors in the applicable Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
IT	15.531%

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

Sensitivity of the IT Class to Prepayments

	PSA Prepayment Assumption							
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>273%</u>	<u>350%</u>	<u>500%</u>	<u>650%</u>	<u>800%</u>
Pre-Tax Yields to Maturity . . .	20.9%	2.6%	2.6%	2.6%	2.6%	(0.7)%	(9.7)%	(19.1)%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequence of payments of principal of the Classes, and
- the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

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

Decrement Tables

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

<u>Original Term to Maturity</u>	<u>Remaining Term to Maturity</u>	<u>Interest Rate</u>
360 months	360 months	8.50%

In addition, in the case of the information set forth for each Class under 0% PSA, we assumed that 18.6% of the Mortgage Loans have an original and a remaining interest only period of 180 months, 24% of the Mortgage Loans have an original and a remaining interest only period of 120 months, and 1.4% of the Mortgage Loans have an original and a remaining interest only period of 60 months (in each case measured by principal balance at the Issue Date).

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rate, WALA or remaining term 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	TA, TG, TH, TJ, TK and IT† Classes								TB Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	150%	273%	350%	500%	650%	800%	0%	100%	150%	273%	350%	500%	650%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2007	98	89	89	89	89	89	89	89	100	100	100	100	100	100	100	100
January 2008	96	69	69	69	69	69	69	69	100	100	100	100	100	100	100	100
January 2009	94	45	45	45	45	45	19	0	100	100	100	100	100	100	100	50
January 2010	92	21	21	21	21	4	0	0	100	100	100	100	100	100	0	0
January 2011	90	0	0	0	0	0	0	0	100	97	97	97	97	0	0	0
January 2012	87	0	0	0	0	0	0	0	100	41	41	41	41	0	0	0
January 2013	84	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2014	81	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2015	78	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2016	74	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2017	68	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2018	61	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2019	54	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2020	46	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2021	38	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2022	26	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2023	13	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	99	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	58	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	13	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.4	2.8	2.8	2.8	2.8	2.6	2.3	2.1	19.2	5.9	5.9	5.9	5.9	4.5	3.6	3.0

Date	TC Class								TD Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	150%	273%	350%	500%	650%	800%	0%	100%	150%	273%	350%	500%	650%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2008	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2009	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2010	100	100	100	100	100	100	93	17	100	100	100	100	100	100	100	100
January 2011	100	100	100	100	100	99	9	0	100	100	100	100	100	100	100	35
January 2012	100	100	100	100	100	32	0	0	100	100	100	100	100	100	45	0
January 2013	100	90	90	90	90	0	0	0	100	100	100	100	100	81	5	0
January 2014	100	47	47	47	47	0	0	0	100	100	100	100	100	39	0	0
January 2015	100	11	11	11	11	0	0	0	100	100	100	100	100	9	0	0
January 2016	100	0	0	0	0	0	0	0	100	76	76	76	76	0	0	0
January 2017	100	0	0	0	0	0	0	0	100	46	46	46	46	0	0	0
January 2018	100	0	0	0	0	0	0	0	100	22	22	22	22	0	0	0
January 2019	100	0	0	0	0	0	0	0	100	4	4	4	4	0	0	0
January 2020	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2021	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2022	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2023	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2024	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2025	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2026	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2027	70	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2028	25	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	68	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.5	8.0	8.0	8.0	8.0	5.8	4.5	3.7	23.3	11.0	11.0	11.0	11.0	7.8	6.0	4.9

** 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	TE Class								FA and SA Classes							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	150%	273%	350%	500%	650%	800%	0%	100%	150%	273%	350%	500%	650%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2007	100	100	100	100	100	100	100	100	99	99	96	96	96	92	83	75
January 2008	100	100	100	100	100	100	100	100	98	98	90	86	74	52	30	10
January 2009	100	100	100	100	100	100	100	100	97	97	83	66	46	12	0	0
January 2010	100	100	100	100	100	100	100	100	96	96	76	50	27	0	0	0
January 2011	100	100	100	100	100	100	100	100	95	95	71	39	14	0	0	0
January 2012	100	100	100	100	100	100	100	83	94	94	66	31	6	0	0	0
January 2013	100	100	100	100	100	100	100	43	93	93	62	26	1	0	0	0
January 2014	100	100	100	100	100	100	65	22	91	91	59	24	*	0	0	0
January 2015	100	100	100	100	100	100	39	11	90	89	55	22	*	0	0	0
January 2016	100	100	100	100	100	80	24	6	89	85	50	20	*	0	0	0
January 2017	100	100	100	100	100	55	14	3	87	79	43	17	*	0	0	0
January 2018	100	100	100	100	100	38	8	2	85	72	37	15	*	0	0	0
January 2019	100	100	100	100	100	26	5	1	84	64	30	13	*	0	0	0
January 2020	100	81	81	81	81	18	3	*	82	56	22	12	*	0	0	0
January 2021	100	62	62	62	62	12	2	*	80	48	15	10	*	0	0	0
January 2022	100	46	46	46	46	8	1	*	78	39	8	8	*	0	0	0
January 2023	100	34	34	34	34	5	1	*	75	30	*	7	*	0	0	0
January 2024	100	25	25	25	25	4	*	*	73	21	0	6	*	0	0	0
January 2025	100	18	18	18	18	2	*	*	70	11	0	5	*	0	0	0
January 2026	100	13	13	13	13	2	*	*	68	2	0	4	*	0	0	0
January 2027	100	9	9	9	9	1	*	*	65	0	0	3	*	0	0	0
January 2028	100	6	6	6	6	1	*	*	62	0	0	3	*	0	0	0
January 2029	100	3	3	3	3	*	*	*	59	0	0	2	*	0	0	0
January 2030	94	2	2	2	2	*	*	*	55	0	0	2	*	0	0	0
January 2031	*	*	*	*	*	*	*	*	47	0	0	1	*	0	0	0
January 2032	0	0	0	0	0	*	*	*	25	0	0	1	*	0	0	0
January 2033	0	0	0	0	0	*	*	*	1	0	0	1	*	0	0	0
January 2034	0	0	0	0	0	*	*	*	0	0	0	*	*	0	0	0
January 2035	0	0	0	0	0	*	*	*	0	0	0	*	*	0	0	0
January 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	24.4	16.5	16.5	16.5	16.5	12.0	9.1	7.3	20.9	14.1	9.1	6.2	3.2	2.1	1.7	1.4

Date	BZ Class							
	PSA Prepayment Assumption							
	0%	100%	150%	273%	350%	500%	650%	800%
Initial Percent	100	100	100	100	100	100	100	100
January 2007	106	106	106	57	26	0	0	0
January 2008	113	113	113	0	0	0	0	0
January 2009	120	120	120	0	0	0	0	0
January 2010	127	127	127	0	0	0	0	0
January 2011	135	135	135	0	0	0	0	0
January 2012	143	143	143	0	0	0	0	0
January 2013	152	152	152	0	0	0	0	0
January 2014	161	161	161	0	0	0	0	0
January 2015	171	171	171	0	0	0	0	0
January 2016	182	182	182	0	0	0	0	0
January 2017	193	193	193	0	0	0	0	0
January 2018	205	205	205	0	0	0	0	0
January 2019	218	218	218	0	0	0	0	0
January 2020	231	231	231	0	0	0	0	0
January 2021	245	245	245	0	0	0	0	0
January 2022	261	261	261	0	0	0	0	0
January 2023	277	277	277	0	0	0	0	0
January 2024	294	294	245	0	0	0	0	0
January 2025	312	312	213	0	0	0	0	0
January 2026	331	331	183	0	0	0	0	0
January 2027	351	304	155	0	0	0	0	0
January 2028	373	262	130	0	0	0	0	0
January 2029	396	222	107	0	0	0	0	0
January 2030	421	184	86	0	0	0	0	0
January 2031	446	147	67	0	0	0	0	0
January 2032	474	112	50	0	0	0	0	0
January 2033	503	79	34	0	0	0	0	0
January 2034	553	48	20	0	0	0	0	0
January 2035	184	20	8	0	0	0	0	0
January 2036	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.6	24.6	22.2	1.1	0.8	0.5	0.4	0.3

* 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.

Characteristics of the R Class

The R Class will not have a principal balance 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. Fannie Mae does not expect that any material assets will remain in that 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 Class will constitute a noneconomic residual interest 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. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to that Holder (i) information necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the R 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.

U.S. Treasury Circular 230 Notice

The tax discussions contained in the REMIC Prospectus (including the sections entitled “Certain Federal Income Tax Consequences” and “ERISA Considerations”) and this prospectus supplement were not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties. These discussions were written to support the promotion or marketing of the transactions or matters addressed in this prospectus supplement. You should seek advice based on your particular circumstances from an independent tax advisor.

REMIC Election and Special Tax Attributes

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

Because the Trust will qualify as a REMIC, 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 Class, 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 Accrual Class 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 Assumption that will be used in determining the rate of accrual of OID will be 273% 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 that rate 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 that generally will not be treated as excess inclusions, the rate to be used is 5.58% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

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

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes (each, a “Strip RCR Class”) will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. Each Certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying REMIC Certificates.

Strip RCR Classes. The tax consequences to a beneficial owner of a Strip RCR Certificate will be determined under section 1286 of the Code, except as discussed below. Under section 1286, a beneficial owner of a Strip RCR Certificate will be treated as owning “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying REMIC Certificates. If a Strip RCR Certificate entitles the holder to payments of principal and interest on an underlying REMIC Certificate, the IRS could contend that the Strip RCR Certificate should be treated (i) as an interest in the underlying REMIC Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on the underlying REMIC Certificate, and (ii) with respect to the remainder, as an installment obligation consisting of “stripped bonds” to the extent of its share of principal payments or “stripped coupons”

to the extent of its share of interest payments. For purposes of information reporting, however, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument, regardless of whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

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

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

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

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

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under “—*Taxation of Beneficial Owners of RCR Certificates—Exchanges*”) a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case section 1286 would not apply. If a beneficial owner acquires such a combination in separate

transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for REMIC Certificates, see “—*Exchanges*” below.

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

Treasury Department Regulations that are directed at “tax shelters” 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 Goldman, Sachs & Co. (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 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 Class bears to the aggregate original principal balance of all Classes 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 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 Balance	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1								
TA	\$61,995,000	TG	\$61,995,000	5.00%	FIX	PAC	31394VB25	May 2028
		IT	10,332,500 (4)	6.00	FIX/IO	NTL	31394VB66	May 2028
Recombination 2								
TA	61,995,000	TH	61,995,000	5.25	FIX	PAC	31394VB33	May 2028
		IT	7,749,375 (4)	6.00	FIX/IO	NTL	31394VB66	May 2028
Recombination 3								
TA	61,995,000	TJ	61,995,000	5.50	FIX	PAC	31394VB41	May 2028
		IT	5,166,250 (4)	6.00	FIX/IO	NTL	31394VB66	May 2028
Recombination 4								
TA	61,995,000	TK	61,995,000	5.75	FIX	PAC	31394VB58	May 2028
		IT	2,583,125 (4)	6.00	FIX/IO	NTL	31394VB66	May 2028

(1) REMIC Certificates and RCR Certificates in any Recombination may be exchanged only in the proportions shown in this Schedule 1.

(2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the 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” same proportionate relationship as that borne by the original balances of the related Classes.

(4) 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	\$143,737,000.00	April 2010	\$ 91,320,057.60	July 2014	\$ 39,342,460.47
February 2006	143,396,241.44	May 2010	90,162,753.61	August 2014	38,533,985.11
March 2006	143,013,439.17	June 2010	89,011,369.61	September 2014	37,741,777.02
April 2006	142,588,699.92	July 2010	87,865,875.12	October 2014	36,965,512.13
May 2006	142,122,151.75	August 2010	86,722,605.43	November 2014	36,204,872.76
June 2006	141,613,944.10	September 2010	85,585,182.43	December 2014	35,459,547.52
July 2006	141,064,247.65	October 2010	84,453,576.03	January 2015	34,729,231.18
August 2006	140,473,254.32	November 2010	83,327,756.32	February 2015	34,013,624.57
September 2006	139,841,177.13	December 2010	82,207,693.52	March 2015	33,312,434.42
October 2006	139,168,250.13	January 2011	81,093,358.03	April 2015	32,625,373.27
November 2006	138,457,718.82	February 2011	79,984,720.38	May 2015	31,952,159.35
December 2006	137,709,807.23	March 2011	78,881,751.25	June 2015	31,292,516.50
January 2007	136,924,758.86	April 2011	77,784,421.49	July 2015	30,646,173.97
February 2007	136,102,836.58	May 2011	76,692,702.08	August 2015	30,012,866.42
March 2007	135,244,322.42	June 2011	75,606,564.16	September 2015	29,392,333.75
April 2007	134,349,517.46	July 2011	74,525,979.02	October 2015	28,784,321.01
May 2007	133,418,741.56	August 2011	73,450,918.10	November 2015	28,188,578.31
June 2007	132,452,333.23	September 2011	72,381,352.97	December 2015	27,604,860.68
July 2007	131,450,649.36	October 2011	71,317,255.36	January 2016	27,018,095.31
August 2007	130,414,064.99	November 2011	70,258,597.14	February 2016	26,443,374.83
September 2007	129,342,973.05	December 2011	69,205,350.34	March 2016	25,880,456.06
October 2007	128,237,784.13	January 2012	68,157,487.11	April 2016	25,329,100.67
November 2007	127,098,926.11	February 2012	67,114,979.76	May 2016	24,789,075.08
December 2007	125,926,843.95	March 2012	66,077,800.73	June 2016	24,260,150.39
January 2008	124,721,999.32	April 2012	65,045,922.62	July 2016	23,742,102.28
February 2008	123,484,870.27	May 2012	64,019,318.15	August 2016	23,234,710.88
March 2008	122,215,950.91	June 2012	62,997,960.19	September 2016	22,737,760.75
April 2008	120,935,737.61	July 2012	61,981,821.75	October 2016	22,251,040.72
May 2008	119,644,414.49	August 2012	60,970,875.99	November 2016	21,774,343.87
June 2008	118,342,173.18	September 2012	59,965,096.18	December 2016	21,307,467.41
July 2008	117,046,597.44	October 2012	58,964,455.75	January 2017	20,850,212.59
August 2008	115,757,652.96	November 2012	57,968,928.26	February 2017	20,402,384.65
September 2008	114,475,305.64	December 2012	56,978,487.40	March 2017	19,963,792.72
October 2008	113,199,521.54	January 2013	55,993,107.02	April 2017	19,534,249.75
November 2008	111,930,266.91	February 2013	55,012,761.07	May 2017	19,113,572.44
December 2008	110,667,508.14	March 2013	54,037,423.65	June 2017	18,701,581.14
January 2009	109,411,211.83	April 2013	53,067,069.00	July 2017	18,298,099.81
February 2009	108,161,344.73	May 2013	52,101,671.49	August 2017	17,902,955.93
March 2009	106,917,873.78	June 2013	51,141,205.61	September 2017	17,515,980.43
April 2009	105,680,766.05	July 2013	50,185,645.99	October 2017	17,137,007.64
May 2009	104,449,988.83	August 2013	49,234,967.38	November 2017	16,765,875.19
June 2009	103,225,509.55	September 2013	48,289,144.69	December 2017	16,402,423.97
July 2009	102,007,295.81	October 2013	47,348,152.92	January 2018	16,046,498.07
August 2009	100,795,315.38	November 2013	46,411,967.23	February 2018	15,697,944.68
September 2009	99,589,536.19	December 2013	45,480,562.88	March 2018	15,356,614.07
October 2009	98,389,926.34	January 2014	44,553,915.28	April 2018	15,022,359.51
November 2009	97,196,454.10	February 2014	43,640,654.79	May 2018	14,695,037.21
December 2009	96,009,087.89	March 2014	42,745,748.14	June 2018	14,374,506.26
January 2010	94,827,796.31	April 2014	41,868,829.99	July 2018	14,060,628.58
February 2010	93,652,548.09	May 2014	41,009,542.21	August 2018	13,753,268.86
March 2010	92,483,312.17	June 2014	40,167,533.74	September 2018	13,452,294.51

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>
October 2018	\$ 13,157,575.59	February 2023	\$ 3,863,508.56	May 2027	\$ 876,511.52
November 2018	12,868,984.78	March 2023	3,766,053.67	June 2027	846,089.30
December 2018	12,586,397.30	April 2023	3,670,738.87	July 2027	816,377.25
January 2019	12,309,690.89	May 2023	3,577,519.06	August 2027	787,359.90
February 2019	12,038,745.74	June 2023	3,486,350.10	September 2027	759,022.08
March 2019	11,773,444.46	July 2023	3,397,188.74	October 2027	731,348.95
April 2019	11,513,671.99	August 2023	3,309,992.63	November 2027	704,325.99
May 2019	11,259,315.60	September 2023	3,224,720.28	December 2027	677,938.96
June 2019	11,010,264.84	October 2023	3,141,331.06	January 2028	652,173.94
July 2019	10,766,411.45	November 2023	3,059,785.18	February 2028	627,017.30
August 2019	10,527,649.36	December 2023	2,980,043.65	March 2028	602,455.68
September 2019	10,293,874.65	January 2024	2,902,068.29	April 2028	578,476.04
October 2019	10,064,985.46	February 2024	2,825,821.73	May 2028	555,065.56
November 2019	9,840,882.01	March 2024	2,751,267.34	June 2028	532,211.74
December 2019	9,621,466.49	April 2024	2,678,369.26	July 2028	509,902.32
January 2020	9,406,643.11	May 2024	2,607,092.35	August 2028	488,125.30
February 2020	9,196,317.96	June 2024	2,537,402.23	September 2028	466,868.93
March 2020	8,990,399.05	July 2024	2,469,265.19	October 2028	446,121.72
April 2020	8,788,796.23	August 2024	2,402,648.24	November 2028	425,872.41
May 2020	8,591,421.17	September 2024	2,337,519.06	December 2028	406,109.99
June 2020	8,398,187.32	October 2024	2,273,846.01	January 2029	386,823.67
July 2020	8,209,009.87	November 2024	2,211,598.09	February 2029	368,002.91
August 2020	8,023,805.74	December 2024	2,150,744.95	March 2029	349,637.36
September 2020	7,842,493.49	January 2025	2,091,256.87	April 2029	331,716.92
October 2020	7,664,993.35	February 2025	2,033,104.72	May 2029	314,231.69
November 2020	7,491,227.15	March 2025	1,976,260.01	June 2029	297,171.98
December 2020	7,321,118.29	April 2025	1,920,694.81	July 2029	280,528.30
January 2021	7,148,664.73	May 2025	1,866,381.78	August 2029	264,291.39
February 2021	6,979,919.34	June 2025	1,813,294.15	September 2029	248,452.15
March 2021	6,814,804.99	July 2025	1,761,405.70	October 2029	233,001.70
April 2021	6,653,246.14	August 2025	1,710,690.76	November 2029	217,931.33
May 2021	6,495,168.77	September 2025	1,661,124.17	December 2029	203,232.53
June 2021	6,340,500.38	October 2025	1,612,681.33	January 2030	188,896.97
July 2021	6,189,169.96	November 2025	1,565,338.11	February 2030	174,916.49
August 2021	6,041,107.91	December 2025	1,519,070.91	March 2030	161,283.10
September 2021	5,896,246.08	January 2026	1,473,856.62	April 2030	147,988.99
October 2021	5,754,517.71	February 2026	1,429,672.58	May 2030	135,026.53
November 2021	5,615,857.40	March 2026	1,386,496.65	June 2030	122,388.22
December 2021	5,480,201.06	April 2026	1,344,307.10	July 2030	110,066.75
January 2022	5,347,485.95	May 2026	1,303,082.68	August 2030	98,054.95
February 2022	5,217,650.58	June 2026	1,262,802.59	September 2030	86,345.82
March 2022	5,090,634.72	July 2026	1,223,446.44	October 2030	74,932.48
April 2022	4,966,379.40	August 2026	1,184,994.28	November 2030	63,808.23
May 2022	4,844,826.81	September 2026	1,147,426.58	December 2030	52,966.49
June 2022	4,725,920.35	October 2026	1,110,724.20	January 2031	42,400.85
July 2022	4,609,604.59	November 2026	1,074,868.41	February 2031	32,105.00
August 2022	4,495,825.20	December 2026	1,039,840.88	March 2031	22,072.79
September 2022	4,384,528.98	January 2027	1,005,623.64	April 2031	12,298.21
October 2022	4,275,663.83	February 2027	972,199.12	May 2031	2,775.35
November 2022	4,169,178.70	March 2027	939,550.11	June 2031 and thereafter	0.00
December 2022	4,065,023.59	April 2027	907,659.74		
January 2023	3,963,149.53				

Aggregate Group II Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$93,263,000.00	April 2010	\$69,621,370.44	July 2014	\$52,960,972.78
February 2006	93,092,871.58	May 2010	69,177,749.35	August 2014	52,655,616.28
March 2006	92,901,735.08	June 2010	68,739,977.01	September 2014	52,341,606.58
April 2006	92,689,675.02	July 2010	68,307,985.60	October 2014	52,019,200.50
May 2006	92,456,802.17	August 2010	67,882,113.66	November 2014	51,688,648.97
June 2006	92,203,253.45	September 2010	67,461,904.19	December 2014	51,350,197.15
July 2006	91,929,191.97	October 2010	67,047,290.92	January 2015	51,004,084.49
August 2006	91,634,806.78	November 2010	66,638,208.16	February 2015	50,650,544.87
September 2006	91,320,312.86	December 2010	66,234,590.81	March 2015	50,289,806.75
October 2006	90,985,950.83	January 2011	65,836,374.29	April 2015	49,922,093.27
November 2006	90,633,524.36	February 2011	65,443,494.62	May 2015	49,547,622.33
December 2006	90,263,265.61	March 2011	65,055,888.36	June 2015	49,166,606.68
January 2007	89,875,430.66	April 2011	64,673,492.60	July 2015	48,779,254.13
February 2007	89,470,299.16	May 2011	64,296,245.02	August 2015	48,385,767.56
March 2007	89,048,174.09	June 2011	63,924,083.79	September 2015	47,986,345.03
April 2007	88,609,381.34	July 2011	63,556,947.65	October 2015	47,581,179.91
May 2007	88,154,269.37	August 2011	63,194,775.84	November 2015	47,170,460.98
June 2007	87,683,208.67	September 2011	62,837,508.16	December 2015	46,754,372.52
July 2007	87,196,591.39	October 2011	62,485,084.91	January 2016	46,296,414.36
August 2007	86,694,830.76	November 2011	62,137,446.91	February 2016	45,833,465.84
September 2007	86,178,360.57	December 2011	61,794,535.48	March 2016	45,365,706.42
October 2007	85,647,634.55	January 2012	61,456,292.47	April 2016	44,893,311.20
November 2007	85,103,125.82	February 2012	61,122,660.21	May 2016	44,416,450.98
December 2007	84,545,326.15	March 2012	60,793,581.55	June 2016	43,935,292.34
January 2008	83,974,745.32	April 2012	60,468,999.81	July 2016	43,449,997.74
February 2008	83,391,910.42	May 2012	60,148,858.82	August 2016	42,960,725.61
March 2008	82,797,365.10	June 2012	59,833,102.89	September 2016	42,467,630.42
April 2008	82,201,371.65	July 2012	59,521,676.81	October 2016	41,970,862.80
May 2008	81,604,125.86	August 2012	59,214,525.81	November 2016	41,470,569.57
June 2008	81,005,831.62	September 2012	58,911,595.67	December 2016	40,966,893.86
July 2008	80,415,120.81	October 2012	58,612,832.56	January 2017	40,459,975.18
August 2008	79,831,910.59	November 2012	58,318,183.17	February 2017	39,949,949.47
September 2008	79,256,118.78	December 2012	58,027,594.62	March 2017	39,436,949.23
October 2008	78,687,663.96	January 2013	57,741,014.47	April 2017	38,921,103.52
November 2008	78,126,465.39	February 2013	57,458,390.78	May 2017	38,402,538.10
December 2008	77,572,443.06	March 2013	57,179,672.02	June 2017	37,881,375.48
January 2009	77,025,517.62	April 2013	56,904,807.10	July 2017	37,357,734.96
February 2009	76,485,610.42	May 2013	56,633,745.40	August 2017	36,831,732.73
March 2009	75,952,643.49	June 2013	56,366,436.70	September 2017	36,303,481.95
April 2009	75,426,539.57	July 2013	56,102,831.25	October 2017	35,773,092.76
May 2009	74,907,222.01	August 2013	55,842,879.70	November 2017	35,240,672.39
June 2009	74,394,614.87	September 2013	55,586,533.11	December 2017	34,706,325.21
July 2009	73,888,642.85	October 2013	55,333,742.99	January 2018	34,170,152.80
August 2009	73,389,231.31	November 2013	55,084,461.26	February 2018	33,632,253.98
September 2009	72,896,306.27	December 2013	54,838,640.25	March 2018	33,092,724.91
October 2009	72,409,794.36	January 2014	54,596,232.69	April 2018	32,551,659.12
November 2009	71,929,622.86	February 2014	54,348,536.89	May 2018	32,009,147.57
December 2009	71,455,719.71	March 2014	54,090,515.31	June 2018	31,465,278.72
January 2010	70,988,013.42	April 2014	53,822,463.01	July 2018	30,920,138.55
February 2010	70,526,433.17	May 2014	53,544,668.35	August 2018	30,373,810.66
March 2010	70,070,908.71	June 2014	53,257,413.15	September 2018	29,826,376.29

Aggregate Group II (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
October 2018	\$29,277,914.37	April 2020	\$19,307,351.11	October 2021	\$ 9,007,290.51
November 2018	28,728,501.60	May 2020	18,751,643.64	November 2021	8,425,789.62
December 2018	28,178,212.47	June 2020	18,196,074.08	December 2021	7,845,209.92
January 2019	27,627,119.30	July 2020	17,640,683.14	January 2022	7,265,571.70
February 2019	27,075,292.32	August 2020	17,085,510.10	February 2022	6,686,894.25
March 2019	26,522,799.68	September 2020	16,530,592.89	March 2022	6,109,195.90
April 2019	25,969,707.55	October 2020	15,975,968.07	April 2022	5,532,493.98
May 2019	25,416,080.10	November 2020	15,421,670.90	May 2022	4,956,804.95
June 2019	24,861,979.55	December 2020	14,867,735.33	June 2022	4,382,144.33
July 2019	24,307,466.29	January 2021	14,278,376.56	July 2022	3,808,526.73
August 2019	23,752,598.82	February 2021	13,689,675.51	August 2022	3,235,965.92
September 2019	23,197,433.84	March 2021	13,101,663.88	September 2022	2,664,474.84
October 2019	22,642,026.30	April 2021	12,514,372.09	October 2022	2,094,065.55
November 2019	22,086,429.40	May 2021	11,927,829.36	November 2022	1,524,749.34
December 2019	21,530,694.70	June 2021	11,342,063.67	December 2022	956,536.71
January 2020	20,974,872.03	July 2021	10,757,101.82	January 2023	389,437.38
February 2020	20,419,009.69	August 2021	10,172,969.51	February 2023 and thereafter	0.00
March 2020	19,863,154.33	September 2021	9,589,691.26		

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.

\$250,000,000



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2006-7**

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	S- 2
Available Information	S- 3
Incorporation By Reference	S- 3
Recent Developments	S- 4
Reference Sheet	S- 7
Additional Risk Factors	S-10
Description of the Certificates	S-11
Certain Additional Federal Income Tax Consequences	S-26
Plan of Distribution	S-29
Legal Matters	S-29
Schedule 1	A- 1
Principal Balance Schedules	B- 1

PROSPECTUS SUPPLEMENT

Goldman, Sachs & Co.

January 9, 2006
