

\$833,075,324



## Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 2007-64

### The Certificates

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

### Payments to Certificateholders

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

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

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

| Class           | Group | Original Class Balance | Principal Type | Interest Rate | Interest Type | CUSIP Number | Final Distribution Date |
|-----------------|-------|------------------------|----------------|---------------|---------------|--------------|-------------------------|
| AF(1) . . . . . | 1     | \$ 20,500,000          | SEQ            | (2)           | FLT           | 31396WVE3    | September 2036          |
| AS(1) . . . . . | 1     | 20,500,000(3)          | NTL            | (2)           | INV/IO        | 31396WVF0    | September 2036          |
| AM(1) . . . . . | 1     | 82,000,000             | SEQ            | 5.75%         | FIX           | 31396WVG8    | September 2036          |
| AP . . . . .    | 1     | 10,137,000             | SEQ            | 6.00          | FIX           | 31396WVH6    | July 2037               |
| BC . . . . .    | 2     | 63,034,000             | SEQ            | 6.00          | FIX           | 31396WVJ2    | May 2033                |
| VB . . . . .    | 2     | 16,966,000             | SP/AD          | 6.00          | FIX           | 31396WVK9    | July 2037               |
| ZB . . . . .    | 2     | 20,000,000             | SPS            | 6.00          | FIX/Z         | 31396WVL7    | July 2037               |
| LF . . . . .    | 3     | 223,918,317            | PT             | (2)           | FLT           | 31396WVM5    | July 2037               |
| LI(1) . . . . . | 3     | 223,918,317(3)         | NTL            | (2)           | INV/IO        | 31396WVN3    | July 2037               |
| LO(1) . . . . . | 3     | 17,224,486             | PT             | (4)           | PO            | 31396WVP8    | July 2037               |
| FA . . . . .    | 4     | 273,284,133            | SC/PT          | (2)           | FLT           | 31396WVQ6    | July 2037               |
| FB . . . . .    | 5     | 106,011,388            | SC/PT          | (2)           | FLT           | 31396WVR4    | July 2037               |
| R . . . . .     |       | 0                      | NPR            | 0             | NPR           | 31396WVS2    | July 2037               |
| RL . . . . .    |       | 0                      | NPR            | 0             | NPR           | 31396WVT0    | July 2037               |

- (1) Exchangeable classes.  
(2) Based on LIBOR.

- (3) Notional balances. These classes are interest only classes. See page S-6 for a description of how their notional balances are calculated.  
(4) Principal only class.

### The Fannie Mae Guaranty

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

### The Trust and its Assets

The trust will own

- Fannie Mae MBS, and
- underlying REMIC certificates backed by certain first lien, one- to four-family, fixed-rate mortgage loans.

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The AN, LS and SL 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 June 29, 2007.

Carefully consider the risk factors starting on page S-9 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

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

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 (for all MBS issued prior to June 1, 2007) or dated June 1, 2007 (for all MBS issued on or after June 1, 2007) (as applicable, the “MBS Prospectus”);
- if you are purchasing any Group 4 or Group 5 Class or the R or RL Class, the disclosure document relating to the underlying REMIC certificates (the “Trust 2007-W7 Disclosure Document”); and
- any information incorporated by reference in this prospectus supplement as discussed below under the heading “Incorporation by Reference.”

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

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

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at [www.fanniemae.com](http://www.fanniemae.com).

You also can obtain copies of the REMIC Prospectus and the MBS Prospectus by writing or calling the dealer at:

Broadridge  
c/o Lehman Brothers Inc.  
Prospectus Department  
1155 Long Island Avenue  
Edgewood, NY 11717  
(telephone 631-254-7106).

## INCORPORATION BY REFERENCE

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

You should rely only on the information provided or incorporated by reference in this prospectus supplement, the REMIC Prospectus, the MBS Prospectus and any applicable supplements or amendments.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission (“SEC”):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2005 (“2005 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 2005 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](http://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.

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

| <u>Group</u> | <u>Assets</u>                         |
|--------------|---------------------------------------|
| 1            | Group 1 MBS                           |
| 2            | Group 2 MBS                           |
| 3            | Group 3 MBS                           |
| 4            | Class 2007-W7-1-A-1 REMIC Certificate |
|              | Class 2007-W7-2-A-1 REMIC Certificate |
| 5            | Class 2007-W7-3-A-1 REMIC Certificate |

### Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of June 1, 2007)

|              | <u>Approximate<br/>Principal<br/>Balance</u> | <u>Original<br/>Term to<br/>Maturity<br/>(in months)</u> | <u>Approximate<br/>Weighted Average<br/>Remaining Term<br/>to Maturity<br/>(in months)</u> | <u>Approximate<br/>Weighted<br/>Average<br/>Loan Age<br/>(in months)</u> | <u>Approximate<br/>Weighted<br/>Average<br/>Coupon</u> | <u>Approximate<br/>Weighted Average<br/>Remaining Term<br/>to Expiration of<br/>Interest Only Period<br/>(in months)</u> |
|--------------|--|--|--|--|--|--|
| Group 1 MBS* | \$112,637,000                                | 360  | 356  | 4  | 6.70%  | 116  |
| Group 2 MBS* | \$100,000,000                                | 360  | 355  | 5  | 6.70%  | 115  |
| Group 3 MBS* | \$241,142,803                                | 360  | 358  | 2  | 7.18%  | 118  |

\* As further described in this prospectus supplement, all of the mortgage loans underlying the 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 terms to expiration of the interest only period for these mortgage loans are set forth above.

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

### Characteristics of the Underlying REMIC Certificates

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

### Class Factors

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

### Settlement Date

We expect to issue the certificates on June 29, 2007.

### 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, as applicable.

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

| <u>Class</u> | <u>Initial Interest Rate</u> | <u>Maximum Interest Rate</u> | <u>Minimum Interest Rate</u> | <u>Formula for Calculation of Interest Rate (1)</u> |
|--------------|------------------------------|------------------------------|------------------------------|---|
| AF .....     | 5.57%                        | 7.00%                        | 0.25%                        | LIBOR + 25 basis points                             |
| AS .....     | 1.43%                        | 6.75%                        | 0.00%                        | 6.75% – LIBOR                                       |
| LF .....     | 5.76%                        | 7.00%                        | 0.44%                        | LIBOR + 44 basis points                             |
| LI .....     | 1.24%                        | 6.56%                        | 0.00%                        | 6.56% – LIBOR                                       |
| FA .....     | 5.79%                        | 7.00%                        | 0.47%                        | LIBOR + 47 basis points                             |
| FB .....     | 5.69%                        | 7.50%                        | 0.37%                        | LIBOR + 37 basis points                             |
| LS .....     | 11.16%                       | 59.04%                       | 0.00%                        | 59.04% – (9 × LIBOR)                                |
| SL .....     | 12.40%                       | 65.60%                       | 0.00%                        | 65.6% – (10 × 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> |                      |
|--------------|----------------------|
| AS .....     | 100% of the AF Class |
| LI .....     | 100% of the LF Class |

## Distributions of Principal

### *Group 1 Principal Distribution Amount*

1. To the AF and AM Classes, pro rata, to zero.
2. To the AP Class to zero.

### *Group 2 Principal Distribution Amount*

#### *ZB Accrual Amount*

To the VB Class to zero, and thereafter to the ZB Class.

### *Group 2 Cash Flow Distribution Amount*

1. To the BC Class to zero.
2. On each distribution date beginning with the distribution date in June 2011, an amount up to \$500,000 to the VB Class to zero.
3. To the ZB Class to zero.
4. To the VB Class to zero.

### *Group 3 Principal Distribution Amount*

To the LF and LO Classes, pro rata, to zero.

### *Group 4 Principal Distribution Amount*

To the FA Class to zero.

### *Group 5 Principal Distribution Amount*

To the FB 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>200%</u> | <u>384%</u> | <u>600%</u> | <u>800%</u> |
| AF, AS, AM and AN ..... | 22.0                             | 6.7         | 3.8         | 2.6         | 2.1         |
| AP .....                | 29.6                             | 21.8        | 13.5        | 8.6         | 6.3         |
| <u>Group 2 Classes</u>  | <u>PSA Prepayment Assumption</u> |             |             |             |             |
|                         | <u>0%</u>                        | <u>200%</u> | <u>384%</u> | <u>600%</u> | <u>800%</u> |
| BC .....                | 19.6                             | 4.1         | 2.4         | 1.7         | 1.4         |
| VB .....                | 5.7                              | 5.6         | 4.3         | 4.0         | 4.4         |
| ZB .....                | 28.0                             | 15.0        | 9.6         | 5.8         | 3.4         |

| <u>Group 3 Classes</u>      |      | <u>PSA Prepayment Assumption</u> |             |             |             |             |              |
|-----------------------------|------|----------------------------------|-------------|-------------|-------------|-------------|--------------|
|                             |      | <u>0%</u>                        | <u>200%</u> | <u>391%</u> | <u>600%</u> | <u>800%</u> | <u>1000%</u> |
| LF, LI, LO, LS and SL ..... | 22.9 | 8.2                              | 4.8         | 3.3         | 2.6         | 2.2         |              |
| <u>Group 4 Class</u>        |      | <u>PPC Prepayment Assumption</u> |             |             |             |             |              |
|                             |      | <u>0%</u>                        | <u>25%</u>  | <u>50%</u>  | <u>100%</u> | <u>125%</u> | <u>200%</u>  |
| FA .....                    | 20.6 | 11.3                             | 7.1         | 3.8         | 3.0         | 2.5         | 1.8          |
| <u>Group 5 Class</u>        |      | <u>PPC Prepayment Assumption</u> |             |             |             |             |              |
|                             |      | <u>0%</u>                        | <u>25%</u>  | <u>50%</u>  | <u>100%</u> | <u>125%</u> | <u>200%</u>  |
| FB .....                    | 21.1 | 11.5                             | 7.2         | 3.8         | 3.0         | 2.5         | 1.8          |

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



## ADDITIONAL RISK FACTORS

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

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

*The rate of prepayment of the mortgage loans underlying the underlying REMIC certificates may be lower than that of mortgage loans without prepayment premiums.* Some of the mortgage loans underlying the underlying REMIC certificates provide for prepayment premiums. See “Risk Factors—Prepayment Considerations” and “The Mortgage Loans” in the Trust 2007-W7 Disclosure Document.

*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.

*All of the mortgage loans underlying the Group 1, Group 2 and Group 3 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 MBS,” the scheduled monthly payments on the mortgage loans underlying all of the Group 1, Group 2 and Group 3 MBS represent accrued interest only during periods that may range from at least seven to no more than 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 refinance these mortgage loans on or before the date on which the scheduled monthly payments increase. In addition, absent a refinancing some borrowers may find it increasingly difficult to remain current in their scheduled monthly payments following the increase in monthly payment amounts.

As further described in the Trust 2007-W7 Disclosure Document under “The Mortgage Loans”, the scheduled monthly payments on some of the mortgage loans underlying the underlying REMIC certificates represent accrued interest only during periods that may range from five to ten years following origination.

**You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates.**

*Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans.* We have assumed that the mortgage loans underlying the MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

*Level of floating rate index affects yields on certain certificates.* The yield on any class of floating rate or inverse floating rate certificates 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, those 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 September 1, 2006 and a supplement thereto dated as of June 1, 2007 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement and supplement. 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 September 1, 2006 and a supplement thereto dated as of the Issue Date (together with the trust agreement and supplement 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

- three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS” and “Group 3 MBS” and, together, the “MBS”), and
- two groups of simultaneously issued REMIC certificates (the “Group 4 Underlying REMIC Certificates” and “Group 5 Underlying REMIC Certificate” and together, the “Underlying Trust 2007-W7 Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trust (the “2007-W7 REMIC Trust”) as further described in Exhibit A.

The assets of the 2007-W7 REMIC Trust evidence direct or indirect beneficial ownership interests in certain first lien, one- to four-family (“single-family”), fixed rate residential mortgage loans having the characteristics described in the Trust 2007-W7 Disclosure Document.

Each MBS represents a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans (together with the mortgage loans underlying the Underlying Trust 2007-W7 Certificates, the “Mortgage Loans”) having the characteristics described in this prospectus supplement.

*Fannie Mae Guaranty.* We guarantee that the following amounts will be available for distribution 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 or the Underlying Trust 2007-W7 Certificates.

In addition, we guarantee that the following amounts will be available for distribution to each holder of an MBS:

- scheduled installments of principal and interest on the Mortgage Loans underlying the MBS on time, whether or not the related borrowers pay us, and
- the full principal balance of any foreclosed Mortgage Loan underlying the MBS, whether or not we recover it.

Our guaranty obligations with respect to the Underlying Trust 2007-W7 Certificates are described in the Trust 2007-W7 Disclosure Document. Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC

Prospectus, “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus, and “General—*Fannie Mae Guaranty*” in the Trust 2007-W7 Disclosure Document.

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

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R and RL Certificates 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 Interest Only, Principal Only and Inverse Floating Rate Classes | \$100,000 minimum plus whole dollar increments |
| All other Classes (except the R and RL Classes)                     | \$1,000 minimum plus whole dollar increments   |

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

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

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

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

*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 the MBS in a “clean-up call.” In the case of the Group 4 and Group 5 Classes, however, Lehman Brothers Holdings Inc. has the option to purchase the Mortgage Loans underlying the Underlying Trust 2007-W7 Certificates on or after the first distribution date when the aggregate stated principal balance of such Mortgage Loans has been reduced to 1% or less of their aggregate stated principal balance as of the issue date. See “Description of the Certificates—Termination” in the MBS Prospectus and “The Trust Agreement—Termination” in the Trust 2007-W7 Disclosure Document.



*Voting the Underlying Trust 2007-W7 Certificates.* Holders of the Underlying Trust 2007-W7 Certificates may be asked to vote on issues arising under the related trust agreement. If so, the Trustee will vote the Underlying Trust 2007-W7 Certificates as instructed by Holders of Certificates of the related Classes. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the related Classes.

## **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the AF, AS, AM, LI and LO Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

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

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

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

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

- At the time of the proposed exchange, a Certificateholder must own Certificates of the related Class or Classes in the proportions necessary to make the desired exchange.
- A Certificateholder that does not own the Certificates may be unable to obtain the necessary REMIC Certificates or RCR Certificates.
- If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange.
- The Certificateholder of needed Certificates may refuse to sell them at a reasonable price (or any price) or may be unable to sell them.
- Certain Certificates may have been purchased and placed into other financial structures and thus be unavailable.

- Principal distributions will decrease the amounts available for exchange over time.
- Only the combinations listed on Schedule 1 are permitted.

## The MBS

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

In addition, the scheduled monthly payments on the Mortgage Loans underlying the MBS 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 MBS and the related Mortgage Loans as of the Issue Date to be as follows:

### Group 1 MBS\*

|   |                          |
|---|--------------------------|
| Aggregate Unpaid Principal Balance .....                            | \$112,637,000            |
| 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 .....                              | 356 months               |
| Approximate Weighted Average WALA (weighted average loan age) ..... | 4 months                 |

### Group 2 MBS\*

|  |                          |
|--|--------------------------|
| Aggregate Unpaid Principal Balance ..... | \$100,000,000            |
| MBS Pass-Through Rate .....              | 6.00%                    |
| Range of WACs (annual percentages) ..... | 6.25% to 8.50%           |
| Range of WAMs .....                      | 241 months to 360 months |
| Approximate Weighted Average WAM .....   | 355 months               |
| Approximate Weighted Average WALA .....  | 5 months                 |

### Group 3 MBS\*

|  |                          |
|--|--------------------------|
| Aggregate Unpaid Principal Balance ..... | \$241,142,803            |
| 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                 |

\* All of the Mortgage Loans underlying the MBS provide for initial interest only periods. For additional information about those Mortgage Loans, including the approximate weighted average remaining terms to expiration of their interest only periods, see “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement.

## The Underlying Trust 2007-W7 Certificates

The Underlying Trust 2007-W7 Certificates represent beneficial ownership interests in the 2007-W7 REMIC Trust. The assets of that trust evidence direct or indirect beneficial ownership interests in certain conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Loans” in the Trust 2007-W7 Disclosure Document. Distributions on the Underlying Trust 2007-W7 Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying Trust 2007-W7 Certificates are described in the Trust 2007-W7 Disclosure Document. See Exhibit A for additional information about the Underlying Trust 2007-W7 Certificates.

For further information about the Underlying Trust 2007-W7 Certificates, telephone us at 1-800-237-8627.

## Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Underlying Trust 2007-W7 Certificates as of the Issue Date and, with respect to the MBS, the Pool number, the current WAC and the current WAM of the Mortgage Loans underlying each of the MBS as of the Issue Date. If the current WAC is not available, the Final Data Statement will contain the most recently published WAC. If the current WAM is not available, the Final Data Statement will contain a WAM that we have calculated by subtracting from the most recently published WAM the number of months that have elapsed between the month in which the WAM was most recently published and the month of the Issue Date. The Final Data Statement also will include the weighted averages of all the WACs and the weighted averages of all the WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at [www.fanniemae.com](http://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> |
|------------------------|----------------|
| <b>Group 1 Classes</b> |                |
| Fixed Rate             | AM and AP      |
| Floating Rate          | AF             |
| Inverse Floating Rate  | AS             |
| Interest Only          | AS             |
| RCR**                  | AN             |
| <b>Group 2 Classes</b> |                |
| Fixed Rate             | BC, VB and ZB  |
| Accrual                | ZB             |
| <b>Group 3 Classes</b> |                |
| Floating Rate          | LF             |
| Inverse Floating Rate  | LI             |
| Interest Only          | LI             |
| Principal Only         | LO             |
| RCR**                  | LS and SL      |

| <u>Interest Type*</u>      | <u>Classes</u> |
|----------------------------|----------------|
| <b>Group 4 Class</b>       |                |
| Floating Rate              | FA             |
| <b>Group 5 Class</b>       |                |
| Floating Rate              | FB             |
| <b>No Payment Residual</b> | R and RL       |

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

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

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

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

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

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

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

*Accrual Class.* The ZB Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

*Notional 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 (“Index”) will affect the yields on the Floating Rate and Inverse Floating Rate Classes. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of the Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the Index occurs.

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

## Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of the “BBA Method,” as described in the REMIC Prospectus under “Description of Certificates—Indexes for Floating Rate Classes and Inverse Floating Rate Classes—*LIBOR*.”

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.32%.

## 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> |
|------------------------------------|----------------|
| <b>Group 1 Classes</b>             |                |
| Sequential Pay                     | AF, AM and AP  |
| Notional                           | AS             |
| RCR**                              | AN             |
| <b>Group 2 Classes</b>             |                |
| Sequential Pay                     | BC             |
| Specified Payment†                 | VB             |
| Specified Payment Support††        | ZB             |
| Accretion Directed                 | VB             |
| <b>Group 3 Classes</b>             |                |
| Pass-Through                       | LF and LO      |
| Notional                           | LI             |
| RCR**                              | LS and SL      |
| <b>Group 4 Class</b>               |                |
| Structured Collateral/Pass-Through | FA             |
| <b>Group 5 Class</b>               |                |
| Structured Collateral/Pass-Through | FB             |

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

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

† The “Specified Payment” or “SP” designation refers to a class that is designed to receive principal payments up to a specified dollar amount on one or more distribution dates.

†† The “Specified Payment Support” or “SPS” designation refers to a class that is designed to receive principal payments on any distribution date only if a specified payment has been made on any related Specified Payment class (except that a Specified Payment Support class may receive principal payments at any time from the accrued and unpaid interest on related Accrual or Partial Accrual classes).

### *Principal Distribution Amount*

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

- the principal then paid on the Group 1 MBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZB Class (the “ZB Accrual Amount,” and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 Underlying REMIC Certificates (the “Group 4 Principal Distribution Amount”), and
- the principal then paid on the Group 5 Underlying REMIC Certificate (the “Group 5 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 Group 1 Classes in the following priority:

- (i) concurrently, to the AF and AM Classes, pro rata (or 20% and 80%, respectively), until their principal balances are reduced to zero; and
  - (ii) to the AP Class, until its principal balance is reduced to zero.
- } Sequential Pay Classes

### *Group 2 Principal Distribution Amount*

#### *ZB Accrual Amount*

On each Distribution Date, we will pay the ZB Accrual Amount as principal of the VB Class, until its principal balance is reduced to zero. Thereafter, we will pay the ZB Accrual Amount as principal of the ZB Class.

} Accretion Directed Class and Accrual Class

#### *Group 2 Cash Flow Distribution Amount*

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

- (i) to the BC Class, until its principal balance is reduced to zero;
  - (ii) on each Distribution Date beginning with the Distribution Date in June 2011, an amount up to \$500,000 to the VB Class, until its principal balance is reduced to zero;
  - (iii) to the ZB Class, until its principal balance is reduced to zero; and
  - (iv) to the VB Class, until its principal balance is reduced to zero.
- } Sequential Pay Class
- } Specified Payment Class
- } Specified Payment Support Class
- } Specified Payment Class

### *Group 3 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, concurrently, as principal of the LF and LO Classes, pro rata (or 92.8571428275% and 7.1428571725%, respectively), until their principal balances are reduced to zero. } Pass-Through Classes

### *Group 4 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount as principal of the FA Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

### *Group 5 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount as principal of the FB Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

## **Structuring Assumptions**

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the assumed characteristics of the Mortgage Loans backing the Underlying Trust 2007-W7 Certificates as set forth on “Exhibit A” of the Trust 2007-W7 Disclosure Document and the structuring assumptions contained in the Trust 2007-W7 Disclosure Document (in the case of the Group 4 and Group 5 Classes only), and the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, loan ages, interest rates and remaining terms to expiration of their interest only periods specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA or PPC, as applicable, specified in the related tables;
- the settlement date for the Certificates is June 29, 2007; 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 the Group 1, Group 2 and Group 3 Classes is the Securities Industry and Financial Markets 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 with respect to the Group 4 and Group 5 Classes is the “Prospectus Prepayment Curve” or “PPC” model. In the case of the Group 4 and Group 5 Classes, 100% PPC assumes a CPR (described below) of 8% for the related Mortgage Loans in the first month after the origination of such loan and an additional approximately 1.4545454545% (precisely 16%/11) of CPR for each month thereafter, building to 24% CPR in the twelfth month after the origination of such loan. Beginning in the twelfth month after the origination of such loan and in each month thereafter, 100% PPC assumes a 24% CPR each month.

The “Constant Prepayment Rate” or “CPR” represents an assumed constant rate of prepayment each month, expressed as an annual rate, relative to the then outstanding principal balance of a pool of new mortgage loans. Thus, “0% CPR” means no prepayments, “30% CPR” means an annual prepayment rate of 30%, and so forth.

It is highly unlikely that prepayments will occur at any *constant* PSA or PPC rate, as applicable, or at any other *constant* rate.

## Yield Tables

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

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

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

We cannot assure you that

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

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

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

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

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

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

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

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

| <u>Class</u> | <u>Price*</u> |
|--------------|---------------|
| AS .....     | 3.59375%      |
| LI .....     | 3.21875%      |
| LS .....     | 102.37500%    |
| SL .....     | 105.59375%    |

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

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

| <u>LIBOR</u> | <u>PSA Prepayment Assumption</u> |             |             |             |             |
|--------------|----------------------------------|-------------|-------------|-------------|-------------|
|              | <u>50%</u>                       | <u>200%</u> | <u>384%</u> | <u>600%</u> | <u>800%</u> |
| 1.32%.....   | 186.7%                           | 178.9%      | 169.1%      | 157.1%      | 145.5%      |
| 3.32%.....   | 108.9%                           | 101.0%      | 90.8%       | 78.2%       | 65.9%       |
| 5.32%.....   | 40.3%                            | 31.2%       | 18.7%       | 2.5%        | (12.7)%     |
| 6.75%.....   | *                                | *           | *           | *           | *           |

\* 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>200%</u> | <u>391%</u> | <u>600%</u> | <u>800%</u> | <u>1000%</u> |
| 1.32%.....   | 204.7%                           | 198.7%      | 191.0%      | 182.4%      | 174.0%      | 165.3%       |
| 3.32%.....   | 116.2%                           | 109.9%      | 101.8%      | 92.7%       | 83.8%       | 74.8%        |
| 5.32%.....   | 39.2%                            | 31.7%       | 22.0%       | 10.9%       | 0.1%        | (11.1)%      |
| 6.56%.....   | *                                | *           | *           | *           | *           | *            |

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

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

| <u>LIBOR</u> | <u>PSA Prepayment Assumption</u> |             |             |             |             |              |
|--------------|----------------------------------|-------------|-------------|-------------|-------------|--------------|
|              | <u>50%</u>                       | <u>200%</u> | <u>391%</u> | <u>600%</u> | <u>800%</u> | <u>1000%</u> |
| 1.32%.....   | 49.3%                            | 49.0%       | 48.6%       | 48.2%       | 47.8%       | 47.4%        |
| 3.32%.....   | 29.7%                            | 29.5%       | 29.2%       | 28.9%       | 28.6%       | 28.3%        |
| 5.32%.....   | 11.1%                            | 10.9%       | 10.7%       | 10.5%       | 10.3%       | 10.1%        |
| 6.56%.....   | (0.1)%                           | (0.2)%      | (0.3)%      | (0.5)%      | (0.6)%      | (0.7)%       |

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

| <u>LIBOR</u> | <u>PSA Prepayment Assumption</u> |             |             |             |             |              |
|--------------|----------------------------------|-------------|-------------|-------------|-------------|--------------|
|              | <u>50%</u>                       | <u>200%</u> | <u>391%</u> | <u>600%</u> | <u>800%</u> | <u>1000%</u> |
| 1.32%.....   | 53.3%                            | 52.8%       | 52.1%       | 51.5%       | 50.8%       | 50.2%        |
| 3.32%.....   | 32.1%                            | 31.6%       | 31.0%       | 30.4%       | 29.9%       | 29.4%        |
| 5.32%.....   | 11.8%                            | 11.5%       | 11.0%       | 10.5%       | 10.0%       | 9.6%         |
| 6.56%.....   | (0.3)%                           | (0.6)%      | (0.9)%      | (1.4)%      | (1.7)%      | (2.1)%       |

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

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

| <u>Class</u> | <u>Price</u> |
|--------------|--------------|
| LO .....     | 73.40625%    |

**Sensitivity of the LO Class to Prepayments**

|                                | <u>PSA Prepayment Assumption</u> |             |             |             |             |              |
|--------------------------------|----------------------------------|-------------|-------------|-------------|-------------|--------------|
|                                | <u>50%</u>                       | <u>200%</u> | <u>391%</u> | <u>600%</u> | <u>800%</u> | <u>1000%</u> |
| Pre-Tax Yields to Maturity ... | 2.0%                             | 4.2%        | 7.2%        | 10.3%       | 13.1%       | 15.6%        |

**Weighted Average Lives of the Certificates**

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments, and
- the priority sequences of payments of principal of the Group 1 and Group 2 Classes.

See “—Distributions of Principal” above and “Description of the Certificates—Principal Payments on the Certificates—Principal Distribution Amount” in the Trust 2007-W7 Disclosure Document.

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

## Decrement Tables

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

| <u>Mortgage Loans Relating to<br/>Trust Assets Specified Below</u> | <u>Original<br/>Terms<br/>to Maturity</u> | <u>Remaining<br/>Terms to<br/>Maturity</u> | <u>Interest<br/>Rates</u> |
|--|---|--|---------------------------|
| Group 1 MBS  | 360 months                                | 360 months                                 | 8.50%                     |
| Group 2 MBS  | 360 months                                | 360 months                                 | 8.50%                     |
| Group 3 MBS  | 360 months                                | 360 months                                 | 9.00%                     |

In addition, in the case of the information set forth for each Group 1, Group 2 and Group 3 Class under 0% PSA, we assumed that all of the Mortgage Loans underlying the related MBS have an original and a remaining interest only period of 120 months.

In the case of the information set forth for each Group 4 and Group 5 Class under 0% PPC, we used the Pricing Assumptions set forth under the heading “Description of the Certificates—Structuring Assumptions—Pricing Assumptions” in the Trust 2007-W7 Disclosure Document.

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, loan ages, remaining terms to maturity or remaining interest only periods assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA or PPC 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 PPC rates, even if the weighted average remaining term to maturity and the weighted average loan age of the Mortgage Loans are identical to the weighted averages specified in the Pricing Assumptions. This is the case because pools of loans with identical weighted averages are nonetheless likely to reflect differing dispersions of the related characteristics.

### Percent of Original Principal Balances Outstanding

| Date                                     | AF, AS†, AM<br>and AN Classes |      |      |      |      | AP Class                     |      |      |      |      | BC Class                     |      |      |      |      | VB Class                     |      |      |      |      |
|--|-------------------------------|------|------|------|------|------------------------------|------|------|------|------|------------------------------|------|------|------|------|------------------------------|------|------|------|------|
|  | PSA Prepayment<br>Assumption  |      |      |      |      | PSA Prepayment<br>Assumption |      |      |      |      | PSA Prepayment<br>Assumption |      |      |      |      | PSA Prepayment<br>Assumption |      |      |      |      |
|  | 0%                            | 200% | 384% | 600% | 800% | 0%                           | 200% | 384% | 600% | 800% | 0%                           | 200% | 384% | 600% | 800% | 0%                           | 200% | 384% | 600% | 800% |
| Initial Percent .....                    | 100                           | 100  | 100  | 100  | 100  | 100                          | 100  | 100  | 100  | 100  | 100                          | 100  | 100  | 100  | 100  | 100                          | 100  | 100  | 100  | 100  |
| June 2008 .....                          | 100                           | 95   | 91   | 86   | 81   | 100                          | 100  | 100  | 100  | 100  | 100                          | 93   | 86   | 78   | 71   | 93                           | 93   | 93   | 93   | 93   |
| June 2009 .....                          | 100                           | 86   | 74   | 60   | 48   | 100                          | 100  | 100  | 100  | 100  | 100                          | 78   | 60   | 39   | 22   | 85                           | 85   | 85   | 85   | 85   |
| June 2010 .....                          | 100                           | 74   | 54   | 35   | 20   | 100                          | 100  | 100  | 100  | 100  | 100                          | 62   | 32   | 4    | 0    | 77                           | 77   | 77   | 77   | 78   |
| June 2011 .....                          | 100                           | 64   | 40   | 19   | 6    | 100                          | 100  | 100  | 100  | 100  | 100                          | 48   | 11   | 0    | 0    | 68                           | 68   | 68   | 67   | 72   |
| June 2012 .....                          | 100                           | 55   | 28   | 8    | 0    | 100                          | 100  | 100  | 100  | 83   | 100                          | 35   | 0    | 0    | 0    | 59                           | 59   | 47   | 27   | 38   |
| June 2013 .....                          | 100                           | 48   | 19   | 2    | 0    | 100                          | 100  | 100  | 100  | 43   | 100                          | 24   | 0    | 0    | 0    | 49                           | 49   | 3    | 0    | 18   |
| June 2014 .....                          | 100                           | 41   | 13   | 0    | 0    | 100                          | 100  | 100  | 76   | 22   | 100                          | 14   | 0    | 0    | 0    | 39                           | 39   | 0    | 0    | 7    |
| June 2015 .....                          | 100                           | 35   | 7    | 0    | 0    | 100                          | 100  | 100  | 49   | 12   | 100                          | 5    | 0    | 0    | 0    | 28                           | 28   | 0    | 0    | 2    |
| June 2016 .....                          | 100                           | 29   | 3    | 0    | 0    | 100                          | 100  | 100  | 31   | 6    | 100                          | 0    | 0    | 0    | 0    | 16                           | 6    | 0    | 0    | 0    |
| June 2017 .....                          | 100                           | 24   | *    | 0    | 0    | 100                          | 100  | 100  | 20   | 3    | 100                          | 0    | 0    | 0    | 0    | 3                            | 0    | 0    | 0    | 0    |
| June 2018 .....                          | 98                            | 19   | 0    | 0    | 0    | 100                          | 100  | 77   | 12   | 2    | 97                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2019 .....                          | 95                            | 15   | 0    | 0    | 0    | 100                          | 100  | 58   | 8    | 1    | 93                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2020 .....                          | 93                            | 12   | 0    | 0    | 0    | 100                          | 100  | 43   | 5    | *    | 90                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2021 .....                          | 90                            | 8    | 0    | 0    | 0    | 100                          | 100  | 32   | 3    | *    | 86                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2022 .....                          | 87                            | 6    | 0    | 0    | 0    | 100                          | 100  | 24   | 2    | *    | 81                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2023 .....                          | 84                            | 3    | 0    | 0    | 0    | 100                          | 100  | 18   | 1    | *    | 76                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2024 .....                          | 80                            | 1    | 0    | 0    | 0    | 100                          | 100  | 13   | 1    | *    | 71                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2025 .....                          | 76                            | 0    | 0    | 0    | 0    | 100                          | 92   | 9    | *    | *    | 65                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2026 .....                          | 72                            | 0    | 0    | 0    | 0    | 100                          | 76   | 7    | *    | *    | 59                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2027 .....                          | 67                            | 0    | 0    | 0    | 0    | 100                          | 63   | 5    | *    | *    | 52                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2028 .....                          | 62                            | 0    | 0    | 0    | 0    | 100                          | 51   | 3    | *    | *    | 45                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2029 .....                          | 56                            | 0    | 0    | 0    | 0    | 100                          | 41   | 2    | *    | *    | 37                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2030 .....                          | 50                            | 0    | 0    | 0    | 0    | 100                          | 32   | 2    | *    | *    | 28                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2031 .....                          | 44                            | 0    | 0    | 0    | 0    | 100                          | 25   | 1    | *    | *    | 19                           | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2032 .....                          | 37                            | 0    | 0    | 0    | 0    | 100                          | 19   | 1    | *    | *    | 8                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2033 .....                          | 29                            | 0    | 0    | 0    | 0    | 100                          | 13   | *    | *    | *    | 0                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2034 .....                          | 20                            | 0    | 0    | 0    | 0    | 100                          | 9    | *    | *    | *    | 0                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2035 .....                          | 11                            | 0    | 0    | 0    | 0    | 100                          | 5    | *    | *    | *    | 0                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2036 .....                          | 1                             | 0    | 0    | 0    | 0    | 100                          | 2    | *    | *    | 0    | 0                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| June 2037 .....                          | 0                             | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    | 0                            | 0    | 0    | 0    | 0    |
| Weighted Average<br>Life (years)** ..... | 22.0                          | 6.7  | 3.8  | 2.6  | 2.1  | 29.6                         | 21.8 | 13.5 | 8.6  | 6.3  | 19.6                         | 4.1  | 2.4  | 1.7  | 1.4  | 5.7                          | 5.6  | 4.3  | 4.0  | 4.4  |

\* 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                            | ZB Class                  |      |      |      |      | LF, LI†, LO, LS and SL Classes |      |      |      |      |       |
|---------------------------------|---------------------------|------|------|------|------|--------------------------------|------|------|------|------|-------|
|                                 | PSA Prepayment Assumption |      |      |      |      | PSA Prepayment Assumption      |      |      |      |      |       |
|                                 | 0%                        | 200% | 384% | 600% | 800% | 0%                             | 200% | 391% | 600% | 800% | 1000% |
| Initial Percent                 | 100                       | 100  | 100  | 100  | 100  | 100                            | 100  | 100  | 100  | 100  | 100   |
| June 2008                       | 106                       | 106  | 106  | 106  | 106  | 100                            | 97   | 93   | 90   | 86   | 83    |
| June 2009                       | 113                       | 113  | 113  | 113  | 113  | 100                            | 89   | 78   | 68   | 58   | 48    |
| June 2010                       | 120                       | 120  | 120  | 120  | 66   | 100                            | 78   | 60   | 44   | 30   | 20    |
| June 2011                       | 127                       | 127  | 127  | 70   | 7    | 100                            | 69   | 46   | 28   | 16   | 8     |
| June 2012                       | 135                       | 135  | 130  | 58   | 3    | 100                            | 61   | 35   | 18   | 8    | 3     |
| June 2013                       | 143                       | 143  | 129  | 52   | 3    | 100                            | 53   | 27   | 11   | 4    | 1     |
| June 2014                       | 152                       | 152  | 101  | 33   | 4    | 100                            | 47   | 21   | 7    | 2    | 1     |
| June 2015                       | 161                       | 161  | 78   | 21   | 4    | 100                            | 41   | 16   | 5    | 1    | *     |
| June 2016                       | 171                       | 171  | 60   | 14   | 3    | 100                            | 36   | 12   | 3    | 1    | *     |
| June 2017                       | 182                       | 154  | 45   | 9    | 1    | 100                            | 32   | 9    | 2    | *    | *     |
| June 2018                       | 185                       | 132  | 34   | 5    | 1    | 98                             | 27   | 7    | 1    | *    | *     |
| June 2019                       | 185                       | 113  | 26   | 3    | *    | 96                             | 23   | 5    | 1    | *    | *     |
| June 2020                       | 185                       | 96   | 19   | 2    | *    | 94                             | 20   | 4    | *    | *    | *     |
| June 2021                       | 185                       | 82   | 14   | 1    | *    | 91                             | 17   | 3    | *    | *    | *     |
| June 2022                       | 185                       | 69   | 10   | 1    | *    | 89                             | 14   | 2    | *    | *    | *     |
| June 2023                       | 185                       | 58   | 8    | *    | *    | 86                             | 12   | 2    | *    | *    | *     |
| June 2024                       | 185                       | 49   | 6    | *    | *    | 83                             | 10   | 1    | *    | *    | *     |
| June 2025                       | 185                       | 41   | 4    | *    | *    | 79                             | 9    | 1    | *    | *    | *     |
| June 2026                       | 185                       | 34   | 3    | *    | *    | 75                             | 7    | 1    | *    | *    | *     |
| June 2027                       | 185                       | 28   | 2    | *    | *    | 71                             | 6    | *    | *    | *    | *     |
| June 2028                       | 185                       | 23   | 2    | *    | *    | 66                             | 5    | *    | *    | *    | 0     |
| June 2029                       | 185                       | 18   | 1    | *    | *    | 61                             | 4    | *    | *    | *    | 0     |
| June 2030                       | 185                       | 14   | 1    | *    | *    | 56                             | 3    | *    | *    | *    | 0     |
| June 2031                       | 185                       | 11   | *    | *    | *    | 50                             | 2    | *    | *    | *    | 0     |
| June 2032                       | 185                       | 8    | *    | *    | *    | 43                             | 2    | *    | *    | *    | 0     |
| June 2033                       | 176                       | 6    | *    | *    | *    | 36                             | 1    | *    | *    | *    | 0     |
| June 2034                       | 137                       | 4    | *    | *    | *    | 28                             | 1    | *    | *    | *    | 0     |
| June 2035                       | 95                        | 2    | *    | *    | *    | 20                             | 1    | *    | *    | 0    | 0     |
| June 2036                       | 50                        | 1    | *    | *    | 0    | 10                             | *    | *    | *    | 0    | 0     |
| June 2037                       | 0                         | 0    | 0    | 0    | 0    | 0                              | 0    | 0    | 0    | 0    | 0     |
| Weighted Average Life (years)** | 28.0                      | 15.0 | 9.6  | 5.8  | 3.4  | 22.9                           | 8.2  | 4.8  | 3.3  | 2.6  | 2.2   |

| Date                            | FA Class                  |      |     |      |      |      |      | FB Class                  |      |     |      |      |      |      |
|---------------------------------|---------------------------|------|-----|------|------|------|------|---------------------------|------|-----|------|------|------|------|
|                                 | PPC Prepayment Assumption |      |     |      |      |      |      | PPC Prepayment Assumption |      |     |      |      |      |      |
|                                 | 0%                        | 25%  | 50% | 100% | 125% | 150% | 200% | 0%                        | 25%  | 50% | 100% | 125% | 150% | 200% |
| Initial Percent                 | 100                       | 100  | 100 | 100  | 100  | 100  | 100  | 100                       | 100  | 100 | 100  | 100  | 100  | 100  |
| June 2008                       | 99                        | 95   | 90  | 80   | 76   | 71   | 61   | 99                        | 95   | 91  | 82   | 77   | 73   | 63   |
| June 2009                       | 99                        | 88   | 79  | 61   | 53   | 45   | 32   | 99                        | 89   | 79  | 62   | 54   | 46   | 33   |
| June 2010                       | 98                        | 83   | 69  | 46   | 37   | 29   | 16   | 98                        | 83   | 69  | 47   | 37   | 29   | 17   |
| June 2011                       | 97                        | 77   | 60  | 35   | 25   | 18   | 8    | 98                        | 77   | 61  | 35   | 26   | 19   | 9    |
| June 2012                       | 97                        | 72   | 52  | 26   | 18   | 12   | 4    | 97                        | 72   | 53  | 27   | 18   | 12   | 5    |
| June 2013                       | 96                        | 67   | 46  | 20   | 12   | 7    | 2    | 96                        | 67   | 46  | 20   | 13   | 8    | 2    |
| June 2014                       | 94                        | 62   | 40  | 15   | 8    | 5    | 1    | 95                        | 63   | 40  | 15   | 9    | 5    | 1    |
| June 2015                       | 93                        | 58   | 35  | 11   | 6    | 3    | 1    | 94                        | 58   | 35  | 11   | 6    | 3    | 1    |
| June 2016                       | 92                        | 53   | 30  | 8    | 4    | 2    | *    | 93                        | 54   | 30  | 8    | 4    | 2    | *    |
| June 2017                       | 91                        | 49   | 26  | 6    | 3    | 1    | *    | 91                        | 50   | 26  | 6    | 3    | 1    | *    |
| June 2018                       | 88                        | 45   | 22  | 5    | 2    | 1    | *    | 89                        | 46   | 23  | 5    | 2    | 1    | *    |
| June 2019                       | 86                        | 41   | 19  | 3    | 1    | *    | *    | 87                        | 42   | 19  | 3    | 1    | *    | *    |
| June 2020                       | 83                        | 38   | 16  | 3    | 1    | *    | *    | 85                        | 39   | 17  | 3    | 1    | *    | *    |
| June 2021                       | 81                        | 34   | 14  | 2    | 1    | *    | *    | 83                        | 35   | 14  | 2    | 1    | *    | *    |
| June 2022                       | 78                        | 31   | 12  | 1    | *    | *    | *    | 80                        | 32   | 12  | 1    | *    | *    | *    |
| June 2023                       | 75                        | 28   | 10  | 1    | *    | *    | *    | 77                        | 29   | 10  | 1    | *    | *    | *    |
| June 2024                       | 71                        | 25   | 8   | 1    | *    | *    | *    | 74                        | 26   | 9   | 1    | *    | *    | *    |
| June 2025                       | 68                        | 23   | 7   | 1    | *    | *    | *    | 71                        | 24   | 7   | 1    | *    | *    | *    |
| June 2026                       | 64                        | 20   | 6   | *    | *    | *    | *    | 67                        | 21   | 6   | *    | *    | *    | *    |
| June 2027                       | 60                        | 18   | 5   | *    | *    | *    | *    | 63                        | 19   | 5   | *    | *    | *    | *    |
| June 2028                       | 55                        | 15   | 4   | *    | *    | *    | *    | 59                        | 16   | 4   | *    | *    | *    | *    |
| June 2029                       | 51                        | 13   | 3   | *    | *    | *    | *    | 54                        | 14   | 3   | *    | *    | *    | *    |
| June 2030                       | 45                        | 11   | 2   | *    | *    | *    | *    | 49                        | 12   | 3   | *    | *    | *    | *    |
| June 2031                       | 40                        | 9    | 2   | *    | *    | *    | *    | 43                        | 10   | 2   | *    | *    | *    | *    |
| June 2032                       | 34                        | 7    | 1   | *    | *    | *    | *    | 37                        | 8    | 2   | *    | *    | *    | *    |
| June 2033                       | 28                        | 6    | 1   | *    | *    | *    | 0    | 31                        | 6    | 1   | *    | *    | *    | 0    |
| June 2034                       | 21                        | 4    | 1   | *    | *    | *    | 0    | 24                        | 5    | 1   | *    | *    | *    | 0    |
| June 2035                       | 14                        | 3    | *   | *    | *    | *    | 0    | 16                        | 3    | *   | *    | *    | *    | 0    |
| June 2036                       | 6                         | 1    | *   | *    | *    | *    | 0    | 8                         | 1    | *   | *    | *    | *    | 0    |
| June 2037                       | 0                         | 0    | 0   | 0    | 0    | 0    | 0    | 0                         | 0    | 0   | 0    | 0    | 0    | 0    |
| Weighted Average Life (years)** | 20.6                      | 11.3 | 7.1 | 3.8  | 3.0  | 2.5  | 1.8  | 21.1                      | 11.5 | 7.2 | 3.8  | 3.0  | 2.5  | 1.8  |

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

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

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

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

The Prepayment 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            | 384% PSA                     |
| 2            | 384% PSA                     |
| 3            | 391% PSA                     |
| 4            | 100% PPC                     |
| 5            | 100% PPC                     |

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 or the Underlying Trust 2007-W7 Certificates 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

Effective generally for Residual Certificates first held on or after August 1, 2006, Temporary Regulations issued by the Treasury Department have modified the general rule that the taxable income of the Trust (or the Lower Tier REMIC) is not includible in the income of a foreign person (or, if excess inclusions, subject to withholding tax) until paid or distributed. 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. Under the Temporary Regulations, the amount of taxable income allocable to a foreign partner in a domestic partnership that is the beneficial owner of a Residual Certificate must be taken into account by the foreign partner on the last day of the partnership’s taxable year, except to the extent that some or all of that amount is required to be taken into account at an earlier time as a result of a distribution to the foreign partner or a disposition of the foreign partner’s indirect interest in the Residual Certificate. Similar rules apply to excess inclusions allocable to a foreign person that holds an interest in a real estate investment trust, regulated investment company, common trust fund or certain cooperatives.

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 May 20, 2007. 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 has 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. 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 MBS and the Underlying Trust 2007-W7 Certificates. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

*Increase in Certificates.* Before the Settlement Date, we and the Dealer may agree to offer Group 1, 2 or 3 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2 or 3 Class bears to the aggregate original principal balance of all Group 1, 2 or 3 Classes, respectively, will remain the same.

## **LEGAL MATTERS**

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



Underlying Trust 2007-W7 Certificates ( 1 )

|                | Class | Date of Issue | CUSIP Number | Interest Rate | Interest Type(2) | Final Distribution Date | Principal Type(2) | Original Principal Balance of Class | June 2007 Class Factor | Principal Balance in the Lower Tier REMIC |
|----------------|-------|---------------|--------------|---------------|------------------|-------------------------|-------------------|-------------------------------------|------------------------|---|
| <b>Group 4</b> | 1-A-1 | June 2007     | 31396WUR5    | (3)           | FLT              | July 2037               | PT                | \$139,847,225                       | 1.000000000            | \$139,847,225                             |
|                | 2-A-1 | June 2007     | 31396WUU8    | (3)           | FLT              | July 2037               | PT                | 133,436,908                         | 1.000000000            | 133,436,908                               |
| <b>Group 5</b> | 3-A-1 | June 2007     | 31396WUW4    | (3)           | FLT              | July 2037               | PT                | 106,011,388                         | 1.000000000            | 106,011,388                               |

(1) For a summary of certain assumed characteristics of the Mortgage Loans backing the Underlying Trust 2007-W7 Certificates, see “Exhibit A” in the Trust 2007-W7 Disclosure Document.

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

(3) These classes bear interest during their respective interest accrual periods, subject to the applicable maximum and minimum interest rates, as further described in the Trust 2007-W7 Disclosure Document

## Available Recombinations (1) (2)

| REMIC Certificates                                |                 |                  |                            |               |                   |                   |              |                         |
|---|-----------------|------------------|----------------------------|---------------|-------------------|-------------------|--------------|-------------------------|
| Original Principal or Notional Principal Balances |                 | RCR Certificates |                            |               |                   |                   |              |                         |
| Classes   |                 | RCR Class        | Original Principal Balance | Interest Rate | Interest Type (3) | Principal Type(3) | CUSIP Number | Final Distribution Date |
| Recombination 1                                   |                 |                  |                            |               |                   |                   |              |                         |
| AF  | \$ 20,500,000   | AN               | \$102,500,000              | 6.0%          | FIX               | SEQ               | 31396WVU7    | September 2036          |
| AM  | 82,000,000      |                  |                            |               |                   |                   |              |                         |
| AS  | 20,500,000 (4)  |                  |                            |               |                   |                   |              |                         |
| Recombination 2                                   |                 |                  |                            |               |                   |                   |              |                         |
| LO  | 17,224,486      | LS               | 17,224,486                 | (5)           | INV               | PT                | 31396WVV5    | July 2037               |
| LI  | 155,020,373 (4) |                  |                            |               |                   |                   |              |                         |
| Recombination 3                                   |                 |                  |                            |               |                   |                   |              |                         |
| LO  | 17,224,486      | SL               | 17,224,486                 | (5)           | INV               | PT                | 31396WVW3    | July 2037               |
| LI  | 172,244,860 (4) |                  |                            |               |                   |                   |              |                         |

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

(2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the Certificates—General—*Authorized Denominations*” in this prospectus supplement.

(3) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” in this prospectus supplement.

(4) Notional balances. These Classes are Interest Only Classes. See page S-6 for a description of how their notional balances are calculated.

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



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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.

**\$833,075,324**



**FannieMae®**

**Guaranteed REMIC  
Pass-Through  
Certificates**

**Fannie Mae REMIC Trust 2007-64**

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## **PROSPECTUS SUPPLEMENT**

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**LEHMAN BROTHERS**

**May 18, 2007**

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