

**Supplement**  
**(To Prospectus Supplement dated May 22, 2007)**

**\$907,766,561**



**Guaranteed REMIC Pass-Through Certificates**  
**Fannie Mae REMIC Trust 2007-66**

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This is a supplement to the prospectus supplement dated May 22, 2007 (the "Prospectus Supplement"). If we use a capitalized term in this supplement without defining it, you will find the definition of that term in the Prospectus Supplement.

Notwithstanding anything set forth on page S-6 of the Prospectus Supplement, the initial interest rate for the FC Class is 5.69%.

**Carefully consider the risk factors starting on page S-11 of the 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.**

The certificates, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities 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.

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**UBS Investment Bank**

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The date of this Supplement is June 26, 2007

**\$907,766,561**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2007-66**

**The Certificates**

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

**Payments to Certificateholders**

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

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

We 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.

**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
- Fannie Mae Stripped MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
FC .....	1	\$ 75,000,000	TAC/AD	(1)	FLT/IRC	31396WXX7	June 2037
SC .....	1	75,000,000(2)	NTL	(3)	INV/IO	31396WXL5	June 2037
Z .....	1	201,000	TAC/AD	4.75%	FIX/Z	31396WXM3	July 2037
ZC .....	1	2,358,460	SUP	4.75	FIX/Z	31396WXX1	July 2037
A .....	2	60,000,000	SEQ	6.00	FIX	31396WXP6	January 2036
B .....	2	11,044,894	SEQ	6.00	FIX	31396WXQ4	July 2037
FA .....	3	171,428,571	PT	(3)	FLT	31396WXR2	July 2037
AO(4) .....	3	28,571,429	PT	(5)	PO	31396WXS0	July 2037
AS(4) .....	3	171,428,571 (2)	NTL	(3)	INV/IO	31396WXT8	July 2037
FM(4) .....	4	58,307,866	PT	(3)	FLT	31396WXU5	July 2037
BO(4) .....	4	9,717,978	PT	(5)	PO	31396WXX3	July 2037
SM(4) .....	4	58,307,866(2)	NTL	(3)	INV/IO	31396WXM1	July 2037
BS(4) .....	4	58,307,866(2)	NTL	(3)	INV/IO	31396WXX9	July 2037
FD .....	5	120,000,000	PT	(3)	FLT	31396WXY7	July 2037
DO(4) .....	5	20,000,000	PT	(5)	PO	31396WXZ4	July 2037
DS(4) .....	5	120,000,000(2)	NTL	(3)	INV/IO	31396WYA8	July 2037
BA .....	6	50,000,000	NAS	6.00	FIX	31396WYB6	July 2037
FJ(4) .....	6	68,884,157	AS/SPS	(3)	FLT	31396WYC4	July 2035
SJ(4) .....	6	8,036,485	AS/SPS	(3)	INV	31396WYD2	July 2035
TJ(4) .....	6	3,444,208	AS/SPS	(3)	INV	31396WYE0	July 2035
BK(4) .....	6	80,364,850	AS/SP	6.00	FIX	31396WYF7	November 2033
AU(4) .....	6	11,713,600	AS/AD	6.00	FIX	31396WYG5	May 2018
AV(4) .....	6	14,616,000	AS/AD	6.00	FIX	31396WYH3	February 2026
AZ(4) .....	6	12,940,700	AS	6.00	FIX/Z	31396WYJ9	July 2037
FE .....	7	30,000,000	PT	(3)	FLT	31396WYK6	July 2037
EO(4) .....	7	5,014,286	PT	(5)	PO	31396WYL4	July 2037
ST(4) .....	7	2,485,714	PT	(3)	INV	31396WYM2	July 2037
ES(4) .....	7	30,000,000(2)	NTL	(3)	INV/IO	31396WYN0	July 2037
FP(4) .....	8	36,087,857	PAC	(3)	FLT	31396WYP5	July 2037
PO(4) .....	8	9,842,143	PAC	(5)	PO	31396WYQ3	July 2037
FK(4) .....	8	13,912,143	SUP	(3)	FLT	31396WYR1	July 2037
KO(4) .....	8	3,794,220	SUP	(5)	PO	31396WYS9	July 2037
PS(4) .....	8	36,087,857(2)	NTL	(3)	INV/IO	31396WYT7	July 2037
KS(4) .....	8	13,912,143(2)	NTL	(3)	INV/IO	31396WYU4	July 2037
R .....		0	NPR	0	NPR	31396WYV2	July 2037
RL .....		0	NPR	0	NPR	31396WYW0	July 2037

- (1) Based on LIBOR and subject to the limitations described in this prospectus supplement. The distribution of any accrued interest for this class in excess of 4.75% will depend on amounts received under the related third-party derivative contract. Distribution of any such excess accrued interest will not be covered by the Fannie Mae guaranty.
- (2) Notional balances. These classes are interest only classes. See page S-7 for a description of how their notional balances are calculated.
- (3) Based on LIBOR.
- (4) Exchangeable classes.
- (5) Principal only classes.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The SA, FB, SB, SD, BP, AC, AH, BD, SE, SQ, SP, SK, GO, GS, SG and FG 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-11 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

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

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

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

**UBS Investment Bank**

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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 1 Class or the R or RL Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated May 1, 2002 (the “SMBS Prospectus”); and
- any information incorporated by reference in this prospectus supplement as discussed below under the heading “Incorporation by Reference.”

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

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

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

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

UBS Securities LLC  
Prospectus Department  
1000 Harbor Boulevard  
Weehawken, New Jersey 07086  
(telephone 201-352-1075).

## INCORPORATION BY REFERENCE

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

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

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

- our Annual Report on Form 10-K for the fiscal year ended December 31, 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 SMBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS
5	Group 5 MBS
6	Group 6 MBS
7	Group 7 MBS
8	Group 8 MBS

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

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>	<u>Approximate Weighted Average Remaining Term to Expiration of Interest Only Period (in months)</u>
Group 1 SMBS*	\$ 77,559,460	360	343	15	6.927%	N/A
Group 2 MBS	\$ 39,301,431†	360	347	13	6.618%	107
	\$ 31,743,463††	360	345	15	6.547%	165
Group 3 MBS	\$200,000,000	360	290	58	6.490%	N/A
Group 4 MBS	\$ 68,025,844	360	236	105	6.590%	N/A
Group 5 MBS	\$ 76,625,517†	360	347	13	6.618%	107
	\$ 63,374,483††	360	345	15	6.547%	165
Group 6 MBS†	\$250,000,000	360	349	9	6.650%	111
Group 7 MBS	\$ 27,500,000†	360	347	13	6.618%	107
	\$ 10,000,000††	360	345	15	6.547%	165
Group 8 MBS	\$ 63,636,363	360	300	50	5.896%	N/A

\* Payments on the Group 1 SMBS are derived from a previously issued principal only SMBS having a principal balance of \$77,559,460 as of the Issue Date and a previously issued interest only SMBS having a notional principal balance of \$56,678,067 as of the Issue Date and a pass-through rate of 6.5%.

† As further described in this prospectus supplement, approximately \$39,301,431, \$76,625,517 and \$27,500,000 in principal amount of the mortgage loans underlying the Group 2, Group 5 and Group 7 MBS, respectively, and all of the mortgage loans underlying the Group 6 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The weighted average remaining terms to expiration of the interest only periods for these mortgage loans are set forth above.

†† As further described in this prospectus supplement, approximately \$31,743,463, \$63,374,483 and \$10,000,000 in principal amount of the mortgage loans underlying the Group 2, Group 5 and Group 7 MBS, respectively, provide for interest only periods that may range from greater than 10 to no more than 15 years following origination. The weighted average remaining terms to expiration of the interest only periods for these mortgage loans are set forth above.

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



## Class Factors

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

## Settlement Date

We expect to issue the certificates on 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.

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>
FC .....	4.75000%	(2)	0.37%	LIBOR + 37 basis points(3)
SC .....	0.00000%	4.38000%	0.00%	4.38% - LIBOR
FA .....	5.72000%	7.00000%	0.40%	LIBOR + 40 basis points
AS .....	1.28000%	6.60000%	0.00%	6.6% - LIBOR
FM .....	5.67000%	7.00000%	0.35%	LIBOR + 35 basis points
SM .....	0.05000%	0.05000%	0.00%	6.65% - LIBOR
BS .....	1.28000%	6.60000%	0.00%	6.6% - LIBOR

<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>
FD .....	5.74000%	7.00000%	0.42%	LIBOR + 42 basis points
DS .....	1.26000%	6.58000%	0.00%	6.58% – LIBOR
FJ .....	5.92000%	7.00000%	0.60%	LIBOR + 60 basis points
SJ .....	5.82857%	51.42857%	0.00%	$51.42857\% - (8.57142857 \times \text{LIBOR})$
TJ .....	8.00000%	8.00000%	0.00%	128% – (20 × LIBOR)
FE .....	5.66000%	7.50000%	0.34%	LIBOR + 34 basis points
ST .....	7.00000%	7.00000%	0.00%	$86.41379\% - (12.06896551 \times \text{LIBOR})$
ES .....	1.26000%	6.58000%	0.00%	6.58% – LIBOR
FP .....	5.76000%	7.00000%	0.44%	LIBOR + 44 basis points
FK .....	5.76000%	7.00000%	0.44%	LIBOR + 44 basis points
PS .....	1.24000%	6.56000%	0.00%	6.56% – LIBOR
KS .....	1.24000%	6.56000%	0.00%	6.56% – LIBOR
SA .....	7.68000%	39.60000%	0.00%	$39.6\% - (5.99999989 \times \text{LIBOR})$
FB .....	5.72000%	7.00000%	0.40%	LIBOR + 40 basis points
SB .....	7.68000%	39.60000%	0.00%	$39.6\% - (5.99999979 \times \text{LIBOR})$
SD .....	7.56000%	39.48000%	0.00%	39.48% – (6 × LIBOR)
SE .....	7.53846%	39.36752%	0.00%	$39.36752\% - (5.98290598 \times \text{LIBOR})$
SQ .....	7.36000%	28.64000%	0.00%	28.64% – (4 × LIBOR)
SP .....	4.54666%	24.05333%	0.00%	$24.05333\% - (3.66666659 \times \text{LIBOR})$
SK .....	4.54666%	24.05333%	0.00%	$24.05333\% - (3.66666745 \times \text{LIBOR})$
GS .....	1.24000%	6.56000%	0.00%	6.56% – LIBOR
SG .....	4.54666%	24.05333%	0.00%	$24.05333\% - (3.66666683 \times \text{LIBOR})$
FG .....	5.76000%	7.00000%	0.44%	LIBOR + 44 basis points

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

(2) The FC Class has no maximum interest rate.

(3) The interest rate payable on the FC Class is subject to the limitations set forth under “Description of the Certificates—Distributions of Interest—*The FC Class*” in this prospectus supplement. In particular, we will guarantee only that monthly interest accrued up to a maximum of 4.75% will be available for distribution on the FC Class. Any interest accrued on the FC Class in excess of 4.75% will **not** be guaranteed by Fannie Mae and will be paid solely from available proceeds, if any, under the cap contract as described under “Description of the Certificates—The Cap Contract” in this prospectus supplement.

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>	
SC .....	100% of the FC Class
AS .....	599.9999895000% of the AO Class
SM .....	100% of the FM Class
BS .....	599.9999794196% of the BO Class
DS .....	600% of the DO Class
ES .....	598.2905642000% of the EO Class
PS .....	366.6666598931% of the PO Class
KS .....	366.6667457343% of the KO Class
GS .....	the sum of 366.6666598931% of the PO Class plus 366.6667457343% of the KO Class



## **Distributions of Principal**

### *Group 1 Principal Distribution Amount*

#### *Z Accrual Amount*

To the FC Class to zero, and thereafter to the Z Class.

#### *ZC Accrual Amount*

To Aggregate Group I to its Targeted Balance, and thereafter to the ZC Class.

### *Group 1 Cash Flow Distribution Amount*

1. To Aggregate Group I to its Targeted Balance.
2. To the ZC Class to zero.
3. To Aggregate Group I to zero.

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

### *Group 2 Principal Distribution Amount*

To the A and B Classes, in that order, to zero.

### *Group 3 Principal Distribution Amount*

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

### *Group 4 Principal Distribution Amount*

To the FM and BO Classes, pro rata, to zero.

### *Group 5 Principal Distribution Amount*

To the FD and DO Classes, pro rata, to zero.

### *Group 6 Principal Distribution Amount*

#### *AZ Accrual Amount*

To the AU and AV Classes, in that order, to zero, and thereafter to the AZ Class.

#### *Group 6 Cash Flow Distribution Amount*

1. Beginning in July 2012, to the BA Class, the amount specified under “Description of the Certificates—Distributions of Principal—*Group 6 Principal Distribution Amount*” in this prospectus supplement.

2. An amount up to \$670 on each distribution date to the FJ, SJ and TJ Classes, pro rata, to zero.
3. An amount up to \$1,350,000 on each distribution date to the BK Class to zero.
4. To the FJ, SJ and TJ Classes, pro rata, to zero.
5. To the BK Class to zero.
6. To the AU, AV and AZ Classes, in that order, to zero.
7. To the BA Class to zero.

*Group 7 Principal Distribution Amount*

To the FE, EO and ST Classes, pro rata, to zero.

*Group 8 Principal Distribution Amount*

1. To Aggregate Group II to its Planned Balance.
2. To the FK and KO Classes, pro rata, to zero.
3. To Aggregate Group II to zero.

For a description of Aggregate Group II, see “Description of the Certificates—Distributions of Principal—*Group 8 Principal Distribution Amount*” in this prospectus supplement.

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

# **Weighted Average Lives (years) \***

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>300%</u>	<u>475%</u>	<u>525%</u>	<u>1000%</u>
FC and SC .....	19.6	9.4	4.2	2.8	2.5	1.4
Z .....	28.7	22.9	13.2	8.9	8.1	7.6
ZC .....	29.4	25.7	17.2	11.8	10.7	0.1
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>	
A .....	22.2	9.6	2.9	2.2	1.4	
B .....	29.3	24.9	11.1	8.4	5.1	
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>	
FA, AO, AS and SA .....	20.8	9.3	6.0	4.4	2.7	
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>	
FM, BO, SM, BS, FB and SB .....	20.8	8.0	5.5	4.2	2.6	
<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>	
FD, DO, DS and SD .....	23.3	12.0	4.2	3.2	2.0	
<u>Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>	
BA .....	22.7	16.0	10.2	7.9	5.0	
FJ, SJ, TJ and BP .....	25.3	12.4	2.0	1.4	0.9	
BK .....	17.1	3.6	2.5	2.1	1.6	
AU .....	6.0	6.0	3.9	3.2	2.3	
AV .....	15.0	15.0	5.3	4.1	2.7	
AZ .....	29.0	23.4	6.7	4.8	3.1	
AC .....	21.2	8.0	2.2	1.8	1.3	
AH .....	29.0	23.4	5.9	4.3	2.8	
BD .....	22.7	11.0	2.9	2.3	1.6	
<u>Group 7 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>	
FE, EO, ST, ES, SE and SQ .....	23.1	11.9	4.2	3.2	2.0	
<u>Group 8 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>	
FP, PO, PS and SP .....	17.5	6.4	6.4	6.4	3.5	
FK, KO, KS and SK .....	28.3	17.0	4.9	2.1	0.6	
GO, GS, SG and FG .....	20.5	9.4	6.0	5.2	2.7	

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

## ADDITIONAL RISK FACTORS

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

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

*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 2, Group 5, Group 6 and Group 7 MBS provide for interest only payments for a lengthy initial period and thus may be more likely to be refinanced than other mortgage loans.* As further described in this prospectus supplement under “Description of the Certificates—The Trust MBS,” the scheduled monthly payments on approximately 55.3%, 54.7% and 73.3% of the mortgage loans underlying the Group 2, Group 5 and Group 7 MBS, respectively, and all of the mortgage loans underlying the Group 6 MBS, represent accrued interest only during periods that may range from at least seven to no more than ten years following origination. In addition, as further described in this prospectus supplement under “Description of the Certificate—The Trust MBS,” the scheduled monthly payments on approximately 44.7%, 45.3% and 26.7% of the mortgage loans underlying the

Group 2, Group 5 and Group 7 MBS, respectively, represent accrued interest only during periods that may range from greater than ten to no more than 15 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.

*Limitations affecting our guaranty of interest on the FC Class may adversely affect its yield.* Our guaranty of monthly interest in respect of the FC Class is limited to interest accrued up to a maximum rate of 4.75%. Any monthly interest accrued on the FC Class in excess of 4.75% (the additional interest amount) will be paid to the related certificateholders on the current distribution date solely from proceeds, if any, received under the cap contract. We cannot assure you that available proceeds from the cap contract will be adequate to cover the FC Class additional interest amount. **Our guaranty does not cover any FC Class additional interest amount, or any failure of the cap contract provider to make payments to the trust as required under the cap contract.**

**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 Group 1 SMBS and the Trust MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect

the weighted average lives of the classes of certificates.

*Level of floating rate index affects yields on certain certificates.* The yield on any floating rate or inverse floating rate certificate will be affected by the level of its interest rate index. If the level of the index differs from the level you expect, then your actual yield may be lower than you expect.

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

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

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

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

*Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate.* We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

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

## DESCRIPTION OF THE CERTIFICATES

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

## General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) 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 assets of the Trust will consist of

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

The Group 1 SMBS represent beneficial ownership interests in certain principal and interest distributions on mortgage loans underlying certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”).

Each MBS represents a beneficial ownership interest in a pool of first lien, one- to four-family (“single-family”), fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described in this prospectus supplement.

The Trust will include the “Lower Tier REMIC” and the “Upper Tier REMIC” as “real estate mortgage investment conduits” (each, a “REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

The following chart contains information about the assets, the “regular interests” and the “residual interests” of each REMIC.

<u>REMIC Designation</u>	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
Lower Tier REMIC .....	The Group 1 SMBS and the Trust MBS	Interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier REMIC Regular Interests”)	RL
Upper Tier REMIC .....	Lower Tier REMIC Regular Interests	Group 1, 2, 3, 4, 5, 6, 7 and 8 Classes	R

The Cap Contract (defined under “—The Cap Contract” below) will not be included in any REMIC.

*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.



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

Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus, “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus and “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus.

**Our guaranty will not cover any FC Class Additional Interest Amounts. Investors in the FC Class will be entitled to receive FC Class Additional Interest Amounts only to the extent described below under the headings “—Distributions of Interest—The FC Class”. Furthermore, our guaranty will not cover any amounts due under the Cap Contract that are not received by the Trust.**

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

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

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

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

<u>Classes</u>	<u>Denominations</u>
The 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 Classes).

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

*Voting the Group 1 SMBS.* Holders of the Group 1 SMBS may be asked to vote on issues arising under the related trust agreement. If so, the Trustee will vote the Group 1 SMBS, as instructed by Holders of Certificates of the related Classes. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the related Classes.

### **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the AO, AS, DO, DS, FJ, SJ, TJ, BK, AU, AV, AZ, EO, ST and ES Classes and the Group 4 and Group 8 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 Group 1 SMBS

The general characteristics of the Group 1 SMBS are described in the SMBS Prospectus. The Group 1 SMBS provide that principal and interest on the Mortgage Loans underlying the related MBS are passed through monthly. The general characteristics of the MBS are described in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing Mortgage Loans secured by first mortgages or deed of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

We expect the characteristics of the Group 1 SMBS and the underlying Mortgage Loans as of the Issue Date to be as follows:

#### Group 1 SMBS\*

Aggregate Unpaid Principal Balance .....	\$77,559,460
Effective SMBS Pass-Through Rate .....	4.75%
<b>Related Mortgage Loans</b>	
Range of WACs (annual percentages) .....	6.75% to 9.00%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	343 months
Approximate Weighted Average WALA (weighted average loan age) .....	15 months

\* Payments on the Group 1 SMBS are derived from a previously issued principal only SMBS having a principal balance of \$77,559,460 as of the Issue Date and a previously issued interest only SMBS having a notional principal balance of \$56,678,067 as of the Issue Date and a pass-through rate of 6.5%.

### The Trust MBS

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

In addition, the scheduled monthly payments on approximately 55.3%, 54.7% and 73.3% of the Mortgage Loans underlying the Group 2, Group 5 and Group 7 MBS, respectively (by principal balance at the Issue Date), and all of the Mortgage Loans underlying the Group 6 MBS, represent accrued interest only for periods that may range from at least seven to no more than ten years following origination. Furthermore, the scheduled monthly payments on approximately 44.7%, 45.3% and 26.7% of the Mortgage Loans underlying the Group 2, Group 5 and Group 7 MBS, respectively (by principal balance at the Issue Date), represent accrued interest only for periods that may range from greater than ten to no more than 15 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 the Mortgage Loans will be increased by an amount sufficient to pay accrued interest and to fully amortize the Mortgage Loan by its scheduled maturity date.

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

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

**Group 2 MBS\***

Aggregate Unpaid Principal Balance .....	\$71,044,894
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 .....	346 months
Approximate Weighted Average WALA (weighted average loan age) .....	14 months

**Group 3 MBS**

Aggregate Unpaid Principal Balance .....	\$200,000,000
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 .....	290 months
Approximate Weighted Average WALA .....	58 months

**Group 4 MBS**

Aggregate Unpaid Principal Balance .....	\$68,025,844
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	160 months to 360 months
Approximate Weighted Average WAM .....	236 months
Approximate Weighted Average WALA .....	105 months

**Group 5 MBS\***

Aggregate Unpaid Principal Balance .....	\$140,000,000
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 .....	346 months
Approximate Weighted Average WALA .....	14 months

**Group 6 MBS\***

Aggregate Unpaid Principal Balance .....	\$250,000,000
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	349 months
Approximate Weighted Average WALA .....	9 months

**Group 7 MBS\***

Aggregate Unpaid Principal Balance .....	\$37,500,000
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	346 months
Approximate Weighted Average WALA .....	14 months

### Group 8 MBS

Aggregate Unpaid Principal Balance .....	\$63,636,363
MBS Pass-Through Rate .....	5.50%
Range of WACs (annual percentages) .....	5.75% to 8.00%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	300 months
Approximate Weighted Average WALA .....	50 months

\* All of the Mortgage Loans underlying the Group 2, Group 5, Group 6 and Group 7 MBS provide for initial interest only periods. For additional information about these 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 Group 1 SMBS and the Trust MBS" in this prospectus supplement.

### Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC and the current WAM of the Mortgage Loans underlying each of the Group 1 SMBS and the Trust 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 Group 1 SMBS and the Trust MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at [www.fanniemae.com](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	Z and ZC
Floating Rate	FC
Interest Rate Cap†	FC
Inverse Floating Rate	SC
Accrual	Z and ZC
Interest Only	SC
<b>Group 2 Classes</b>	
Fixed Rate	A and B
<b>Group 3 Classes</b>	
Floating Rate	FA
Inverse Floating Rate	AS
Interest Only	AS
Principal Only	AO
RCR**	SA
<b>Group 4 Classes</b>	
Floating Rate	FM
Inverse Floating Rate	SM and BS
Interest Only	SM and BS
Principal Only	BO
RCR**	FB and SB

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 5 Classes</b>	
Floating Rate	FD
Inverse Floating Rate	DS
Interest Only	DS
Principal Only	DO
RCR**	SD
<b>Group 6 Classes</b>	
Fixed Rate	BA, BK, AU, AV and AZ
Floating Rate	FJ
Inverse Floating Rate	SJ and TJ
Accrual	AZ
RCR**	BP, AC, AH and BD
<b>Group 7 Classes</b>	
Floating Rate	FE
Inverse Floating Rate	ST and ES
Interest Only	ES
Principal Only	EO
RCR**	SE and SQ
<b>Group 8 Classes</b>	
Floating Rate	FP and FK
Inverse Floating Rate	PS and KS
Interest Only	PS and KS
Principal Only	PO and KO
RCR**	SP, SK, GO, GS, SG and FG
<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.

† The “Interest Rate Cap” or “IRC” designation refers to a class in respect of which distributions of any accrued interest in excess of a specified level will depend on benefits received under a third-party derivative contract. As a result, distributions of any such excess accrued interest will **not** be covered by the Fannie Mae guaranty.

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

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

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The Floating Rate and Inverse Floating Rate Classes (collectively, the “No-Delay Classes”)	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs



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

The Dealer will treat the Principal Only Classes as No-Delay Classes for the sole purpose of facilitating trading.

*Accrual Classes.* The Z, ZC and AZ Classes are Accrual Classes. Interest will accrue on each 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 Classes. Instead, interest accrued on an Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on each 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.

*The FC Class.* On each Distribution Date, we will pay interest on the FC Class in an amount (the “FC Class Guaranteed Interest Amount”) equal to one month’s interest at an annual rate equal to the *lesser* of

- the *sum* of LIBOR *plus* 37 basis points, and
- 4.75%.

In addition, on each Distribution Date, we will pay to the FC Class the FC Class Additional Interest Amount (defined below), if any, for that date from proceeds received in respect of the Cap Contract described below under “—The Cap Contract.”

The “FC Class Additional Interest Amount” means, with respect to any Distribution Date, the *excess*, if any, of the FC Class Optimal Interest Amount (defined below) for that Distribution Date *over* the FC Class Guaranteed Interest Amount for that Distribution Date.

The “FC Class Optimal Interest Amount” for any Distribution Date will be equal to one month’s interest at an annual rate equal to the *sum* of LIBOR *plus* 37 basis points.

Because the Cap Contract Notional Balance (defined under “—The Cap Contract” below) is fixed based on a schedule, while the balance of the FC Class depends on the rate of prepayments on the related Mortgage Loans, the Cap Contract Notional Balance at any time may be less than the outstanding balance of the FC Class. In that event, the amount payable under the Cap Contract will not be sufficient to cover the FC Class Additional Interest Amount.

Our determination of the interest rate for the FC Class 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.

*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 with respect to the related Classes. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of the Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the Index occurs.

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

## Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 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>	
TAC	FC and Z
Support	ZC
Accretion Directed	FC and Z
Notional	SC
<b>Group 2 Classes</b>	
Sequential Pay	A and B
<b>Group 3 Classes</b>	
Pass-Through	FA and AO
Notional	AS
RCR**	SA
<b>Group 4 Classes</b>	
Pass-Through	FM and BO
Notional	SM and BS
RCR**	FB and SB
<b>Group 5 Classes</b>	
Pass-Through	FD and DO
Notional	DS
RCR**	SD
<b>Group 6 Classes</b>	
Specified Payment†	BK
Specified Payment Support††	FJ, SJ and TJ
NAS†††	BA
AS††††	FJ, SJ, TJ, BK, AU, AV and AZ
Accretion Directed	AU and AV
RCR**	BP, AC, AH and BD

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 7 Classes</b>	
Pass-Through	FE, EO and ST
Notional	ES
RCR**	SE and SQ
<b>Group 8 Classes</b>	
PAC	FP and PO
Support	FK and KO
Notional	PS and KS
RCR**	SP, SK, GO, GS, SG and FG
<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.

† 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 receives principal payments on any Distribution Date only if a specified dollar payment has been made on any related Specified Payment class (except that a Specified Payment Support class may also receive principal payments from the accrued and unpaid interest on related Accrual or Partial Accrual classes).

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

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

### *Principal Distribution Amount*

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

- the principal then paid on the Group 1 SMBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the Z and ZC Classes (the “Z Accrual Amount” and “ZC Accrual Amount,” respectively, and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 MBS (the “Group 4 Principal Distribution Amount”),
- the principal then paid on the Group 5 MBS (the “Group 5 Principal Distribution Amount”),
- the principal then paid on the Group 6 MBS (the “Group 6 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the AZ Class (the “AZ Accrual Amount” and, together with the Group 6 Cash Flow Distribution Amount, the “Group 6 Principal Distribution Amount”),
- the principal then paid on the Group 7 MBS (the “Group 7 Principal Distribution Amount”), and
- the principal then paid on the Group 8 MBS (the “Group 8 Principal Distribution Amount”).

### *Group 1 Principal Distribution Amount*

#### *Z Accrual Amount*

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

} Accretion  
Directed  
Class and  
Accrual Class

#### *ZC Accrual Amount*

On each Distribution Date, we will pay the ZC Accrual Amount as principal of Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the ZC Accrual Amount as principal of the ZC Class.

Accretion  
Directed/TAC  
Group and  
Accrual Class

#### *Group 1 Cash Flow Distribution Amount*

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

- (i) to Aggregate Group I, until the Aggregate I Balance is reduced to its Targeted Balance for that Distribution Date;
- (ii) to the ZC Class, until its principal balance is reduced to zero; and
- (iii) to Aggregate Group I, without regard to its Targeted Balance and until the Aggregate I Balance is reduced to zero.

TAC Group

Support Class

TAC Group

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

The “Aggregate I Balance” is equal to the aggregate principal balance of the Classes in Aggregate Group I. For determining principal payments on a Distribution Date, the Aggregate I Balance will include any increase in the principal balance of the Z Class on that date.

#### *Group 2 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount, sequentially, to the A and B Classes, until their principal balances are reduced to zero.

Sequential Pay  
Classes

#### *Group 3 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, concurrently, as principal of the FA and AO Classes, pro rata (or 85.7142855000% and 14.2857145000%, respectively), until their principal balances are reduced to zero.

Pass-Through  
Classes

#### *Group 4 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount, concurrently, as principal of the FM and BO Classes, pro rata (or 85.7142852943% and 14.2857147057%, respectively), until their principal balances are reduced to zero.

Pass-Through  
Classes

#### *Group 5 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount, concurrently, as principal of the FD and DO Classes, pro rata (or 85.7142857143% and 14.2857142857%, respectively), until their principal balances are reduced to zero.

Pass-Through  
Classes

*Group 6 Principal Distribution Amount*

*AZ Accrual Amount*

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

*Group 6 Cash Flow Distribution Amount*

On each Distribution Date, we will pay the Group 6 Cash Flow Distribution Amount as principal of the Group 6 Classes in the following priority:

- (i) beginning in July 2012, to the BA Class, until its principal balance is reduced to zero, an amount equal to the *lesser* of
  - the Group 6 Cash Flow Distribution Amount for that Distribution Date
  - or*
  - the *product* of
    - the Group 6 Cash Flow Distribution Amount for that Distribution Date *multiplied by*
    - the Basic Percentage (described below) for that Distribution Date *multiplied by*
    - the Shift Percentage (described below) for that Distribution Date;} NAS Class
- (ii) an amount up to \$670 on each Distribution Date, concurrently, to the FJ, SJ, and TJ Classes, pro rata (or 85.7142855365%, 10%, and 4.2857144635%, respectively), until their principal balances are reduced to zero; } Specified Payment Support Classes
- (iii) an amount up to \$1,350,000 on each Distribution Date to the BK Class until its principal balance is reduced to zero; } Specified Payment Class
- (iv) concurrently, to the FJ, SJ, and TJ Classes, pro rata, until their principal balances are reduced to zero; } Specified Payment Support Classes
- (v) to the BK Class, until its principal balance is reduced to zero; } Specified Payment Class
- (vi) sequentially, to the AU, AV, and AZ Classes, in that order, until their principal balances are reduced to zero; and } Sequential Pay Classes
- (vii) to the BA Class, until its principal balance is reduced to zero. } NAS Class

The “Basic Percentage” for any Distribution Date will be equal to a fraction, expressed as a percentage, the numerator of which is the principal balance of the BA Class and the denominator of which is the *sum* of the principal balances of the BA, FJ, SJ, TJ, BK, AU, AV, and AZ Classes, in each case before giving effect to any payments on that Distribution Date.

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

<u>Distribution Date in</u>	<u>Shift Percentage</u>
July 2007 through June 2012 .....	0%
July 2012 through June 2013 .....	30%
July 2013 through June 2014 .....	40%
July 2014 through June 2015 .....	60%
July 2015 through June 2016 .....	80%
July 2016 and thereafter .....	100%

#### *Group 7 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 7 Principal Distribution Amount, concurrently, as principal of the FE, EO and ST Classes, pro rata (or 80%, 13.3714293333% and 6.6285706667%, respectively), until their principal balances are reduced to zero. } Pass-Through Classes

#### *Group 8 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 8 Principal Distribution Amount as principal of the Group 8 Classes in the following priority:

- (i) to Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Planned Balance for that Distribution Date; } PAC Group
- (ii) concurrently, to FK and KO Classes, pro rata (or 78.5714322021% and 21.4285677979%, respectively), until their principal balances are reduced to zero; and } Support Classes
- (iii) to Aggregate Group II, without regard to its Planned Balance and until the Aggregate II Balance is reduced to zero. } PAC Group

“Aggregate Group II” consists of the FP and PO Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II, concurrently, to the FP and PO Classes, pro rata (or 78.5714282604% and 21.4285717396%, respectively), until their principal balances are reduced to zero.

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

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

#### **The Cap Contract**

UBS Real Estate Securities, Inc. (“UBS RES”), an affiliate of the Dealer and of UBS AG, has entered into a cap contract (the “Cap Contract”) with UBS AG, London Branch (the “Counterparty”). As of the date of this prospectus supplement, the Counterparty is rated “AA+” by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and “Aaa” by Moody’s Investors Service, Inc. Pursuant to the Cap Contract, the terms of an ISDA Master Agreement were incorporated into the related confirmation as if the ISDA Master Agreement had been executed by UBS RES and the Counterparty on the date the Cap Contract was executed. On the Settlement Date specified above under “Reference Sheet” in this prospectus supplement, UBS RES will assign to the Trustee, on behalf of the Trust, the rights of UBS RES under the Cap Contract. The Cap Contract will not be an asset of any REMIC created under the Trust Agreement.

The Cap Contract is scheduled to remain in effect until the Distribution Date in December 2016 (the “Termination Date”). The Cap Contract will be subject to early termination only in limited



circumstances. Such circumstances generally include certain insolvency or bankruptcy events in relation to the Counterparty or the Trust, the failure by the Counterparty (three business days after notice of such failure is received by the Counterparty) to make a payment due under the Cap Contract, the failure by the Counterparty (30 days after notice of such failure is received) to perform any other agreement made by it under the Cap Contract, and the Cap Contract becoming illegal or subject to certain kinds of taxation.

On or prior to the Termination Date, proceeds (if any) received by the Trustee under the Cap Contract will be applied as payments to Holders of the FC Class as described above under “—Distributions of Interest—*The FC Class*.” On any Distribution Date, after such application of any proceeds received under the Cap Contract, any remaining proceeds also will be paid to Holders of the FC Class. We do not expect that material remaining proceeds under the Cap Contract will be available for payment to the FC Class.

With respect to any Distribution Date on or prior to the Termination Date, the amount payable by the Counterparty under the Cap Contract will equal

- the *excess* (if any) of
  - (x) LIBOR (as determined by the Counterparty)

*over*

- (y) 4.38%

*multiplied by*

- the *lesser* of (i) the Cap Contract Notional Balance for that Distribution Date and (ii) the principal balance of the FC Class immediately prior to that Distribution Date

*multiplied by*

- a fraction, the numerator of which is 30 and the denominator of which is 360.

The “Cap Contract Notional Balance” for each Distribution Date is specified in the following table:

Month of Distribution Date	Cap Contract Notional Balance (\$)	Month of Distribution Date	Cap Contract Notional Balance (\$)
July 2007 .....	75,000,000.00	March 2009 .....	75,000,000.00
August 2007 .....	75,000,000.00	April 2009 .....	75,000,000.00
September 2007 .....	75,000,000.00	May 2009 .....	75,000,000.00
October 2007 .....	75,000,000.00	June 2009 .....	75,000,000.00
November 2007 .....	75,000,000.00	July 2009 .....	41,582,890.59
December 2007 .....	75,000,000.00	August 2009 .....	40,418,498.80
January 2008 .....	75,000,000.00	September 2009 .....	39,283,688.60
February 2008 .....	75,000,000.00	October 2009 .....	38,177,704.68
March 2008 .....	75,000,000.00	November 2009 .....	37,099,810.83
April 2008 .....	75,000,000.00	December 2009 .....	36,049,289.53
May 2008 .....	75,000,000.00	January 2010 .....	35,025,441.40
June 2008 .....	75,000,000.00	February 2010 .....	34,027,584.82
July 2008 .....	75,000,000.00	March 2010 .....	33,055,055.43
August 2008 .....	75,000,000.00	April 2010 .....	32,107,205.73
September 2008 .....	75,000,000.00	May 2010 .....	31,183,404.61
October 2008 .....	75,000,000.00	June 2010 .....	30,283,036.98
November 2008 .....	75,000,000.00	July 2010 .....	29,405,503.34
December 2008 .....	75,000,000.00	August 2010 .....	28,550,219.40
January 2009 .....	75,000,000.00	September 2010 .....	27,716,615.67
February 2009 .....	75,000,000.00	October 2010 .....	26,904,137.14

Month of Distribution Date	Cap Contract Notional Balance (\$)	Month of Distribution Date	Cap Contract Notional Balance (\$)
November 2010 .....	26,112,242.85	January 2014 .....	7,093,453.64
December 2010 .....	25,340,405.58	February 2014 .....	6,799,261.94
January 2011 .....	24,588,111.48	March 2014 .....	6,512,316.07
February 2011 .....	23,854,859.75	April 2014 .....	6,232,427.90
March 2011 .....	23,140,162.28	May 2014 .....	5,959,414.07
April 2011 .....	22,443,543.37	June 2014 .....	5,693,095.91
May 2011 .....	21,764,539.39	July 2014 .....	5,433,299.30
June 2011 .....	21,102,698.48	August 2014 .....	5,179,854.57
July 2011 .....	20,457,580.25	September 2014 .....	4,932,596.36
August 2011 .....	19,828,755.50	October 2014 .....	4,691,363.53
September 2011 .....	19,215,805.93	November 2014 .....	4,455,999.08
October 2011 .....	18,618,323.85	December 2014 .....	4,226,349.97
November 2011 .....	18,035,911.95	January 2015 .....	4,002,267.11
December 2011 .....	17,468,182.99	February 2015 .....	3,783,605.18
January 2012 .....	16,914,759.59	March 2015 .....	3,570,222.59
February 2012 .....	16,375,273.96	April 2015 .....	3,361,981.36
March 2012 .....	15,849,367.62	May 2015 .....	3,158,747.02
April 2012 .....	15,336,691.26	June 2015 .....	2,960,388.55
May 2012 .....	14,836,904.40	July 2015 .....	2,766,778.27
June 2012 .....	14,349,675.24	August 2015 .....	2,577,791.76
July 2012 .....	13,874,680.41	September 2015 .....	2,393,307.77
August 2012 .....	13,411,604.77	October 2015 .....	2,213,208.17
September 2012 .....	12,960,141.19	November 2015 .....	2,037,377.82
October 2012 .....	12,519,990.35	December 2015 .....	1,865,704.54
November 2012 .....	12,090,860.54	January 2016 .....	1,698,079.01
December 2012 .....	11,672,467.49	February 2016 .....	1,534,394.70
January 2013 .....	11,264,534.14	March 2016 .....	1,374,547.82
February 2013 .....	10,866,790.49	April 2016 .....	1,218,437.21
March 2013 .....	10,478,973.41	May 2016 .....	1,065,964.31
April 2013 .....	10,100,826.48	June 2016 .....	917,033.08
May 2013 .....	9,732,099.79	July 2016 .....	771,549.93
June 2013 .....	9,372,549.81	August 2016 .....	629,423.67
July 2013 .....	9,021,939.18	September 2016 .....	490,565.43
August 2013 .....	8,680,036.63	October 2016 .....	354,888.62
September 2013 .....	8,346,616.74	November 2016 .....	222,308.88
October 2013 .....	8,021,459.85	December 2016 .....	92,743.98
November 2013 .....	7,704,351.89	January 2017 .....	0.00
December 2013 .....	7,395,084.25		

If the Cap Contract is terminated early, the Counterparty may owe a termination payment to the Trustee, payable in a lump sum. Fannie Mae does not intend to obtain a replacement cap contract if the Cap Contract is terminated early. Any such termination payment will be paid to the Holders of the FC Class on the Distribution Date following the Trustee's receipt thereof.

The FC Class Certificates do not represent an obligation of the Counterparty. The Holders of the FC Class Certificates are not parties to the Cap Contract and will not have any right to proceed directly against the Counterparty in respect of its obligations under the Cap Contract. **The Fannie Mae Guaranty will not cover any failure of the Trust to receive payments due under the Cap Contract.**

## Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 SMBS and the Trust MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Group 1 SMBS and the Trust MBS” in this prospectus supplement;
- all of the Mortgage Loans underlying the Group 2, Group 5, Group 6 and Group 7 MBS have the remaining terms to expiration of their interest only periods specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Group 1 SMBS and the Trust MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables;
- the settlement date for the Certificates is 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 all Classes and Principal Balances Schedule 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. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other *constant* rate.

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

<u>Principal Balance Schedule References</u>	<u>Related Groups (1)</u>	<u>Structuring Rate and Range</u>
Targeted Balances	Aggregate Group I	525%
Planned Balances	Aggregate Group II	Between 100% and 250% PSA

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

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

*Initial Effective Range.* The Effective Range for a Group is the range of prepayment rates (measured by *constant* PSA rates) which would reduce the Group to its scheduled balance on each

Distribution Date. The Initial Effective Range shown in the table below is based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Group</u>	<u>Initial Effective Range</u>
Aggregate Group II	Between 100% and 250% PSA

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

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

<u>Classes</u>	<u>Supporting Classes</u>
<b>Group 8</b>	
PAC	Support

When the supporting Classes are retired, the Classes they support, if still outstanding, may no longer have an Effective Range and will be more sensitive to prepayments.

## Yield Tables

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

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

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

We cannot assure you that

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

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

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

*The Inverse Floating Rate 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 SC, AS, SM, BS, DS, ES, PS, KS, SB and GS Classes would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

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

<u>Class</u>	<u>Price*</u>
SC .....	0.125%
AS .....	5.000%
SM .....	0.125%
BS .....	5.000%
DS .....	3.500%
SJ .....	90.000%
TJ .....	99.000%
ST .....	98.500%
ES .....	3.000%
PS .....	5.500%
KS .....	1.500%
SA .....	100.000%
SB .....	101.500%
SD .....	91.000%
SE .....	89.500%
SQ .....	92.500%
SP .....	90.500%
SK .....	78.500%
GS .....	4.000%
SG .....	87.000%

\* 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 SC Class to Prepayments and LIBOR (Pre-Tax Yields to Maturity)

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>300%</u>	<u>475%</u>	<u>525%</u>	<u>1000%</u>
1.32% .....	15868.1%	15768.9%	15360.4%	14986.4%	14876.4%	14548.4%
3.32% .....	2030.9%	2014.4%	1946.4%	1884.1%	1865.7%	1770.3%
4.38% .....	*	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>210%</b>	<b>300%</b>	<b>500%</b>
1.32% .....	116.3%	111.6%	101.2%	92.4%	71.5%
3.32% .....	66.5%	62.5%	53.5%	45.9%	28.0%
5.32% .....	20.8%	17.4%	9.8%	3.3%	(11.9)%
6.60% .....	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>210%</b>	<b>300%</b>	<b>500%</b>
6.600% and below .....	36.1%	32.5%	24.4%	17.6%	1.5%
6.625% .....	13.0%	9.7%	2.3%	(3.9)%	(18.6)%
6.650% .....	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>210%</b>	<b>300%</b>	<b>500%</b>
1.32% .....	115.0%	110.4%	100.0%	91.2%	70.4%
3.32% .....	65.3%	61.3%	52.4%	44.8%	26.9%
5.32% .....	19.2%	15.9%	8.3%	1.9%	(13.1)%
6.60% and above .....	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>384%</b>	<b>500%</b>	<b>765%</b>
1.32% .....	183.6%	179.7%	156.3%	146.3%	121.9%
3.32% .....	104.7%	101.2%	80.3%	71.3%	49.4%
5.32% .....	35.6%	32.4%	13.3%	5.0%	(15.4)%
6.58% .....	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>384%</b>	<b>500%</b>	<b>765%</b>
1.32% .....	47.5%	47.6%	51.2%	53.0%	56.7%
3.32% .....	26.6%	26.7%	31.0%	33.0%	37.0%
5.32% .....	6.9%	7.2%	11.9%	14.1%	18.4%
6.00% and above .....	0.6%	0.9%	5.7%	7.9%	12.3%



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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
6.0% and below .....	8.2%	8.3%	8.7%	8.9%	9.3%
6.2% .....	4.1%	4.2%	4.7%	5.0%	5.5%
6.4% .....	0.1%	0.1%	0.8%	1.1%	1.7%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
6.58% and below .....	7.3%	7.3%	7.6%	7.7%	8.0%
6.87% .....	3.7%	3.7%	4.0%	4.1%	4.5%
7.16% .....	0.1%	0.2%	0.5%	0.6%	1.0%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
1.32% .....	222.5%	218.4%	194.2%	183.8%	158.6%
3.32% .....	125.8%	122.2%	101.0%	91.8%	69.6%
5.32% .....	42.6%	39.4%	20.3%	12.0%	(8.3)%
6.58% and above .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
1.32% .....	99.7%	93.2%	93.2%	93.2%	82.9%
3.32% .....	55.6%	49.7%	49.7%	49.7%	36.6%
5.32% .....	13.8%	8.4%	8.4%	8.4%	(7.8)%
6.56% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
1.32% .....	568.9%	568.8%	487.8%	456.0%	216.3%
3.32% .....	302.7%	302.7%	247.2%	224.2%	40.2%
5.32% .....	98.3%	98.2%	63.6%	44.1%	(100.7)%
6.56% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
1.32% .....	33.1%	33.1%	33.0%	32.8%	32.5%
3.32% .....	20.3%	20.2%	20.2%	20.1%	20.0%
5.32% .....	7.8%	7.8%	7.8%	7.8%	7.8%
6.60% .....	0.0%	0.1%	0.1%	0.1%	0.2%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
1.32% .....	32.5%	32.4%	32.1%	31.9%	31.4%
3.32% .....	19.8%	19.8%	19.6%	19.4%	19.1%
5.32% .....	7.6%	7.5%	7.4%	7.3%	7.1%
6.60% .....	(0.1)%	(0.1)%	(0.2)%	(0.2)%	(0.4)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
1.32% .....	36.8%	37.1%	38.5%	39.2%	40.7%
3.32% .....	22.6%	22.8%	24.4%	25.1%	26.8%
5.32% .....	8.9%	9.1%	10.8%	11.6%	13.4%
6.58% .....	0.6%	0.9%	2.5%	3.3%	5.2%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
1.32% .....	37.4%	37.7%	39.5%	40.3%	42.1%
3.32% .....	22.9%	23.3%	25.2%	26.0%	28.0%
5.32% .....	9.1%	9.4%	11.4%	12.3%	14.4%
6.58% .....	0.8%	1.0%	3.0%	3.9%	6.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
1.32% .....	26.5%	26.7%	27.9%	28.5%	29.8%
3.32% .....	17.4%	17.6%	18.9%	19.5%	20.8%
5.32% .....	8.4%	8.7%	10.0%	10.6%	12.1%
7.16% .....	0.5%	0.7%	2.1%	2.7%	4.3%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
1.32% .....	22.8%	23.3%	23.3%	23.3%	24.4%
3.32% .....	14.4%	14.8%	14.8%	14.8%	16.1%
5.32% .....	6.2%	6.6%	6.6%	6.6%	8.0%
6.56% .....	1.3%	1.7%	1.7%	1.7%	3.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
1.32% .....	25.5%	25.6%	32.6%	37.8%	73.3%
3.32% .....	15.7%	16.0%	22.4%	28.1%	63.7%
5.32% .....	6.5%	6.8%	12.3%	18.6%	54.3%
6.56% .....	1.2%	1.5%	6.1%	12.9%	48.6%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
1.32% .....	150.9%	145.8%	134.4%	130.1%	101.9%
3.32% .....	85.4%	81.2%	71.7%	68.1%	44.6%
5.32% .....	27.0%	23.5%	15.7%	12.8%	(6.5)%
6.56% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
1.32% .....	23.7%	24.1%	25.2%	25.6%	28.5%
3.32% .....	14.9%	15.3%	16.4%	16.8%	19.7%
5.32% .....	6.3%	6.7%	7.8%	8.2%	11.1%
6.56% .....	1.2%	1.6%	2.5%	2.9%	5.8%

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

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

<u>Class</u>	<u>Price</u>
AO .....	72.0%
BO .....	72.0%
DO .....	73.0%
EO .....	73.0%
PO .....	72.0%
KO .....	73.0%
GO .....	72.5%

**Sensitivity of the AO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	3.0%	3.9%	6.4%	8.8%	15.0%

**Sensitivity of the BO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	3.6%	4.5%	6.9%	9.2%	15.4%

**Sensitivity of the DO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
Pre-Tax Yields to Maturity .....	2.1%	2.8%	8.8%	11.5%	18.2%

### Sensitivity of the EO Class to Prepayments

		PSA Prepayment Assumption				
		<u>50%</u>	<u>100%</u>	<u>384%</u>	<u>500%</u>	<u>765%</u>
Pre-Tax Yields to Maturity	.....	2.1%	2.9%	8.8%	11.5%	18.0%

### Sensitivity of the PO Class to Prepayments

		PSA Prepayment Assumption				
		<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	.....	4.2%	5.8%	5.8%	5.8%	10.7%

### Sensitivity of the KO Class to Prepayments

		PSA Prepayment Assumption				
		<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	.....	1.5%	1.9%	8.3%	17.0%	65.2%

### Sensitivity of the GO Class to Prepayments

		PSA Prepayment Assumption				
		<u>50%</u>	<u>100%</u>	<u>210%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	.....	2.9%	3.8%	6.2%	7.2%	14.6%

### Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, Group 2, Group 6 and Group 8 Classes, and
- in the case of the Group 1 and Group 8 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

## Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 SMBS	360 months	360 months	9.00%
Group 2 MBS	360 months	360 months	8.50%
Group 3 MBS	360 months	360 months	8.50%
Group 4 MBS	360 months	360 months	8.50%
Group 5 MBS	360 months	360 months	8.50%
Group 6 MBS	360 months	360 months	8.50%
Group 7 MBS	360 months	360 months	8.50%
Group 8 MBS	360 months	360 months	8.00%

In addition, in the case of the information set forth for each Group 2, Group 5, Group 6 and Group 7 Class under 0% PSA, we assumed that approximately \$39,301,431, \$76,625,517 and \$27,500,000 in principal amount of the Mortgage Loans underlying the Group 2, Group 5 and Group 7 MBS, respectively, and all of the Mortgage Loans underlying the Group 6 MBS have an original and a remaining interest only period of 120 months. In the case of the information set forth for each Group 2, Group 5 and Group 7 Class under 0% PSA, we also assumed that approximately \$31,743,463, \$63,374,483 and \$10,000,000 in principal amount of the Mortgage Loans underlying the Group 2, Group 5 and Group 7 MBS, respectively, have an original and remaining interest only period of 180 months.

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 level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates, 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	FC and SC† Classes						Z Class						ZC Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	300%	475%	525%	1000%	0%	100%	300%	475%	525%	1000%	0%	100%	300%	475%	525%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2008	99	94	85	78	75	58	105	105	105	105	105	105	105	105	105	105	105	0
June 2009	98	87	68	54	50	23	110	110	110	110	110	110	110	110	110	110	109	0
June 2010	97	80	54	37	32	9	115	115	115	115	115	115	115	115	115	115	114	0
June 2011	96	74	43	24	20	3	121	121	121	121	121	121	121	121	121	121	120	0
June 2012	95	68	34	16	12	1	127	127	127	127	127	127	127	127	127	127	126	0
June 2013	94	62	26	10	7	*	133	133	133	133	133	133	133	133	133	133	132	0
June 2014	92	57	20	5	3	0	139	139	139	139	139	81	139	139	139	139	138	0
June 2015	91	52	15	2	*	0	146	146	146	146	146	32	146	146	146	146	145	0
June 2016	89	47	11	0	0	0	153	153	153	12	0	12	153	153	153	153	107	0
June 2017	87	42	7	0	0	0	161	161	161	0	0	5	161	161	161	108	71	0
June 2018	85	38	4	0	0	0	168	168	168	0	0	2	168	168	168	75	47	0
June 2019	83	34	2	0	0	0	177	177	177	0	0	1	177	177	177	52	31	0
June 2020	80	30	*	0	0	0	185	185	185	0	0	*	185	185	185	36	21	0
June 2021	78	26	0	0	0	0	194	194	0	0	0	*	194	194	160	25	14	0
June 2022	75	22	0	0	0	0	204	204	0	0	0	*	204	204	126	17	9	0
June 2023	72	19	0	0	0	0	214	214	0	0	0	*	214	214	99	12	6	0
June 2024	69	16	0	0	0	0	224	224	0	0	0	*	224	224	77	8	4	0
June 2025	65	13	0	0	0	0	235	235	0	0	0	*	235	235	59	5	2	0
June 2026	61	10	0	0	0	0	246	246	0	0	0	*	246	246	45	4	2	0
June 2027	57	7	0	0	0	0	258	258	0	0	0	*	258	258	34	2	1	0
June 2028	52	4	0	0	0	0	271	271	0	0	0	*	271	271	26	2	1	0
June 2029	47	2	0	0	0	0	284	284	0	0	0	*	284	284	19	1	*	0
June 2030	42	0	0	0	0	0	298	28	0	0	0	*	298	298	14	1	*	0
June 2031	36	0	0	0	0	0	312	0	0	0	0	*	312	239	9	*	*	0
June 2032	29	0	0	0	0	0	327	0	0	0	0	*	327	182	6	*	*	0
June 2033	22	0	0	0	0	0	343	0	0	0	0	0	343	127	4	*	*	0
June 2034	14	0	0	0	0	0	360	0	0	0	0	0	360	76	2	*	*	0
June 2035	5	0	0	0	0	0	377	0	0	0	0	0	377	27	1	*	*	0
June 2036	0	0	0	0	0	0	0	0	0	0	0	0	303	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
Weighted Average Life (years)**	19.6	9.4	4.2	2.8	2.5	1.4	28.7	22.9	13.2	8.9	8.1	7.6	29.4	25.7	17.2	11.8	10.7	0.1

Date	A Class					B Class					FA, AO, AS† and SA Classes					FM, BO, SM†, BS†, FB and SB Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	210%	300%	500%	0%	100%	210%	300%	500%
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	81	76	63	100	100	100	100	100	99	92	86	81	69	99	92	85	80	68
June 2009	100	88	59	48	26	100	100	100	100	100	98	85	74	65	47	98	84	72	64	46
June 2010	100	82	41	28	6	100	100	100	100	100	98	78	63	52	32	98	76	61	51	31
June 2011	100	76	27	14	0	100	100	100	100	71	97	72	54	42	22	97	69	52	40	21
June 2012	100	70	17	4	0	100	100	100	100	38	95	66	46	33	15	95	63	43	32	14
June 2013	100	65	9	0	0	100	100	100	87	21	94	60	39	27	10	94	56	36	25	10
June 2014	100	60	2	0	0	100	100	100	61	11	93	55	33	21	7	93	51	30	19	6
June 2015	100	55	0	0	0	100	100	87	42	6	92	50	28	17	5	92	45	25	15	4
June 2016	100	51	0	0	0	100	100	67	30	3	90	45	24	13	3	90	40	21	12	3
June 2017	100	46	0	0	0	100	100	51	20	2	89	41	20	10	2	89	35	17	9	2
June 2018	99	41	0	0	0	100	100	39	14	1	87	37	16	8	1	87	30	14	7	1
June 2019	97	37	0	0	0	100	100	29	10	*	85	33	14	6	1	85	26	11	5	1
June 2020	96	32	0	0	0	100	100	22	7	*	83	29	11	5	1	83	22	8	4	*
June 2021	94	28	0	0	0	100	100	17	5	*	81	26	9	4	*	81	18	7	3	*
June 2022	92	24	0	0	0	100	100	12	3	*	78	22	8	3	*	78	14	5	2	*
June 2023	88	19	0	0	0	100	100	9	2	*	75	19	6	2	*	75	11	3	1	*
June 2024	84	15	0	0	0	100	100	7	1	*	72	16	5	2	*	72	8	2	1	*
June 2025	80	11	0	0	0	100	100	5	1	*	69	14	4	1	*	69	5	1	*	*
June 2026	75	8	0	0	0	100	100	3	1	*	66	11	3	1	*	66	2	*	*	*
June 2027	69	4	0	0	0	100	100	2	*	*	62	9	2	1	*	62	0	0	0	0
June 2028	64	1	0	0	0	100	100	2	*	*	58	6	1	*	*	58	0	0	0	0
June 2029	57	0	0	0	0	100	90	1	*	*	53	4	1	*	*	53	0	0	0	0
June 2030	50	0	0	0	0	100	74	1	*	*	49	2	*	*	*	49	0	0	0	0
June 2031	43	0	0	0	0	100	60	1	*	*	43	*	*	*	*	43	0	0	0	0
June 2032	35	0	0	0	0	100	46	*	*	*	37	0	0	0	0	37	0	0	0	0
June 2033	26	0	0	0	0	100	33	*	*	*	31	0	0	0	0	31	0	0	0	0
June 2034	16	0	0	0	0	100	21	*	*	*	24	0	0	0	0	24	0	0	0	0
June 2035	6	0	0	0	0	100	9	*	*	*	17	0	0	0	0	17	0	0	0	0
June 2036	0	0	0	0	0	68	0	0	0	0	9	0	0	0	0	9	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 Life (years)**	22.2	9.6	2.9	2.2	1.4	29.3	24.9	11.1	8.4	5.1	20.8	9.3	6.0	4.4	2.7	20.8	8.0	5.5	4.2	2.6

\* 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	FD, DO, DS† and SD Classes					BA Class					FJ, SJ, TJ and BP Classes					BK Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%
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	96	84	80	69	100	100	100	100	100	100	100	83	72	46	100	90	80	80	80
June 2009	100	90	65	56	38	100	100	100	100	100	100	100	46	21	0	100	74	60	60	27
June 2010	100	85	50	39	20	100	100	100	100	100	100	100	16	0	0	100	57	40	23	0
June 2011	100	80	39	27	11	100	100	100	100	65	100	100	0	0	0	100	41	17	0	0
June 2012	100	75	30	19	6	100	100	100	100	35	100	100	0	0	0	100	26	0	0	0
June 2013	100	70	23	13	3	100	98	92	74	19	100	100	0	0	0	100	13	0	0	0
June 2014	100	66	18	9	2	100	96	83	52	10	100	100	0	0	0	100	1	0	0	0
June 2015	100	62	14	7	1	100	92	71	36	6	100	90	0	0	0	100	0	0	0	0
June 2016	100	58	10	5	1	100	88	56	25	3	100	81	0	0	0	100	0	0	0	0
June 2017	100	54	8	3	*	100	81	42	17	2	100	71	0	0	0	100	0	0	0	0
June 2018	99	50	6	2	*	98	74	32	12	1	100	61	0	0	0	95	0	0	0	0
June 2019	98	46	5	2	*	96	68	24	8	*	100	51	0	0	0	90	0	0	0	0
June 2020	96	43	3	1	*	93	61	18	5	*	100	42	0	0	0	84	0	0	0	0
June 2021	95	39	3	1	*	91	56	13	4	*	100	34	0	0	0	77	0	0	0	0
June 2022	94	35	2	*	*	88	50	10	2	*	100	26	0	0	0	71	0	0	0	0
June 2023	90	32	1	*	*	85	45	7	2	*	100	18	0	0	0	63	0	0	0	0
June 2024	87	28	1	*	*	82	40	5	1	*	100	11	0	0	0	55	0	0	0	0
June 2025	83	25	1	*	*	78	36	4	1	*	100	4	0	0	0	46	0	0	0	0
June 2026	79	22	1	*	*	74	32	3	*	*	100	0	0	0	0	36	0	0	0	0
June 2027	74	19	*	*	*	70	28	2	*	*	100	0	0	0	0	25	0	0	0	0
June 2028	69	16	*	*	*	65	24	1	*	*	100	0	0	0	0	14	0	0	0	0
June 2029	64	14	*	*	*	60	20	1	*	*	100	0	0	0	0	1	0	0	0	0
June 2030	58	12	*	*	*	55	17	1	*	*	88	0	0	0	0	0	0	0	0	0
June 2031	52	9	*	*	*	49	14	*	*	*	73	0	0	0	0	0	0	0	0	0
June 2032	45	7	*	*	*	42	11	*	*	*	56	0	0	0	0	0	0	0	0	0
June 2033	37	5	*	*	*	35	8	*	*	*	39	0	0	0	0	0	0	0	0	0
June 2034	29	3	*	*	*	27	5	*	*	*	20	0	0	0	0	0	0	0	0	0
June 2035	20	1	*	*	0	19	3	*	*	*	0	0	0	0	0	0	0	0	0	0
June 2036	11	0	0	0	0	10	*	*	*	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 Life (years)**	23.3	12.0	4.2	3.2	2.0	22.7	16.0	10.2	7.9	5.0	25.3	12.4	2.0	1.4	0.9	17.1	3.6	2.5	2.1	1.6

Date	AU Class					AV Class					AZ Class					AC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2008	93	93	93	93	93	100	100	100	100	100	106	106	106	106	106	100	95	81	76	63
June 2009	86	86	86	86	86	100	100	100	100	100	113	113	113	113	113	100	87	53	40	14
June 2010	78	78	78	78	0	100	100	100	100	0	120	120	120	120	79	100	78	28	12	0
June 2011	70	70	70	0	0	100	100	100	62	0	127	127	127	127	0	100	70	9	0	0
June 2012	61	61	0	0	0	100	100	82	0	0	135	135	135	22	0	100	63	0	0	0
June 2013	52	52	0	0	0	100	100	0	0	0	143	143	115	0	0	100	56	0	0	0
June 2014	43	43	0	0	0	100	100	0	0	0	152	152	42	0	0	100	50	0	0	0
June 2015	32	32	0	0	0	100	100	0	0	0	161	161	5	0	0	100	45	0	0	0
June 2016	21	21	0	0	0	100	100	0	0	0	171	171	0	0	0	100	41	0	0	0
June 2017	9	9	0	0	0	100	100	0	0	0	182	182	0	0	0	100	36	0	0	0
June 2018	0	0	0	0	0	98	98	0	0	0	193	193	0	0	0	98	31	0	0	0
June 2019	0	0	0	0	0	87	87	0	0	0	205	205	0	0	0	95	26	0	0	0
June 2020	0	0	0	0	0	76	76	0	0	0	218	218	0	0	0	92	21	0	0	0
June 2021	0	0	0	0	0	64	64	0	0	0	231	231	0	0	0	89	17	0	0	0
June 2022	0	0	0	0	0	51	51	0	0	0	245	245	0	0	0	85	13	0	0	0
June 2023	0	0	0	0	0	38	38	0	0	0	261	261	0	0	0	81	9	0	0	0
June 2024	0	0	0	0	0	24	24	0	0	0	277	277	0	0	0	77	5	0	0	0
June 2025	0	0	0	0	0	9	9	0	0	0	294	294	0	0	0	73	2	0	0	0
June 2026	0	0	0	0	0	0	0	0	0	0	303	290	0	0	0	68	0	0	0	0
June 2027	0	0	0	0	0	0	0	0	0	0	303	253	0	0	0	63	0	0	0	0
June 2028	0	0	0	0	0	0	0	0	0	0	303	218	0	0	0	57	0	0	0	0
June 2029	0	0	0	0	0	0	0	0	0	0	303	185	0	0	0	51	0	0	0	0
June 2030	0	0	0	0	0	0	0	0	0	0	303	154	0	0	0	44	0	0	0	0
June 2031	0	0	0	0	0	0	0	0	0	0	303	125	0	0	0	36	0	0	0	0
June 2032	0	0	0	0	0	0	0	0	0	0	303	97	0	0	0	28	0	0	0	0
June 2033	0	0	0	0	0	0	0	0	0	0	303	71	0	0	0	19	0	0	0	0
June 2034	0	0	0	0	0	0	0	0	0	0	303	47	0	0	0	10	0	0	0	0
June 2035	0	0	0	0	0	0	0	0	0	0	295	24	0	0	0	0	0	0	0	0
June 2036	0	0	0	0	0	0	0	0	0	0	154	2	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 Life (years)**	6.0	6.0	3.9	3.2	2.3	15.0	15.0	5.3	4.1	2.7	29.0	23.4	6.7	4.8	3.1	21.2	8.0	2.2	1.8	1.3

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

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

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

Date	AH Class					BD Class					FE, EO, ST, ES†, SE and SQ Classes					FP, PO, PS† and SP Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	384%	500%	765%	0%	100%	210%	250%	500%
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	100	100	100	100	100	96	85	81	70	100	96	85	80	69	99	89	89	89	89
June 2009 .....	100	100	100	100	100	100	90	62	52	31	100	90	66	56	38	98	79	79	79	65
June 2010 .....	100	100	100	100	26	100	83	42	29	5	100	85	50	40	21	96	70	70	70	45
June 2011 .....	100	100	100	65	0	100	76	27	13	0	100	80	39	28	11	95	61	61	61	31
June 2012 .....	100	100	75	7	0	100	70	15	1	0	100	75	30	19	6	93	53	53	53	21
June 2013 .....	100	100	38	0	0	100	65	7	0	0	100	71	23	14	3	91	45	45	45	14
June 2014 .....	100	100	14	0	0	100	60	3	0	0	100	66	18	9	2	90	38	38	38	10
June 2015 .....	100	100	2	0	0	100	56	*	0	0	100	62	14	7	1	88	31	31	31	7
June 2016 .....	100	100	0	0	0	100	52	0	0	0	100	59	10	5	1	85	25	25	25	4
June 2017 .....	100	100	0	0	0	100	48	0	0	0	100	54	8	3	*	83	21	21	21	3
June 2018 .....	100	100	0	0	0	98	44	0	0	0	99	50	6	2	*	80	17	17	17	2
June 2019 .....	100	100	0	0	0	96	40	0	0	0	97	46	4	1	*	78	14	14	14	1
June 2020 .....	100	100	0	0	0	93	37	0	0	0	95	42	3	1	*	75	11	11	11	1
June 2021 .....	100	100	0	0	0	91	33	0	0	0	93	38	3	1	*	71	9	9	9	1
June 2022 .....	100	100	0	0	0	88	30	0	0	0	91	35	2	*	*	68	7	7	7	*
June 2023 .....	100	100	0	0	0	85	27	0	0	0	88	31	1	*	*	64	5	5	5	*
June 2024 .....	100	100	0	0	0	82	24	0	0	0	85	28	1	*	*	60	4	4	4	*
June 2025 .....	100	100	0	0	0	78	21	0	0	0	81	24	1	*	*	55	3	3	3	*
June 2026 .....	100	96	0	0	0	74	19	0	0	0	77	22	1	*	*	51	2	2	2	*
June 2027 .....	100	83	0	0	0	70	16	0	0	0	73	19	*	*	*	45	2	2	2	*
June 2028 .....	100	72	0	0	0	65	14	0	0	0	68	16	*	*	*	40	1	1	1	*
June 2029 .....	100	61	0	0	0	60	12	0	0	0	62	14	*	*	*	33	1	1	1	*
June 2030 .....	100	51	0	0	0	55	10	0	0	0	57	11	*	*	*	27	*	*	*	*
June 2031 .....	100	41	0	0	0	49	8	0	0	0	51	9	*	*	*	19	*	*	*	*
June 2032 .....	100	32	0	0	0	42	6	0	0	0	44	7	*	*	*	12	0	0	0	0
June 2033 .....	100	24	0	0	0	35	5	0	0	0	36	5	*	*	*	3	0	0	0	0
June 2034 .....	100	15	0	0	0	27	3	0	0	0	28	3	*	*	*	0	0	0	0	0
June 2035 .....	97	8	0	0	0	19	2	0	0	0	20	1	*	*	0	0	0	0	0	0
June 2036 .....	51	1	0	0	0	10	*	0	0	0	10	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 Life (years)** .....	29.0	23.4	5.9	4.3	2.8	22.7	11.0	2.9	2.3	1.6	23.1	11.9	4.2	3.2	2.0	17.5	6.4	6.4	6.4	3.5

Date	FK, KO, KS† and SK Classes					GO, GS†, SG and FG Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	210%	250%	500%	0%	100%	210%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100
June 2008 .....	100	100	77	68	15	99	92	86	83	69
June 2009 .....	100	100	59	44	0	98	85	74	70	47
June 2010 .....	100	100	45	27	0	97	78	63	58	32
June 2011 .....	100	100	35	14	0	96	72	54	48	22
June 2012 .....	100	100	28	6	0	95	66	46	40	15
June 2013 .....	100	100	23	2	0	94	60	39	33	10
June 2014 .....	100	100	21	*	0	92	55	33	27	7
June 2015 .....	100	99	20	0	0	91	50	28	22	5
June 2016 .....	100	97	19	0	0	89	45	24	18	3
June 2017 .....	100	93	17	0	0	88	41	20	15	2
June 2018 .....	100	89	16	0	0	86	37	17	12	1
June 2019 .....	100	83	14	0	0	84	33	14	10	1
June 2020 .....	100	77	12	0	0	82	29	11	8	1
June 2021 .....	100	71	11	0	0	79	26	9	6	*
June 2022 .....	100	64	9	0	0	77	23	8	5	*
June 2023 .....	100	57	8	0	0	74	20	6	4	*
June 2024 .....	100	50	7	0	0	71	17	5	3	*
June 2025 .....	100	43	5	0	0	68	14	4	2	*
June 2026 .....	100	36	4	0	0	64	12	3	2	*
June 2027 .....	100	30	3	0	0	60	10	2	1	*
June 2028 .....	100	23	3	0	0	56	7	2	1	*
June 2029 .....	100	17	2	0	0	52	5	1	1	*
June 2030 .....	100	11	1	0	0	47	3	1	*	*
June 2031 .....	100	5	1	0	0	42	2	*	*	*
June 2032 .....	100	0	0	0	0	36	0	0	0	0
June 2033 .....	100	0	0	0	0	30	0	0	0	0
June 2034 .....	84	0	0	0	0	23	0	0	0	0
June 2035 .....	58	0	0	0	0	16	0	0	0	0
June 2036 .....	30	0	0	0	0	8	0	0	0	0
June 2037 .....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	28.3	17.0	4.9	2.1	0.6	20.5	9.4	6.0	5.2	2.7

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

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

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

## 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 Upper Tier REMIC 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 Upper Tier REMIC, 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 Class that may be required under the Code.

### **CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES**

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

#### **U.S. Treasury Circular 230 Notice**

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

#### **REMIC Elections and Special Tax Attributes**

We will elect to treat the Lower Tier REMIC and the Upper Tier REMIC 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 Upper Tier REMIC. 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 Upper Tier REMIC and the Lower Tier REMIC 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.

The REMIC regular interest corresponding to the FC Class will be entitled to receive interest and principal payments at the times and in the amounts equal to those made to the FC Class, except that the interest rate on this REMIC regular interest will be determined without regard to the FC Class Additional Interest Amount. A beneficial owner of an FC Class Certificate will be treated for federal

income tax purposes as the beneficial owner of a pro rata interest in this REMIC regular interest. Any excess of the amount of interest actually payable to the FC Class over the amount of interest payable on this REMIC regular interest will be treated as having been received pursuant to the related notional principal contract discussed under “—Taxation of the Cap Contract” below.

### **Taxation of Beneficial Owners of Regular Certificates**

The Notional Classes, the Principal Only Classes, the Accrual Classes and the SJ 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	475% PSA
2	384% PSA
3	210% PSA
4	210% PSA
5	384% PSA
6	384% PSA
7	384% PSA
8	210% PSA

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

### **Taxation of Beneficial Owners of the FC Class Certificates**

#### *General*

A beneficial owner of an FC Class Certificates will be treated:

- as holding an undivided interest in a REMIC regular interest as described above, and
- as having entered into a notional principal contract as described below.

Consequently, each beneficial owner of an FC Class Certificate will be required to report its pro rata share of income accruing with respect to the corresponding REMIC regular interest as discussed under “—REMIC Elections and Special Tax Attributes” above. In addition, each beneficial owner of an FC Class Certificate will be required to report its pro rata share of net income with respect to the Cap Contract, and will be permitted to recognize its share of a net deduction with respect to the Cap Contract, subject to the discussion under “—Taxation of the Cap Contract” below.

In general, this treatment of an FC Class Certificate should not materially affect the timing or amount of income, for federal income tax purposes, of a beneficial owner of an FC Class certificate provided that:

- any premium paid with respect to the Cap Contract is amortized in the same manner as any offsetting premium or discount with respect to the corresponding REMIC regular interest is amortized, and



- the beneficial owner’s ability to recognize a net deduction with respect to the Cap Contract is not subject to sections 67 or 68 of the Code.

In any event, you should consult your own tax advisor regarding the consequences to you in light of your particular circumstances of taxing separately the components comprising each FC Class Certificate (*i.e.*, the corresponding REMIC regular interest and the Cap Contract).

#### *Allocations with Respect to an FC Class Certificate*

A beneficial owner of an FC Class Certificate must allocate its cost to acquire the Certificate between the corresponding REMIC regular interest and the Cap Contract based on their relative fair market values. When a beneficial owner of an FC Class Certificate sells or disposes of the Certificate, the beneficial owner must allocate the sale proceeds between the corresponding REMIC regular interest and the Cap Contract based on their relative fair market values and must treat the sale or other disposition of the Certificate as a sale or other disposition of a pro rata portion of the corresponding REMIC regular interest and the Cap Contract.

For information reporting purposes, we intend to treat the Cap Contract as having an initial value of \$2,450,000. Because the Cap Contract is expected to have more than nominal value, you should consider the income tax consequences to you of allocating a more than nominal portion of your purchase price for an FC Class Certificate to the premium for the Cap Contract. You should consult your own tax advisors regarding the consequences to you should the Cap Contract have a different value at the time you acquire an FC Class Certificate. See “—Taxation of the Cap Contract” below.

#### *Tax Attributes of FC Class Certificates*

Although the FC Class Certificates will represent beneficial ownership in a REMIC regular interest, which is afforded certain tax attributes under the Code (see “Taxation of REMIC Regular Interests—*Special Tax Attributes*” in the REMIC Prospectus), the interest in the Cap Contract represented by an FC Class Certificate will not constitute:

- a “real estate asset” within the meaning of section 856(c)(5)(B) of the Code,
- a “qualified mortgage” within the meaning of section 860G(a)(3) of the Code or a “permitted investment” within the meaning of section 860G(a)(5) of the Code, or
- an asset described in section 7701(a)(19)(C)(xi) of the code.

Income received under the Cap Contract will not constitute income described in section 856(c)(3)(B) with respect to a real estate investment trust. As a result of these rules, the FC Class may not be an appropriate investment for a REIT or a REMIC.

### **Taxation of the Cap Contract**

#### *General*

A beneficial owner of an FC Class Certificate will be treated as having entered into a “notional principal contract” within the meaning of Treasury Department Regulations promulgated under section 446 of the Code (the “NPC Regulations”). Pursuant to this notional principal contract, the beneficial owners of the FC Class Certificates will be treated as agreeing to pay a premium for the right to receive the payments on the Cap Contract. A beneficial owner of an FC Class Certificate will be treated as having entered into the notional principal contract on the date the beneficial owner acquires the Certificate.

#### *Treatment of Payments Under the Cap Contract*

Under the NPC Regulations, the premium that is deemed to have been paid for the Cap Contract must be amortized over the life of the FC Class, taking into account the declining balance of the FC Class. For information reporting purposes, we intend to amortize the premium under a constant yield method, similar to that used to amortize OID. You should consult your tax advisor regarding the method for amortizing this premium.



Any payment received by the FC Class pursuant to the Cap Contract will be treated as a periodic payment under the NPC Regulations. To the extent that the periodic payments in any year exceed the amount of the premium amortized in that year, such excess shall represent net income for that year. Conversely, to the extent that the amount of the premium amortized in any year exceeds the periodic payments in that year, such excess shall represent a net deduction for that year. Although not clear, net income or a net deduction should be treated as ordinary income or as an ordinary deduction.

A beneficial owner's ability to recognize a net deduction with respect to the Cap Contract is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in an FC Class Certificate, as applicable, directly or through an investment in a "pass-thru entity" (other than in connection with such individual's trade or business). Pass-thru entities include partnerships, S corporations, grantor trusts, and non-publicly offered regulated investment companies but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Generally, such a beneficial owner can recognize a net deduction only to the extent that these costs, when aggregated with certain of the beneficial owner's other miscellaneous itemized deductions, exceed 2% of the beneficial owner's adjusted gross income. For this purpose, an estate or non-grantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or trust that would not have been incurred if the property were not held in such trust or estate are treated as allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on itemized deductions otherwise allowable for a beneficial owner who is an individual. Further such a beneficial owner will not be able to recognize a net deduction with respect to the Cap Contract in computing the beneficial owner's alternative minimum tax liability.

#### *Disposition of the Cap Contract*

Any amount that is considered to be allocated to the Cap Contract in connection with the sale or other disposition of an FC Class Certificate as described under "*—Taxation of Beneficial Owners of the FC Class Certificates—Allocations with Respect to an FC Class Certificate*" above will be considered a "termination payment" under the NPC Regulations. Under the NPC Regulations, a beneficial owner of an FC Class Certificate will have gain or loss from the disposition of the Cap Contract equal to (i) any termination payment it receives or is deemed to have received, less (ii) the sum of the unamortized portion of any premium paid or deemed to have been paid by the beneficial owner upon entering into the Cap Contract and any termination payment it makes or is deemed to have made. The gain or loss should be capital gain or loss, provided the Cap Contract is a capital asset to the beneficial owner. The ability to deduct capital losses is subject to limitations.

#### **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 Upper Tier REMIC or the Lower Tier REMIC that generally will not be treated as excess inclusions, the rate to be used is 5.78%

(which is 120% of the “federal long-term rate”) See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

The Treasury Department 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.

## **ADDITIONAL ERISA CONSIDERATIONS RELATING TO THE FC CLASS**

Because the right to interest payable under the Cap Contract to Holders of the FC Class is not guaranteed by Fannie Mae, the “guaranteed governmental mortgage pool exemption” may or may not be applicable to the acquisition and holding of that right. Therefore, any Plan fiduciary considering an investment in the FC Class should consider the identity of the Counterparty in determining whether an investment in the FC Class would give rise to a prohibited transaction. Depending on the relevant facts and circumstances, certain prohibited transaction exemptions may apply to the acquisition of the FC Class and rights under the Cap Contract—for example, Prohibited Transaction Class Exemption (“PTCE”) 84-14, which exempts certain transactions effected on behalf of a Plan by a “qualified professional asset manager,” PTCE 90-1, which exempts certain transactions by insurance company pooled separate accounts, PTCE 91-38, which exempts certain transactions by bank collective investment funds, PTCE 95-60, which exempts certain transactions by insurance company general accounts, or PTCE 96-23, which exempts certain transactions effected on behalf of a Plan by an “in-house asset manager”. Each Plan that invests in the FC Class, by its acceptance of the related Certificate, will be deemed to make certain representations as provided in the Trust Agreement, including that its acquisition of the FC Class and rights under the Cap Contract does not give rise to a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code.

## **PLAN OF DISTRIBUTION**

*General.* We are obligated to deliver the Certificates to UBS Securities LLC (the “Dealer”) in exchange for the Group 1 SMBS and the Trust MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

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

## **LEGAL MATTERS**

Sidley Austin LLP will provide legal representation for Fannie Mae. Cleary Gottlieb Steen & Hamilton LLP will provide legal representation for the Dealer.

Available Recombinations (1) (2)

REMIC Certificates			RCR Certificates					
Classes	Original Principal or Notional Balances	RCR Classes	Original Principal or Notional Balances	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 1								
AO	\$ 28,571,429	SA	\$ 28,571,429	(4)	INV	PT	31396WYX8	July 2037
AS	171,428,571 (5)							
Recombination 2								
FM	58,307,866	FB	58,307,866	(4)	FLT	PT	31396WYY6	July 2037
SM	58,307,866 (5)							
Recombination 3								
BO	9,717,978	SB	9,717,978	(4)	INV	PT	31396WYZ3	July 2037
BS	58,307,866 (5)							
Recombination 4								
DO	20,000,000	SD	20,000,000	(4)	INV	PT	31396WZA 7	July 2037
DS	120,000,000 (5)							
Recombination 5								
FJ	68,884,157	BP	80,364,850	6.0%	FIX	AS/SPS	31396WZB5	July 2035
SJ	8,036,485							
TJ	3,444,208							
Recombination 6								
FJ	68,884,157	AC	160,729,700	6.0	FIX	AS	31396WZC3	July 2035
SJ	8,036,485							
TJ	3,444,208							
BK	80,364,850							
Recombination 7								
AU	11,713,600	AH(6)	39,270,300	6.0	FIX	AS	31396WZD1	July 2037
AV	14,616,000							
AZ	12,940,700							

REMIC Certificates			RCR Certificates					
Classes	Original Principal or Notional Principal Balances	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type(3)	Principal Type(3)	CUSIP Number	Final Distribution Date
Recombination 8								
FJ	\$ 68,884,157	BD(6)	\$ 200,000,000	6.0%	FIX	AS	31396WZE9	July 2037
SJ	8,036,485							
TJ	3,444,208							
BK	80,364,850							
AU	11,713,600							
AV	14,616,000							
AZ	12,940,700							
Recombination 9								
EO	5,014,286	SE	5,014,286	(4)	INV	PT	31396WZF6	July 2037
ES	30,000,000(5)							
Recombination 10								
EO	5,014,286	SQ	7,500,000	(4)	INV	PT	31396WZG4	July 2037
ES	30,000,000(5)							
ST	2,485,714							
Recombination 11								
PO	9,842,143	SP	9,842,143	(4)	INV	PAC	31396WZH2	July 2037
PS	36,087,857(5)							
Recombination 12								
KO	3,794,220	SK	3,794,220	(4)	INV	SUP	31396WZJ8	July 2037
KS	13,912,143(5)							
Recombination 13								
PO	9,842,143	GO	13,636,363	(7)	PO	PT	31396WZK5	July 2037
KO	3,794,220							
Recombination 14								
PS	36,087,857(5)	GS	50,000,000(5)	(4)	INV/IO	NTL	31396WZL3	July 2037
KS	13,912,143(5)							
Recombination 15								
PO	9,842,143	SG	13,636,363	(4)	INV	PT	31396WZM1	July 2037
PS	36,087,857(5)							
KO	3,794,220							
KS	13,912,143(5)							

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (3)	Principal Type (3)	CUSIP Number	Final Distribution Date
Recombination 16								
FP	\$ 36,087,857	FG	\$ 50,000,000	(4)	FLT	PT	31396WZN9	July 2037
FK	13,912,143							

- (1) REMIC Certificates and RCR Certificates in Recombination 1, 2, 3, 4, 5, 9, 10, 11 or 12 may be exchanged only in the proportions shown in this Schedule 1. In any exchange under Recombination 6, 7, 8, 13, 14, 15 or 16, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal or notional principal balances of the related REMIC Classes at the time of exchange.
- (2) If, as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the Certificates—General—*Authorized Denominations*” in this prospectus supplement.
- (3) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” in this prospectus supplement.
- (4) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.
- (5) Notional balances. These Classes are Interest Only Classes. See page S-7 for a description of how their notional balances are calculated.
- (6) Principal payments on the REMIC Certificates in Recombinations 7 and 8 from the AZ Accrual Amount will be paid as interest on the related RCR Certificates and thus will not reduce the principal balances of those RCR Certificates.
- (7) Principal Only Class.



## Principal Balance Schedules

### *Aggregate Group I Targeted Balances*

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$75,201,000.00	April 2010 .....	\$26,353,441.51	February 2013 .....	\$ 6,421,708.21
July 2007 .....	73,927,382.00	May 2010 .....	25,408,004.07	March 2013 .....	6,100,642.70
August 2007 .....	72,594,640.96	June 2010 .....	24,492,378.72	April 2013 .....	5,789,465.40
September 2007 .....	71,205,590.13	July 2010 .....	23,605,617.28	May 2013 .....	5,487,858.80
October 2007 .....	69,763,201.52	August 2010 .....	22,746,801.53	June 2013 .....	5,195,515.46
November 2007 .....	68,270,595.75	September 2010 .....	21,915,042.27	July 2013 .....	4,912,137.70
December 2007 .....	66,731,031.00	October 2010 .....	21,109,478.44	August 2013 .....	4,637,437.28
January 2008 .....	65,147,891.25	November 2010 .....	20,329,276.18	September 2013 .....	4,371,135.12
February 2008 .....	63,524,673.88	December 2010 .....	19,573,627.98	October 2013 .....	4,112,960.99
March 2008 .....	61,864,976.54	January 2011 .....	18,841,751.91	November 2013 .....	3,862,653.25
April 2008 .....	60,172,507.85	February 2011 .....	18,132,890.72	December 2013 .....	3,619,958.56
May 2008 .....	58,451,967.67	March 2011 .....	17,446,311.15	January 2014 .....	3,384,631.63
June 2008 .....	56,710,260.49	April 2011 .....	16,781,303.13	February 2014 .....	3,156,434.95
July 2008 .....	54,956,156.68	May 2011 .....	16,137,179.03	March 2014 .....	2,935,138.57
August 2008 .....	53,205,491.87	June 2011 .....	15,513,273.00	April 2014 .....	2,720,519.85
September 2008 .....	51,467,299.73	July 2011 .....	14,908,940.25	May 2014 .....	2,512,363.20
October 2008 .....	49,751,412.89	August 2011 .....	14,323,556.41	June 2014 .....	2,310,459.89
November 2008 .....	48,072,783.50	September 2011 .....	13,756,516.86	July 2014 .....	2,114,607.84
December 2008 .....	46,441,175.54	October 2011 .....	13,207,236.12	August 2014 .....	1,924,611.37
January 2009 .....	44,861,163.58	November 2011 .....	12,675,147.25	September 2014 .....	1,740,281.04
February 2009 .....	43,331,111.64	December 2011 .....	12,159,701.25	October 2014 .....	1,561,433.42
March 2009 .....	41,849,435.38	January 2012 .....	11,660,366.52	November 2014 .....	1,387,890.92
April 2009 .....	40,414,600.42	February 2012 .....	11,176,628.29	December 2014 .....	1,219,481.58
May 2009 .....	39,025,120.82	March 2012 .....	10,707,988.09	January 2015 .....	1,056,038.94
June 2009 .....	37,679,557.53	April 2012 .....	10,253,963.25	February 2015 .....	897,401.81
July 2009 .....	36,376,516.93	May 2012 .....	9,814,086.37	March 2015 .....	743,414.14
August 2009 .....	35,114,649.36	June 2012 .....	9,387,904.90	April 2015 .....	593,924.83
September 2009 .....	33,892,647.81	July 2012 .....	8,974,980.58	May 2015 .....	448,787.60
October 2009 .....	32,709,246.50	August 2012 .....	8,574,889.08	June 2015 .....	307,860.83
November 2009 .....	31,563,219.64	September 2012 .....	8,187,219.51	July 2015 .....	171,007.39
December 2009 .....	30,453,380.13	October 2012 .....	7,811,573.98	August 2015 .....	38,094.54
January 2010 .....	29,378,578.38	November 2012 .....	7,447,567.25	September 2015 and thereafter .....	0.00
February 2010 .....	28,337,701.09	December 2012 .....	7,094,826.28		
March 2010 .....	27,329,670.16	January 2013 .....	6,752,989.85		

### *Aggregate Group II Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$45,930,000.00	June 2008 .....	\$41,031,180.20	June 2009 .....	\$36,428,858.78
July 2007 .....	45,510,671.49	July 2008 .....	40,636,552.46	July 2009 .....	36,058,183.57
August 2007 .....	45,092,745.74	August 2008 .....	40,243,977.89	August 2009 .....	35,689,438.27
September 2007 .....	44,676,993.05	September 2008 .....	39,853,445.92	September 2009 .....	35,322,612.95
October 2007 .....	44,263,402.23	October 2008 .....	39,464,946.05	October 2009 .....	34,957,697.72
November 2007 .....	43,851,962.16	November 2008 .....	39,078,467.81	November 2009 .....	34,594,682.76
December 2007 .....	43,442,661.78	December 2008 .....	38,694,000.80	December 2009 .....	34,233,558.29
January 2008 .....	43,035,490.07	January 2009 .....	38,311,534.68	January 2010 .....	33,874,314.58
February 2008 .....	42,630,436.08	February 2009 .....	37,931,059.14	February 2010 .....	33,516,941.95
March 2008 .....	42,227,488.91	March 2009 .....	37,552,563.95	March 2010 .....	33,161,430.77
April 2008 .....	41,826,637.72	April 2009 .....	37,176,038.91	April 2010 .....	32,807,771.46
May 2008 .....	41,427,871.73	May 2009 .....	36,801,473.88	May 2010 .....	32,455,954.50

**Aggregate Group II (Continued)**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
June 2010 .....	\$32,105,970.40	November 2014 .....	\$15,953,476.49	April 2019 .....	\$ 6,509,076.26
July 2010 .....	31,757,809.73	December 2014 .....	15,696,212.85	May 2019 .....	6,394,533.72
August 2010 .....	31,411,463.10	January 2015 .....	15,442,776.97	June 2019 .....	6,281,764.18
September 2010 .....	31,066,921.18	February 2015 .....	15,193,114.20	July 2019 .....	6,170,741.79
October 2010 .....	30,724,174.68	March 2015 .....	14,947,170.65	August 2019 .....	6,061,441.07
November 2010 .....	30,383,214.36	April 2015 .....	14,704,893.19	September 2019 .....	5,953,836.89
December 2010 .....	30,044,031.03	May 2015 .....	14,466,229.43	October 2019 .....	5,847,904.49
January 2011 .....	29,706,615.55	June 2015 .....	14,231,127.70	November 2019 .....	5,743,619.44
February 2011 .....	29,370,958.81	July 2015 .....	13,999,537.06	December 2019 .....	5,640,957.68
March 2011 .....	29,037,051.77	August 2015 .....	13,771,407.28	January 2020 .....	5,539,895.47
April 2011 .....	28,704,885.42	September 2015 .....	13,546,688.83	February 2020 .....	5,440,409.41
May 2011 .....	28,374,450.80	October 2015 .....	13,325,332.88	March 2020 .....	5,342,476.44
June 2011 .....	28,045,739.00	November 2015 .....	13,107,291.27	April 2020 .....	5,246,073.81
July 2011 .....	27,718,741.15	December 2015 .....	12,892,516.52	May 2020 .....	5,151,179.11
August 2011 .....	27,393,448.44	January 2016 .....	12,680,961.81	June 2020 .....	5,057,770.24
September 2011 .....	27,069,852.08	February 2016 .....	12,472,580.98	July 2020 .....	4,965,825.41
October 2011 .....	26,747,943.35	March 2016 .....	12,267,328.51	August 2020 .....	4,875,323.13
November 2011 .....	26,427,713.56	April 2016 .....	12,065,159.52	September 2020 .....	4,786,242.24
December 2011 .....	26,109,154.07	May 2016 .....	11,866,029.76	October 2020 .....	4,698,561.85
January 2012 .....	25,792,256.29	June 2016 .....	11,669,895.59	November 2020 .....	4,612,261.39
February 2012 .....	25,477,011.66	July 2016 .....	11,476,713.99	December 2020 .....	4,527,320.57
March 2012 .....	25,163,411.67	August 2016 .....	11,286,442.54	January 2021 .....	4,443,719.39
April 2012 .....	24,851,447.86	September 2016 .....	11,099,039.41	February 2021 .....	4,361,438.14
May 2012 .....	24,541,111.81	October 2016 .....	10,914,463.36	March 2021 .....	4,280,457.38
June 2012 .....	24,232,395.14	November 2016 .....	10,732,673.73	April 2021 .....	4,200,757.94
July 2012 .....	23,925,289.52	December 2016 .....	10,553,630.42	May 2021 .....	4,122,320.94
August 2012 .....	23,619,786.65	January 2017 .....	10,377,293.90	June 2021 .....	4,045,127.76
September 2012 .....	23,315,878.29	February 2017 .....	10,203,625.19	July 2021 .....	3,969,160.05
October 2012 .....	23,013,556.23	March 2017 .....	10,032,585.86	August 2021 .....	3,894,399.71
November 2012 .....	22,712,812.30	April 2017 .....	9,864,138.01	September 2021 .....	3,820,828.90
December 2012 .....	22,413,638.39	May 2017 .....	9,698,244.29	October 2021 .....	3,748,430.04
January 2013 .....	22,116,026.41	June 2017 .....	9,534,867.85	November 2021 .....	3,677,185.79
February 2013 .....	21,819,968.32	July 2017 .....	9,373,972.38	December 2021 .....	3,607,079.07
March 2013 .....	21,525,456.13	August 2017 .....	9,215,522.06	January 2022 .....	3,538,093.04
April 2013 .....	21,232,481.88	September 2017 .....	9,059,481.59	February 2022 .....	3,470,211.09
May 2013 .....	20,941,037.65	October 2017 .....	8,905,816.15	March 2022 .....	3,403,416.85
June 2013 .....	20,651,115.57	November 2017 .....	8,754,491.42	April 2022 .....	3,337,694.19
July 2013 .....	20,362,707.81	December 2017 .....	8,605,473.56	May 2022 .....	3,273,027.21
August 2013 .....	20,075,806.57	January 2018 .....	8,458,729.20	June 2022 .....	3,209,400.23
September 2013 .....	19,790,404.09	February 2018 .....	8,314,225.45	July 2022 .....	3,146,797.79
October 2013 .....	19,506,492.67	March 2018 .....	8,171,929.87	August 2022 .....	3,085,204.67
November 2013 .....	19,224,064.62	April 2018 .....	8,031,810.48	September 2022 .....	3,024,605.84
December 2013 .....	18,943,112.32	May 2018 .....	7,893,835.75	October 2022 .....	2,964,986.51
January 2014 .....	18,663,628.16	June 2018 .....	7,757,974.60	November 2022 .....	2,906,332.08
February 2014 .....	18,385,604.59	July 2018 .....	7,624,196.38	December 2022 .....	2,848,628.17
March 2014 .....	18,109,034.10	August 2018 .....	7,492,470.88	January 2023 .....	2,791,860.61
April 2014 .....	17,833,909.20	September 2018 .....	7,362,768.30	February 2023 .....	2,736,015.43
May 2014 .....	17,560,222.45	October 2018 .....	7,235,059.27	March 2023 .....	2,681,078.85
June 2014 .....	17,287,966.46	November 2018 .....	7,109,314.83	April 2023 .....	2,627,037.29
July 2014 .....	17,017,133.85	December 2018 .....	6,985,506.44	May 2023 .....	2,573,877.37
August 2014 .....	16,747,717.30	January 2019 .....	6,863,605.94	June 2023 .....	2,521,585.90
September 2014 .....	16,479,709.52	February 2019 .....	6,743,585.59	July 2023 .....	2,470,149.88
October 2014 .....	16,214,623.31	March 2019 .....	6,625,418.02	August 2023 .....	2,419,556.49

**Aggregate Group II (Continued)**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
September 2023.....	\$ 2,369,793.10	September 2026.....	\$ 1,038,072.09	September 2029.....	\$ 331,794.91
October 2023 .....	2,320,847.26	October 2026 .....	1,011,603.77	October 2029 .....	318,170.61
November 2023 .....	2,272,706.70	November 2026 .....	985,599.10	November 2029 .....	304,808.41
December 2023 .....	2,225,359.32	December 2026 .....	960,050.91	December 2029 .....	291,704.11
January 2024 .....	2,178,793.20	January 2027 .....	934,952.15	January 2030 .....	278,853.56
February 2024 .....	2,132,996.59	February 2027 .....	910,295.86	February 2030 .....	266,252.69
March 2024 .....	2,087,957.90	March 2027 .....	886,075.18	March 2030 .....	253,897.48
April 2024.....	2,043,665.72	April 2027.....	862,283.36	April 2030 .....	241,783.96
May 2024 .....	2,000,108.80	May 2027 .....	838,913.75	May 2030 .....	229,908.24
June 2024 .....	1,957,276.04	June 2027 .....	815,959.78	June 2030 .....	218,266.47
July 2024 .....	1,915,156.52	July 2027 .....	793,415.00	July 2030 .....	206,854.87
August 2024 .....	1,873,739.46	August 2027 .....	771,273.03	August 2030 .....	195,669.70
September 2024.....	1,833,014.24	September 2027.....	749,527.60	September 2030.....	184,707.30
October 2024 .....	1,792,970.40	October 2027 .....	728,172.53	October 2030 .....	173,964.04
November 2024 .....	1,753,597.62	November 2027 .....	707,201.72	November 2030 .....	163,436.36
December 2024 .....	1,714,885.73	December 2027 .....	686,609.17	December 2030 .....	153,120.75
January 2025 .....	1,676,824.72	January 2028 .....	666,388.96	January 2031 .....	143,013.75
February 2025 .....	1,639,404.71	February 2028 .....	646,535.27	February 2031 .....	133,111.95
March 2025 .....	1,602,615.97	March 2028 .....	627,042.35	March 2031 .....	123,412.00
April 2025.....	1,566,448.90	April 2028.....	607,904.54	April 2031.....	113,910.59
May 2025 .....	1,530,894.05	May 2028 .....	589,116.27	May 2031 .....	104,604.47
June 2025 .....	1,495,942.11	June 2028 .....	570,672.04	June 2031 .....	95,490.42
July 2025 .....	1,461,583.89	July 2028 .....	552,566.44	July 2031 .....	86,565.29
August 2025 .....	1,427,810.34	August 2028 .....	534,794.13	August 2031 .....	77,825.97
September 2025.....	1,394,612.55	September 2028.....	517,349.86	September 2031.....	69,269.39
October 2025 .....	1,361,981.72	October 2028 .....	500,228.45	October 2031 .....	60,892.53
November 2025 .....	1,329,909.19	November 2028 .....	483,424.80	November 2031 .....	52,692.41
December 2025 .....	1,298,386.42	December 2028 .....	466,933.88	December 2031 .....	44,666.11
January 2026 .....	1,267,405.00	January 2029 .....	450,750.74	January 2032 .....	36,810.75
February 2026 .....	1,236,956.64	February 2029 .....	434,870.49	February 2032 .....	29,123.48
March 2026 .....	1,207,033.17	March 2029 .....	419,288.34	March 2032 .....	21,601.51
April 2026.....	1,177,626.53	April 2029.....	403,999.54	April 2032.....	14,242.07
May 2026 .....	1,148,728.79	May 2029 .....	388,999.43	May 2032 .....	7,042.46
June 2026 .....	1,120,332.13	June 2029 .....	374,283.41	June 2032 and	
July 2026 .....	1,092,428.84	July 2029 .....	359,846.95	thereafter .....	0.00
August 2026 .....	1,065,011.32	August 2029 .....	345,685.58		

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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.

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**\$907,766,561**



**Guaranteed REMIC  
Pass-Through Certificates**

**Fannie Mae REMIC Trust 2007-66**

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## PROSPECTUS SUPPLEMENT

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**UBS Investment Bank**

**May 22, 2007**

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