

\$1,271,500,000



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2006-42**

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, 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 Stripped MBS, and
- Fannie Mae MBS.

The mortgage loans underlying the Fannie Mae Stripped MBS and 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
FB	1	\$100,000,000	PT	(1)	FLT	31395DUV9	June 2036
IB	1	100,000,000(2)	NTL	(1)	INV/IO	31395DUW7	June 2036
PF	2	135,000,000	PT	(1)	FLT	31395DUX5	June 2036
UO(3)	2	22,400,000	TAC	(4)	PO	31395DUY3	June 2036
UI(3)	2	112,000,000(2)	NTL	(1)	INV/IO	31395DUZ0	June 2036
SK(3)	2	100,000	SUP	(1)	INV	31395DVA4	June 2036
KI(3)	2	22,500,000(2)	NTL	(1)	INV/IO	31395DVB2	June 2036
LF(3)	3	145,000,000	PT	(1)	FLT	31395DVC0	June 2036
LI(3)	3	145,000,000(2)	NTL	(1)	INV/IO	31395DVD8	June 2036
DF	4	51,857,142	PT	(1)	FLT	31395DVE6	June 2036
WO(3)	4	8,542,858	TAC	(4)	PO	31395DVF3	June 2036
WI(3)	4	42,714,290(2)	NTL	(1)	INV/IO	31395DVG1	June 2036
SD(3)	4	100,000	SUP	(1)	INV	31395DVH9	June 2036
DI(3)	4	8,642,858(2)	NTL	(1)	INV/IO	31395DVJ5	June 2036
NB(3)	5	43,750,000	SEQ	6.0%	FIX	31395DVK2	July 2027
JF	5	69,642,857	SEQ	(1)	FLT	31395DVL0	June 2036
JO(3)	5	11,607,143	SEQ	(4)	PO	31395DVM8	June 2036
JI(3)	5	69,642,857(2)	NTL	(1)	INV/IO	31395DVN6	June 2036
NC(3)	6	26,250,000	SEQ	6.0	FIX	31395DVP1	July 2027
JG	6	41,785,714	SEQ	(1)	FLT	31395DVQ9	June 2036
GO(3)	6	6,964,286	SEQ	(4)	PO	31395DVR7	June 2036
GI(3)	6	41,785,714(2)	NTL	(1)	INV/IO	31395DVS5	June 2036
TF(3)	7	73,500,000	PT	(1)	FLT	31395DVT3	June 2036
TI(3)	7	73,500,000(2)	NTL	(1)	INV/IO	31395DVU0	June 2036
CF(3)	8	310,000,000	PT	(1)	FLT	31395DVV8	June 2036
CI(3)	8	310,000,000(2)	NTL	(1)	INV/IO	31395DVW6	June 2036
B(3)	9	84,000,000	PT	6.0	FIX	31395DVX4	June 2036
C(3)	10	66,000,000	PT	6.5	FIX	31395DYY2	June 2036
EF	11	75,000,000	PT	(1)	FLT	31395DVZ9	June 2036
EI	11	75,000,000(2)	NTL	(1)	INV/IO	31395DWA3	June 2036
R		0	NPR	0	NPR	31395DWB1	June 2036
RL		0	NPR	0	NPR	31395DWC9	June 2036

(1) Based on LIBOR.

(2) Notional balances. These classes are interest only classes. See page S-9 for a description of how their notional balances are calculated.

(3) Exchangeable classes.

(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 LA, PI, PS, SP, NA, JS, SJ, BO, BI, TA, CA and A 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 May 30, 2006.

Carefully consider the risk factors starting on page S-12 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

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

LEHMAN BROTHERS

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AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated January 1, 2006 (the “MBS Prospectus”);
- if you are purchasing any Group 1, Group 3, Group 7, Group 8 or Group 11 Class or the R or RL Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated May 1, 2002 (the “SMBS Prospectus”); and
- any information incorporated by reference in this prospectus supplement as discussed below under the heading “Incorporation by Reference.”

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

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

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

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

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

INCORPORATION BY REFERENCE

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

You should rely only on the information provided or incorporated by reference in this prospectus supplement, the REMIC Prospectus, the MBS Prospectus and the SMBS 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. OFHEO subsequently identified additional accounting and internal control issues in February 2005, and issued its Report of the Special Examination of Fannie Mae (the “OFHEO Report”) on May 23, 2006.

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. 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 U.S. Securities and Exchange Commission (the “SEC”) that includes the Paul Weiss report.

The OFHEO Report presents OFHEO's findings about Fannie Mae's corporate culture, executive compensation programs, accounting policies and internal controls, internal and external auditors, senior management, and the Board. In conjunction with the release of the OFHEO Report, Fannie Mae entered into settlement agreements with both OFHEO and the SEC on May 23, 2006. The settlement agreements require Fannie Mae to pay civil penalties totaling \$400 million. In addition, the settlement agreement with OFHEO requires Fannie Mae to undertake certain remedial actions within a specified time frame to address the recommendations contained in the OFHEO Report, including an undertaking by Fannie Mae not to increase its "mortgage portfolio" assets except as permitted by a plan to be submitted by Fannie Mae for approval by OFHEO. The settlement agreements constitute comprehensive settlements between Fannie Mae and both OFHEO and the SEC relating to the activities of Fannie Mae during the time period in question. Investigations into our accounting policies and practices and our financial reporting continue with the U.S. Attorney's Office for the District of Columbia. Please refer to our Form 8-K to be filed with the SEC on or about May 25, 2006 for further information about the OFHEO Report and the settlement agreements. A complete copy of the OFHEO Report is available on OFHEO's website at www.ofheo.gov.

We have not filed Quarterly Reports on Form 10-Q for the third quarter of 2004, the first, second and third quarters of 2005, or the first quarter of 2006, nor have we filed our Annual Reports 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 May 9, 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 SMBS
2	Group 2 MBS
3	Group 3 SMBS
4	Group 4 MBS
5	Group 5 MBS
6	Group 6 MBS
7	Group 7 SMBS
8	Group 8 SMBS
9	Group 9 MBS
10	Group 10 MBS
11	Group 11 SMBS

Assumed Characteristics of the Mortgage Loans Underlying the SMBS and the Trust MBS (as of May 1, 2006)

	<u>Approximate Principal Balance</u>	<u>Interest Rate</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 SMBS	\$100,000,000 (1)	7.0%	360	345	13	6.4878%
Group 3 SMBS	\$145,000,000 (2)	7.0%	360	337	20	5.9280%
Group 7 SMBS	\$ 73,500,000 (3)	7.0%	360	322	32	5.9466%
Group 8 SMBS	\$310,000,000 (4)	7.0%	360	332	24	5.8939%
Group 11 SMBS	\$ 75,000,000 (5)	7.0%	360	337	20	5.9280%

- (1) Payments on the Group 1 SMBS are derived from previously issued principal only SMBS having a principal balance of \$100,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$116,666,667 as of the Issue Date and a pass-through rate of 6.0%.
- (2) Payments on the Group 3 SMBS are derived from previously issued principal only SMBS having a principal balance of \$145,000,000, as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$184,545,455 as of the Issue Date and a pass-through rate of 5.5%.
- (3) Payments on the Group 7 SMBS are derived from previously issued principal only SMBS having a principal balance of \$73,500,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$93,545,455 as of the Issue Date and a pass-through rate of 5.5%.
- (4) Payments on the Group 8 SMBS are derived from previously issued principal only SMBS having a principal balance of \$310,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$394,545,455 as of the Issue Date and a pass-through rate of 5.5%.
- (5) Payments on the Group 11 SMBS are derived from previously issued principal only SMBS having a principal balance of \$75,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$95,454,546 as of the Issue Date and a pass-through rate of 5.5%.

	<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 2 MBS	\$157,500,000	360	319	35	6.47%
Group 4 MBS	\$ 60,500,000	360	317	34	6.35%
Group 5 MBS	\$125,000,000 (1)	360	358	2	6.55%
Group 6 MBS	\$ 75,000,000 (2)	360	358	2	6.55%
Group 9 MBS	\$ 84,000,000 (3)	360	358	2	6.55%
Group 10 MBS	\$ 66,000,000 (4)	360	358	2	7.20%

- (1) As further described in this prospectus supplement, the mortgage loans underlying the Group 5 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 118 months.
- (2) As further described in this prospectus supplement, the mortgage loans underlying the Group 6 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 118 months.
- (3) As further described in this prospectus supplement, the mortgage loans underlying the Group 9 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 118 months.
- (4) As further described in this prospectus supplement, the mortgage loans underlying the Group 10 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The weighted average remaining term to expiration of the interest only period for these mortgage loans is assumed to be approximately 118 months.

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

Class Factors

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

Settlement Date

We expect to issue the certificates on May 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 each interest accrual period, the A Class will bear interest at the applicable weighted average coupon rate described on Schedule 1.

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FB	5.49%	7.00000%	0.41%	LIBOR + 41 basis points
IB	1.51%	6.59000%	0.00%	6.59% – LIBOR
PF	5.49%	7.00000%	0.41%	LIBOR + 41 basis points
UI	1.51%	6.59000%	0.00%	6.59% – LIBOR
SK	7.55%	32.95000%	0.00%	32.95% – (5 × LIBOR)
KI	1.51%	6.59000%	0.00%	6.59% – LIBOR
LF	5.52%	7.00000%	0.44%	LIBOR + 44 basis points
LI	1.48%	6.56000%	0.00%	6.56% – LIBOR
DF	5.49%	7.00000%	0.41%	LIBOR + 41 basis points
WI	1.51%	6.59000%	0.00%	6.59% – LIBOR
SD	7.55%	32.95000%	0.00%	32.95% – (5 × LIBOR)
DI	1.51%	6.59000%	0.00%	6.59% – LIBOR
JF	5.50%	7.00000%	0.51%	LIBOR + 51 basis points
JI	1.50%	6.49000%	0.00%	6.49% – LIBOR
JG	5.50%	7.00000%	0.51%	LIBOR + 51 basis points
GI	1.50%	6.49000%	0.00%	6.49% – LIBOR
TF	5.51%	7.00000%	0.43%	LIBOR + 43 basis points
TI	1.49%	6.57000%	0.00%	6.57% – LIBOR
CF	5.53%	7.00000%	0.45%	LIBOR + 45 basis points
CI	1.47%	6.55000%	0.00%	6.55% – LIBOR
EF	5.53%	7.00000%	0.45%	LIBOR + 45 basis points
EI	1.47%	6.55000%	0.00%	6.55% – LIBOR
PI	1.51%	6.59000%	0.00%	6.59% – LIBOR
PS	7.55%	32.95000%	0.00%	32.95% – (5 × LIBOR)
SP	7.55%	32.95000%	0.00%	32.95% – (5 × LIBOR)
JS	9.00%	38.94000%	0.00%	38.94% – (5.99999991 × LIBOR)
SJ	6.00%	25.96001%	0.00%	25.96001% – (4.00000189 × LIBOR)
BI	1.50%	6.49000%	0.00%	6.49% – LIBOR

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

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

Notional Classes

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

<u>Class</u>	
IB	100% of the FB Class
KI	16.6666666667% of the PF Class
UI	500% of the UO Class
LI	100% of the LF Class
WI	500% of the WO Class
DI	16.6666685950% of the DF Class
PI	16.6666672018% of the <i>sum</i> of the PF and DF Classes
JI	100% of the JF Class
GI	100% of the JG Class
BI	100% of the <i>sum</i> of the JF and JG Classes
TI	100% of the TF Class
CI	100% of the CF Class
EI	100% of the EF Class

Distributions of Principal

Group 1 Principal Distribution Amount

To the FB Class to zero.

Group 2 Principal Distribution Amount

(a) 85.7142857143% to the PF Class to zero, and

(b) 14.2857142857% as follows:

first, to the UO Class to its Targeted Balance;

second, to the SK Class to zero; and

third, to the UO Class to zero.

Group 3 Principal Distribution Amount

To the LF Class to zero.

Group 4 Principal Distribution Amount

(a) 85.7142842975% to the DF Class to zero, and

(b) 14.2857157025% as follows:

first, to the WO Class to its Targeted Balance;

second, to the SD Class to zero; and

third, to the WO Class to zero.

Group 5 Principal Distribution Amount

1. To the NB Class to zero.
2. To the JF and JO Classes, pro rata, to zero.

Group 6 Principal Distribution Amount

1. To the NC Class to zero.
2. To the JG and GO Classes, pro rata, to zero.

Group 7 Principal Distribution Amount

To the TF Class to zero.

Group 8 Principal Distribution Amount

To the CF Class to zero.

Group 9 Principal Distribution Amount

To the B Class to zero.

Group 10 Principal Distribution Amount

To the C Class to zero.

Group 11 Principal Distribution Amount

To the EF Class 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) *

<u>Group 1 Classes</u>		<u>PSA Prepayment Assumption</u>					
		<u>0%</u>	<u>100%</u>	<u>205%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
FB and IB	20.8	10.7	6.8	5.0	3.8	3.1	
<u>Group 2 Classes</u>		<u>PSA Prepayment Assumption</u>					
		<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>
PF and KI	20.8	9.9	6.4	5.4	3.7	2.7	
UO and UI	20.7	9.8	6.3	5.4	3.7	2.7	
SK	30.0	26.5	25.8	0.1	0.1	0.1	
<u>Group 3 Classes</u>		<u>PSA Prepayment Assumption</u>					
		<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
LF, LI and LA	20.5	10.2	6.6	4.7	3.6	2.8	
<u>Group 4 Classes</u>		<u>PSA Prepayment Assumption</u>					
		<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>
DF and DI	20.8	9.8	6.4	5.3	3.7	2.7	
WO and WI	20.7	9.6	6.2	5.4	3.7	2.7	
SD	30.0	26.1	24.7	0.2	0.1	0.1	
<u>Group 5 Classes</u>		<u>PSA Prepayment Assumption</u>					
		<u>0%</u>	<u>100%</u>	<u>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
NB	16.4	4.3	2.4	2.0	1.7	1.5	
JF, JO and JI	26.1	17.0	10.4	8.1	6.3	5.1	

<u>Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
NC	16.4	4.3	2.4	2.0	1.7	1.5
JG, GO and GI	26.1	17.0	10.4	8.1	6.3	5.1
<u>Group 7 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>170%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
TF, TI and TA	20.5	9.8	7.2	5.3	3.9	2.7
<u>Group 8 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>170%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
CF, CA and CI	20.5	10.0	7.3	5.4	4.0	2.7
<u>Group 9 Class</u>	<u>CPR Prepayment Assumption</u>					
	<u>0%</u>	<u>6%</u>	<u>12%</u>	<u>18%</u>	<u>24%</u>	<u>36%</u>
B	22.7	11.8	7.2	4.9	3.6	2.3
<u>Group 10 Class</u>	<u>CPR Prepayment Assumption</u>					
	<u>0%</u>	<u>6%</u>	<u>12%</u>	<u>18%</u>	<u>24%</u>	<u>36%</u>
C	22.9	11.8	7.3	5.0	3.6	2.3
<u>Group 11 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
EF and EI	20.5	10.2	6.6	4.7	3.6	2.8
<u>Group 2 /Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>
PI(1)	20.8	9.9	6.4	5.4	3.7	2.7
PS(2)	20.7	9.8	6.3	5.4	3.7	2.7
SP(3)	30.0	26.3	25.3	0.2	0.1	0.1
<u>Group 5 /Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
NA(4)	16.4	4.3	2.4	2.0	1.7	1.5
JS(5), SJ(6), BO(7) and BI(8)	26.1	17.0	10.4	8.1	6.3	5.1
<u>Group 9 /Group 10 Class</u>	<u>CPR Prepayment Assumption</u>					
	<u>0%</u>	<u>6%</u>	<u>12%</u>	<u>18%</u>	<u>24%</u>	<u>36%</u>
A(9)	22.8	11.8	7.2	4.9	3.6	2.3

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

- (1) The PI Class is formed from a combination of the KI Class in Group 2 and the DI Class in Group 4.
- (2) The PS Class is formed from a combination of the UO and UI Classes in Group 2 and the WO and WI Classes in Group 4.
- (3) The SP Class is formed from a combination of the SK Class in Group 2 and the SD Class in Group 4.
- (4) The NA Class is formed from a combination of the NB Class in Group 5 and the NC Class in Group 6.
- (5) The JS Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (6) The SJ Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (7) The BO Class is formed from a combination of the JO Class in Group 5 and the GO Class in Group 6.
- (8) The BI Class is formed from a combination of the JI Class in Group 5 and the GI Class in Group 6.
- (9) The A Class is formed from a combination of the B Class in Group 9 and the C Class in Group 10.

ADDITIONAL RISK FACTORS

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

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

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

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

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

The mortgage loans underlying the Group 5, Group 6, Group 9 and Group 10 MBS provide for interest only payments for a lengthy initial period and thus may be more likely to be refinanced than other mortgage loans. As further described in this prospectus supplement under “Description of the Certificates—The Trust MBS,” the scheduled monthly payments on the mortgage loans underlying the Group 5, Group 6, Group 9 and Group 10 MBS represent accrued interest only during periods that may range from seven to ten years following origination. Thereafter, the scheduled monthly payments in each case are increased to amounts sufficient to pay current interest and to fully amortize each of these mortgage loans by its maturity date. As a result, borrowers may be more likely to refi-

nance these mortgage loans on or before the dates on which the scheduled monthly payments increase.

Recent hurricanes in the Gulf Coast region may present risk of increased mortgage loan prepayments. In August and September 2005, Hurricane Katrina and Hurricane Rita and related events caused catastrophic damage to extensive areas along the Gulf Coast of the United States, including portions of coastal and inland Alabama, Florida, Louisiana, Mississippi, and Texas. 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 SMBS and 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 or inverse floating rate certificate will be affected by the level of its interest rate index. If

the level of the index differs from the level you expect, then your actual yield may be lower than you expect.

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

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

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

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

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if

a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of May 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

- five groups of Fannie Mae Stripped Mortgage-Backed Securities (the “Group 1 SMBS,” “Group 3 SMBS,” “Group 7 SMBS,” “Group 8 SMBS” and “Group 11 SMBS” and, together, the “SMBS”), and
- six groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 2 MBS,” “Group 4 MBS,” “Group 5 MBS,” “Group 6 MBS,” “Group 9 MBS” and “Group 10 MBS” and, together, the “Trust MBS”).

The SMBS represent beneficial ownership interests in certain principal and interest distributions on mortgage loans underlying 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 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 SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus.

Characteristics of Certificates. We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial

intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

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

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

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

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

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

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

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

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

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 SMBS. Holders of the SMBS may be asked to vote on issues arising under the related trust agreements. If so, the Trustee will vote the related SMBS, 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 UO, UI, SK, KI, LF, LI, WO, WI, SD, DI, NB, JO, JI, NC, GO, GI, TF, TI, CF, CI, B and C 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 SMBS

The general characteristics of the SMBS are described in the SMBS Prospectus. The SMBS provide that principal and interest on the Mortgage Loans underlying the related MBS are passed through monthly. The general characteristics of the MBS are described in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing Mortgage Loans secured by first mortgages or deed of trust on single-family residential properties.

These Mortgage Loans have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

We expect the characteristics of the SMBS and the underlying Mortgage Loans as of the Issue Date to be as follows:

Group 1 SMBS (1)

Aggregate Unpaid Principal Balance	\$100,000,000
Interest Rate	7.0%

Related Mortgage Loans

Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	345 months
Approximate Weighted Average WALA (weighted average loan age)	13 months

Group 3 SMBS (2)

Aggregate Unpaid Principal Balance	\$145,000,000
Interest Rate	7.0%

Related Mortgage Loans

Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	337 months
Approximate Weighted Average WALA	20 months

Group 7 SMBS (3)

Aggregate Unpaid Principal Balance	\$73,500,000
Interest Rate	7.0%

Related Mortgage Loans

Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	322 months
Approximate Weighted Average WALA	32 months

Group 8 SMBS (4)

Aggregate Unpaid Principal Balance	\$310,000,000
Interest Rate	7.0%

Related Mortgage Loans

Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	332 months
Approximate Weighted Average WALA	24 months

Group 11 SMBS (5)

Aggregate Unpaid Principal Balance	\$75,000,000
Interest Rate	7.0%

Related Mortgage Loans

Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	337 months
Approximate Weighted Average WALA	20 months

- (1) Payments on the Group 1 SMBS are derived from previously issued principal only SMBS having a principal balance of \$100,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$116,666,667 as of the Issue Date and a pass-through rate of 6.0%.
- (2) Payments on the Group 3 SMBS are derived from previously issued principal only SMBS having a principal balance of \$145,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$184,545,455 as of the Issue Date and a pass-through rate of 5.5%.

- (3) Payments on the Group 7 SMBS are derived from previously issued principal only SMBS having a principal balance of \$73,500,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$93,545,455 as of the Issue Date and a pass-through rate of 5.5%.
- (4) Payments on the Group 8 SMBS are derived from previously issued principal only SMBS having a principal balance of \$310,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$394,545,455 as of the Issue Date and a pass-through rate of 5.5%.
- (5) Payments on the Group 11 SMBS are derived from previously issued principal only SMBS having a principal balance of \$75,000,000 as of the Issue Date and previously issued interest only SMBS having a notional principal balance of \$95,454,546 as of the Issue Date and a pass-through rate of 5.5%.

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 30 years.

In addition, in the case of the Mortgage Loans underlying the Group 5, Group 6, Group 9 and Group 10 MBS, the scheduled monthly payments on those loans represent accrued interest only for periods that may range from at least seven to no more than ten years following origination. Beginning with the first monthly payment following the expiration of the applicable interest only period, the scheduled monthly payment on each of those Mortgage Loans will be increased by an amount sufficient to pay accrued interest and to fully amortize the Mortgage Loan by its scheduled maturity date.

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

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

Group 2 MBS

Aggregate Unpaid Principal Balance	\$157,500,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	319 months
Approximate Weighted Average WALA (weighted average loan age)	35 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$60,500,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	317 months
Approximate Weighted Average WALA	34 months

Group 5 MBS

Aggregate Unpaid Principal Balance	\$125,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months*
Approximate Weighted Average WALA	2 months

Group 6 MBS

Aggregate Unpaid Principal Balance	\$75,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months**
Approximate Weighted Average WALA	2 months

Group 9 MBS

Aggregate Unpaid Principal Balance	\$84,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	358 months***
Approximate Weighted Average WALA	2 months

Group 10 MBS

Aggregate Unpaid Principal Balance	\$66,000,000
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	358 months****
Approximate Weighted Average WALA	2 months

* As described above, all of the Mortgage Loans underlying the Group 5 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The approximate weighted average remaining term to expiration of the interest only periods for those Mortgage Loans are expected to be approximately 118 months.

** As described above, all of the Mortgage Loans underlying the Group 6 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The approximate weighted average remaining term to expiration of the interest only periods for those Mortgage Loans is expected to be approximately 118 months.

*** As described above, all of the Mortgage Loans underlying the Group 9 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The approximate weighted average remaining term to expiration of the interest only periods for those Mortgage Loans is expected to be approximately 118 months.

**** As described above, all of the Mortgage Loans underlying the Group 10 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The approximate weighted average remaining term to expiration of the interest only periods for those Mortgage Loans is expected to be approximately 118 months.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the Trust MBS and the SMBS 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 and the SMBS 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	
Floating Rate	FB
Inverse Floating Rate	IB
Interest Only	IB
Group 2 Classes	
Floating Rate	PF
Inverse Floating Rate	UI, SK and KI
Interest Only	UI and KI
Principal Only	UO
RCR**	PI(1), PS(2) and SP(3)
Group 3 Classes	
Floating Rate	LF
Inverse Floating Rate	LI
Interest Only	LI
RCR**	LA
Group 4 Classes	
Floating Rate	DF
Inverse Floating Rate	WI, SD and DI
Interest Only	WI and DI
Principal Only	WO
RCR**	PI(1), PS(2) and SP(3)
Group 5 Classes	
Fixed Rate	NB
Floating Rate	JF
Inverse Floating Rate	JI
Interest Only	JI
Principal Only	JO
RCR**	NA(4), JS(5), SJ(6), BO(7) and BI(8)
Group 6 Classes	
Fixed Rate	NC
Floating Rate	JG
Inverse Floating Rate	GI
Interest Only	GI
Principal Only	GO
RCR**	NA(4), JS(5), SJ(6), BO(7) and BI(8)
Group 7 Classes	
Floating Rate	TF
Inverse Floating Rate	TI
Interest Only	TI
RCR**	TA
Group 8 Classes	
Floating Rate	CF
Inverse Floating Rate	CI
Interest Only	CI
RCR**	CA

<u>Interest Type*</u>	<u>Classes</u>
Group 9 Classes	
Fixed Rate	B
RCR**	A(9)
Group 10 Classes	
Fixed Rate	C
RCR**	A(9)
Group 11 Classes	
Floating Rate	EF
Inverse Floating Rate	EI
Interest Only	EI
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.

- (1) The PI Class is formed from a combination of the KI Class in Group 2 and the DI Class in Group 4.
- (2) The PS Class is formed from a combination of the UO and UI Classes in Group 2 and the WO and WI Classes in Group 4.
- (3) The SP Class is formed from a combination of the SK Class in Group 2 and the SD Class in Group 4.
- (4) The NA Class is formed from a combination of the NB Class in Group 5 and the NC Class in Group 6.
- (5) The JS Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (6) The SJ Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (7) The BO Class is formed from a combination of the JO Class in Group 5 and the GO Class in Group 6.
- (8) The BI Class is formed from a combination of the JI Class in Group 5 and the GI Class in Group 6.
- (9) The A Class is formed from a combination of the B Class in Group 9 and the C Class in Group 10.

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 on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date.

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes and the A Class (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All Floating Rate and Inverse Floating Rate Classes (collectively, the “No-Delay 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 Principal Only Classes as No-Delay Classes for the sole purpose of facilitating trading.

Notional Classes. The Notional Classes will not have principal balances. During each Interest Accrual Period, the Notional Classes will bear interest on their notional principal balances at their

applicable interest rates. The notional principal balances of the Notional Classes will be calculated as specified under “Reference Sheet—Notional Classes” in this prospectus supplement.

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

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

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

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

Weighted Average Coupon Class

The A Class will bear interest during each Interest Accrual Period at an annual rate equal to the weighted average of the interest rates of the B and C Classes, weighted on the basis of their outstanding principal balances (after giving effect to all payments on those Classes during that Interest Accrual Period).

During the initial Interest Accrual Period, the A Class will bear interest at the annual rate of approximately 6.22%.

Our determination of the interest rate for the A Class for the related Interest Accrual Periods 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 4.99% in the case of the JF, JI, JG, GI, JS, SJ and BI Classes; and 5.08% in the case of all other Floating Rate and Inverse Floating Rate Classes.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Pass-Through	FB
Notional	IB
Group 2 Classes	
Pass-Through	PF
TAC	UO
Support	SK
Notional	UI and KI
RCR**	PI(1), PS(2) and SP(3)
Group 3 Classes	
Pass-Through	LF
Notional	LI
RCR**	LA
Group 4 Classes	
Pass-Through	DF
TAC	WO
Support	SD
Notional	WI and DI
RCR**	PI(1), PS(2) and SP(3)
Group 5 Classes	
Sequential Pay	NB, JF and JO
Notional	JI
RCR**	NA(4), JS(5), SJ(6), BO(7) and BI(8)
Group 6 Classes	
Sequential Pay	NC, JG and GO
Notional	GI
RCR**	NA(4), JS(5), SJ(6), BO(7) and BI(8)
Group 7 Classes	
Pass-Through	TF
Notional	TI
RCR**	TA
Group 8 Classes	
Pass-Through	CF
Notional	CI
RCR**	CA
Group 9 Classes	
Pass-Through	B
RCR**	A(9)
Group 10 Classes	
Pass-Through	C
RCR**	A(9)

<u>Principal Type*</u>	<u>Classes</u>
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Group 11 Classes

Pass-Through	EF
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Notional	EI
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No Payment Residual	R and RL
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* 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.

- (1) The PI Class is formed from a combination of the KI Class in Group 2 and the DI Class in Group 4.
- (2) The PS Class is formed from a combination of the UO and UI Classes in Group 2 and the WO and WI Classes in Group 4.
- (3) The SP Class is formed from a combination of the SK Class in Group 2 and the SD Class in Group 4.
- (4) The NA Class is formed from a combination of the NB Class in Group 5 and the NC Class in Group 6.
- (5) The JS Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (6) The SJ Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (7) The BO Class is formed from a combination of the JO Class in Group 5 and the GO Class in Group 6.
- (8) The BI Class is formed from a combination of the JI Class in Group 5 and the GI Class in Group 6.
- (9) The A Class is formed from a combination of the B Class in Group 9 and the C Class in Group 10.

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 SMBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 SMBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 MBS (the “Group 4 Principal Distribution Amount”),
- the principal then paid on the Group 5 MBS (the “Group 5 Principal Distribution Amount”),
- the principal then paid on the Group 6 MBS (the “Group 6 Principal Distribution Amount”),
- the principal then paid on the Group 7 SMBS (the “Group 7 Principal Distribution Amount”),
- the principal then paid on the Group 8 SMBS (the “Group 8 Principal Distribution Amount”),
- the principal then paid on the Group 9 MBS (the “Group 9 Principal Distribution Amount”),
- the principal then paid on the Group 10 MBS (the “Group 10 Principal Distribution Amount”), and
- the principal then paid on the Group 11 SMBS (the “Group 11 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount as principal of the FB Class, until its principal balance is reduced to zero; } Pass-Through Class

Group 2 Principal Distribution Amount

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

- (a) 85.7142857143% of such amount to the PF Class, until its principal balance is reduced to zero, and } Pass-Through Class

(b) 14.2857142857% of such amount as follows:

- first*, to the UO Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } TAC Class
- second*, to the SK Class, until its principal balance is reduced to zero; and } Support Class
- third*, to the UO Class, without regard to its Targeted Balance and until its principal balance is reduced to zero. } TAC Class

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount as principal of the LF Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 4 Principal Distribution Amount

On each Distribution Date, we will apply the Group 4 Principal Distribution Amount as principal of the Group 4 Classes in the following priority:

- (a) 85.7142842975% of such amount to the DF Class, until its principal balance is reduced to zero, and } Pass-Through Class
- (b) 14.2857157025% of such amount as follows:
- first*, to the WO Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } TAC Class
- second*, to the SD Class, until its principal balance is reduced to zero; and } Support Class
- third*, to the WO Class, without regard to its Targeted Balance and until its principal balance is reduced to zero. } TAC Class

Group 5 Principal Distribution Amount

On each Distribution Date, we will apply the Group 5 Principal Distribution Amount as principal of the Group 5 Classes in the following priority:

- (i) to the NB Class, until its principal balance is reduced to zero; and } Sequential Pay Classes
- (ii) concurrently, to the JF and JO Classes, pro rata (or 85.7142855385% and 14.2857144615%, respectively), until their principal balances are reduced to zero. }

Group 6 Principal Distribution Amount

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

- (i) to the NC Class, until its principal balance is reduced to zero; and } Sequential Pay Classes
- (ii) concurrently, to the JG and GO Classes, pro rata (or 85.7142851282% and 14.2857148718%, respectively), until their principal balances are reduced to zero. }

Group 7 Principal Distribution Amount

On each Distribution Date, we will pay the Group 7 Principal Distribution Amount as principal of the TF Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 8 Principal Distribution Amount

On each Distribution Date we will pay the Group 8 Principal Distribution Amount as principal of the CF Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 9 Principal Distribution Amount

On each Distribution Date, we will pay the Group 9 Principal Distribution Amount as principal of the B Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 10 Principal Distribution Amount

On each Distribution Date, we will apply the Group 10 Principal Distribution Amount as principal of the C Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 11 Principal Distribution Amount

On each Distribution Date, we will pay the Group 11 Principal Distribution Amount as principal of the EF Class, until its principal balance is reduced to zero. } Pass-Through Class

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

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (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 Certificates is May 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 (other than the Group 9 and 10 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. The model used in this prospectus supplement for the Group 9 and 10 Classes is the constant prepayment rate model (“CPR”) which represents the annual rate of prepayments relative to the then outstanding principal balance of a pool of new mortgage loans. Thus, “0% CPR” means no prepayments, “15% CPR” means an annual prepayment rate of 15% and so forth.

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

Structuring Rates. The Principal Balance Schedules are found beginning on page B-1 of this prospectus supplement. The Principal Balance Schedules have been prepared on the basis of the

Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at the applicable PSA rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Rates</u>
Targeted Balances	UO	200% PSA
Targeted Balances	WO	200% PSA

We cannot assure you that the balance of any Class listed above will conform on any Distribution Date to the specified balance in the Principal Balance Schedules. As a result, we cannot assure you that payments of principal of any Class listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules. We will distribute any excess of principal payments over the amount needed to reduce a Class to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. Because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at the applicable PSA rate specified above.

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 or CPR, as applicable, 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 or CPR. Moreover, it is unlikely that

- the Mortgage Loans will prepay at a constant PSA or CPR 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>
UO	72.0000%
WO	72.3125%
JO	60.0000%
GO	60.0000%
BO	60.0000%

Sensitivity of the UO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.8%	3.7%	6.0%	7.2%	10.7%	14.8%

Sensitivity of the WO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.8%	3.7%	6.0%	7.0%	10.5%	14.4%

Sensitivity of the JO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.5%	3.1%	5.3%	6.9%	8.9%	10.9%

Sensitivity of the GO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.5%	3.1%	5.3%	6.9%	8.9%	10.9%

Sensitivity of the BO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.5%	3.1%	5.3%	6.9%	8.9%	10.9%

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

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

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

- the interest rates for the Inverse Floating Rate Classes and the 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>
IB	4.281250%
UI	5.000000%
SK	99.062500%
KI	4.781250%
LI	4.734375%
WI	4.906250%
SD	99.000000%
DI	4.812500%
JI	5.281250%
GI	5.281250%
TI	4.812500%
CI	4.765625%
EI	4.875000%
PI	4.781250%
PS	98.593750%
SP	98.593750%
JS	91.312500%
SJ	80.312500%
BI	5.281250%

* 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 IB 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>205%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
1.08%	151.0%	147.3%	139.6%	132.3%	124.6%	116.5%
3.08%	88.8%	85.5%	78.3%	71.7%	64.5%	57.1%
5.08%	33.1%	30.0%	23.3%	17.0%	10.2%	3.2%
6.59%	*	*	*	*	*	*

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

**Sensitivity of the UI 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>250%</u>	<u>375%</u>	<u>500%</u>
1.08%	123.5%	118.7%	109.0%	104.7%	91.9%	78.3%
3.08%	72.7%	68.7%	60.3%	56.4%	45.4%	33.7%
5.08%	26.5%	23.0%	15.9%	12.5%	3.1%	(6.8)%
6.59%	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>
1.08%	29.1%	29.1%	29.1%	24.3%	22.2%	22.2%
3.08%	18.3%	18.3%	18.3%	21.0%	22.2%	22.2%
5.08%	7.8%	7.8%	7.8%	17.8%	22.2%	22.2%
6.59%	0.1%	0.1%	0.1%	15.3%	22.2%	22.2%

**Sensitivity of the KI 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>250%</u>	<u>375%</u>	<u>500%</u>
1.08%	130.4%	125.6%	115.7%	110.6%	97.6%	83.8%
3.08%	76.7%	72.6%	64.2%	59.9%	48.7%	36.9%
5.08%	28.1%	24.6%	17.5%	13.8%	4.4%	(5.5)%
6.59%	*	*	*	*	*	*

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

**Sensitivity of the LI 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>
1.08%	131.6%	127.3%	118.4%	109.3%	99.9%	90.1%
3.08%	77.2%	73.4%	65.6%	57.5%	49.2%	40.5%
5.08%	28.0%	24.6%	17.8%	10.7%	3.4%	(4.3)%
6.56%	*	*	*	*	*	*

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

**Sensitivity of the WI 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>250%</u>	<u>375%</u>	<u>500%</u>
1.08%	126.2%	121.4%	111.5%	108.2%	95.4%	81.7%
3.08%	74.3%	70.1%	61.6%	58.5%	47.4%	35.7%
5.08%	27.0%	23.5%	16.2%	13.3%	3.9%	(6.0)%
6.59%	*	*	*	*	*	*

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

**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>250%</u>	<u>375%</u>	<u>500%</u>
1.08%	29.1%	29.1%	29.1%	27.1%	23.9%	23.2%
3.08%	18.3%	18.3%	18.3%	19.9%	22.7%	23.2%
5.08%	7.8%	7.8%	7.8%	12.9%	21.5%	23.2%
6.59%	0.1%	0.1%	0.1%	7.7%	20.6%	23.2%

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

**Sensitivity of the DI 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>250%</u>	<u>375%</u>	<u>500%</u>
1.08%	129.3%	124.5%	114.7%	109.6%	96.5%	82.8%
3.08%	76.1%	72.0%	63.6%	59.2%	48.1%	36.3%
5.08%	27.8%	24.3%	17.2%	13.6%	4.1%	(5.8)%
6.59%	*	*	*	*	*	*

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

**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>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
0.99%	122.2%	122.2%	121.8%	121.1%	119.6%	117.6%
2.99%	74.0%	74.0%	72.8%	71.2%	68.6%	65.6%
4.99%	29.9%	29.3%	25.8%	22.6%	18.2%	13.4%
6.49%	*	*	*	*	*	*

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

**Sensitivity of the GI 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>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
0.99%	122.2%	122.2%	121.8%	121.1%	119.6%	117.6%
2.99%	74.0%	74.0%	72.8%	71.2%	68.6%	65.6%
4.99%	29.9%	29.3%	25.8%	22.6%	18.2%	13.4%
6.49%	*	*	*	*	*	*

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

**Sensitivity of the TI 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>170%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
1.08%	128.6%	123.8%	117.0%	109.0%	98.6%	82.2%
3.08%	75.5%	71.4%	65.5%	58.7%	49.8%	35.8%
5.08%	27.3%	23.8%	18.9%	13.1%	5.6%	(6.2)%
6.57%	*	*	*	*	*	*

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

**Sensitivity of the CI 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>170%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
1.08%	129.8%	125.2%	118.6%	110.9%	100.9%	85.3%
3.08%	76.1%	72.1%	66.4%	59.7%	51.0%	37.5%
5.08%	27.3%	23.9%	19.0%	13.3%	5.9%	(5.7)%
6.55%	*	*	*	*	*	*

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

**Sensitivity of the EI 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>
1.08%	126.7%	122.4%	113.7%	104.7%	95.3%	85.7%
3.08%	74.3%	70.5%	62.8%	54.8%	46.5%	37.9%
5.08%	26.7%	23.4%	16.6%	9.5%	2.2%	(5.4)%
6.55%	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption					
	50%	100%	200%	250%	375%	500%
1.08%	130.4%	125.6%	115.7%	110.6%	97.5%	83.7%
3.08%	76.7%	72.6%	64.2%	59.8%	48.6%	36.9%
5.08%	28.1%	24.6%	17.5%	13.8%	4.4%	(5.5)%
6.59%	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption					
	50%	100%	200%	250%	375%	500%
1.08%	29.2%	29.2%	29.2%	29.2%	29.2%	29.2%
3.08%	18.4%	18.4%	18.5%	18.5%	18.6%	18.6%
5.08%	7.9%	7.9%	8.0%	8.0%	8.2%	8.3%
6.59%	0.2%	0.2%	0.3%	0.4%	0.5%	0.7%

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

LIBOR	PSA Prepayment Assumption					
	50%	100%	200%	250%	375%	500%
1.08%	29.2%	29.2%	29.2%	29.5%	29.9%	29.9%
3.08%	18.3%	18.3%	18.3%	23.6%	29.3%	29.9%
5.08%	7.8%	7.8%	7.8%	17.7%	28.6%	29.9%
6.59%	0.1%	0.1%	0.1%	13.3%	28.1%	29.9%

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

LIBOR	PSA Prepayment Assumption					
	50%	100%	221%	300%	400%	500%
0.99%	38.2%	38.3%	38.5%	38.6%	38.9%	39.1%
2.99%	23.9%	24.0%	24.3%	24.5%	24.8%	25.1%
4.99%	10.2%	10.3%	10.7%	11.0%	11.3%	11.6%
6.49%	0.5%	0.6%	1.0%	1.2%	1.6%	1.9%

**Sensitivity of the SJ 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>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
0.99%	28.6%	28.8%	29.5%	30.0%	30.8%	31.5%
2.99%	18.1%	18.3%	19.2%	19.8%	20.6%	21.4%
4.99%	8.1%	8.4%	9.3%	10.0%	10.8%	11.6%
6.49%	1.1%	1.3%	2.2%	2.9%	3.7%	4.5%

**Sensitivity of the BI 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>221%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>
0.99%	122.2%	122.2%	121.8%	121.1%	119.6%	117.6%
2.99%	74.0%	74.0%	72.8%	71.2%	68.6%	65.6%
4.99%	29.9%	29.3%	25.8%	22.6%	18.2%	13.4%
6.49%	*	*	*	*	*	*

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

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 2, Group 4, Group 5 and Group 6 Classes, and
- in the case of the Group 2 and Group 4 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA or CPR 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 or CPR, 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 SMBS	360 months	360 months	8.50%
Group 2 MBS	360 months	360 months	8.50%
Group 3 SMBS	360 months	360 months	8.00%
Group 4 MBS	360 months	360 months	8.50%
Group 5 MBS	360 months	360 months	8.50%
Group 6 MBS	360 months	360 months	8.50%
Group 7 SMBS	360 months	360 months	8.00%
Group 8 SMBS	360 months	360 months	8.00%
Group 9 MBS	360 months	360 months	8.50%
Group 10 MBS	360 months	360 months	9.00%
Group 11 SMBS	360 months	360 months	8.00%

In addition, in the case of the information set forth for each Group 5 and Group 6 Class under 0% PSA, we assumed that the related Mortgage Loans have original and remaining interest only periods of 120 months.

Finally, in the case of the information set forth for each Group 9 and Group 10 Class under 0% CPR, we assumed that the related Mortgage Loans have original and remaining interest only periods of 120 months.

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 or CPR level, as applicable.

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 or CPR 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	FB and IB† Classes						PF and KI† Classes						UO and UI† Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	205%	300%	400%	500%	0%	100%	200%	250%	375%	500%	0%	100%	200%	250%	375%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	99	95	91	87	83	79	99	93	87	84	76	69	99	93	87	84	77	69
May 2008	98	88	79	71	63	56	98	86	75	70	58	48	98	86	75	70	59	48
May 2009	98	82	68	57	47	38	98	79	65	59	44	33	98	79	65	59	45	33
May 2010	97	76	59	46	35	26	97	73	56	49	34	22	97	73	56	49	34	23
May 2011	95	70	51	37	26	18	95	67	48	41	26	15	95	67	48	41	26	15
May 2012	94	64	44	30	20	12	94	62	42	34	19	11	94	62	41	34	20	11
May 2013	93	59	38	24	15	9	93	57	36	28	15	7	93	57	35	28	15	7
May 2014	92	55	32	19	11	6	92	52	31	23	11	5	92	52	30	23	11	5
May 2015	90	50	28	16	8	4	90	47	26	19	8	3	90	47	26	19	8	3
May 2016	89	46	24	12	6	3	89	43	22	16	6	2	89	43	22	16	6	2
May 2017	87	42	20	10	4	2	87	39	19	13	5	2	87	39	19	13	5	2
May 2018	85	38	17	8	3	1	85	35	16	11	3	1	85	35	16	11	4	1
May 2019	83	35	14	6	2	1	83	32	14	9	3	1	83	32	13	9	3	1
May 2020	81	31	12	5	2	1	81	29	11	7	2	*	80	28	11	7	2	*
May 2021	78	28	10	4	1	*	78	25	9	6	1	*	78	25	9	6	1	*
May 2022	75	25	9	3	1	*	75	22	8	4	1	*	75	22	7	5	1	*
May 2023	72	23	7	2	1	*	72	20	6	4	1	*	72	19	6	4	1	*
May 2024	69	20	6	2	*	*	69	17	5	3	1	*	69	17	5	3	1	*
May 2025	66	18	5	1	*	*	66	15	4	2	*	*	66	14	4	2	*	*
May 2026	62	15	4	1	*	*	62	12	3	2	*	*	62	12	3	2	*	*
May 2027	58	13	3	1	*	*	58	10	3	1	*	*	58	10	2	1	*	*
May 2028	53	11	2	1	*	*	53	8	2	1	*	*	53	8	1	1	*	*
May 2029	49	9	2	*	*	*	49	6	1	1	*	*	48	6	1	1	*	*
May 2030	43	7	1	*	*	*	43	4	1	*	*	*	43	4	*	*	*	*
May 2031	37	6	1	*	*	*	37	3	*	*	*	*	37	2	*	*	*	*
May 2032	31	4	1	*	*	*	31	1	*	*	*	*	31	*	0	*	*	*
May 2033	24	2	*	*	*	*	24	0	0	0	0	0	24	0	0	0	0	0
May 2034	17	1	*	*	*	*	17	0	0	0	0	0	17	0	0	0	0	0
May 2035	9	0	0	0	0	0	9	0	0	0	0	0	8	0	0	0	0	0
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.8	10.7	6.8	5.0	3.8	3.1	20.8	9.9	6.4	5.4	3.7	2.7	20.7	9.8	6.3	5.4	3.7	2.7

Date	SK Class						LF, LI† and LA Classes						DF and DI† Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	250%	375%	500%	0%	100%	200%	300%	400%	500%	0%	100%	200%	250%	375%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	100	100	100	0	0	0	99	93	88	83	78	73	99	93	87	84	76	69
May 2008	100	100	100	0	0	0	98	86	76	67	58	50	98	86	75	70	58	47
May 2009	100	100	100	0	0	0	97	80	66	54	44	34	98	79	65	58	44	33
May 2010	100	100	100	0	0	0	96	74	57	44	32	24	97	73	56	49	34	22
May 2011	100	100	100	0	0	0	95	68	49	35	24	16	95	67	48	41	26	15
May 2012	100	100	100	0	0	0	94	63	43	28	18	11	94	62	41	34	19	11
May 2013	100	100	100	0	0	0	92	58	37	23	13	8	93	56	36	28	15	7
May 2014	100	100	100	0	0	0	91	53	31	18	10	5	92	52	30	23	11	5
May 2015	100	100	100	0	0	0	89	48	27	14	7	4	90	47	26	19	8	3
May 2016	100	100	100	0	0	0	88	44	23	11	5	2	89	43	22	16	6	2
May 2017	100	100	100	0	0	0	86	40	20	9	4	2	87	39	19	13	5	2
May 2018	100	100	100	0	0	0	84	36	17	7	3	1	85	35	16	10	3	1
May 2019	100	100	100	0	0	0	82	33	14	6	2	1	83	32	13	9	3	1
May 2020	100	100	100	0	0	0	79	30	12	4	2	*	81	28	11	7	2	*
May 2021	100	100	100	0	0	0	77	26	10	3	1	*	78	25	9	6	1	*
May 2022	100	100	100	0	0	0	74	24	8	3	1	*	75	22	8	4	1	*
May 2023	100	100	100	0	0	0	71	21	7	2	1	*	72	19	6	3	1	*
May 2024	100	100	100	0	0	0	68	18	6	2	*	*	69	17	5	3	1	*
May 2025	100	100	100	0	0	0	64	16	5	1	*	*	66	14	4	2	*	*
May 2026	100	100	100	0	0	0	60	14	4	1	*	*	62	12	3	2	*	*
May 2027	100	100	100	0	0	0	56	12	3	1	*	*	58	10	2	1	*	*
May 2028	100	100	100	0	0	0	52	10	2	*	*	*	53	8	2	1	*	*
May 2029	100	100	100	0	0	0	47	8	2	*	*	*	49	6	1	1	*	*
May 2030	100	100	100	0	0	0	42	6	1	*	*	*	43	4	1	*	*	*
May 2031	100	100	100	0	0	0	36	4	1	*	*	*	37	2	*	*	*	*
May 2032	100	100	37	0	0	0	30	3	1	*	*	*	31	1	*	*	*	*
May 2033	100	0	0	0	0	0	23	1	*	*	*	*	24	0	0	0	0	0
May 2034	100	0	0	0	0	0	16	*	*	*	*	*	17	0	0	0	0	0
May 2035	100	0	0	0	0	0	8	0	0	0	0	0	9	0	0	0	0	0
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	30.0	26.5	25.8	0.1	0.1	0.1	20.5	10.2	6.6	4.7	3.6	2.8	20.8	9.8	6.4	5.3	3.7	2.7

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

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

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

Date	WO and WI† Classes						SD Class						NB Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	250%	375%	500%	0%	100%	200%	250%	375%	500%	0%	100%	221%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	99	92	87	85	77	70	100	100	100	0	0	0	100	95	89	85	80	76
May 2008	98	85	75	71	59	48	100	100	100	0	0	0	100	84	64	52	37	22
May 2009	97	79	64	59	45	33	100	100	100	0	0	0	100	68	32	10	0	0
May 2010	97	73	55	49	34	23	100	100	100	0	0	0	100	53	3	0	0	0
May 2011	95	67	48	41	26	16	100	100	100	0	0	0	100	38	0	0	0	0
May 2012	94	61	41	34	20	11	100	100	100	0	0	0	100	25	0	0	0	0
May 2013	93	56	35	28	15	7	100	100	100	0	0	0	100	12	0	0	0	0
May 2014	92	51	30	23	11	5	100	100	100	0	0	0	100	*	0	0	0	0
May 2015	90	47	25	19	8	3	100	100	100	0	0	0	100	0	0	0	0	0
May 2016	88	42	21	16	6	2	100	100	100	0	0	0	100	0	0	0	0	0
May 2017	87	38	18	13	5	2	100	100	100	0	0	0	94	0	0	0	0	0
May 2018	85	34	15	11	4	1	100	100	100	0	0	0	88	0	0	0	0	0
May 2019	83	31	12	9	3	1	100	100	100	0	0	0	81	0	0	0	0	0
May 2020	80	27	10	7	2	*	100	100	100	0	0	0	74	0	0	0	0	0
May 2021	78	24	8	6	1	*	100	100	100	0	0	0	66	0	0	0	0	0
May 2022	75	21	7	4	1	*	100	100	100	0	0	0	57	0	0	0	0	0
May 2023	72	18	5	4	1	*	100	100	100	0	0	0	48	0	0	0	0	0
May 2024	69	16	4	3	1	*	100	100	100	0	0	0	38	0	0	0	0	0
May 2025	65	13	3	2	*	*	100	100	100	0	0	0	26	0	0	0	0	0
May 2026	62	11	2	2	*	*	100	100	100	0	0	0	14	0	0	0	0	0
May 2027	57	9	1	1	*	*	100	100	100	0	0	0	1	0	0	0	0	0
May 2028	53	7	1	1	*	*	100	100	100	0	0	0	0	0	0	0	0	0
May 2029	48	5	*	1	*	*	100	100	100	0	0	0	0	0	0	0	0	0
May 2030	43	3	0	*	*	*	100	100	70	0	0	0	0	0	0	0	0	0
May 2031	37	1	0	*	*	*	100	100	37	0	0	0	0	0	0	0	0	0
May 2032	30	0	0	*	*	*	100	55	10	0	0	0	0	0	0	0	0	0
May 2033	23	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0
May 2034	16	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0
May 2035	8	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.7	9.6	6.2	5.4	3.7	2.7	30.0	26.1	24.7	0.2	0.1	0.1	16.4	4.3	2.4	2.0	1.7	1.5

Date	JF, JO and JI† Classes						NC Class						JG, GO and GI† Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	221%	300%	400%	500%	0%	100%	221%	300%	400%	500%	0%	100%	221%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	100	100	100	100	100	100	100	95	89	85	80	76	100	100	100	100	100	100
May 2008	100	100	100	100	100	100	100	84	64	52	37	22	100	100	100	100	100	100
May 2009	100	100	100	100	91	79	100	68	32	10	0	0	100	100	100	100	91	79
May 2010	100	100	100	86	70	55	100	53	3	0	0	0	100	100	100	86	70	55
May 2011	100	100	88	71	53	39	100	38	0	0	0	0	100	100	88	71	53	39
May 2012	100	100	76	58	40	27	100	25	0	0	0	0	100	100	76	58	40	27
May 2013	100	100	66	48	31	19	100	12	0	0	0	0	100	100	66	48	31	19
May 2014	100	100	57	39	23	13	100	*	0	0	0	0	100	100	57	39	23	13
May 2015	100	94	50	32	18	9	100	0	0	0	0	0	100	94	50	32	18	9
May 2016	100	88	43	26	13	6	100	0	0	0	0	0	100	88	43	26	13	6
May 2017	100	81	36	21	10	4	94	0	0	0	0	0	100	81	36	21	10	4
May 2018	100	74	31	17	7	3	88	0	0	0	0	0	100	74	31	17	7	3
May 2019	100	67	26	13	5	2	81	0	0	0	0	0	100	67	26	13	5	2
May 2020	100	61	22	10	4	1	74	0	0	0	0	0	100	61	22	10	4	1
May 2021	100	55	18	8	3	1	66	0	0	0	0	0	100	55	18	8	3	1
May 2022	100	50	15	7	2	1	57	0	0	0	0	0	100	50	15	7	2	1
May 2023	100	45	12	5	2	*	48	0	0	0	0	0	100	45	12	5	2	*
May 2024	100	40	10	4	1	*	38	0	0	0	0	0	100	40	10	4	1	*
May 2025	100	35	8	3	1	*	26	0	0	0	0	0	100	35	8	3	1	*
May 2026	100	31	7	2	1	*	14	0	0	0	0	0	100	31	7	2	1	*
May 2027	100	27	5	2	*	*	1	0	0	0	0	0	100	27	5	2	*	*
May 2028	93	23	4	1	*	*	0	0	0	0	0	0	93	23	4	1	*	*
May 2029	84	20	3	1	*	*	0	0	0	0	0	0	84	20	3	1	*	*
May 2030	75	16	3	1	*	*	0	0	0	0	0	0	75	16	3	1	*	*
May 2031	65	13	2	*	*	*	0	0	0	0	0	0	65	13	2	*	*	*
May 2032	54	10	1	*	*	*	0	0	0	0	0	0	54	10	1	*	*	*
May 2033	42	7	1	*	*	*	0	0	0	0	0	0	42	7	1	*	*	*
May 2034	29	4	1	*	*	*	0	0	0	0	0	0	29	4	1	*	*	*
May 2035	15	2	*	*	*	*	0	0	0	0	0	0	15	2	*	*	*	*
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.1	17.0	10.4	8.1	6.3	5.1	16.4	4.3	2.4	2.0	1.7	1.5	26.1	17.0	10.4	8.1	6.3	5.1

* 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	TF, TI† and TA Classes						CF, CA and CI† Classes						B Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						CPR Prepayment Assumption					
	0%	100%	170%	250%	350%	500%	0%	100%	170%	250%	350%	500%	0%	6%	12%	18%	24%	36%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	99	93	88	84	78	69	99	93	89	84	79	70	100	94	88	82	76	64
May 2008	98	86	78	70	60	47	98	86	79	71	61	48	100	88	77	67	58	41
May 2009	97	79	69	58	47	33	97	79	69	59	47	33	100	83	68	55	44	26
May 2010	96	73	61	49	36	22	96	73	61	49	37	23	100	78	60	45	33	17
May 2011	95	67	53	40	28	15	95	67	54	41	29	16	100	73	53	37	25	11
May 2012	94	61	47	34	22	10	94	62	47	34	22	11	100	69	46	30	19	7
May 2013	92	56	41	28	17	7	92	57	41	28	17	7	100	65	41	25	15	4
May 2014	91	51	36	23	13	5	91	52	36	23	13	5	100	61	36	20	11	3
May 2015	89	47	31	19	10	3	89	48	32	19	10	3	100	57	32	17	8	2
May 2016	88	43	27	16	8	2	88	43	28	16	8	2	100	54	28	14	6	1
May 2017	86	39	23	13	6	2	86	39	24	13	6	2	98	49	24	11	5	1
May 2018	84	35	20	10	4	1	84	36	21	11	4	1	96	45	20	9	4	*
May 2019	82	31	17	8	3	1	82	32	18	9	3	1	93	41	17	7	3	*
May 2020	79	28	15	7	2	*	79	29	15	7	3	*	91	37	15	5	2	*
May 2021	77	25	13	6	2	*	77	26	13	6	2	*	88	34	13	4	1	*
May 2022	74	22	11	4	1	*	74	23	11	5	1	*	85	30	11	3	1	*
May 2023	71	19	9	4	1	*	71	20	9	4	1	*	82	27	9	3	1	*
May 2024	68	17	7	3	1	*	68	18	8	3	1	*	78	24	7	2	1	*
May 2025	64	14	6	2	1	*	64	15	6	2	1	*	74	21	6	2	*	*
May 2026	60	12	5	2	*	*	60	13	5	2	*	*	70	19	5	1	*	*
May 2027	56	10	4	1	*	*	56	11	4	1	*	*	65	16	4	1	*	*
May 2028	52	8	3	1	*	*	52	9	3	1	*	*	60	14	3	1	*	*
May 2029	47	6	2	1	*	*	47	7	3	1	*	*	55	12	3	1	*	*
May 2030	42	4	1	*	*	*	42	5	2	*	*	*	49	10	2	*	*	*
May 2031	36	3	1	*	*	*	36	4	1	*	*	*	42	8	2	*	*	*
May 2032	30	1	*	*	*	*	30	2	1	*	*	*	35	6	1	*	*	*
May 2033	23	0	0	0	0	0	23	1	*	*	*	*	27	4	1	*	*	*
May 2034	16	0	0	0	0	0	16	0	0	0	0	0	19	3	*	*	*	*
May 2035	8	0	0	0	0	0	8	0	0	0	0	0	10	1	*	*	*	*
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.5	9.8	7.2	5.3	3.9	2.7	20.5	10.0	7.3	5.4	4.0	2.7	22.7	11.8	7.2	4.9	3.6	2.3

Date	C Class						EF and EI† Classes						PI† Class					
	CPR Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	6%	12%	18%	24%	36%	0%	100%	200%	300%	400%	500%	0%	100%	200%	250%	375%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	100	94	88	82	76	64	99	93	88	83	78	73	99	93	87	84	76	69
May 2008	100	88	77	67	58	41	98	86	76	67	58	50	98	86	75	70	58	48
May 2009	100	83	68	55	44	26	97	80	66	54	44	34	98	79	65	59	44	33
May 2010	100	78	60	45	33	17	96	74	57	44	32	24	97	73	56	49	34	22
May 2011	100	73	53	37	25	11	95	68	49	35	24	16	95	67	48	41	26	15
May 2012	100	69	46	30	19	7	94	63	43	28	18	11	94	62	42	34	19	11
May 2013	100	65	41	25	15	4	92	58	37	23	13	8	93	57	36	28	15	7
May 2014	100	61	36	20	11	3	91	53	31	18	10	5	92	52	31	23	11	5
May 2015	100	57	32	17	8	2	89	48	27	14	7	4	90	47	26	19	8	3
May 2016	100	54	28	14	6	1	88	44	23	11	5	2	89	43	22	16	6	2
May 2017	98	49	24	11	5	1	86	40	20	9	4	2	87	39	19	13	5	2
May 2018	96	45	20	9	4	*	84	36	17	7	3	1	85	35	16	11	3	1
May 2019	94	41	17	7	3	*	82	33	14	6	2	1	83	32	13	9	3	1
May 2020	91	37	15	6	2	*	79	30	12	4	2	*	81	28	11	7	2	*
May 2021	89	34	13	4	1	*	77	26	10	3	1	*	78	25	9	6	1	*
May 2022	86	31	11	3	1	*	74	24	8	3	1	*	75	22	8	4	1	*
May 2023	83	28	9	3	1	*	71	21	7	2	1	*	72	20	6	4	1	*
May 2024	79	25	8	2	1	*	68	18	6	2	*	*	69	17	5	3	1	*
May 2025	75	22	6	2	*	*	64	16	5	1	*	*	66	14	4	2	*	*
May 2026	71	19	5	1	*	*	60	14	4	1	*	*	62	12	3	2	*	*
May 2027	66	17	4	1	*	*	56	12	3	1	*	*	58	10	2	1	*	*
May 2028	61	14	3	1	*	*	52	10	2	*	*	*	53	8	2	1	*	*
May 2029	56	12	3	1	*	*	47	8	2	*	*	*	49	6	1	1	*	*
May 2030	50	10	2	*	*	*	42	6	1	*	*	*	43	4	1	*	*	*
May 2031	43	8	2	*	*	*	36	4	1	*	*	*	37	2	*	*	*	*
May 2032	36	6	1	*	*	*	30	3	1	*	*	*	31	1	*	*	*	*
May 2033	28	5	1	*	*	*	23	1	*	*	*	*	24	0	0	0	0	0
May 2034	20	3	*	*	*	*	16	*	*	*	*	*	17	0	0	0	0	0
May 2035	10	1	*	*	*	*	8	0	0	0	0	0	9	0	0	0	0	0
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	22.9	11.8	7.3	5.0	3.6	2.3	20.5	10.2	6.6	4.7	3.6	2.8	20.8	9.9	6.4	5.4	3.7	2.7

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

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

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

Date	PS Class						SP Class						NA Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	250%	375%	500%	0%	100%	200%	250%	375%	500%	0%	100%	221%	300%	400%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	99	93	87	84	77	69	100	100	100	0	0	0	100	95	89	85	80	76
May 2008	98	86	75	70	59	48	100	100	100	0	0	0	100	84	64	52	37	22
May 2009	98	79	65	59	45	33	100	100	100	0	0	0	100	68	32	10	0	0
May 2010	97	73	56	49	34	23	100	100	100	0	0	0	100	53	3	0	0	0
May 2011	95	67	48	41	26	15	100	100	100	0	0	0	100	38	0	0	0	0
May 2012	94	62	41	34	20	11	100	100	100	0	0	0	100	25	0	0	0	0
May 2013	93	56	35	28	15	7	100	100	100	0	0	0	100	12	0	0	0	0
May 2014	92	52	30	23	11	5	100	100	100	0	0	0	100	*	0	0	0	0
May 2015	90	47	26	19	8	3	100	100	100	0	0	0	100	0	0	0	0	0
May 2016	89	43	22	16	6	2	100	100	100	0	0	0	100	0	0	0	0	0
May 2017	87	39	18	13	5	2	100	100	100	0	0	0	94	0	0	0	0	0
May 2018	85	35	15	11	4	1	100	100	100	0	0	0	88	0	0	0	0	0
May 2019	83	31	13	9	3	1	100	100	100	0	0	0	81	0	0	0	0	0
May 2020	80	28	11	7	2	*	100	100	100	0	0	0	74	0	0	0	0	0
May 2021	78	25	9	6	1	*	100	100	100	0	0	0	66	0	0	0	0	0
May 2022	75	22	7	4	1	*	100	100	100	0	0	0	57	0	0	0	0	0
May 2023	72	19	6	4	1	*	100	100	100	0	0	0	48	0	0	0	0	0
May 2024	69	16	5	3	1	*	100	100	100	0	0	0	38	0	0	0	0	0
May 2025	66	14	4	2	*	*	100	100	100	0	0	0	26	0	0	0	0	0
May 2026	62	12	3	2	*	*	100	100	100	0	0	0	14	0	0	0	0	0
May 2027	58	9	2	1	*	*	100	100	100	0	0	0	1	0	0	0	0	0
May 2028	53	7	1	1	*	*	100	100	100	0	0	0	0	0	0	0	0	0
May 2029	48	5	1	1	*	*	100	100	100	0	0	0	0	0	0	0	0	0
May 2030	43	4	*	*	*	*	100	100	85	0	0	0	0	0	0	0	0	0
May 2031	37	2	*	*	*	*	100	100	69	0	0	0	0	0	0	0	0	0
May 2032	31	*	0	*	*	*	100	78	23	0	0	0	0	0	0	0	0	0
May 2033	24	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0
May 2034	16	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0
May 2035	8	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0
May 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.7	9.8	6.3	5.4	3.7	2.7	30.0	26.3	25.3	0.2	0.1	0.1	16.4	4.3	2.4	2.0	1.7	1.5

Date	JS, SJ, BO and BI† Classes						A Class					
	PSA Prepayment Assumption						CPR Prepayment Assumption					
	0%	100%	221%	300%	400%	500%	0%	6%	12%	18%	24%	36%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
May 2007	100	100	100	100	100	100	100	94	88	82	76	64
May 2008	100	100	100	100	100	100	100	88	77	67	58	41
May 2009	100	100	100	100	91	79	100	83	68	55	44	26
May 2010	100	100	100	86	70	55	100	78	60	45	33	17
May 2011	100	100	88	71	53	39	100	73	53	37	25	11
May 2012	100	100	76	58	40	27	100	69	46	30	19	7
May 2013	100	100	66	48	31	19	100	65	41	25	15	4
May 2014	100	100	57	39	23	13	100	61	36	20	11	3
May 2015	100	94	50	32	18	9	100	57	32	17	8	2
May 2016	100	88	43	26	13	6	100	54	28	14	6	1
May 2017	100	81	36	21	10	4	98	49	24	11	5	1
May 2018	100	74	31	17	7	3	96	45	20	9	4	*
May 2019	100	67	26	13	5	2	94	41	17	7	3	*
May 2020	100	61	22	10	4	1	91	37	15	6	2	*
May 2021	100	55	18	8	3	1	88	34	13	4	1	*
May 2022	100	50	15	7	2	1	85	30	11	3	1	*
May 2023	100	45	12	5	2	*	82	27	9	3	1	*
May 2024	100	40	10	4	1	*	79	24	7	2	1	*
May 2025	100	35	8	3	1	*	75	22	6	2	*	*
May 2026	100	31	7	2	1	*	70	19	5	1	*	*
May 2027	100	27	5	2	*	*	66	17	4	1	*	*
May 2028	93	23	4	1	*	*	61	14	3	1	*	*
May 2029	84	20	3	1	*	*	55	12	3	1	*	*
May 2030	75	16	3	1	*	*	49	10	2	*	*	*
May 2031	65	13	2	*	*	*	43	8	2	*	*	*
May 2032	54	10	1	*	*	*	36	6	1	*	*	*
May 2033	42	7	1	*	*	*	28	4	1	*	*	*
May 2034	29	4	1	*	*	*	19	3	*	*	*	*
May 2035	15	2	*	*	*	*	10	1	*	*	*	*
May 2036	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.1	17.0	10.4	8.1	6.3	5.1	22.8	11.8	7.2	4.9	3.6	2.3

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

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

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

Characteristics of the R and RL Classes

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

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

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

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

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

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 and the Principal Only 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	205% PSA
2	250% PSA
3	200% PSA
4	250% PSA
5	221% PSA
6	221% PSA
7	170% PSA
8	170% PSA
9	18% CPR
10	18% CPR
11	200% 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 April 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 Lehman Brothers Inc. (the “Dealer”) in exchange for the SMBS and the Trust MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Classes in addition to those contemplated as of the date of this prospectus supplement. In this event,

we will increase the related SMBS or Trust MBS, as applicable, in principal balance, but we expect that all these additional SMBS or Trust MBS, as applicable, will have the same characteristics as described under “Description of the Certificates—The SMBS” and “—The Trust MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 or 11 Class bears to the aggregate original principal balance of all Group 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 or 11 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. Thacher Proffitt & Wood LLP will provide legal representation for the Dealer.

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			LA	\$145,000,000	7.0%	FIX	PT	31395DDWD7	June 2036
LF	\$145,000,000								
LI	145,000,000 (4)								
Recombination 2			PI (5)	31,142,858 (4)	(7)	INV/IO	NTL	31395DWE5	June 2036
KI	22,500,000 (4)								
DI	8,642,858 (4)								
Recombination 3			PS (6)	30,942,858	(7)	INV	TAC	31395DWF2	June 2036
UO	22,400,000								
UI	112,000,000 (4)								
WO	8,542,858								
WI	42,714,290 (4)								
Recombination 4			SP (8)	200,000	(7)	INV	SUP	31395DWG0	June 2036
SK	100,000								
SD	100,000								
Recombination 5			NA (9)	70,000,000	6.0	FIX	SEQ	31395DWH8	July 2027
NB	43,750,000								
NC	26,250,000								
Recombination 6			JS (10)	18,571,429	(7)	INV	SEQ	31395DWJ4	June 2036
JO	11,607,143								
JI	69,642,857 (4)								
GO	6,964,286								
GI	41,785,714 (4)								
Recombination 7			SJ (11)	18,571,429	(7)	INV	SEQ	31395DWK1	June 2036
JO	11,607,143								
JI	46,428,571 (4)								
GO	6,964,286								
GI	27,857,143 (4)								
Recombination 8			BO (12)	18,571,429	(13)	PO	SEQ	31395DWL9	June 2036
JO	11,607,143								
GO	6,964,286								
Recombination 9			BI (14)	111,428,571 (4)	(7)	INV/IO	NTL	31395DWM7	June 2036
JI	69,642,857 (4)								
GI	41,785,714 (4)								
Recombination 10			TA	73,500,000	7.0	FIX	PT	31395DWN5	June 2036
TF	73,500,000								
TI	73,500,000 (4)								

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 11								
CF	\$310,000,000	CA	\$310,000,000	7.0%	FIX	PT	31395DWP0	June 2036
CI	310,000,000 (4)							
Recombination 12								
B	84,000,000	A (15)	150,000,000	(16)	WAC	PT	31395DWQ8	June 2036
C	66,000,000							

- (1) REMIC Certificates and RCR Certificates in Recombinations 1, 10 and 11 may be exchanged only in the proportions shown in this Schedule 1. In any exchange under any other Recombination the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal or notional principal balances of the related REMIC Classes at the time of exchange.
- (2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the Certificates—General—*Authorized Denominations*” in this prospectus supplement.
- (3) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” in this prospectus supplement.
- (4) Notional balances. These Classes are Interest Only Classes. See page S-9 for a description of how their notional balances are calculated.
- (5) The PI Class is formed from a combination of the KI Class in Group 2 and the DI Class in Group 4.
- (6) The PS Class is formed from a combination of the UO and UI Classes in Group 2 and the WO and WI Classes in Group 4.
- (7) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.
- (8) The SP Class is formed from a combination of the SK Class in Group 2 and the SD Class in Group 4.
- (9) The NA Class is formed from a combination of the NB Class in Group 5 and the NC Class in Group 6.
- (10) The JS Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (11) The SJ Class is formed from a combination of the JO and JI Classes in Group 5 and the GO and GI Classes in Group 6.
- (12) The BO Class is formed from a combination of the JO Class in Group 5 and the GO Class in Group 6.
- (13) Principal Only Class.
- (14) The BI Class is formed from a combination of the JI Class in Group 5 and the GI Class in Group 6.
- (15) The A Class is formed from a combination of the B Class in Group 9 and the C Class in Group 10.
- (16) During each Interest Accrual Period, the RCR Certificates of this Class will bear interest at an annual rate equal to the weighted average of the interest rates of the B and C Classes, weighted on the basis of their principal balances (after giving effect to all payments on those Classes during that Interest Accrual Period). See “Description of the Certificates—Distributions of Interest” in this prospectus supplement.

Principal Balance Schedules

UO Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$22,400,000.00	August 2010	\$12,064,157.98	November 2014	\$ 6,274,150.05
June 2006	22,135,253.98	September 2010	11,915,144.40	December 2014	6,191,234.90
July 2006	21,873,451.82	October 2010	11,767,815.66	January 2015	6,109,279.22
August 2006	21,614,561.59	November 2010	11,622,153.36	February 2015	6,028,272.43
September 2006	21,358,551.71	December 2010	11,478,139.28	March 2015	5,948,204.05
October 2006	21,105,390.95	January 2011	11,335,755.41	April 2015	5,869,063.71
November 2006	20,855,048.38	February 2011	11,194,983.92	May 2015	5,790,841.16
December 2006	20,607,493.45	March 2011	11,055,807.19	June 2015	5,713,526.26
January 2007	20,362,695.89	April 2011	10,918,207.77	July 2015	5,637,108.97
February 2007	20,120,625.79	May 2011	10,782,168.42	August 2015	5,561,579.38
March 2007	19,881,253.54	June 2011	10,647,672.05	September 2015	5,486,927.66
April 2007	19,644,549.86	July 2011	10,514,701.79	October 2015	5,413,144.11
May 2007	19,410,485.76	August 2011	10,383,240.94	November 2015	5,340,219.11
June 2007	19,179,032.61	September 2011	10,253,272.97	December 2015	5,268,143.18
July 2007	18,950,162.03	October 2011	10,124,781.54	January 2016	5,196,906.91
August 2007	18,723,845.97	November 2011	9,997,750.49	February 2016	5,126,501.00
September 2007	18,500,056.70	December 2011	9,872,163.81	March 2016	5,056,916.26
October 2007	18,278,766.76	January 2012	9,748,005.68	April 2016	4,988,143.59
November 2007	18,059,948.98	February 2012	9,625,260.45	May 2016	4,920,173.99
December 2007	17,843,576.52	March 2012	9,503,912.65	June 2016	4,852,998.57
January 2008	17,629,622.78	April 2012	9,383,946.94	July 2016	4,786,608.51
February 2008	17,418,061.47	May 2012	9,265,348.19	August 2016	4,720,995.12
March 2008	17,208,866.59	June 2012	9,148,101.39	September 2016	4,656,149.76
April 2008	17,002,012.40	July 2012	9,032,191.74	October 2016	4,592,063.93
May 2008	16,797,473.46	August 2012	8,917,604.55	November 2016	4,528,729.20
June 2008	16,595,224.57	September 2012	8,804,325.32	December 2016	4,466,137.22
July 2008	16,395,240.82	October 2012	8,692,339.69	January 2017	4,404,279.75
August 2008	16,197,497.58	November 2012	8,581,633.47	February 2017	4,343,148.63
September 2008	16,001,970.46	December 2012	8,472,192.62	March 2017	4,282,735.79
October 2008	15,808,635.34	January 2013	8,364,003.23	April 2017	4,223,033.25
November 2008	15,617,468.36	February 2013	8,257,051.57	May 2017	4,164,033.11
December 2008	15,428,445.93	March 2013	8,151,324.04	June 2017	4,105,727.57
January 2009	15,241,544.68	April 2013	8,046,807.18	July 2017	4,048,108.89
February 2009	15,056,741.53	May 2013	7,943,487.71	August 2017	3,991,169.44
March 2009	14,874,013.62	June 2013	7,841,352.44	September 2017	3,934,901.66
April 2009	14,693,338.35	July 2013	7,740,388.38	October 2017	3,879,298.07
May 2009	14,514,693.35	August 2013	7,640,582.63	November 2017	3,824,351.28
June 2009	14,338,056.50	September 2013	7,541,922.47	December 2017	3,770,053.96
July 2009	14,163,405.92	October 2013	7,444,395.27	January 2018	3,716,398.89
August 2009	13,990,719.95	November 2013	7,347,988.59	February 2018	3,663,378.91
September 2009	13,819,977.18	December 2013	7,252,690.09	March 2018	3,610,986.93
October 2009	13,651,156.42	January 2014	7,158,487.57	April 2018	3,559,215.96
November 2009	13,484,236.71	February 2014	7,065,368.97	May 2018	3,508,059.07
December 2009	13,319,197.32	March 2014	6,973,322.34	June 2018	3,457,509.40
January 2010	13,156,017.74	April 2014	6,882,335.89	July 2018	3,407,560.19
February 2010	12,994,677.68	May 2014	6,792,397.92	August 2018	3,358,204.71
March 2010	12,835,157.05	June 2014	6,703,496.89	September 2018	3,309,436.36
April 2010	12,677,436.01	July 2014	6,615,621.37	October 2018	3,261,248.56
May 2010	12,521,494.91	August 2014	6,528,760.04	November 2018	3,213,634.82
June 2010	12,367,314.32	September 2014	6,442,901.74	December 2018	3,166,588.74
July 2010	12,214,875.02	October 2014	6,358,035.39	January 2019	3,120,103.97

UO Class (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
February 2019	\$ 3,074,174.22	May 2023	\$ 1,340,110.84	July 2027	\$ 440,731.88
March 2019	3,028,793.29	June 2023	1,315,875.48	August 2027	428,107.61
April 2019	2,983,955.03	July 2023	1,291,944.15	September 2027	415,653.39
May 2019	2,939,653.37	August 2023	1,268,313.38	October 2027	403,367.23
June 2019	2,895,882.31	September 2023	1,244,979.74	November 2027	391,247.15
July 2019	2,852,635.88	October 2023	1,221,939.83	December 2027	379,291.20
August 2019	2,809,908.23	November 2023	1,199,190.30	January 2028	367,497.46
September 2019	2,767,693.52	December 2023	1,176,727.83	February 2028	355,864.02
October 2019	2,725,986.01	January 2024	1,154,549.13	March 2028	344,389.00
November 2019	2,684,780.01	February 2024	1,132,650.95	April 2028	333,070.54
December 2019	2,644,069.90	March 2024	1,111,030.09	May 2028	321,906.78
January 2020	2,603,850.10	April 2024	1,089,683.37	June 2028	310,895.91
February 2020	2,564,115.11	May 2024	1,068,607.64	July 2028	300,036.13
March 2020	2,524,859.48	June 2024	1,047,799.80	August 2028	289,325.66
April 2020	2,486,077.83	July 2024	1,027,256.77	September 2028	278,762.73
May 2020	2,447,764.83	August 2024	1,006,975.52	October 2028	268,345.59
June 2020	2,409,915.21	September 2024	986,953.04	November 2028	258,072.54
July 2020	2,372,523.76	October 2024	967,186.36	December 2028	247,941.85
August 2020	2,335,585.32	November 2024	947,672.53	January 2029	237,951.86
September 2020	2,299,094.80	December 2024	928,408.65	February 2029	228,100.88
October 2020	2,263,047.15	January 2025	909,391.84	March 2029	218,387.28
November 2020	2,227,437.37	February 2025	890,619.27	April 2029	208,809.43
December 2020	2,192,260.55	March 2025	872,088.11	May 2029	199,365.71
January 2021	2,157,511.80	April 2025	853,795.58	June 2029	190,054.52
February 2021	2,123,186.28	May 2025	835,738.94	July 2029	180,874.31
March 2021	2,089,279.23	June 2025	817,915.46	August 2029	171,823.50
April 2021	2,055,785.93	July 2025	800,322.46	September 2029	162,900.56
May 2021	2,022,701.69	August 2025	782,957.26	October 2029	154,103.96
June 2021	1,990,021.92	September 2025	765,817.25	November 2029	145,432.20
July 2021	1,957,742.02	October 2025	748,899.81	December 2029	136,883.79
August 2021	1,925,857.49	November 2025	732,202.38	January 2030	128,457.26
September 2021	1,894,363.86	December 2025	715,722.40	February 2030	120,151.15
October 2021	1,863,256.70	January 2026	699,457.36	March 2030	111,964.01
November 2021	1,832,531.64	February 2026	683,404.77	April 2030	103,894.44
December 2021	1,802,184.36	March 2026	667,562.17	May 2030	95,941.01
January 2022	1,772,210.58	April 2026	651,927.12	June 2030	88,102.34
February 2022	1,742,606.06	May 2026	636,497.22	July 2030	80,377.05
March 2022	1,713,366.63	June 2026	621,270.08	August 2030	72,763.78
April 2022	1,684,488.14	July 2026	606,243.35	September 2030	65,261.18
May 2022	1,655,966.50	August 2026	591,414.70	October 2030	57,867.93
June 2022	1,627,797.67	September 2026	576,781.82	November 2030	50,582.71
July 2022	1,599,977.63	October 2026	562,342.45	December 2030	43,404.21
August 2022	1,572,502.43	November 2026	548,094.31	January 2031	36,331.15
September 2022	1,545,368.14	December 2026	534,035.20	February 2031	29,362.26
October 2022	1,518,570.91	January 2027	520,162.90	March 2031	22,496.29
November 2022	1,492,106.88	February 2027	506,475.24	April 2031	15,731.98
December 2022	1,465,972.28	March 2027	492,970.05	May 2031	9,068.11
January 2023	1,440,163.35	April 2027	479,645.22	June 2031	2,503.46
February 2023	1,414,676.39	May 2027	466,498.63	July 2031 and thereafter	0.00
March 2023	1,389,507.73	June 2027	453,528.21		
April 2023	1,364,653.74				

WO Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$8,542,858.00	August 2010	\$4,561,826.32	November 2014	\$2,335,402.95
June 2006	8,440,821.67	September 2010	4,504,480.59	December 2014	2,303,554.58
July 2006	8,339,922.58	October 2010	4,447,785.12	January 2015	2,272,076.07
August 2006	8,240,148.39	November 2010	4,391,732.79	February 2015	2,240,963.32
September 2006	8,141,486.88	December 2010	4,336,316.55	March 2015	2,210,212.30
October 2006	8,043,925.95	January 2011	4,281,529.44	April 2015	2,179,819.00
November 2006	7,947,453.65	February 2011	4,227,364.57	May 2015	2,149,779.46
December 2006	7,852,058.15	March 2011	4,173,815.11	June 2015	2,120,089.75
January 2007	7,757,727.75	April 2011	4,120,874.34	July 2015	2,090,746.00
February 2007	7,664,450.87	May 2011	4,068,535.57	August 2015	2,061,744.38
March 2007	7,572,216.06	June 2011	4,016,792.20	September 2015	2,033,081.10
April 2007	7,481,011.99	July 2011	3,965,637.72	October 2015	2,004,752.40
May 2007	7,390,827.45	August 2011	3,915,065.65	November 2015	1,976,754.57
June 2007	7,301,651.35	September 2011	3,865,069.62	December 2015	1,949,083.95
July 2007	7,213,472.73	October 2011	3,815,643.31	January 2016	1,921,736.90
August 2007	7,126,280.72	November 2011	3,766,780.45	February 2016	1,894,709.83
September 2007	7,040,064.61	December 2011	3,718,474.88	March 2016	1,867,999.18
October 2007	6,954,813.76	January 2012	3,670,720.47	April 2016	1,841,601.45
November 2007	6,870,517.68	February 2012	3,623,511.17	May 2016	1,815,513.16
December 2007	6,787,165.97	March 2012	3,576,841.00	June 2016	1,789,730.87
January 2008	6,704,748.35	April 2012	3,530,704.04	July 2016	1,764,251.17
February 2008	6,623,254.64	May 2012	3,485,094.42	August 2016	1,739,070.71
March 2008	6,542,674.80	June 2012	3,440,006.35	September 2016	1,714,186.16
April 2008	6,462,998.86	July 2012	3,395,434.11	October 2016	1,689,594.23
May 2008	6,384,216.97	August 2012	3,351,372.02	November 2016	1,665,291.65
June 2008	6,306,319.41	September 2012	3,307,814.47	December 2016	1,641,275.21
July 2008	6,229,296.53	October 2012	3,264,755.92	January 2017	1,617,541.73
August 2008	6,153,138.79	November 2012	3,222,190.88	February 2017	1,594,088.05
September 2008	6,077,836.78	December 2012	3,180,113.91	March 2017	1,570,911.06
October 2008	6,003,381.15	January 2013	3,138,519.66	April 2017	1,548,007.67
November 2008	5,929,762.69	February 2013	3,097,402.80	May 2017	1,525,374.84
December 2008	5,856,972.26	March 2013	3,056,758.08	June 2017	1,503,009.55
January 2009	5,785,000.83	April 2013	3,016,580.30	July 2017	1,480,908.81
February 2009	5,713,839.47	May 2013	2,976,864.32	August 2017	1,459,069.67
March 2009	5,643,479.34	June 2013	2,937,605.05	September 2017	1,437,489.22
April 2009	5,573,911.70	July 2013	2,898,797.47	October 2017	1,416,164.56
May 2009	5,505,127.90	August 2013	2,860,436.59	November 2017	1,395,092.85
June 2009	5,437,119.37	September 2013	2,822,517.49	December 2017	1,374,271.25
July 2009	5,369,877.67	October 2013	2,785,035.30	January 2018	1,353,696.98
August 2009	5,303,394.41	November 2013	2,747,985.20	February 2018	1,333,367.27
September 2009	5,237,661.31	December 2013	2,711,362.43	March 2018	1,313,279.38
October 2009	5,172,670.18	January 2014	2,675,162.27	April 2018	1,293,430.61
November 2009	5,108,412.91	February 2014	2,639,380.06	May 2018	1,273,818.29
December 2009	5,044,881.49	March 2014	2,604,011.19	June 2018	1,254,439.76
January 2010	4,982,067.98	April 2014	2,569,051.09	July 2018	1,235,292.43
February 2010	4,919,964.53	May 2014	2,534,495.24	August 2018	1,216,373.69
March 2010	4,858,563.39	June 2014	2,500,339.20	September 2018	1,197,680.98
April 2010	4,797,856.87	July 2014	2,466,578.53	October 2018	1,179,211.78
May 2010	4,737,837.37	August 2014	2,433,208.87	November 2018	1,160,963.58
June 2010	4,678,497.39	September 2014	2,400,225.89	December 2018	1,142,933.90
July 2010	4,619,829.49	October 2014	2,367,625.33	January 2019	1,125,120.29

WO Class (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
February 2019	\$1,107,520.33	September 2022.....	\$ 522,386.80	April 2026	\$ 181,462.03
March 2019	1,090,131.62	October 2022	512,146.23	May 2026	175,586.30
April 2019	1,072,951.79	November 2022	502,033.72	June 2026	169,788.34
May 2019	1,055,978.49	December 2022	492,047.81	July 2026	164,067.25
June 2019	1,039,209.41	January 2023	482,187.04	August 2026	158,422.12
July 2019	1,022,642.25	February 2023	472,449.99	September 2026.....	152,852.07
August 2019	1,006,274.73	March 2023	462,835.24	October 2026	147,356.22
September 2019.....	990,104.62	April 2023	453,341.39	November 2026	141,933.71
October 2019	974,129.70	May 2023	443,967.07	December 2026	136,583.67
November 2019	958,347.77	June 2023	434,710.90	January 2027	131,305.26
December 2019	942,756.65	July 2023	425,571.53	February 2027	126,097.64
January 2020	927,354.20	August 2023	416,547.63	March 2027	120,959.97
February 2020	912,138.30	September 2023.....	407,637.86	April 2027.....	115,891.45
March 2020	897,106.84	October 2023	398,840.93	May 2027	110,891.25
April 2020	882,257.74	November 2023	390,155.53	June 2027	105,958.57
May 2020	867,588.95	December 2023	381,580.39	July 2027	101,092.63
June 2020	853,098.43	January 2024	373,114.23	August 2027	96,292.63
July 2020	838,784.17	February 2024	364,755.82	September 2027.....	91,557.81
August 2020	824,644.19	March 2024	356,503.91	October 2027	86,887.38
September 2020.....	810,676.51	April 2024	348,357.27	November 2027	82,280.60
October 2020	796,879.19	May 2024	340,314.70	December 2027	77,736.72
November 2020	783,250.30	June 2024	332,374.99	January 2028	73,254.99
December 2020	769,787.94	July 2024	324,536.96	February 2028	68,834.67
January 2021	756,490.23	August 2024	316,799.45	March 2028	64,475.05
February 2021	743,355.30	September 2024.....	309,161.29	April 2028	60,175.41
March 2021	730,381.32	October 2024	301,621.33	May 2028	55,935.03
April 2021.....	717,566.45	November 2024	294,178.45	June 2028	51,753.21
May 2021	704,908.90	December 2024	286,831.51	July 2028	47,629.27
June 2021	692,406.89	January 2025	279,579.43	August 2028	43,562.51
July 2021	680,058.65	February 2025	272,421.09	September 2028.....	39,552.26
August 2021	667,862.43	March 2025	265,355.41	October 2028	35,597.85
September 2021.....	655,816.52	April 2025	258,381.32	November 2028	31,698.61
October 2021	643,919.21	May 2025	251,497.77	December 2028	27,853.88
November 2021	632,168.81	June 2025	244,703.70	January 2029	24,063.03
December 2021	620,563.66	July 2025	237,998.08	February 2029	20,325.40
January 2022	609,102.09	August 2025	231,379.87	March 2029	16,640.37
February 2022	597,782.49	September 2025.....	224,848.08	April 2029.....	13,007.30
March 2022	586,603.24	October 2025	218,401.68	May 2029	9,425.58
April 2022	575,562.73	November 2025	212,039.70	June 2029	5,894.60
May 2022	564,659.40	December 2025	205,761.15	July 2029	2,413.74
June 2022	553,891.67	January 2026	199,565.06	August 2029 and thereafter	0.00
July 2022	543,258.01	February 2026	193,450.48		
August 2022	532,756.89	March 2026	187,416.45		

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.

\$1,271,500,000



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Fannie Mae REMIC Trust 2006-42

PROSPECTUS SUPPLEMENT

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LEHMAN BROTHERS

April 18, 2006
