

\$552,840,383



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2007-89**

The Certificates

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

Payments to Certificateholders

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

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
FD	1	\$ 40,000,000	PT	(1)	FLT	31396XPJ7	September 2037
SD(2)	1	40,000,000(3)	NTL	(1)	INV/IO	31396XPK4	September 2037
DO(2)	1	3,333,334	PT	0.0%	PO	31396XPL2	September 2037
GF(2)	2	200,000,000	PT	(1)	FLT	31396XPM0	September 2037
GI(2)	2	200,000,000(3)	NTL	(1)	INV/IO	31396XPN8	September 2037
EI(2)	2	200,000,000(3)	NTL	(1)	INV/IO	31396XPP3	September 2037
SG(2)	2	200,000,000(3)	NTL	(1)	INV/IO	31396XPQ1	September 2037
GO(2)	2	54,545,455	PT	0.0	PO	31396XPR9	September 2037
FT	3	50,000,000	PT	(1)	FLT	31396XPS7	September 2037
FW	3	50,000,000	PT	(1)	FLT	31396XPT5	September 2037
IW	3	50,000,000(3)	NTL	(1)	INV/IO	31396XPU2	September 2037
SA(2)	3	100,000,000(3)	NTL	(1)	INV/IO	31396XPV0	September 2037
PO(2)	3	16,666,668	PT	0.0	PO	31396XPW8	September 2037
FB	4	14,653,437	PT	(1)	FLT	31396XPX6	September 2037
SB	4	14,653,437(3)	NTL	(1)	INV/IO	31396XPY4	September 2037
KA	5	100,000,000	SEQ	6.0	FIX	31396XPZ1	June 2035
VA(2)	5	7,839,000	SEQ/AD	6.0	FIX	31396XQA5	July 2018
VB(2)	5	7,147,000	SEQ/AD	6.0	FIX	31396XQB3	July 2024
Z(2)	5	8,655,489	SEQ	6.0	FIX/Z	31396XQC1	September 2037
R		0	NPR	0	NPR	31396XQD9	September 2037

(1) Based on LIBOR.

(2) Exchangeable classes.

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

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

If you own certificates of certain classes, you can exchange them for certificates of the corresponding RCR classes to be delivered at the time of exchange. The DS, S, EF, F, SM and KB Classes are the RCR classes. For a more detailed description of the RCR classes, see Schedule 1 attached to this prospectus supplement and “Description of the Certificates—Combination and Recombination” in the REMIC prospectus.

The dealer will offer the certificates (other than the GO and SG Classes) from time to time in negotiated transactions at varying prices. We expect the settlement date to be August 30, 2007. Fannie Mae initially will retain the GO and SG Classes.

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

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

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

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

Merrill Lynch & Co.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	WEIGHTED AVERAGE LIVES OF THE	
SUMMARY	S- 4	CERTIFICATES	S-14
DESCRIPTION OF THE		DECREMENT TABLES	S-14
CERTIFICATES	S- 7	CHARACTERISTICS OF THE RESIDUAL	
GENERAL	S- 7	CLASS	S-17
<i>Structure</i>	S- 7	CERTAIN ADDITIONAL FEDERAL	
<i>Fannie Mae Guaranty</i>	S- 7	INCOME TAX CONSEQUENCES ..	S-17
<i>Characteristics of Certificates</i>	S- 7	U.S. TREASURY CIRCULAR 230	
<i>Authorized Denominations</i>	S- 8	NOTICE	S-17
THE MBS	S- 8	REMIC ELECTION AND SPECIAL TAX	
DISTRIBUTIONS OF INTEREST	S- 8	ATTRIBUTES	S-17
<i>General</i>	S- 8	TAXATION OF BENEFICIAL OWNERS OF	
<i>Delay Classes and No-Delay Classes</i>	S- 8	REGULAR CERTIFICATES	S-17
<i>Accrual Class</i>	S- 8	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF PRINCIPAL	S- 8	RESIDUAL CERTIFICATES	S-18
STRUCTURING ASSUMPTIONS	S- 9	TAXATION OF BENEFICIAL OWNERS OF	
<i>Pricing Assumptions</i>	S- 9	RCR CERTIFICATES	S-18
<i>Prepayment Assumptions</i>	S-10	PLAN OF DISTRIBUTION	S-19
YIELD TABLES	S-10	LEGAL MATTERS	S-19
<i>General</i>	S-10	SCHEDULE 1	A- 1
<i>The Inverse Floating Rate Classes</i> ..	S-10		
<i>The Principal Only Classes</i>	S-13		

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 August 1, 2007 (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”); and
- any information incorporated by reference in this prospectus supplement as discussed below and under the heading “Incorporation by Reference” in the REMIC Prospectus.

The MBS Prospectus is incorporated by reference in this prospectus supplement. This means that we are disclosing information in that document by referring you to it. That document is considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with that document.

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

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

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

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

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Prospectus Department
4413 Colonial Drive
Piscataway, New Jersey 08854
(telephone 732-885-2760).

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of August 1, 2007. You should purchase the certificates only after reading this prospectus supplement and each of the additional disclosure documents listed on page S-3. In particular, please see the discussion of risk factors that appears in each of those additional disclosure documents.

Assets Underlying Each Group of Classes

Group	Assets
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS
5	Group 5 MBS

Characteristics of the MBS

	Approximate Principal Balance	Pass- Through Rate	Range of Weighted Average Coupons or WACs (annual percentages)	Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)
Group 1 MBS	\$ 43,333,334	6.00%	6.25% to 8.50%	241 to 360
Group 2 MBS	\$254,545,455	5.50%	5.75% to 8.00%	241 to 360
Group 3 MBS	\$116,666,668	6.00%	6.25% to 8.50%	241 to 360
Group 4 MBS	\$ 14,653,437	7.00%	7.25% to 9.50%	241 to 360
Group 5 MBS	\$123,641,489	6.00%	6.25% to 8.50%	241 to 360

Assumed Characteristics of the Mortgage Loans Underlying the MBS

	Principal Balance	Original Term to Maturity (in months)	Remaining Term to Maturity (in months)	Loan Age (in months)	Interest Rate
Group 1 MBS	\$ 43,333,334	360	344	13	6.560%
Group 2 MBS	\$254,545,455	360	293	57	5.990%
Group 3 MBS	\$116,666,668	360	344	13	6.560%
Group 4 MBS	\$ 14,653,437	360	344	13	7.516%
Group 5 MBS	\$123,641,489	360	345	13	6.604%

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

Settlement Date

We expect to issue the certificates on August 30, 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.

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.

Book-Entry and Physical Certificates

We will issue the classes of certificates in the following forms:

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes of certificates other than the R Class	R Class

Exchanging Certificates Through Combination and Recombination

If you own certificates of a class designated as “exchangeable” on the cover of this prospectus supplement, you will be able to exchange them for a proportionate interest in the related RCR certificates as shown on Schedule 1. We will deliver the RCR certificates upon such exchange. You can exchange your certificates by notifying us and paying an exchange fee. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates.

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

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>
FD	6.02000%	6.50000%	0.70%	LIBOR + 70 basis points
SD	0.48000%	5.80000%	0.00%	5.8% – LIBOR
GF	5.85000%	7.00000%	0.52%	LIBOR + 52 basis points
GI	0.04000%	0.04000%	0.00%	6.48% – LIBOR
EI	0.02000%	0.02000%	0.00%	6.44% – LIBOR
SG	1.09000%	6.42000%	0.00%	6.42% – LIBOR
FT	5.89750%	7.00000%	0.57%	LIBOR + 57 basis points
FW	5.85000%	7.00000%	0.52%	LIBOR + 52 basis points
IW	0.05000%	0.05000%	0.00%	6.48% – LIBOR
SA	1.10125%	6.43000%	0.00%	6.43% – LIBOR
FB	5.78000%	7.00000%	0.45%	LIBOR + 45 basis points
SB	1.22000%	6.55000%	0.00%	6.55% – LIBOR
DS	5.76000%	69.59999%	0.00%	69.59999% – (11.9999976 × LIBOR)
S	3.99666%	23.54000%	0.00%	23.54% – (3.66666664 × LIBOR)
EF	5.89000%	7.00000%	0.56%	LIBOR + 56 basis points
F	5.91000%	7.00000%	0.58%	LIBOR + 58 basis points
SM	6.60750%	38.58000%	0.00%	38.58% – (5.99999952 × LIBOR)

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

Notional Classes

The notional principal balances of the notional classes will equal the percentages of the outstanding balances specified below immediately before the related distribution date:

<u>Class</u>	
SD	100% of the FD Class
GI	100% of the GF Class
EI	100% of the GF Class
SG	100% of the GF Class
IW	100% of the FT Class
SA	200% of the FT Class
SB	100% of the FB Class

Distributions of Principal

For a description of the principal payment priorities, see “Description of the Certificates—Distributions of Principal” in this prospectus supplement.

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>	
FD, SD, DO and DS	20.8	10.7	6.4	4.3	3.1	
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>162%</u>	<u>350%</u>	<u>500%</u>	
GF, GI, EI, SG, GO, S, EF and F	20.5	9.2	7.1	3.8	2.7	
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>	
FT, FW, IW, SA, PO and SM.....	20.8	10.7	6.4	4.3	3.1	
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>300%</u>	<u>553%</u>	<u>800%</u>	<u>1100%</u>
FB and SB.....	21.3	10.9	5.0	2.8	1.9	1.4
<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>225%</u>	<u>350%</u>	<u>500%</u>	
KA.....	18.9	7.8	4.2	2.8	2.0	
VA.....	6.0	6.0	6.0	5.3	4.2	
VB.....	14.0	14.0	11.3	8.1	6.0	
Z.....	28.9	23.1	16.9	12.5	9.1	
KB.....	28.9	23.1	15.5	10.7	7.5	

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

DESCRIPTION OF THE CERTIFICATES

The material under this heading describes the principal 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 August 1, 2007 and a supplement thereto dated as of August 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 August 1, 2007 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 include five groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS,” “Group 4 MBS” and “Group 5 MBS” and, together, 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 constitute a “real estate mortgage investment conduit” (“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 interest” of the REMIC. The REMIC Certificates other than the R Class are collectively referred to as the “Regular Classes” or “Regular Certificates,” and the R Class is referred to as the “Residual Class” or “Residual Certificate.”

	Assets	Regular Interests	Residual Interest
REMIC.....	MBS	Group 1, Group 2, Group 3, Group 4 and Group 5 Classes	R

Fannie Mae Guaranty. For a description of our guaranties of the Certificates and the MBS, see “Description of the Certificates—Fannie Mae Guaranty” in the REMIC Prospectus and “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus. Our guaranties are not backed by the full faith and credit of the United States.

Characteristics of Certificates. Except as specified below, we will issue the Certificates 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.”

We will issue the Residual Certificate in fully registered, certificated form. The “Holder” or “Certificateholder” of the Residual Certificate is its registered owner. The Residual 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 Residual Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the Residual Class” below.

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

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

The MBS

The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years.

For additional information, see “Summary—Characteristics of the MBS” and “—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement and “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

Distributions of Interest

General. The certificates will bear interest at the rates specified in this prospectus supplement. Interest to be paid on each Certificate (or added to principal, in the case of the Accrual Class) on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Class, see “—Accrual Class” below.

Delay Classes and No-Delay Classes. The “delay” Classes and “no-delay” Classes are set forth in the following table:

<u>Delay Classes</u>	<u>No-Delay Classes</u>
Fixed Rate Classes	Floating Rate and Inverse Floating Rate Classes

See “Description of the Certificates—Distributions on Certificates—*Interest Distributions*” in the REMIC Prospectus.

The Dealer will treat the Principal Only Classes as no-delay Classes solely for the purpose of facilitating trading.

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

Distributions of Principal

On the Distribution Date in each month, we will make payments of principal on the Certificates as described below.

- *Group 1*

The Group 1 Principal Distribution Amount to FD and DO, pro rata, until retired. } Pass-Through
Classes

The “Group 1 Principal Distribution Amount” is the principal then paid on the Group 1 MBS.

- *Group 2*

The Group 2 Principal Distribution Amount to GF and GO, pro rata, until retired. } Pass-Through Classes

The “Group 2 Principal Distribution Amount” is the principal then paid on the Group 2 MBS.

- *Group 3*

The Group 3 Principal Distribution Amount to FT, FW and PO, pro rata, until retired. } Pass-Through Classes

The “Group 3 Principal Distribution Amount” is the principal then paid on the Group 3 MBS.

- *Group 4*

The Group 4 Principal Distribution Amount to FB until retired. } Pass-Through Class

The “Group 4 Principal Distribution Amount” is the principal then paid on the Group 4 MBS.

- *Group 5*

The Z Accrual Amount in the following priority:

1. To VA and VB, in that order, until retired. } Accretion Directed Classes
2. To Z. } Accrual Class

The Group 5 Cash Flow Distribution Amount to KA, VA, VB and Z, in that order, until retired. } Sequential Pay Classes

The “Z Accrual Amount” is any interest then accrued and added to the principal balance of the Z Class.

The “Group 5 Cash Flow Distribution Amount” is the principal then paid on the Group 5 MBS.

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables;
- the settlement date for the Certificates is August 30, 2007; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. The prepayment model used in this prospectus supplement is PSA. For a description of this model, see “Yield, Maturity and Prepayment Considerations—Prepayment Models” in the REMIC Prospectus.

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 SD, GI, EI, SG, IW, SA and SB 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 “Summary—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>
SD	1.89062500%
GI	0.18750000%
EI	0.09375000%
SG	4.34375000%
IW	0.18359375%
SA	4.46093750%
SB	3.49218750%
DS	94.87500000%
S	84.75390625%
SM	99.42187500%

* 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.

In the following yield tables, the symbol * is used to represent a yield of less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
1.32%	319.6%	315.0%	303.9%	291.5%	276.6%
3.32%	153.3%	149.6%	140.7%	130.7%	118.7%
5.32%	21.8%	18.7%	11.1%	2.6%	(7.8)%
5.80%	*	*	*	*	*

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>162%</u>	<u>350%</u>	<u>500%</u>
6.44% and below	15.8%	12.5%	8.3%	(4.9)%	(16.2)%
6.46%	3.0%	(0.1)%	(4.1)%	(16.6)%	(27.3)%
6.48%	*	*	*	*	*

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>162%</u>	<u>350%</u>	<u>500%</u>
6.42% and below	15.8%	12.5%	8.3%	(4.9)%	(16.2)%
6.43%	3.0%	(0.1)%	(4.1)%	(16.6)%	(27.3)%
6.44% and above	*	*	*	*	*

**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>162%</u>	<u>350%</u>	<u>500%</u>
1.33%	131.7%	126.8%	120.8%	101.4%	84.9%
3.33%	73.0%	69.0%	63.8%	47.5%	33.6%
5.33%	20.1%	16.7%	12.5%	(1.0)%	(12.5)%
6.42% and above	*	*	*	*	*

**Sensitivity of the IW 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>220%</u>	<u>350%</u>	<u>500%</u>
6.430% and below	23.9%	20.8%	13.2%	4.6%	(5.8)%
6.455%	8.4%	5.4%	(2.1)%	(10.5)%	(20.7)%
6.480%	*	*	*	*	*

**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>220%</u>	<u>350%</u>	<u>500%</u>
1.33000%	130.1%	126.5%	117.9%	108.2%	96.6%
3.33000%	72.7%	69.4%	61.4%	52.4%	41.6%
5.32875%	21.0%	17.9%	10.3%	1.8%	(8.6)%
5.33000%	21.0%	17.9%	10.3%	1.7%	(8.6)%
6.43000% and above	*	*	*	*	*

**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>300%</u>	<u>553%</u>	<u>800%</u>	<u>1100%</u>
1.33%	181.1%	177.3%	161.7%	140.8%	118.7%	89.4%
3.33%	102.1%	98.7%	84.6%	65.7%	45.7%	18.7%
5.33%	33.0%	29.8%	16.9%	(0.8)%	(19.7)%	(45.8)%
6.55%	*	*	*	*	*	*

**Sensitivity of the DS 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>220%</u>	<u>350%</u>	<u>500%</u>
1.32%	61.6%	61.6%	61.8%	62.0%	62.2%
3.32%	33.1%	33.2%	33.4%	33.7%	34.1%
5.32%	6.5%	6.6%	7.0%	7.4%	7.9%
5.80%	0.4%	0.5%	0.9%	1.3%	1.9%

**Sensitivity of the S 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>162%</u>	<u>350%</u>	<u>500%</u>
1.33%	23.8%	24.4%	25.1%	27.5%	29.7%
3.33%	14.8%	15.3%	16.0%	18.4%	20.6%
5.33%	6.1%	6.5%	7.2%	9.5%	11.7%
6.42% and above	1.5%	1.9%	2.5%	4.8%	7.0%

**Sensitivity of the SM 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>220%</u>	<u>350%</u>	<u>500%</u>
1.33%	32.2%	32.2%	32.1%	32.0%	31.9%
3.33%	19.3%	19.3%	19.3%	19.2%	19.2%
5.33%	6.8%	6.8%	6.8%	6.9%	6.9%
6.43% and above	0.1%	0.1%	0.2%	0.2%	0.3%

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>
DO	72.265625%
GO	68.828125%
PO	72.656250%

Sensitivity of the DO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	2.5%	3.4%	5.8%	8.7%	12.3%

Sensitivity of the GO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>162%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	3.5%	4.6%	6.1%	11.9%	17.6%

Sensitivity of the PO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	2.5%	3.3%	5.7%	8.6%	12.1%

Weighted Average Lives of the Certificates

For a description of how the weighted average life of a Certificate is determined, see “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” 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 distributions, and
- the priority sequence of distributions of principal of the Group 5 Classes.

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.

In the case of the information set forth for each Class under 0% PSA, however, we assumed that the 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 and Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	8.50%
Group 2 MBS	360 months	8.00%
Group 3 MBS	360 months	8.50%
Group 4 MBS	360 months	9.50%
Group 5 MBS	360 months	8.50%

It is unlikely that all of the Mortgage Loans will have the remaining terms to maturity or interest rates assumed or that the 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	FD, SD†, DO and DS Classes					GF, GI†, EI†, SG†, GO, S, EF and F Classes					FT, FW, IW†, SA†, PO and SM Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	220%	350%	500%	0%	100%	162%	350%	500%	0%	100%	220%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2008	99	95	90	85	79	99	92	89	78	69	99	95	90	85	79
August 2009	98	88	78	67	56	98	85	78	60	47	98	88	78	67	56
August 2010	98	82	66	52	38	97	78	69	46	32	98	82	66	52	38
August 2011	97	76	57	41	26	96	72	61	36	22	97	76	57	41	26
August 2012	95	70	48	31	18	95	66	54	28	15	95	70	48	31	18
August 2013	94	65	41	24	12	94	60	47	21	10	94	65	41	24	12
August 2014	93	59	35	19	9	92	55	41	16	7	93	59	35	19	9
August 2015	92	55	30	15	6	91	50	36	12	5	92	55	30	15	6
August 2016	90	50	25	11	4	89	45	31	9	3	90	50	25	11	4
August 2017	89	46	21	9	3	88	41	27	7	2	89	46	21	9	3
August 2018	87	42	18	7	2	86	36	23	5	1	87	42	18	7	2
August 2019	85	38	15	5	1	84	32	20	4	1	85	38	15	5	1
August 2020	83	35	13	4	1	82	29	17	3	1	83	35	13	4	1
August 2021	81	31	11	3	1	79	25	14	2	*	81	31	11	3	1
August 2022	78	28	9	2	*	77	22	12	2	*	78	28	9	2	*
August 2023	75	25	7	2	*	74	19	10	1	*	75	25	7	2	*
August 2024	72	23	6	1	*	71	16	8	1	*	72	23	6	1	*
August 2025	69	20	5	1	*	68	14	7	1	*	69	20	5	1	*
August 2026	66	17	4	1	*	64	11	5	*	*	66	17	4	1	*
August 2027	62	15	3	1	*	60	9	4	*	*	62	15	3	1	*
August 2028	58	13	3	*	*	56	7	3	*	*	58	13	3	*	*
August 2029	53	11	2	*	*	52	4	2	*	*	53	11	2	*	*
August 2030	49	9	1	*	*	47	3	1	*	*	49	9	1	*	*
August 2031	43	7	1	*	*	42	1	*	*	*	43	7	1	*	*
August 2032	37	5	1	*	*	36	0	0	0	0	37	5	1	*	*
August 2033	31	4	1	*	*	30	0	0	0	0	31	4	1	*	*
August 2034	24	2	*	*	*	23	0	0	0	0	24	2	*	*	*
August 2035	17	1	*	*	*	16	0	0	0	0	17	1	*	*	*
August 2036	9	0	0	0	0	8	0	0	0	0	9	0	0	0	0
August 2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.8	10.7	6.4	4.3	3.1	20.5	9.2	7.1	3.8	2.7	20.8	10.7	6.4	4.3	3.1

Date	FB and SB† Classes						KA Class				
	PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	300%	553%	800%	1100%	0%	100%	225%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100
August 2008	99	95	87	78	68	56	99	94	88	82	75
August 2009	99	89	71	52	36	20	98	85	72	59	45
August 2010	98	82	58	34	18	7	97	77	58	41	24
August 2011	97	76	47	23	9	2	96	70	46	27	9
August 2012	96	71	38	15	5	1	94	63	35	15	0
August 2013	95	65	30	10	2	*	93	56	26	7	0
August 2014	94	60	25	6	1	*	91	50	19	0	0
August 2015	93	56	20	4	1	*	90	44	12	0	0
August 2016	92	51	16	3	*	*	88	39	7	0	0
August 2017	90	47	13	2	*	*	86	33	2	0	0
August 2018	89	43	10	1	*	*	84	28	0	0	0
August 2019	87	39	8	1	*	*	81	24	0	0	0
August 2020	85	36	6	*	*	*	79	19	0	0	0
August 2021	83	33	5	*	*	*	76	15	0	0	0
August 2022	81	29	4	*	*	*	73	11	0	0	0
August 2023	78	26	3	*	*	*	70	8	0	0	0
August 2024	75	24	2	*	*	*	66	4	0	0	0
August 2025	72	21	2	*	*	0	62	1	0	0	0
August 2026	69	18	1	*	*	0	58	0	0	0	0
August 2027	65	16	1	*	*	0	53	0	0	0	0
August 2028	61	14	1	*	*	0	48	0	0	0	0
August 2029	56	12	1	*	*	0	42	0	0	0	0
August 2030	51	10	*	*	*	0	36	0	0	0	0
August 2031	46	8	*	*	*	0	30	0	0	0	0
August 2032	40	6	*	*	*	0	23	0	0	0	0
August 2033	33	4	*	*	*	0	15	0	0	0	0
August 2034	26	3	*	*	0	0	6	0	0	0	0
August 2035	18	1	*	*	0	0	0	0	0	0	0
August 2036	10	0	0	0	0	0	0	0	0	0	0
August 2037	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.3	10.9	5.0	2.8	1.9	1.4	18.9	7.8	4.2	2.8	2.0

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

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

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

Date	VA Class					VB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	225%	350%	500%	0%	100%	225%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
August 2008	93	93	93	93	93	100	100	100	100	100
August 2009	86	86	86	86	86	100	100	100	100	100
August 2010	78	78	78	78	78	100	100	100	100	100
August 2011	70	70	70	70	70	100	100	100	100	100
August 2012	61	61	61	61	47	100	100	100	100	100
August 2013	52	52	52	52	0	100	100	100	100	43
August 2014	43	43	43	40	0	100	100	100	100	0
August 2015	32	32	32	0	0	100	100	100	58	0
August 2016	21	21	21	0	0	100	100	100	0	0
August 2017	10	10	10	0	0	100	100	100	0	0
August 2018	0	0	0	0	0	97	97	68	0	0
August 2019	0	0	0	0	0	82	82	5	0	0
August 2020	0	0	0	0	0	67	67	0	0	0
August 2021	0	0	0	0	0	51	51	0	0	0
August 2022	0	0	0	0	0	34	34	0	0	0
August 2023	0	0	0	0	0	15	15	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0
August 2025	0	0	0	0	0	0	0	0	0	0
August 2026	0	0	0	0	0	0	0	0	0	0
August 2027	0	0	0	0	0	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0	0	0	0
August 2032	0	0	0	0	0	0	0	0	0	0
August 2033	0	0	0	0	0	0	0	0	0	0
August 2034	0	0	0	0	0	0	0	0	0	0
August 2035	0	0	0	0	0	0	0	0	0	0
August 2036	0	0	0	0	0	0	0	0	0	0
August 2037	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.0	6.0	6.0	5.3	4.2	14.0	14.0	11.3	8.1	6.0

Date	Z Class					KB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	225%	350%	500%	0%	100%	225%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
August 2008	106	106	106	106	106	100	100	100	100	100
August 2009	113	113	113	113	113	100	100	100	100	100
August 2010	120	120	120	120	120	100	100	100	100	100
August 2011	127	127	127	127	127	100	100	100	100	100
August 2012	135	135	135	135	135	100	100	100	100	95
August 2013	143	143	143	143	143	100	100	100	100	65
August 2014	152	152	152	152	123	100	100	100	99	45
August 2015	161	161	161	161	84	100	100	100	77	31
August 2016	171	171	171	161	57	100	100	100	59	21
August 2017	182	182	182	124	39	100	100	100	45	14
August 2018	193	193	193	95	27	100	100	91	35	10
August 2019	205	205	205	73	18	100	100	76	27	7
August 2020	218	218	175	56	12	100	100	64	20	4
August 2021	231	231	145	42	8	100	100	53	16	3
August 2022	245	245	120	32	6	100	100	44	12	2
August 2023	261	261	99	24	4	100	100	36	9	1
August 2024	273	273	82	18	2	100	100	30	7	1
August 2025	273	273	66	13	2	100	100	24	5	1
August 2026	273	252	54	10	1	100	92	20	4	*
August 2027	273	219	43	7	1	100	80	16	3	*
August 2028	273	188	34	5	*	100	69	12	2	*
August 2029	273	158	26	4	*	100	58	10	1	*
August 2030	273	131	20	3	*	100	48	7	1	*
August 2031	273	105	15	2	*	100	38	5	1	*
August 2032	273	80	10	1	*	100	29	4	*	*
August 2033	273	57	7	1	*	100	21	2	*	*
August 2034	273	35	4	*	*	100	13	1	*	*
August 2035	242	15	1	*	*	88	5	1	*	*
August 2036	126	0	0	0	0	46	0	0	0	0
August 2037	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.9	23.1	16.9	12.5	9.1	28.9	23.1	15.5	10.7	7.5

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

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

Characteristics of the Residual Class

A Residual Certificate will be subject to certain transfer restrictions. See “Description of the Certificates—Special Characteristics of the Residual Certificates” and “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus.

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. A Residual Certificate will constitute a noneconomic residual interest under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate had “improper knowledge” at the time of the transfer. See “Description of the Certificates—Special Characteristics of the Residual Certificates” in the REMIC Prospectus. You should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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

REMIC Election and Special Tax Attributes

We will make a REMIC election with respect to the REMIC set forth in the table under “Description of the Certificates — General — *Structure.*” The Regular Classes will be designated as “regular interests,” and the Residual Class will be designated as the “residual interest,” in the REMIC as set forth in that table. Thus, 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 Residual Class, as “qualified mortgages” for other REMICs. See “Material Federal Income Tax Consequences—REMIC Election and Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes, the Principal Only Classes and the Accrual 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

“Material 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 “Material 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	220% PSA
2	162% PSA
3	220% PSA
4	553% PSA
5	225% PSA

See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment 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 “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

The Holder of a Residual Certificate will be considered to be the holder of the “residual interest” in the related REMIC. Such Holder generally will be required to report its daily portion of the taxable income or net loss of the REMIC to which that Certificate relates. In certain periods, a Holder of a Residual Certificate may be required to recognize taxable income without being entitled to receive a corresponding amount of cash. Pursuant to the Trust Agreement, we will be obligated to provide to the Holder of a Residual Certificate (i) information necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the Residual Class that may be required under the Code. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

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 Regular Certificates that are exchanged for RCR Certificates set forth in Schedule 1 (including any exchanges effective on the Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an ownership interest of the underlying Regular Certificates. For a general discussion of the federal income tax treatment of beneficial owners of Regular Certificates, see “Material Federal Income Tax Consequences” in the REMIC Prospectus.

Generally, the ownership interest represented by an RCR certificate will be one of two types. A certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying Regular Certificates. A certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying Regular Certificates. All of the RCR Certificates are Combination RCR Certificates. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of RCR Certificates” in the REMIC Prospectus for a general discussion of the federal income tax treatment of beneficial owners of RCR Certificates.

PLAN OF DISTRIBUTION

We are obligated to deliver the Group 1, Group 3, Group 4 and Group 5 Classes to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) in exchange for the Group 1, Group 3, Group 4 and Group 5 MBS. We will provide the Group 2 MBS and will sell the Group 2 Classes (other than the GO and SG Classes) to the Dealer for cash proceeds estimated to be approximately \$200,101,667.

The Dealer proposes to offer the Certificates (other than the GO and SG Classes) 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. We will initially retain the GO and SG Classes.

LEGAL MATTERS

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

Available Recombinations (1)

REMIC Certificates		RCR Certificates							
Classes	Original Balances	RCR Classes	Original Balances	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date	
Recombination 1									
SD	\$ 40,000,000 (3)	DS	\$ 3,333,334	PT	(4)	INV	31396XQF4	September 2037	
DO	3,333,334								
Recombination 2									
GO	54,545,455	S	54,545,455	PT	(4)	INV	31396XQG2	September 2037	
SG	200,000,000 (3)								
Recombination 3									
GF	200,000,000	EF	200,000,000	PT	(4)	FLT	31396XQH0	September 2037	
GI	200,000,000 (3)								
Recombination 4									
EI	200,000,000 (3)	F	200,000,000	PT	(4)	FLT	31396XQJ6	September 2037	
GF	200,000,000								
GI	200,000,000 (3)								
Recombination 5									
PO	16,666,668	SM	16,666,668	PT	(4)	INV	31396XQK3	September 2037	
SA	100,000,000 (3)								
Recombination 6									
VA	7,839,000	KB (5)	23,641,489	SEQ	6.00%	FIX	31396XQL1	September 2037	
VB	7,147,000								
Z	8,655,489								

(1) REMIC Certificates and RCR Certificates in each Recombination may be exchanged only in the proportions of *original* principal or notional principal balances for the related Classes shown in this Schedule 1 (disregarding any retired Classes). For example, if a particular Recombination includes two REMIC Classes and one RCR Class whose *original* principal balances shown in the schedule reflect a 1:1:2 relationship, the same 1:1:2 relationship among the *original* principal balances of those REMIC and RCR Classes must be maintained in any exchange. This is true even if, as a result of the applicable payment priority sequence, the relationship between their *current* principal balances has changed over time. Moreover, 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.

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

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

(4) For a description of these interest rates, see "Summary—Interest Rates" in this prospectus supplement.

(5) Principal payments on the REMIC Certificates in Recombination 6 from the Z Accrual Amount will be paid as interest on the related RCR Certificates and thus will not reduce the principal balance of those RCR Certificates.

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.

\$552,840,383



**Guaranteed REMIC
Pass-Through
Certificates**

Fannie Mae REMIC Trust 2007-89

PROSPECTUS SUPPLEMENT

TABLE OF CONTENTS

	Page
Table of Contents	S- 2
Available Information	S- 3
Summary	S- 4
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences	S-17
Plan of Distribution	S-19
Legal Matters	S-19
Schedule 1	A- 1

Merrill Lynch & Co.

August 23, 2007
