

\$613,114,208



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2006-21**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

- Fannie Mae MBS, and
- underlying RCR certificates backed by Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
CM(1)	1	\$112,742,000	SEQ	5.5%	FIX	31395BL27	May 2028
CN(1)	1	9,438,000	SEQ	5.5	FIX	31395BL35	March 2029
CB	1	26,820,000	SEQ	5.5	FIX	31395BL43	April 2031
UA(1)	2	259,314,000	SEQ	5.5	FIX	31395BL50	December 2032
UM(1)	2	8,545,000	SEQ	5.5	FIX	31395BL68	April 2033
UN(1)	2	4,132,000	SEQ	5.5	FIX	31395BL76	June 2033
UP(1)	2	4,041,000	SEQ	5.5	FIX	31395BL84	August 2033
UL(1)	2	3,968,000	SEQ	5.5	FIX	31395BL92	October 2033
UV	2	11,707,750	SEQ/AD	5.5	FIX	31395BM26	October 2013
WV	2	34,999,750	SEQ/AD	5.5	FIX	31395BM34	May 2026
WZ	2	23,292,500	SEQ	5.5	FIX/Z	31395BM42	April 2036
SW	3	6,923,078	PT	(2)	INV	31395BM59	April 2036
SX(1)	3	22,252,747(3)	NTL	(2)	INV/IO	31395BM67	April 2036
SY(1)	3	22,252,747(3)	NTL	(2)	INV/IO	31395BM75	April 2036
FA	3	45,000,000	PT	(2)	FLT	31395BM83	April 2036
HO(1)	4	1,789,475	SC/PT	(4)	PO	31395BM91	April 2033
HI(1)	4	1,789,475(3)	NTL	(2)	FLT/T/IO	31395BN25	April 2033
SH	4	2,000,000	SC/PT	(2)	INV/T	31395BN33	April 2033
HF	4	1,619,263	SC/PT	(2)	FLT/T	31395BN41	April 2033
HT	4	2,366,615	SC/PT	(2)	INV/T	31395BN58	April 2033
JI(1)	5	5,072,866(3)	NTL	(2)	FLT/T/IO	31395BN66	April 2033
JO(1)	5	5,072,866	SC/PT	(4)	PO	31395BN74	April 2033
SC	5	6,302,062	SC/SEQ	(2)	INV/T	31395BN82	April 2033
SD	5	1,112,128	SC/SEQ	(2)	INV/T	31395BN90	April 2033
AG	6	40,000,000	SEQ/AD	5.5	FIX	31395BP23	September 2033
Z	6	1,928,721	SEQ	5.5	FIX/Z	31395BP31	April 2036
R		0	NPR	0	NPR	31395BP49	April 2036
RL		0	NPR	0	NPR	31395BP56	April 2036

- (1) Exchangeable classes. (3) Notional balances. These classes are interest only classes.
(2) Based on LIBOR. (4) Principal only classes.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The CA, UH, A, UE, UB, UJ, XS, FH and FD 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 March 30, 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.

Merrill Lynch & Co.

The date of this Prospectus Supplement is February 16, 2006

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AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated January 1, 2006 (the “MBS Prospectus”);
- if you are purchasing any Group 4 or Group 5 Class or the R or RL Class, the disclosure document relating to the underlying RCR certificates (the “Underlying Disclosure Document”); 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 Document, 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, except the Underlying Disclosure Document, by writing or calling the dealer at:

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

INCORPORATION BY REFERENCE

In this prospectus supplement, we are incorporating by reference the MBS Prospectus and the Underlying Disclosure Document 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

Our safety and soundness regulator, the Office of Federal Housing Enterprise Oversight (“OFHEO”), announced in July 2003 that it was conducting a special examination of our accounting policies and practices, and in September 2004 issued a preliminary report of its findings to date. This report raised questions about Fannie Mae’s application of certain accounting practices. OFHEO subsequently identified additional accounting and internal control issues in February 2005.

On December 22, 2004, we reported that the Audit Committee of our Board of Directors (the “Board”) had determined that our previously filed interim and audited financial statements and the independent auditor’s reports thereon for the period from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared using accounting principles that did not comply with U.S. generally accepted accounting principles (“GAAP”). We have subsequently initiated an extensive restatement and re-audit of our financial statements with our new independent auditor, Deloitte & Touche LLP. We anticipate that the impact of the restatement will be material to Fannie Mae’s financial statements for many, if not all, of the periods involved.

Our Board and management have initiated numerous internal and external reviews of our accounting processes and controls, our financial reporting processes, and our application of GAAP. Investigations into our accounting policies and practices and our financial reporting also continue to be ongoing with OFHEO, the U.S. Securities and Exchange Commission (the “SEC”), and the U.S. Attorney’s Office for the District of Columbia. See “Risk Factors—There are numerous ongoing internal reviews and external investigations of Fannie Mae” in the MBS Prospectus. One of these external investigations was conducted by the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul Weiss”), under the direction of former U.S. Senator Warren Rudman. On February 23, 2006, the Paul Weiss report to the Special Committee of the Board was publicly released, and included numerous findings about Fannie Mae’s accounting policies, practices and systems, compensation practices, corporate governance, and internal controls. On February 24, 2006, we filed a Form 8-K with the SEC that includes the Paul Weiss report.

We have not filed Quarterly Reports on Form 10-Q for the third quarter of 2004 or the first, second and third quarters of 2005, nor have we filed our Annual Report on Form 10-K for the years ended December 31, 2004 or December 31, 2005. As we most recently reported in a Current Report on Form 8-K filed with the SEC on March 13, 2006, we estimate that it is unlikely we will complete our Annual Report on Form 10-K for the year ended December 31, 2004, which will include our restated results, prior to the second half of 2006. See “Risk Factors—There is a lack of financial information about us available in the market” in the MBS Prospectus.

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

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Class 2003-27-KD RCR Certificate
5	Class 2003-27-CM RCR Certificate
6	Group 6 MBS

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

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$149,000,000	300	277	20	5.917%
Group 2 MBS	\$350,000,000	360	334	23	5.941%
Group 3 MBS	\$ 51,923,078	360	305	45	6.890%
Group 6 MBS	\$ 41,928,721	360	333	24	5.941%

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.

Characteristics of the Underlying RCR Certificates

Exhibit A describes the underlying RCR certificates, including certain information about the related mortgage loans. To learn more about the underlying RCR certificates, you should obtain from us the current class factors and the related disclosure document as described on page S-3.

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 March 30, 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 and RL Classes	R and RL Classes

Exchanging Certificates Through Combination and Recombination

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

Interest Rates

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

During the initial interest accrual period, the floating rate, inverse floating rate and toggle classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, the floating rate, inverse floating rate and toggle 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>
SW	8.74%	23.98571%	0.0%	$23.98571\% - (3.2857139 \times \text{LIBOR})$
SX	2.06%	6.70000%	0.0%	$6.7\% - \text{LIBOR}$
SY	0.60%	0.60000%	0.0%	$7.3\% - \text{LIBOR}$
FA	4.84%	7.50000%	0.2%	$\text{LIBOR} + 20 \text{ basis points}$
HI	0.00%	10.05882%	0.0%	$(10.05881613 \times \text{LIBOR}) - 50.29408\%$
SH	9.00%	9.00000%	0.0%	$54\% - (9 \times \text{LIBOR})$
HF	0.00%	11.69231%	0.0%	$(11.69230707 \times \text{LIBOR}) - 64.30769\%$
HT	8.00%	8.00000%	0.0%	$52\% - (8 \times \text{LIBOR})$
JI	0.00%	11.69231%	0.0%	$(11.69230707 \times \text{LIBOR}) - 64.30769\%$
SC	8.00%	8.00000%	0.0%	$52\% - (8 \times \text{LIBOR})$
SD	8.00%	8.00000%	0.0%	$52\% - (8 \times \text{LIBOR})$
XS	2.66%	7.30000%	0.0%	$7.3\% - \text{LIBOR}$
FH	0.00%	10.05882%	0.0%	$(10.05881613 \times \text{LIBOR}) - 50.29408\%$
FD	0.00%	11.69231%	0.0%	$(11.69230707 \times \text{LIBOR}) - 64.30769\%$

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

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

Notional Classes

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

<u>Class</u>	
SX	321.4285177778% of the SW Class
SY	321.4285177778% of the SW Class
XS	321.4285177778% of the SW Class
HI	100% of the HO Class
JI	100% of the JO Class

Distributions of Principal

Group 1 Principal Distribution Amount

To the CM, CN and CB Classes, in that order, to zero.

Group 2 Principal Distribution Amount

WZ Accrual Amount

To the UV and WV Classes, in that order, to zero, and thereafter to the WZ Class.

Group 2 Cash Flow Distribution Amount

To the UA, UM, UN, UP, UL, UV, WV and WZ Classes, in that order, to zero.

Group 3 Principal Distribution Amount

To the FA and SW Classes, pro rata, to zero.

Group 4 Principal Distribution Amount

To the HT, SH, HO and HF Classes, pro rata, to zero.

Group 5 Principal Distribution Amount

(a) 59.3750040041% of such amount to the SC and SD Classes, in that order, to zero, and

(b) 40.6249959959% of such amount to the JO Class to zero.

Group 6 Principal Distribution Amount

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

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

Weighted Average Lives (years) *

		PSA Prepayment Assumption					
<u>Group 1 Classes</u>		<u>0%</u>	<u>100%</u>	<u>181%</u>	<u>275%</u>	<u>360%</u>	<u>500%</u>
CM	.....	14.1	6.0	4.0	2.8	2.2	1.6
CN	.....	22.5	14.8	10.6	7.6	5.9	4.2
CB	.....	24.0	19.2	15.8	12.2	9.9	7.2
CA	.....	14.8	6.7	4.5	3.2	2.5	1.8
		PSA Prepayment Assumption					
<u>Group 2 Classes</u>		<u>0%</u>	<u>100%</u>	<u>181%</u>	<u>275%</u>	<u>360%</u>	<u>500%</u>
UA	.....	17.7	6.4	4.0	2.8	2.1	1.5
UM	.....	26.8	15.5	10.3	7.1	5.5	3.8
UN	.....	27.1	16.2	10.8	7.5	5.7	4.0
UP	.....	27.3	16.6	11.2	7.7	5.9	4.2
UL	.....	27.4	17.0	11.5	8.0	6.1	4.3
UV	.....	4.0	4.0	4.0	4.0	3.9	3.3
WV	.....	14.5	14.2	12.0	9.2	7.4	5.4
WZ	.....	28.8	22.5	18.7	14.8	12.1	9.0
UH	.....	18.2	6.9	4.3	3.0	2.3	1.6
A	.....	18.4	7.1	4.6	3.1	2.4	1.7
UE	.....	18.0	6.7	4.2	2.9	2.2	1.6
UB	.....	27.1	16.2	10.8	7.5	5.7	4.0
UJ	.....	18.3	7.0	4.4	3.0	2.3	1.7
		PSA Prepayment Assumption					
<u>Group 3 Classes</u>		<u>0%</u>	<u>100%</u>	<u>284%</u>	<u>450%</u>	<u>600%</u>	<u>700%</u>
SW, SX, SY, FA and XS	.....	21.1	9.7	4.8	3.0	2.2	1.8
		PSA Prepayment Assumption					
<u>Group 4 Classes</u>		<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
HO, HI, SH, HF, HT and FH	.....	26.8	24.6	0.9	0.2	0.2	0.1
		PSA Prepayment Assumption					
<u>Group 5 Classes</u>		<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
JI, JO and FD	.....	25.9	20.1	3.2	1.0	0.6	0.4
SC	.....	25.8	19.6	1.6	0.9	0.5	0.4
SD	.....	26.5	22.8	11.9	1.6	0.9	0.6
		PSA Prepayment Assumption					
<u>Group 6 Classes</u>		<u>0%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
AG	.....	18.1	8.3	5.5	3.7	2.8	2.3
Z	.....	28.8	23.5	19.6	15.1	12.0	9.8

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

ADDITIONAL RISK FACTORS

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

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

Payments on the Group 4 and Group 5 Classes also will be affected by the payment priorities governing the related underlying RCR certificates. If you invest in any Group 4 or Group 5 Classes, the rate at which you receive payments also will be affected by the applicable priority sequences governing principal payments on the related underlying RCR certificates.

In particular, as described in the related underlying disclosure document, principal payments on the underlying RCR certificates are governed by principal balance schedules. As a result, the underlying RCR certificates may receive principal payments at rates faster or slower than would otherwise have been the case. In some cases, the underlying RCR certificates may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at rates faster or slower than the rates initially assumed. This prospectus supplement contains no information as to whether

- the underlying RCR certificates have adhered to their principal balance schedules,
- any related support classes remain outstanding, or
- the underlying RCR certificates otherwise have performed as originally anticipated.

You may obtain additional information about the underlying RCR certificates by reviewing their current class factors in light of other information available in the related disclosure document. You may obtain that document from us as described on page S-3.

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.

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. 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 Trust 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, inverse floating rate or toggle 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.

Slight changes in LIBOR may significantly affect the interest rates of the toggle classes. The toggle classes may be extremely sensitive to certain changes in monthly LIBOR values. In particular, they may experience dramatic declines in their interest rates and yields as a result of certain changes in LIBOR, even if those changes are slight. For an illustration of this sensitivity, see the related yield tables in this prospectus supplement.

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”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of March 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 and the Lower Tier REMIC each will constitute a “real estate mortgage investment conduit” (“REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

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

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

The assets of the Lower Tier REMIC will consist of

- four groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS” and “Group 6 MBS” and, together, the “Trust MBS”), and
- two groups of previously issued RCR certificates (the “Group 4 Underlying RCR Certificate” and “Group 5 Underlying RCR Certificate” and, together, the “Underlying RCR Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A.

The assets of the Underlying REMIC Trust evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, 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 guaranty obligations with respect to the Underlying RCR Certificates are described in the Underlying Disclosure Document. 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, “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus, and “Description of the Certificates—General—*Fannie Mae Guaranty*” in the Underlying Disclosure Document.

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

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

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

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

<u>Classes</u>	<u>Denominations</u>
The Principal Only, Interest Only, Inverse Floating Rate and Toggle Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

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

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

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

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

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

Voting the Underlying RCR Certificates. Holders of the Underlying RCR Certificates may be asked to vote on issues arising under the related trust agreement. If so, the Trustee will vote the related Underlying RCR Certificates, as instructed by Holders of Certificates of the related Classes. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the related Classes.

Combination and Recombination

General. You are permitted to exchange all or a portion of the CM, CN, UA, UM, UN, UP, UL, SX, SY, HO, HI, JO and JI Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

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

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

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

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

- At the time of the proposed exchange, a Certificateholder must own Certificates of the related Class or Classes in the proportions necessary to make the desired exchange.

- A Certificateholder that does not own the Certificates may be unable to obtain the necessary REMIC Certificates or RCR Certificates.
- If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange.
- The Certificateholder of needed Certificates may refuse to sell them at a reasonable price (or any price) or may be unable to sell them.
- Certain Certificates may have been purchased and placed into other financial structures and thus be unavailable.
- Principal distributions will decrease the amounts available for exchange over time.
- Only the combinations listed on Schedule 1 are permitted.

The Trust MBS

The following table contains certain information about the Trust MBS. The Trust MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Trust MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Trust MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 25 years in the case of the Group 1 MBS, and up to 30 years in the case of the Group 2, Group 3 and Group 6 MBS. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

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

Group 1 MBS

Aggregate Unpaid Principal Balance	\$149,000,000
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 300 months
Approximate Weighted Average WAM	277 months
Approximate Weighted Average WALA (weighted average loan age)	20 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$350,000,000
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	334 months
Approximate Weighted Average WALA	23 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$51,923,078
MBS Pass-Through Rate	6.50%
Range of WACs (annual percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	305 months
Approximate Weighted Average WALA	45 months

Group 6 MBS

Aggregate Unpaid Principal Balance	\$41,928,721
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	333 months
Approximate Weighted Average WALA	24 months

The Underlying RCR Certificates

The Underlying RCR Certificates represent beneficial ownership interests in the related Underlying REMIC Trust. The assets of that trust evidence direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the Underlying RCR Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying RCR Certificates are described in the related Underlying Disclosure Document. See Exhibit A for additional information about the Underlying RCR Certificates.

Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

For further information about the Underlying RCR Certificates, telephone us at 1-800-237-8627. There may have been material changes in facts and circumstances since the date we prepared the Underlying Disclosure Document. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in that document may be limited.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Underlying RCR Certificates as of the Issue Date and, with respect to the Trust MBS, 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 Trust 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 Trust MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.com.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	CM, CN and CB
RCR**	CA

<u>Interest Type*</u>	<u>Classes</u>
Group 2 Classes	
Fixed Rate	UA, UM, UN, UP, UL, UV, WV and WZ
Accrual	WZ
RCR**	UH, A, UE, UB and UJ
Group 3 Classes	
Floating Rate	FA
Inverse Floating Rate	SW, SX and SY
Interest Only	SX and SY
RCR**	XS
Group 4 Classes	
Floating Rate	HI and HF
Inverse Floating Rate	SH and HT
Toggle†	HI, SH, HF and HT
Interest Only	HI
Principal Only	HO
RCR**	FH
Group 5 Classes	
Floating Rate	JI
Inverse Floating Rate	SC and SD
Toggle†	JI, SC and SD
Interest Only	JI
Principal Only	JO
RCR**	FD
Group 6 Classes	
Fixed Rate	AG and Z
Accrual	Z
No Payment Residual	R and RL

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

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

† The “Toggle” or “T” designation refers to a Floating Rate or Inverse Floating Rate class whose interest rate changes significantly if the designated index meets one or more thresholds. For example, when the index meets a threshold, the interest rate may shift from a predetermined rate or formula to a different predetermined rate or formula. Accordingly, the change in interest rate may not be a continuous function of changes in the index.

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

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

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All interest-bearing Classes other than the SW, SX, SY, FA and XS Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The SW, SX, SY, FA and XS 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.

The Dealer will treat the HO and JO Classes as Delay Classes for the sole purpose of facilitating trading.

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

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

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

Floating Rate, Inverse Floating Rate and Toggle Classes. During each Interest Accrual Period, the Floating Rate, Inverse Floating Rate and Toggle 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 4.64%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Sequential Pay	CM, CN and CB
RCR**	CA
Group 2 Classes	
Sequential Pay	UA, UM, UN, UP, UL, UV, WV and WZ
Accretion Directed	UV and WV
RCR**	UH, A, UE, UB and UJ
Group 3 Classes	
Pass-Through	SW and FA
Notional	SX and SY
RCR**	XS
Group 4 Classes	
Structured Collateral/Pass-Through	HO, SH, HF and HT
Notional	HI
RCR**	FH
Group 5 Classes	
Structured Collateral/Pass-Through	JO
Structured Collateral/Sequential Pay	SC and SD
Notional	JI
RCR**	FD
Group 6 Classes	
Sequential Pay	AG and Z
Accretion Directed	AG
No Payment Residual	R and RL

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

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the WZ Class (the “WZ Accrual Amount,” and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 Underlying RCR Certificate (the “Group 4 Principal Distribution Amount”),

- the principal then paid on the Group 5 Underlying RCR Certificate (the “Group 5 Principal Distribution Amount”), and
- the principal then paid on the Group 6 MBS plus any interest accrued and added to the principal balance of the Z Class (the “Group 6 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount, sequentially, as principal of the CM, CN and CB Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 2 Principal Distribution Amount

WZ Accrual Amount

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

Group 2 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 2 Cash Flow Distribution Amount, sequentially, as principal of the UA, UM, UN, UP, UL, UV, WV and WZ Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, concurrently, as principal of the FA and SW Classes, pro rata (or 86.6666648691% and 13.3333351309%, respectively), until their principal balances are reduced to zero. } Pass-Through Classes

Group 4 Principal Distribution Amount

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount, concurrently, as principal of the HT, SH, HO and HF Classes, pro rata (or 30.4373962186%, 25.7223048265%, 23.0147107147% and 20.8255882402%, respectively), until their principal balances are reduced to zero. } Structured Collateral / Pass-Through Classes

Group 5 Principal Distribution Amount

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount as principal of the Group 5 Classes as follows:

- (a) 59.3750040041% of such amount, sequentially, to the SC and SD Classes, in that order, until their principal balance are reduced to zero, and } Structured Collateral / Sequential Pay Classes
- (b) 40.6249959959% of such amount to the JO Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

Group 6 Principal Distribution Amount

On each Distribution Date, we will pay the Group 6 Principal Distribution Amount, sequentially, as principal of the AG and Z Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

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 actual characteristics of each pool of Mortgage Loans backing the Underlying RCR Certificates, the priority sequences affecting principal payments on the Underlying RCR Certificates, and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust 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 Trust 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 March 30, 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 with respect to all Classes and Principal Balances Schedules 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.

Yield Tables

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

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

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

We cannot assure you that

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

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

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

The Principal Only Classes. The Principal Only Classes will not bear interest. As indicated in the tables below, a low rate of principal payments (including prepayments) on the related Mortgage Loans will have a negative effect on the yields to investors in the Principal Only Classes.

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

<u>Class</u>	<u>Price</u>
HO	84.5%
JO	75.5%

Sensitivity of the HO Class to Prepayments

	PSA Prepayment Assumption					
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	0.7%	0.7%	21.2%	83.2%	152.1%	226.2%

Sensitivity of the JO Class to Prepayments

	PSA Prepayment Assumption					
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	1.2%	1.4%	11.5%	31.9%	56.5%	84.6%

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

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

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

- the interest rates for the Inverse Floating Rate and Toggle Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” in this prospectus supplement and for each following Interest Accrual Period will be based on the specified level of the Index, and

- the aggregate purchase prices of those Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SW	101.281250%
SX	5.515625%
SY	1.921875%
HI	9.500000%
SH	95.000000%
HF	94.000000%
HT	94.349210%
JI	16.000000%
SC	94.000000%
SD	96.665320%
XS	7.437500%
FH	94.000000%
FD	91.500000%

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

Sensitivity of the SW 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>284%</u>	<u>450%</u>	<u>600%</u>	<u>700%</u>
2.64%	15.4%	15.4%	15.2%	14.9%	14.7%	14.5%
4.64%	8.7%	8.7%	8.5%	8.4%	8.2%	8.1%
6.64%	2.1%	2.1%	2.0%	1.9%	1.8%	1.7%
7.30%	(0.1)%	(0.1)%	(0.1)%	(0.2)%	(0.3)%	(0.4)%

Sensitivity of the SX 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>284%</u>	<u>450%</u>	<u>600%</u>	<u>700%</u>
2.64%	77.3%	73.1%	57.4%	42.1%	27.4%	17.0%
4.64%	34.6%	31.1%	17.4%	4.3%	(8.4)%	(17.3)%
6.70% and above	*	*	*	*	*	*

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

Sensitivity of the SY 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>284%</u>	<u>450%</u>	<u>600%</u>	<u>700%</u>
6.70% and below	27.6%	24.1%	10.8%	(1.9)%	(14.3)%	(23.0)%
7.00%	9.9%	6.7%	(5.7)%	(17.6)%	(29.0)%	(37.2)%
7.30%	*	*	*	*	*	*

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

**Sensitivity of the HI 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.0% and below	*	*	*	*	*	*
5.5%	56.9%	56.9%	(81.9)%	*	*	*
6.0% and above	122.0%	122.0%	(22.1)%	*	*	*

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

**Sensitivity of the SH 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.0% and below	9.6%	9.7%	15.0%	29.4%	43.0%	55.6%
5.5%	4.9%	4.9%	10.5%	25.7%	40.0%	53.4%
6.0% and above	0.2%	0.2%	6.1%	22.0%	37.1%	51.3%

**Sensitivity of the HF 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.5% and below	0.2%	0.3%	7.4%	26.8%	45.6%	63.5%
6.0%	6.4%	6.4%	13.2%	31.7%	49.5%	66.4%
6.5% and above	12.7%	12.7%	19.2%	36.7%	53.5%	69.3%

**Sensitivity of the HT 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.5% and below	8.6%	8.6%	14.9%	31.8%	47.9%	63.0%
6.0%	4.4%	4.4%	10.9%	28.5%	45.3%	61.1%
6.5% and above	0.2%	0.2%	6.9%	25.1%	42.6%	59.1%

**Sensitivity of the JI 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.5% and below	*	*	*	*	*	*
6.0%	38.4%	38.4%	3.3%	(99.0)%	*	*
6.5% and above	80.7%	80.7%	33.1%	(48.1)%	*	*

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

**Sensitivity of the SC 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.5% and below	8.7%	8.7%	12.2%	15.3%	20.0%	24.9%
6.0%	4.4%	4.5%	8.0%	11.3%	16.2%	21.3%
6.5% and above	0.3%	0.3%	3.9%	7.3%	12.4%	17.6%

**Sensitivity of the SD 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.5% and below	8.4%	8.4%	8.5%	10.1%	11.5%	13.0%
6.0%	4.2%	4.2%	4.4%	6.0%	7.6%	9.2%
6.5% and above	0.1%	0.1%	0.3%	2.1%	3.8%	5.5%

**Sensitivity of the XS 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>284%</u>	<u>450%</u>	<u>600%</u>	<u>700%</u>
2.64%	63.9%	60.0%	44.9%	30.3%	16.2%	6.3%
4.64%	32.8%	29.3%	15.7%	2.7%	(9.9)%	(18.8)%
6.64%	1.4%	(1.7)%	(13.6)%	(25.1)%	(36.1)%	(44.0)%
7.3%	*	*	*	*	*	*

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

**Sensitivity of the FH 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.0% and below	0.2%	0.3%	7.4%	26.8%	45.6%	63.5%
5.5%	5.5%	5.5%	12.4%	31.0%	49.0%	66.0%
6.0% and above	10.9%	10.9%	17.5%	35.3%	52.4%	68.5%

**Sensitivity of the FD 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>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
5.5% and below	0.4%	0.4%	3.0%	9.3%	16.1%	23.2%
6.0%	6.6%	6.7%	9.5%	15.4%	21.9%	28.9%
6.5% and above	13.1%	13.1%	16.2%	21.5%	27.8%	34.6%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, 2, 5 and 6 Classes, and
- in the case of the Group 4 and Group 5 Classes, the priority sequences affecting principal payments on the related Underlying RCR Certificates.

See “—Distributions of Principal” above and “Description of the Certificates—Distributions of Principal” in the Underlying Disclosure Document.

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

Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	300 months	300 months	8.00%
Group 2 MBS	360 months	360 months	8.00%
Group 3 MBS	360 months	360 months	9.00%
Group 4 Underlying RCR Certificate	360 months	324 months	8.00%
Group 5 Underlying RCR Certificate	360 months	324 months	8.00%
Group 6 MBS	360 months	360 months	8.00%

It is unlikely

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

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

Percent of Original Principal Balances Outstanding

Date	CM Class						CN Class						CB Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	98	90	85	79	73	63	100	100	100	100	100	100	100	100	100	100	100	100
March 2008	96	80	70	58	48	33	100	100	100	100	100	100	100	100	100	100	100	100
March 2009	94	71	57	41	29	12	100	100	100	100	100	100	100	100	100	100	100	100
March 2010	92	62	45	28	15	0	100	100	100	100	100	78	100	100	100	100	100	100
March 2011	90	54	34	16	4	0	100	100	100	100	100	0	100	100	100	100	100	87
March 2012	87	46	25	7	0	0	100	100	100	100	39	0	100	100	100	100	100	59
March 2013	84	39	17	0	0	0	100	100	100	93	0	0	100	100	100	100	86	40
March 2014	81	32	10	0	0	0	100	100	100	19	0	0	100	100	100	100	65	27
March 2015	78	26	4	0	0	0	100	100	100	0	0	0	100	100	100	85	49	18
March 2016	75	20	0	0	0	0	100	100	83	0	0	0	100	100	100	68	36	12
March 2017	71	14	0	0	0	0	100	100	26	0	0	0	100	100	100	54	27	8
March 2018	67	9	0	0	0	0	100	100	0	0	0	0	100	100	92	42	20	5
March 2019	62	4	0	0	0	0	100	100	0	0	0	0	100	100	76	33	15	3
March 2020	57	0	0	0	0	0	100	89	0	0	0	0	100	100	63	25	11	2
March 2021	52	0	0	0	0	0	100	37	0	0	0	0	100	100	51	19	8	1
March 2022	46	0	0	0	0	0	100	0	0	0	0	0	100	96	41	15	5	1
March 2023	40	0	0	0	0	0	100	0	0	0	0	0	100	79	32	11	4	1
March 2024	33	0	0	0	0	0	100	0	0	0	0	0	100	64	25	8	3	*
March 2025	26	0	0	0	0	0	100	0	0	0	0	0	100	50	18	5	2	*
March 2026	18	0	0	0	0	0	100	0	0	0	0	0	100	36	13	3	1	*
March 2027	10	0	0	0	0	0	100	0	0	0	0	0	100	24	8	2	1	*
March 2028	*	0	0	0	0	0	100	0	0	0	0	0	100	12	4	1	*	*
March 2029	0	0	0	0	0	0	0	0	0	0	0	0	95	1	*	*	*	*
March 2030	0	0	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0	0
March 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.1	6.0	4.0	2.8	2.2	1.6	22.5	14.8	10.6	7.6	5.9	4.2	24.0	19.2	15.8	12.2	9.9	7.2

Date	CA Class						UA Class						UM Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	98	91	86	80	75	66	99	91	84	77	71	60	100	100	100	100	100	100
March 2008	97	82	72	61	52	38	98	81	70	57	47	31	100	100	100	100	100	100
March 2009	95	73	60	46	35	19	96	72	57	41	28	10	100	100	100	100	100	100
March 2010	93	65	49	33	21	6	95	64	45	27	14	0	100	100	100	100	100	0
March 2011	91	58	39	23	11	0	93	56	35	16	2	0	100	100	100	100	100	0
March 2012	88	50	31	14	3	0	92	49	26	7	0	0	100	100	100	100	0	0
March 2013	86	44	24	7	0	0	90	42	18	0	0	0	100	100	100	68	0	0
March 2014	83	37	17	1	0	0	88	36	11	0	0	0	100	100	100	0	0	0
March 2015	80	31	11	0	0	0	86	30	5	0	0	0	100	100	100	0	0	0
March 2016	77	26	6	0	0	0	83	24	0	0	0	0	100	100	94	0	0	0
March 2017	73	21	2	0	0	0	81	19	0	0	0	0	100	100	0	0	0	0
March 2018	69	16	0	0	0	0	78	14	0	0	0	0	100	100	0	0	0	0
March 2019	65	11	0	0	0	0	75	9	0	0	0	0	100	100	0	0	0	0
March 2020	61	7	0	0	0	0	72	4	0	0	0	0	100	100	0	0	0	0
March 2021	56	3	0	0	0	0	69	*	0	0	0	0	100	100	0	0	0	0
March 2022	50	0	0	0	0	0	65	0	0	0	0	0	100	0	0	0	0	0
March 2023	45	0	0	0	0	0	61	0	0	0	0	0	100	0	0	0	0	0
March 2024	38	0	0	0	0	0	57	0	0	0	0	0	100	0	0	0	0	0
March 2025	32	0	0	0	0	0	52	0	0	0	0	0	100	0	0	0	0	0
March 2026	24	0	0	0	0	0	47	0	0	0	0	0	100	0	0	0	0	0
March 2027	17	0	0	0	0	0	41	0	0	0	0	0	100	0	0	0	0	0
March 2028	8	0	0	0	0	0	35	0	0	0	0	0	100	0	0	0	0	0
March 2029	0	0	0	0	0	0	29	0	0	0	0	0	100	0	0	0	0	0
March 2030	0	0	0	0	0	0	22	0	0	0	0	0	100	0	0	0	0	0
March 2031	0	0	0	0	0	0	14	0	0	0	0	0	100	0	0	0	0	0
March 2032	0	0	0	0	0	0	6	0	0	0	0	0	100	0	0	0	0	0
March 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.8	6.7	4.5	3.2	2.5	1.8	17.7	6.4	4.0	2.8	2.1	1.5	26.8	15.5	10.3	7.1	5.5	3.8

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

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

Date	UN Class						UP Class						UL Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2008	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2009	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2010	100	100	100	100	100	63	100	100	100	100	100	100	100	100	100	100	100	100
March 2011	100	100	100	100	100	0	100	100	100	100	100	0	100	100	100	100	100	0
March 2012	100	100	100	100	0	0	100	100	100	100	5	0	100	100	100	100	100	0
March 2013	100	100	100	100	0	0	100	100	100	100	0	0	100	100	100	100	0	0
March 2014	100	100	100	0	0	0	100	100	100	0	0	0	100	100	100	40	0	0
March 2015	100	100	100	0	0	0	100	100	100	0	0	0	100	100	100	0	0	0
March 2016	100	100	100	0	0	0	100	100	100	0	0	0	100	100	100	0	0	0
March 2017	100	100	0	0	0	0	100	100	94	0	0	0	100	100	100	0	0	0
March 2018	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2019	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2020	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2021	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2022	100	83	0	0	0	0	100	100	0	83	0	0	100	100	0	0	0	0
March 2023	100	0	0	0	0	0	100	0	0	0	0	0	100	49	0	0	0	0
March 2024	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2025	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2026	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2027	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2028	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2029	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2030	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2031	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2032	100	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2033	96	0	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.1	16.2	10.8	7.5	5.7	4.0	27.3	16.6	11.2	7.7	5.9	4.2	27.4	17.0	11.5	8.0	6.1	4.3

Date	UV Class						WV Class						WZ Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	89	89	89	89	89	89	100	100	100	100	100	100	106	106	106	106	106	106
March 2008	77	77	77	77	77	77	100	100	100	100	100	100	112	112	112	112	112	112
March 2009	64	64	64	64	64	64	100	100	100	100	100	100	118	118	118	118	118	118
March 2010	51	51	51	51	51	51	100	100	100	100	100	100	125	125	125	125	125	125
March 2011	37	37	37	37	37	0	100	100	100	100	100	71	132	132	132	132	132	132
March 2012	22	22	22	22	22	0	100	100	100	100	100	16	139	139	139	139	139	139
March 2013	7	7	7	7	0	0	100	100	100	100	65	0	147	147	147	147	147	111
March 2014	0	0	0	0	0	0	97	97	97	97	21	0	155	155	155	155	155	76
March 2015	0	0	0	0	0	0	91	91	91	57	0	0	164	164	164	164	142	52
March 2016	0	0	0	0	0	0	85	85	85	19	0	0	173	173	173	173	108	35
March 2017	0	0	0	0	0	0	78	78	78	0	0	0	183	183	183	163	82	24
March 2018	0	0	0	0	0	0	71	71	62	0	0	0	193	193	193	132	62	16
March 2019	0	0	0	0	0	0	64	64	28	0	0	0	204	204	204	106	47	11
March 2020	0	0	0	0	0	0	57	57	0	0	0	0	216	216	210	84	35	7
March 2021	0	0	0	0	0	0	48	48	0	0	0	0	228	228	178	67	26	5
March 2022	0	0	0	0	0	0	40	40	0	0	0	0	241	241	150	53	19	3
March 2023	0	0	0	0	0	0	31	31	0	0	0	0	254	254	126	42	14	2
March 2024	0	0	0	0	0	0	21	1	0	0	0	0	269	269	104	32	10	1
March 2025	0	0	0	0	0	0	11	0	0	0	0	0	284	235	86	25	8	1
March 2026	0	0	0	0	0	0	1	0	0	0	0	0	300	201	70	19	5	1
March 2027	0	0	0	0	0	0	0	0	0	0	0	0	301	170	56	14	4	*
March 2028	0	0	0	0	0	0	0	0	0	0	0	0	301	140	44	10	3	*
March 2029	0	0	0	0	0	0	0	0	0	0	0	0	301	112	33	7	2	*
March 2030	0	0	0	0	0	0	0	0	0	0	0	0	301	86	24	5	1	*
March 2031	0	0	0	0	0	0	0	0	0	0	0	0	301	61	16	3	1	*
March 2032	0	0	0	0	0	0	0	0	0	0	0	0	301	38	10	2	*	*
March 2033	0	0	0	0	0	0	0	0	0	0	0	0	301	17	4	1	*	*
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	244	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	127	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.0	4.0	4.0	4.0	3.9	3.3	14.5	14.2	12.0	9.2	7.4	5.4	28.8	22.5	18.7	14.8	12.1	9.0

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

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

Date	UH Class						A Class						UE Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	99	91	85	78	72	62	99	91	86	79	73	63	99	91	85	78	72	62
March 2008	98	82	71	59	49	34	98	83	72	61	51	36	98	82	71	59	48	33
March 2009	97	74	59	44	31	14	97	74	60	45	33	17	96	73	58	43	30	13
March 2010	95	66	48	31	18	1	95	67	49	33	20	4	95	65	47	29	16	0
March 2011	94	58	38	20	7	0	94	60	40	22	10	0	94	58	37	19	5	0
March 2012	92	51	30	11	0	0	92	53	32	13	1	0	92	51	29	10	0	0
March 2013	90	45	22	4	0	0	91	46	24	6	0	0	90	44	21	2	0	0
March 2014	88	39	16	0	0	0	89	40	18	1	0	0	88	38	14	0	0	0
March 2015	86	33	10	0	0	0	87	35	12	0	0	0	86	32	8	0	0	0
March 2016	84	28	4	0	0	0	85	30	7	0	0	0	84	26	3	0	0	0
March 2017	82	22	0	0	0	0	82	25	3	0	0	0	82	21	0	0	0	0
March 2018	79	18	0	0	0	0	80	20	0	0	0	0	79	16	0	0	0	0
March 2019	76	13	0	0	0	0	77	16	0	0	0	0	76	12	0	0	0	0
March 2020	73	9	0	0	0	0	74	12	0	0	0	0	73	8	0	0	0	0
March 2021	70	5	0	0	0	0	71	8	0	0	0	0	70	4	0	0	0	0
March 2022	67	1	0	0	0	0	68	4	0	0	0	0	66	0	0	0	0	0
March 2023	63	0	0	0	0	0	64	1	0	0	0	0	62	0	0	0	0	0
March 2024	59	0	0	0	0	0	60	0	0	0	0	0	58	0	0	0	0	0
March 2025	54	0	0	0	0	0	55	0	0	0	0	0	53	0	0	0	0	0
March 2026	49	0	0	0	0	0	51	0	0	0	0	0	48	0	0	0	0	0
March 2027	44	0	0	0	0	0	45	0	0	0	0	0	43	0	0	0	0	0
March 2028	38	0	0	0	0	0	40	0	0	0	0	0	37	0	0	0	0	0
March 2029	32	0	0	0	0	0	34	0	0	0	0	0	31	0	0	0	0	0
March 2030	25	0	0	0	0	0	27	0	0	0	0	0	24	0	0	0	0	0
March 2031	18	0	0	0	0	0	20	0	0	0	0	0	17	0	0	0	0	0
March 2032	10	0	0	0	0	0	13	0	0	0	0	0	9	0	0	0	0	0
March 2033	1	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.2	6.9	4.3	3.0	2.3	1.6	18.4	7.1	4.6	3.1	2.4	1.7	18.0	6.7	4.2	2.9	2.2	1.6

Date	UB Class						UJ Class						SW, SX†, SY†, FA and XS† Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	181%	275%	360%	500%	0%	100%	181%	275%	360%	500%	0%	100%	284%	450%	600%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	100	100	100	100	100	100	99	91	85	79	73	63	99	93	82	72	63	57
March 2008	100	100	100	100	100	100	98	82	72	60	50	35	99	86	67	52	40	33
March 2009	100	100	100	100	100	100	97	74	59	44	32	16	98	79	54	37	25	19
March 2010	100	100	100	100	100	51	95	66	49	32	19	2	97	73	44	27	16	11
March 2011	100	100	100	100	100	0	94	59	39	21	8	0	96	67	36	19	10	6
March 2012	100	100	100	100	20	0	92	52	31	12	*	0	95	62	29	14	6	3
March 2013	100	100	100	87	0	0	90	46	23	5	0	0	94	56	24	10	4	2
March 2014	100	100	100	8	0	0	89	40	17	0	0	0	92	52	19	7	2	1
March 2015	100	100	100	0	0	0	87	34	11	0	0	0	91	47	15	5	1	1
March 2016	100	100	98	0	0	0	84	29	6	0	0	0	89	43	12	3	1	*
March 2017	100	100	38	0	0	0	82	24	1	0	0	0	88	39	10	2	1	*
March 2018	100	100	0	0	0	0	80	19	0	0	0	0	86	35	8	2	*	*
March 2019	100	100	0	0	0	0	77	14	0	0	0	0	84	31	6	1	*	*
March 2020	100	100	0	0	0	0	74	10	0	0	0	0	82	28	5	1	*	*
March 2021	100	100	0	0	0	0	71	6	0	0	0	0	79	24	4	1	*	*
March 2022	100	55	0	0	0	0	67	3	0	0	0	0	77	21	3	*	*	*
March 2023	100	9	0	0	0	0	63	0	0	0	0	0	74	19	2	*	*	*
March 2024	100	0	0	0	0	0	59	0	0	0	0	0	71	16	2	*	*	*
March 2025	100	0	0	0	0	0	55	0	0	0	0	0	67	13	1	*	*	*
March 2026	100	0	0	0	0	0	50	0	0	0	0	0	64	11	1	*	*	*
March 2027	100	0	0	0	0	0	45	0	0	0	0	0	59	9	1	*	*	*
March 2028	100	0	0	0	0	0	39	0	0	0	0	0	55	6	*	*	*	*
March 2029	100	0	0	0	0	0	33	0	0	0	0	0	50	4	*	*	*	*
March 2030	100	0	0	0	0	0	26	0	0	0	0	0	45	3	*	*	*	*
March 2031	100	0	0	0	0	0	19	0	0	0	0	0	39	1	*	*	*	*
March 2032	100	0	0	0	0	0	11	0	0	0	0	0	32	0	0	0	0	0
March 2033	58	0	0	0	0	0	3	0	0	0	0	0	25	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	18	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.1	16.2	10.8	7.5	5.7	4.0	18.3	7.0	4.4	3.0	2.3	1.7	21.1	9.7	4.8	3.0	2.2	1.8

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

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

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

Date	HO, HI†, SH, HF, HT and FH Classes						JI†, JO and FD Classes						SC Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	300%	400%	500%	0%	100%	200%	300%	400%	500%	0%	100%	200%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	100	100	38	0	0	0	100	100	67	48	0	0	100	100	61	39	0	0
March 2008	100	100	*	0	0	0	100	100	43	0	0	0	100	100	33	0	0	0
March 2009	100	100	0	0	0	0	100	100	27	0	0	0	100	100	14	0	0	0
March 2010	100	100	0	0	0	0	100	100	18	0	0	0	100	100	4	0	0	0
March 2011	100	100	0	0	0	0	100	100	16	0	0	0	100	100	1	0	0	0
March 2012	100	100	0	0	0	0	100	100	16	0	0	0	100	100	1	0	0	0
March 2013	100	100	0	0	0	0	100	100	16	0	0	0	100	100	1	0	0	0
March 2014	100	100	0	0	0	0	100	100	16	0	0	0	100	100	1	0	0	0
March 2015	100	100	0	0	0	0	100	100	16	0	0	0	100	100	1	0	0	0
March 2016	100	100	0	0	0	0	100	100	15	0	0	0	100	100	0	0	0	0
March 2017	100	100	0	0	0	0	100	100	11	0	0	0	100	100	0	0	0	0
March 2018	100	100	0	0	0	0	100	100	7	0	0	0	100	100	0	0	0	0
March 2019	100	100	0	0	0	0	100	100	3	0	0	0	100	100	0	0	0	0
March 2020	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2021	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2022	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2023	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0
March 2024	100	100	0	0	0	0	100	83	0	0	0	0	100	80	0	0	0	0
March 2025	100	100	0	0	0	0	100	67	0	0	0	0	100	61	0	0	0	0
March 2026	100	100	0	0	0	0	100	51	0	0	0	0	100	42	0	0	0	0
March 2027	100	100	0	0	0	0	100	35	0	0	0	0	100	23	0	0	0	0
March 2028	100	100	0	0	0	0	100	20	0	0	0	0	100	5	0	0	0	0
March 2029	100	100	0	0	0	0	100	5	0	0	0	0	100	0	0	0	0	0
March 2030	100	69	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2031	100	35	0	0	0	0	100	0	0	0	0	0	100	0	0	0	0	0
March 2032	100	3	0	0	0	0	41	0	0	0	0	0	30	0	0	0	0	0
March 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.8	24.6	0.9	0.2	0.2	0.1	25.9	20.1	3.2	1.0	0.6	0.4	25.8	19.6	1.6	0.9	0.5	0.4

Date	SD Class						AG Class						Z Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	300%	400%	500%	0%	100%	190%	300%	400%	500%	0%	100%	190%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2007	100	100	100	100	0	0	99	92	87	80	74	68	106	106	106	106	106	106
March 2008	100	100	100	0	0	0	98	85	75	64	54	45	112	112	112	112	112	112
March 2009	100	100	100	0	0	0	96	78	64	50	39	29	118	118	118	118	118	118
March 2010	100	100	100	0	0	0	95	71	55	39	27	18	125	125	125	125	125	125
March 2011	100	100	100	0	0	0	93	64	46	30	18	10	132	132	132	132	132	132
March 2012	100	100	100	0	0	0	92	58	39	22	12	5	139	139	139	139	139	139
March 2013	100	100	100	0	0	0	90	53	33	16	7	1	147	147	147	147	147	147
March 2014	100	100	100	0	0	0	88	47	27	11	3	0	155	155	155	155	155	109
March 2015	100	100	100	0	0	0	86	42	22	7	0	0	164	164	164	164	155	74
March 2016	100	100	97	0	0	0	84	37	17	3	0	0	173	173	173	173	114	50
March 2017	100	100	74	0	0	0	81	33	13	*	0	0	183	183	183	183	84	34
March 2018	100	100	48	0	0	0	79	28	9	0	0	0	193	193	193	152	61	23
March 2019	100	100	20	0	0	0	76	24	6	0	0	0	204	204	204	120	45	15
March 2020	100	100	0	0	0	0	73	20	3	0	0	0	216	216	216	94	33	10
March 2021	100	100	0	0	0	0	70	16	*	0	0	0	228	228	228	73	24	7
March 2022	100	100	0	0	0	0	66	13	0	0	0	0	241	241	196	57	17	5
March 2023	100	100	0	0	0	0	62	9	0	0	0	0	254	254	163	44	12	3
March 2024	100	100	0	0	0	0	58	6	0	0	0	0	269	269	135	34	9	2
March 2025	100	100	0	0	0	0	54	3	0	0	0	0	284	284	110	25	6	1
March 2026	100	100	0	0	0	0	49	0	0	0	0	0	300	289	89	19	4	1
March 2027	100	100	0	0	0	0	44	0	0	0	0	0	317	243	70	14	3	1
March 2028	100	100	0	0	0	0	38	0	0	0	0	0	334	200	55	10	2	*
March 2029	100	32	0	0	0	0	32	0	0	0	0	0	353	160	41	7	1	*
March 2030	100	0	0	0	0	0	26	0	0	0	0	0	373	122	30	5	1	**
March 2031	100	0	0	0	0	0	19	0	0	0	0	0	394	86	20	3	*	*
March 2032	100	0	0	0	0	0	11	0	0	0	0	0	417	53	11	2	*	*
March 2033	0	0	0	0	0	0	3	0	0	0	0	0	440	22	4	1	*	*
March 2034	0	0	0	0	0	0	0	0	0	0	0	0	353	0	0	0	0	0
March 2035	0	0	0	0	0	0	0	0	0	0	0	0	183	0	0	0	0	0
March 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.5	22.8	11.9	1.6	0.9	0.6	18.1	8.3	5.5	3.7	2.8	2.3	28.8	23.5	19.6	15.1	12.0	9.8

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

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

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

Characteristics of the R and RL Classes

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

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

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

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

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

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 Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

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

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	181% PSA
2	181% PSA
3	284% PSA
4	200% PSA
5	200% PSA
6	190% PSA

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

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about February 20, 2006. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

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

Taxation of Beneficial Owners of RCR Certificates

General. The RCR Classes will be created, sold and administered pursuant to an arrangement that will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. The REMIC Certificates that are exchanged for RCR Certificates (including any exchanges effective on the Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an

ownership interest in those REMIC Certificates. For a general discussion of the federal income tax treatment of beneficial owners of REMIC Certificates, see “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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

Combination RCR Classes. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. Except in the case of a beneficial owner that acquires a Combination RCR Certificate in an exchange described under “—*Exchanges*” below, a beneficial owner of a Combination RCR Certificate must allocate its cost to acquire that Certificate among the underlying REMIC Certificates in proportion to their relative fair market values at the time of acquisition. Such an owner should account for its ownership interest in each underlying REMIC Certificate as described under “—Taxation of Beneficial Owners of Regular Certificates” above and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, the owner must allocate the sale proceeds among the underlying REMIC Certificates in proportion to their relative fair market values at the time of sale.

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

Tax Return Disclosure Requirements

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 Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) in exchange for the Trust MBS and the Underlying RCR Certificates. 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 Group 1, 2, 3 or 6 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Trust MBS in principal balance, but we expect that all these additional Trust MBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” in this prospectus supplement. The proportion that the original

principal balance of each Group 1, 2, 3 or 6 Class bears to the aggregate original principal balance of all Group 1, 2, 3 or 6 Classes, respectively, will remain the same.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. Milbank Tweed Hadley & McCloy LLP also will provide legal representation for the Dealer.

Underlying RCR Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	March 2006 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
Group 4 2003-027	KD	March 2003	31393AUY1	4.75%	FIX	April 2033	SCH/NSJ/AD	\$68,731,000	0.15550707	\$ 7,775,353	5.826%	314	37
Group 5 2003-027	CM	March 2003	31393AYB0	4.75	FIX	April 2033	SCH/NSJ/AD	52,004,000	0.44529835	12,487,056	5.941	315	36

(1) See “Description of the Certificates — Definitions and Abbreviations” in the REMIC Prospectus.

Available Recombinations (1) (2)

REMIC Certificates			RCR Certificates					
Classes	Original Principal or Notional Principal Balances	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1								
CM	\$112,742,000	CA	\$122,180,000	5.5%	FIX	SEQ	31395BP64	March 2029
CN	9,438,000							
Recombination 2								
UA	259,314,000	UH	271,991,000	5.5	FIX	SEQ	31395BP72	June 2033
UM	8,545,000							
UN	4,132,000							
Recombination 3								
UA	259,314,000	A	280,000,000	5.5	FIX	SEQ	31395BP80	October 2033
UL	3,968,000							
UM	8,545,000							
UN	4,132,000							
UP	4,041,000							
Recombination 4								
UA	259,314,000	UE	267,859,000	5.5	FIX	SEQ	31395BP98	April 2033
UM	8,545,000							
Recombination 5								
UL	3,968,000	UB	20,686,000	5.5	FIX	SEQ	31395BQ22	October 2033
UM	8,545,000							
UN	4,132,000							
UP	4,041,000							
Recombination 6								
UA	259,314,000	UJ	276,032,000	5.5	FIX	SEQ	31395BQ30	August 2033
UM	8,545,000							
UN	4,132,000							
UP	4,041,000							
Recombination 7								
SX	22,252,747 (4)	XS	22,252,747 (4)	(5)	INV/IO	NTL	31395BQ48	April 2036
SY	22,252,747 (4)							
Recombination 8								
HI	1,789,475 (4)	FH	1,789,475	(5)	FLT/T	SC/PT	31395BQ55	April 2033
HO	1,789,475							

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 9								
JI	\$ 5,072,866(4)	FD	\$ 5,072,866	(5)	FLT/T	SC/PT	31395BQ63	April 2033
JO	5,072,866							

- (1) In any exchange under Recombination 1, 2, 3, 4, 5 or 6, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal balances of the related REMIC Classes at the time of exchange. REMIC Certificates and RCR Certificates in any other 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” in this prospectus supplement.
- (4) Notional principal balance.
- (5) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.

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.

\$613,114,208



**Guaranteed REMIC
Pass-Through
Certificates**

Fannie Mae REMIC Trust 2006-21

PROSPECTUS SUPPLEMENT

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Merrill Lynch & Co.

February 16, 2006
