

**\$281,612,353**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2008-86**

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

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

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
LA . . . . .	1	100,527,770	SC/PT	(2)	WAC	31397ME86	August 2038
GA . . . . .	2	9,586,482	SC/SEQ	5.5%	FIX	31397ME94	March 2036
GE . . . . .	2	1,936,917	SC/SEQ	6.0	FIX	31397MF28	March 2036
GD . . . . .	2	1,931,320	SC/SEQ	6.0	FIX	31397MF36	March 2036
GO . . . . .	2	351,658	SC/SEQ	0.0	PO	31397MF44	March 2036
DB . . . . .	3	14,816,607	SC/PT	5.0	FIX	31397MF51	September 2023
AO(3) . . . . .	4	5,577,791	PT	0.0	PO	31397MF69	December 2038
AF(3) . . . . .	4	36,255,641	PT	(4)	FLT	31397MF77	December 2038
AS(3) . . . . .	4	36,255,641(5)	NTL	(4)	INV/IO	31397MF85	December 2038
BO(3) . . . . .	5	981,740	PT	0.0	PO	31397MF93	December 2038
BF(3) . . . . .	5	13,744,359	PT	(4)	FLT	31397MG27	December 2038
BS(3) . . . . .	5	13,744,359(5)	NTL	(4)	INV/IO	31397MG35	December 2038
KA . . . . .	6	6,000,000	SC/PT	7.0	FIX	31397MG43	September 2034
KB . . . . .	6	1,289,728	SC/PT	6.5	FIX	31397MG50	September 2034
CO . . . . .	7	17,953,340	SC/PT	0.0	PO	31397MG68	May 2034
PC . . . . .	8	16,659,000	SC/PT	5.0	FIX	31397MG76	March 2034
FH . . . . .	9	54,000,000	PT	(4)	FLT	31397MG84	December 2038
SH . . . . .	9	54,000,000(5)	NTL	(4)	INV/IO	31397MG92	December 2038
IO . . . . .	10	62,325,391(5)	NTL	4.5	FIX/IO	31397MH26	March 2023
RA(6) . . . . .		0	NPR	0	NPR	31397MH42	December 2038
R(7) . . . . .		0	NPR	0	NPR	31397MH34	December 2038

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC prospectus.
- (2) Based on the amount of interest accrued on the related underlying SMBS certificates as further described in this prospectus supplement.
- (3) Exchangeable classes.
- (4) Based on LIBOR.
- (5) Notional balances. These classes are interest only classes. See page S-9 for a description of how their notional balances are calculated.
- (6) The RA Class relates to Group 1 only.
- (7) The R Class relates to Groups 2, 3, 4, 5, 6, 7, 8, 9 and 10 only.

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 FC, SC and OC 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 from time to time in negotiated transactions at varying prices. We expect the settlement date to be November 28, 2008.

**Carefully consider the risk factors on page S-11 of this prospectus supplement and 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.**

**Barclays Capital**

November 24, 2008

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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 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 April 1, 2008 (for all other MBS) (as applicable, the “MBS Prospectus”);
- if you are purchasing any Group 1 Class or the RA Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated May 1, 2002 (for all SMBS issued prior to December 1, 2007) or dated December 1, 2007 (for all other SMBS) (as applicable, the “SMBS Prospectus”);
- if you are purchasing any Group 1 Class or the RA Class, the disclosure documents relating to the Group 1 SMBS (the “Group 1 SMBS Disclosure Documents”);
- if you are purchasing any Group 1, 2, 3, 6, 7, 8 or 10 Class or the RA or R Class, the disclosure documents relating to the applicable underlying REMIC and RCR certificates (the “Underlying REMIC Disclosure Documents”); 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, the Underlying REMIC Disclosure Documents, the SMBS Prospectus and the Group 1 SMBS Disclosure Documents are incorporated by reference in this prospectus supplement. This means that we are disclosing information in those documents by referring you to them. Those documents are considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with those documents.

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, the Underlying REMIC Disclosure Documents, the SMBS Prospectus and the Group 1 SMBS Disclosure Documents by writing or calling the dealer at:

Barclays Capital Inc.  
Attn: MBS Syndication Operations  
200 Cedar Knolls Road  
Whippany, New Jersey 07981  
(telephone 973-576-3006).

## RECENT DEVELOPMENTS

On September 6, 2008, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae and Freddie Mac into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae. The conservator selected Herbert M. Allison, former Vice Chairman of Merrill Lynch and Chairman of TIAA-CREF, as the new CEO of Fannie Mae. A copy of the statement issued by FHFA Director James B. Lockhart regarding FHFA's placement of Fannie Mae into conservatorship, the selection of Mr. Allison, and a copy of a Fact Sheet discussing questions and answers about the conservatorship are available on FHFA's website at [www.ofheo.gov](http://www.ofheo.gov).

On September 7, 2008, the U.S. Department of the Treasury, or U.S. Treasury, announced three additional steps taken by it in connection with the conservatorship.

First, the U.S. Treasury entered into a Senior Preferred Stock Purchase Agreement with us pursuant to which the U.S. Treasury will purchase up to an aggregate of \$100 billion to maintain a positive net worth on a U.S. GAAP basis. This agreement contains covenants that significantly restrict our operations. In exchange for entering into this agreement, the U.S. Treasury received \$1 billion of our senior preferred stock and warrants to purchase 79.9% of our common stock.

Second, the U.S. Treasury announced the establishment of a new secured lending credit facility which will be available to Fannie Mae, Freddie Mac, and the Federal Home Loan Banks as a liquidity backstop.

Third, the U.S. Treasury announced that it is initiating a temporary program to purchase mortgage-backed securities issued by Fannie Mae and Freddie Mac. The secured lending credit facility and the mortgage-backed securities purchase program are currently scheduled to expire in December 2009.

Details regarding these steps are available on the U.S. Treasury's website at [www.ustreas.gov](http://www.ustreas.gov).

We are continuing to operate as a going concern while in conservatorship and remain liable for all of our obligations, including our guaranty obligations, associated with mortgage-backed securities issued by us. The secured lending credit facility and the Senior Preferred Stock Purchase Agreement described above are intended to enhance our ability to meet our obligations.

Under the Federal Housing Finance Regulatory Reform Act of 2008 (the "Regulatory Reform Act"), FHFA, as conservator or receiver, has the power to repudiate any contract entered into by Fannie Mae prior to FHFA's appointment as conservator or receiver, as applicable, if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of Fannie Mae's affairs. The Regulatory Reform Act requires FHFA to exercise its right to repudiate any contract within a reasonable period of time after its appointment as conservator or receiver.

FHFA as conservator has advised us that it has no intention to repudiate our guaranty obligation under the trust documents because it views repudiation as incompatible with the goals of the conservatorship. In the event that FHFA, as conservator or receiver, were to repudiate our guaranty obligation under the related trust documents, the conservatorship or receivership estate, as applicable, would be liable for actual direct compensatory damages in accordance with the provisions of the Regulatory Reform Act. Any such liability could be satisfied only to the extent of our assets available therefor.

In the event of repudiation, the payments of principal and/or interest to certificateholders would be reduced if payments on the underlying mortgage loans are not made by the related borrowers or a direct servicer fails to remit borrower payments to us. Any actual direct compensatory damages for repudiating our guaranty obligation may not be sufficient to offset any shortfalls experienced by certificateholders.

Further, in its capacity as conservator or receiver, FHFA has the right to transfer or sell any asset or liability of Fannie Mae without any approval, assignment or consent. Although we have been advised that it has no present intention to do so, if FHFA, as conservator or receiver, were to transfer our guaranty obligation to another party, certificateholders would have to rely on that party for satisfaction of the guaranty obligation and would be exposed to the credit risk of that party.

In addition, certain rights provided to certificateholders under the trust documents may not be enforced against FHFA, or enforcement of such rights may be delayed, during the conservatorship or if we are placed into receivership. The trust documents provide that upon the occurrence of a guarantor event of default, which includes the appointment of a conservator or receiver, certificateholders have the right to replace Fannie Mae as trustee if the requisite percentage of certificateholders consent. The Regulatory Reform Act prevents certificateholders from enforcing their rights to replace Fannie Mae as trustee if the event of default arises solely because a conservator or receiver has been appointed. The Regulatory Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Fannie Mae is a party, or obtain possession of or exercise control over any property of Fannie Mae, or affect any contractual rights of Fannie Mae, without the approval of FHFA, as conservator or receiver, for a period of 45 or 90 days following the appointment of FHFA as conservator or receiver, respectively.

## SUMMARY

**This summary contains only limited information about the certificates. Statistical information in this summary is provided as of November 1, 2008. 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

<u>Group</u>	<u>Assets</u>
1	Group 1 SMBS Class 2007-35-PO REMIC Certificate Class 2007-54-BO REMIC Certificate Class 2007-109-OA RCR Certificate Class 2008-22-EO REMIC Certificate Class 2008-36-DO RCR Certificate Class 2008-64-HO REMIC Certificate
2	Class 2004-25-LC REMIC Certificate Class 2005-36-GD REMIC Certificate Class 2005-104-UE REMIC Certificate Class 2006-18-TA REMIC Certificate
3	Class 2008-64-EB REMIC Certificate Class 2008-76-DB REMIC Certificate
4	Group 4 MBS
5	Group 5 MBS
6	Class 2005-98-TI REMIC Certificate Class 2005-98-TO REMIC Certificate Class 2005-98-TW REMIC Certificate
7	Class 2004-38-AO REMIC Certificate Class 2004-38-JO REMIC Certificate
8	Class 2005-12-JE RCR Certificate Class 2005-22-HE RCR Certificate Class 2005-86-WD RCR Certificate
9	Group 9 MBS
10	Class 2003-74-DI REMIC Certificate Class 2008-14-BI REMIC Certificate Class 2008-14-IO REMIC Certificate Class 2008-26-AI REMIC Certificate Class 2008-40-IO REMIC Certificate

## Group 1 SMBS

### Characteristics of the Group 1 SMBS

<u>Approximate Notional Principal Balance*</u>	<u>Pass- Through Rate</u>	<u>SMBS Trust and Class Designation</u>
\$ 5,467,594.47	6.00%	383-57
\$23,606,330.60	6.00%	383-28
\$10,020,667.68	6.00%	383-34
\$ 8,271,760.04	6.00%	383-35
\$ 8,948,201.29	6.00%	383-51
\$11,528,264.68	6.00%	383-50
\$30,444,736.56	6.00%	386-9
\$12,292,996.00	6.00%	387-13

\* These are interest only SMBS certificates.

### Assumed Characteristics of the Underlying Mortgage Loans

<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>
\$ 5,467,594.47	360	332	23	6.3979%
\$23,606,330.60	360	338	18	6.4047%
\$10,020,667.68	360	337	19	6.4078%
\$ 8,271,760.04	360	336	19	6.4115%
\$ 8,948,201.29	360	332	24	6.4420%
\$11,528,264.68	360	332	24	6.4425%
\$30,444,736.56	360	342	14	6.5075%
\$12,292,996.00	360	335	20	6.5923%

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the Group 1 SMBS will differ from those shown above, perhaps significantly.

## Group 1, Group 2, Group 3, Group 6, Group 7, Group 8 and Group 10 Underlying REMIC and RCR Certificates

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



## Group 4, Group 5 and Group 9

### Characteristics of the Trust MBS

	<u>Approximate Principal Balance</u>	<u>Pass- Through Rate</u>	<u>Range of Weighted Average Coupons or WACs (annual percentages)</u>	<u>Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)</u>
Group 4 MBS*	\$41,833,432	6.50%	6.75% to 9.00%	241 to 360
Group 5 MBS*	\$14,726,099	7.00%	7.25% to 9.50%	241 to 360
Group 9 MBS	\$54,000,000	7.50%	7.75% to 10.00%	241 to 360

\* As further described in this prospectus supplement, the mortgage loans underlying the Group 4 and Group 5 MBS provide for interest only periods that may range from at least 7 to no more than 10 years following origination. The assumed remaining terms to expiration of the interest only periods for those mortgage loans are set forth below.

### Assumed Characteristics of the Underlying Mortgage Loans

	<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>	<u>Remaining Term to Expiration of Interest Only Period (in months)</u>
Group 4 MBS	\$41,833,432	360	356	4	6.950%	116
Group 5 MBS	\$14,726,099	360	355	5	7.500%	115
Group 9 MBS	\$54,000,000	360	347	12	8.252%	N/A

The actual remaining terms to maturity, loan ages, interest rates and, if applicable, remaining terms to expiration of interest only period 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 November 28, 2008.

### 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>DTC Book-Entry</u>	<u>Physical</u>
All classes of certificates other than the LA, RA and R Classes	LA Class	RA and R Classes



## 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. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates. You can exchange your certificates by notifying us and paying an exchange fee. We will deliver the RCR certificates upon such exchange.

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 weighted average coupon class will bear interest at the applicable annual rate described under the heading “Description of the Certificates—Distributions of Interest—*The Weighted Average Coupon Class*.”

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.

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 each subsequent interest accrual period, the floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate(1)</u>
AF .....	3.05625%	7.50%	1.10%	LIBOR + 110 basis points
AS .....	4.44375%	6.40%	0.00%	6.4% – LIBOR
BF .....	3.05625%	7.50%	1.10%	LIBOR + 110 basis points
BS .....	4.44375%	6.40%	0.00%	6.4% – LIBOR
FH .....	2.50900%	7.50%	1.10%	LIBOR + 110 basis points
SH .....	4.99100%	6.40%	0.00%	6.4% – LIBOR
FC .....	3.05625%	7.50%	1.10%	LIBOR + 110 basis points
SC .....	4.44375%	6.40%	0.00%	6.4% – 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>	
AS .....	100% of the AF Class
BS .....	100% of the BF Class
SH .....	100% of the FH Class
IO .....	100% of the aggregate notional principal balance of the Group 10 Underlying REMIC Certificates
SC .....	100% of the <i>sum</i> of the AF and BF Classes

## 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 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
LA† . . . . .	19.7	10.3	6.7	4.1	2.9	1.8	1.3
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>185%</u>	<u>300%</u>	<u>500%</u>		
GA . . . . .	25.1	16.0	2.8	1.2	0.5		
GE . . . . .	26.1	19.8	14.7	2.5	0.9		
GD . . . . .	26.4	22.7	20.0	5.8	1.2		
GO . . . . .	26.2	21.3	17.4	4.1	1.1		
<u>Group 3 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>185%</u>	<u>300%</u>	<u>500%</u>		
DB . . . . .	13.8	9.0	8.3	7.2	5.4		
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>	
AO, AF and AS . . . . .	22.9	12.4	5.1	3.2	2.5	1.7	
<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>	
BO, BF and BS . . . . .	23.0	12.4	5.0	3.1	2.4	1.7	
<u>Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>300%</u>	<u>500%</u>		
KA and KB . . . . .	24.1	13.2	9.1	0.9	0.4		
<u>Group 7 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>		
CO . . . . .	16.5	9.2	6.1	4.4	2.7		
<u>Group 8 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>		
PC . . . . .	19.4	8.4	7.5	7.1	4.2		
<u>Group 9 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>395%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>	<u>1400%</u>
FH and SH . . . . .	21.6	11.1	4.0	2.6	2.0	1.3	1.1
<u>Group 10 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>		
IO . . . . .	7.5	4.1	3.4	2.9	2.0		
<u>Group 4/Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>	
FC†† and SC†† . . . . .	22.9	12.4	5.1	3.1	2.4	1.7	
OC†† . . . . .	22.9	12.4	5.1	3.2	2.5	1.7	

\* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

† The weighted average life information set forth for this class is based solely on assumed principal distributions.

†† These classes are RCR classes formed from combinations of two REMIC classes in different groups. For additional information, see Schedule 1 attached to this prospectus supplement.

## ADDITIONAL RISK FACTORS

*Payments on the Group 2, Group 3, Group 6, Group 8 and Group 10 Classes also will be affected by the applicable payment priorities governing the related underlying REMIC and RCR certificates.* If you invest in any Group 2, Group 3, Group 6, Group 8 or Group 10 Class, the rate at which you receive payments also will be affected by the applicable priority sequences governing principal payments (or notional balance reductions, as applicable) on the related underlying REMIC and RCR certificates.

As described in the related underlying disclosure documents, the underlying REMIC and RCR certificates may be subsequent in payment priority to certain other classes issued from the related underlying REMIC trusts. As a result, such other classes may receive principal before principal is paid (or before the notional balance is reduced, as applicable) on the related underlying REMIC and RCR certificates, possibly for long periods.

In particular, as described in the related underlying disclosure documents, certain of the Group 2 and Group 6 Underlying REMIC Certificates are support classes. A support class is entitled to receive principal payments on a distribution date only if scheduled payments of principal have been made on certain other classes in the related underlying REMIC trust. Accordingly, a support class may receive no principal payments for extended periods or may receive principal payments that vary widely from period to period.

In addition, as described in the related underlying disclosure documents, principal payments on the Class 2006-18-TA REMIC Certificate in Group 2 and the Group 8 Underlying RCR Certificates are governed by principal balance schedules. As a result, those certificates may receive principal payments at rates faster or slower than would otherwise have been the case. Prepayments on the related mortgage loans may have occurred at rates faster or

slower than the rates initially assumed. This prospectus supplement contains no information as to whether

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

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

*Principal and interest payments on the LA Class are derived from separate sources.* Interest payments on the LA Class will be based solely on interest payable on the Group 1 SMBS, while principal payments on the LA Class will be based solely on principal payable on the Group 1 Underlying REMIC and RCR Certificates. The Group 1 SMBS and the Group 1 Underlying REMIC and RCR Certificates are independent of one another. Accordingly, the interest payment rate and principal payment rate on the LA Class are unrelated, are likely to differ and may differ sharply. In addition, there is a risk that the LA Class could in the future receive only interest payments in the event that the Group 1 Underlying REMIC and RCR Certificates are retired while the Group 1 SMBS remain outstanding. Similarly, there is a risk that the LA Class could in the future receive only principal payments in the event that the Group 1 SMBS are retired while the Group 1 Underlying REMIC and RCR Certificates remain outstanding.

## 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 November 1, 2008 (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:

- certain Fannie Mae Stripped Mortgage-Backed Securities (the “Group 1 SMBS”),
- seven groups of previously issued REMIC and RCR certificates (the “Group 1 Underlying REMIC and RCR Certificates,” the “Group 2 Underlying REMIC Certificates,” the “Group 3 Underlying REMIC Certificates,” the “Group 6 Underlying REMIC Certificates,” the “Group 7 Underlying REMIC Certificates,” the “Group 8 Underlying RCR Certificates” and the “Group 10 Underlying REMIC Certificates,” and together, the “Underlying REMIC Certificates”) issued from the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A, and
- three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 4 MBS,” “Group 5 MBS” and “Group 9 MBS,” and together, the “Trust MBS”).

The Group 1 SMBS represent beneficial ownership interests in certain interest distributions on mortgage loans underlying certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates.

The Underlying REMIC Certificates evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS and the Fannie Mae Guaranteed Mortgage Pass-Through Certificates backing the Group 1 SMBS, 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 “REMIC I” and “REMIC II” 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. The REMIC Certificates other than the RA and R Classes are collectively referred to as the “Regular Classes” or “Regular Certificates,” and the RA and R Classes are collectively referred to as the “Residual Classes” or “Residual Certificates.”

<u>REMIC Designation</u>	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
REMIC I . . . . .	Group 1 SMBS and Group 1 Underlying REMIC and RCR Certificates	Group 1 Class	RA
REMIC II . . . . .	Group 2, Group 3, Group 6, Group 7 and Group 10 Underlying REMIC Certificates, Trust MBS and Group 8 Underlying RCR Certificates	Group 2, 3, 4, 5, 6, 7, 8, 9 and 10 Classes	R

*Fannie Mae Guaranty.* For a description of our guaranties of the Certificates, the MBS, the Group 1 SMBS and the Underlying REMIC Certificates, see “Description of the Certificates—Fannie Mae Guaranty” in the REMIC Prospectus, “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus, “Description of the Certificates—General—*Fannie Mae Guaranty*” in the Underlying REMIC Disclosure Documents and “Description of the SMBS Certificates—Fannie Mae Guaranty” in the SMBS 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.”

The LA Class will be represented by a single certificate (the “DTC Certificate”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a New York-chartered limited purpose trust company, or any successor or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the DTC Certificate. DTC will maintain the DTC Certificate through its book-entry facilities.

We will issue the Residual Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of a Residual Certificate is its registered owner. A 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 a Residual Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the Residual Classes” 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 and the LA Class	\$100,000 minimum plus whole dollar increments
All other Classes (except the RA and R Classes)	\$1,000 minimum plus whole dollar increments

## **The Group 1 SMBS**

The general characteristics of the Group 1 SMBS are described in the SMBS Prospectus and the Group 1 SMBS Disclosure Documents. The Group 1 SMBS provide that certain interest amounts 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 interest in a pool of 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—Group 1 SMBS—Characteristics of the Group 1 SMBS” and “—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement, and “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

## **The Underlying REMIC Certificates**

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of those trusts consist of MBS (or beneficial ownership interests in MBS) having the general characteristics set forth 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 deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

Distributions on the Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents. See Exhibit A for certain additional information about the Underlying REMIC Certificates.

For further information about the Underlying REMIC Certificates telephone us at 1-800-237-8627. Additional information about the Underlying REMIC Certificates is also available at <http://sls.fanniemae.com/slsSearch/Home.do>. There may have been material changes in facts and circumstances since the dates we prepared the Underlying REMIC Disclosure Documents. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in those documents may be limited.

## **The Trust MBS**

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 the Mortgage Loans underlying the Group 4 and Group 5 MBS represent accrued interest only for periods that may range from at least seven to no more than ten years following origination. See “Risk Factors—Prepayment Factors—*Refinance Environment*—Fixed-rate and adjustable-rate mortgage loans with long initial interest-only periods may be more likely to be refinanced than other mortgage loans” in the MBS Prospectus.

For additional information, see “Summary—Group 4, Group 5 and Group 9—Characteristics of the Trust MBS” and “—Assumed Characteristics of the Underlying Mortgage Loans” 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 on a 30/360 basis. Interest to be paid on each Certificate on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to that Distribution Date.

*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 and Weighted Average Coupon Classes	Floating Rate and Inverse Floating Rate Classes

The Dealer will treat the Principal Only Classes as delay Classes solely for the purpose of facilitating trading.

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

### *Weighted Average Coupon Class.*

On each Distribution Date, we will pay interest on the LA Class in an amount equal to the interest accrued during that Interest Accrual Period on the Group 1 SMBS. Accordingly, the amount of interest payable on the LA Class Certificates will not be determined on the basis of their principal balances.

On the initial Distribution Date, we expect to pay interest on the LA Class calculated at an annual rate of approximately 6.60%.

Our determination of the interest rate for the LA Class for each Distribution Date 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.

## 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 LA until retired.

} Structured  
Collateral/  
Pass-Through  
Class

The “Group 1 Principal Distribution Amount” is the principal then paid on the Group 1 Underlying REMIC and RCR Certificates.

- *Group 2*

The Group 2 Principal Distribution Amount in the following priority:

1. To GA until retired.
2. — 91.6666646919% of the remaining amount to GE and GD, in that order, until retired, and
  - 8.3333353081% of such remaining amount to GO until retired.

} Structured  
Collateral/  
Sequential  
Pay Classes

The Group 2 Principal Distribution Amount is the principal then paid on the Group 2 Underlying REMIC Certificates



- *Group 3*

The Group 3 Principal Distribution Amount to DB until retired.

} Structured  
Collateral/  
Pass-Through  
Class

The “Group 3 Principal Distribution Amount” is the principal then paid on the Group 3 Underlying REMIC Certificates.

- *Group 4*

The Group 4 Principal Distribution Amount to AO and AF, pro rata, until retired.

} Pass-Through  
Classes

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

- *Group 5*

The Group 5 Principal Distribution Amount to BO and BF, pro rata, until retired.

} Pass-Through  
Classes

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

- *Group 6*

The Group 6 Principal Distribution Amount to KA and KB, pro rata, until retired.

} Structured  
Collateral/  
Pass-Through  
Classes

The “Group 6 Principal Distribution Amount” is the principal then paid on the Group 6 Underlying REMIC Certificates.

- *Group 7*

The Group 7 Principal Distribution Amount to CO until retired.

} Structured  
Collateral/  
Pass-Through  
Class

The “Group 7 Principal Distribution Amount” is the principal then paid on the Group 7 Underlying REMIC Certificates.

- *Group 8*

The Group 8 Principal Distribution Amount to PC until retired.

} Structured  
Collateral/  
Pass-Through  
Class

The “Group 8 Principal Distribution Amount” is the principal then paid on the Group 8 Underlying RCR Certificates.

- *Group 9*

The Group 9 Principal Distribution Amount to FH until retired.

} Pass-Through  
Class

The “Group 9 Principal Distribution Amount” is the principal then paid on the Group 9 MBS.

## Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each pool of Mortgage Loans backing the Underlying REMIC Certificates, the priority sequences affecting principal payments (or notional balance reductions) on the Group 2, Group 3, Group 6 and Group 10 Underlying REMIC Certificates and the Group 8 Underlying RCR Certificates, and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 SMBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 1 SMBS—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement;

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 4, Group 5 and Group 9—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement;
- the Mortgage Loans underlying the Group 4 and Group 5 MBS have the remaining terms to expiration of their interest only periods specified under “Summary—Group 4, Group 5 and Group 9—Assumed Characteristics of the Underlying Mortgage Loans” 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 November 28, 2008; 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 PSA, see “Yield, Maturity and Prepayment Considerations—Prepayment Models” in the REMIC Prospectus.

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

## Yield Tables

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

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

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

We cannot assure you that

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

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

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

*The Principal Only Classes.* **The Principal Only Classes will not bear interest. As indicated in the tables below, a low rate of principal payments (including prepayments)**

**on the related Mortgage Loans will have a negative effect on the yields to investors in the Principal Only Classes.**

The information shown in the following 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>
GO.....	70.0000000%
AO.....	54.0000000%
BO.....	60.0000000%
CO.....	70.2500000%
OC.....	54.8984375%

#### **Sensitivity of the GO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>185%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	1.5%	1.7%	2.1%	9.7%	36.3%

#### **Sensitivity of the AO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>
Pre-Tax Yields to Maturity .....	4.2%	5.8%	15.3%	24.3%	31.0%	43.7%

#### **Sensitivity of the BO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>
Pre-Tax Yields to Maturity .....	3.4%	4.7%	12.4%	19.9%	25.6%	36.6%

#### **Sensitivity of the CO Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	3.3%	4.3%	6.7%	9.6%	16.4%

#### **Sensitivity of the OC Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>
Pre-Tax Yields to Maturity .....	4.1%	5.6%	14.8%	23.6%	30.1%	42.6%

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

**investors in the Inverse Floating Rate Classes would lose money on their initial investments under certain Index and prepayment scenarios.**

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “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 these Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
AS .....	10.1250000%
BS .....	8.75000000%
SH .....	5.25000000%
SC .....	9.74609375%

\* 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 AS 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>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>
0.95625% .....	57.2%	54.7%	41.8%	28.4%	17.2%	(6.2)%
1.95625% .....	45.5%	42.9%	29.7%	15.9%	4.4%	(20.0)%
3.95625% .....	22.7%	20.0%	5.9%	(9.0)%	(21.7)%	(49.0)%
5.95625% .....	(2.9)%	(5.7)%	(20.4)%	(36.6)%	(51.1)%	(85.3)%
6.40000% .....	*	*	*	*	*	*

**Sensitivity of the BS 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>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>
0.95625% .....	67.6%	65.1%	51.9%	38.2%	26.8%	2.5%
1.95625% .....	53.9%	51.2%	37.8%	23.8%	12.0%	(13.0)%
3.95625% .....	27.2%	24.4%	10.2%	(4.8)%	(17.6)%	(45.3)%
5.95625% .....	(1.5)%	(4.4)%	(19.3)%	(35.6)%	(50.2)%	(84.7)%
6.40000% .....	*	*	*	*	*	*

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>395%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>	<u>1400%</u>
0.409% .....	137.7%	134.3%	113.3%	97.8%	81.7%	45.9%	25.5%
1.409% .....	111.3%	108.0%	87.7%	72.5%	56.9%	21.8%	1.7%
3.409% .....	61.8%	58.7%	39.3%	24.8%	9.6%	(24.6)%	(44.7)%
5.409% .....	16.2%	13.1%	(5.7)%	(20.0)%	(35.2)%	(70.7)%	(92.5)%
6.400% .....	*	*	*	*	*	*	*

**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>350%</u>	<u>600%</u>	<u>800%</u>	<u>1200%</u>
0.95625% .....	59.7%	57.2%	44.3%	30.8%	19.6%	(4.1)%
1.95625% .....	47.5%	45.0%	31.7%	17.8%	6.2%	(18.3)%
3.95625% .....	23.8%	21.1%	7.0%	(8.0)%	(20.7)%	(48.1)%
5.95625% .....	(2.5)%	(5.3)%	(20.1)%	(36.3)%	(50.8)%	(85.0)%
6.40000% .....	*	*	*	*	*	*

*The Fixed Rate Interest Only Class.* The yield to investors in the Fixed Rate Interest Only Class will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the Fixed Rate Interest Only Class would be 0% if prepayments of the related Mortgage Loans were to occur at the following constant rate:

<u>Class</u>	<u>% PSA</u>
IO .....	363%

If the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling that level for the remaining months, the investors in the Fixed Rate Interest Only Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
IO .....	11.25%

\* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table below.

## Sensitivity of the IO Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	200%	300%	500%
Pre-Tax Yields to Maturity . . . . .	22.8%	19.4%	12.3%	4.8%	(11.0)%

### 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,
- the priority sequence of distributions of principal of the Group 2 Classes, and
- in the case of the Group 2, Group 3, Group 6, Group 8 and Group 10 Classes, the applicable priority sequences affecting principal payments (or notional balance reductions) on the related Underlying REMIC or RCR Certificates.

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

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 Backing Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 Underlying REMIC and RCR Certificates	360 months	(1)	(1)
Group 2 Underlying REMIC Certificates	360 months	(2)	8.00%
Group 3 Underlying REMIC Certificates	180 months	(3)	7.50%
Group 4 MBS	360 months	360 months(4)	9.00%
Group 5 MBS	360 months	360 months(4)	9.50%
Group 6 Underlying REMIC Certificates	360 months	323 months	8.00%
Group 7 Underlying REMIC Certificates	360 months	305 months	7.50%
Group 8 Underlying RCR Certificates	360 months	(5)	7.50%
Group 9 MBS	360 months	360 months	10.00%
Group 10 Underlying REMIC Certificates	180 months	(6)	7.00%

(1) The Mortgage Loans backing the Group 1 Underlying REMIC and RCR Certificates listed below are assumed to have the following remaining terms to maturity and interest rates:

2007-35-PO	340 months	8.50%
2007-54-BO	342 months	8.50%
2007-109-OA	*	8.50%
2008-22-EO	352 months	8.50%
2008-36-DO	353 months	9.00%
2008-64-HO	356 months	9.00%

\* The Mortgage Loans backing the specified REMIC certificates underlying the Class 2007-109-OA RCR Certificate are assumed to have the following remaining terms to maturity:

2007-30-NO	340 months
2007-30-JO	340 months
2007-15-DO	339 months
2007-54-GO	342 months

(2) The Mortgage Loans backing the Group 2 Underlying REMIC Certificates listed below are assumed to have the following remaining terms to maturity:

2004-25-LC	304 months
2005-36-GD	317 months
2005-104-UE	324 months
2006-18-TA	327 months

(3) The Mortgage Loans backing the Group 3 Underlying REMIC Certificates listed below are assumed to have the following remaining terms to maturity:

2008-64-EB	176 months
2008-76-DB	177 months

(4) In addition, we have assumed that each Mortgage Loan underlying the Group 4 and Group 5 MBS has a remaining interest only period of 120 months.

(5) The Mortgage Loans backing the Group 8 Underlying RCR Certificates listed below are assumed to have the following remaining terms to maturity:

2005-12-JE	315 months
2005-22-HE	316 months
2005-86-WD	322 months

(6) The Mortgage Loans backing the Group 10 Underlying REMIC Certificates listed below are assumed to have the following remaining terms to maturity:

2003-74-DI	116 months
2008-14-BI	171 months
2008-14-IO	171 months
2008-26-AI	172 months
2008-40-IO	173 months

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates, remaining terms to maturity or, if applicable, remaining interest only periods 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	LA†† Class							GA Class					GE Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	200%	350%	500%	750%	1000%	0%	100%	185%	300%	500%	0%	100%	185%	300%	500%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2009 . . . . .	99	93	88	80	73	60	46	100	100	70	59	0	100	100	100	100	0
November 2010 . . . . .	98	87	77	63	51	33	19	100	100	47	10	0	100	100	100	100	0
November 2011 . . . . .	97	80	67	49	35	18	8	100	100	31	0	0	100	100	100	0	0
November 2012 . . . . .	96	74	58	38	24	10	3	100	100	22	0	0	100	100	100	0	0
November 2013 . . . . .	95	68	50	30	17	5	1	100	100	17	0	0	100	100	100	0	0
November 2014 . . . . .	94	63	43	23	11	3	*	100	100	14	0	0	100	100	100	0	0
November 2015 . . . . .	92	58	37	18	8	2	*	100	100	11	0	0	100	100	100	0	0
November 2016 . . . . .	91	53	32	14	5	1	*	100	100	9	0	0	100	100	100	0	0
November 2017 . . . . .	89	49	27	11	4	*	*	100	100	6	0	0	100	100	100	0	0
November 2018 . . . . .	87	45	23	8	2	*	*	100	100	3	0	0	100	100	100	0	0
November 2019 . . . . .	85	41	20	6	2	*	*	100	100	1	0	0	100	100	100	0	0
November 2020 . . . . .	83	37	17	5	1	*	*	100	100	0	0	0	100	100	89	0	0
November 2021 . . . . .	81	33	14	4	1	*	*	100	95	0	0	0	100	100	74	0	0
November 2022 . . . . .	78	30	12	3	1	*	*	100	80	0	0	0	100	100	59	0	0
November 2023 . . . . .	75	27	10	2	*	*	*	100	65	0	0	0	100	100	46	0	0
November 2024 . . . . .	72	24	8	2	*	*	*	100	50	0	0	0	100	100	34	0	0
November 2025 . . . . .	69	21	7	1	*	*	*	100	34	0	0	0	100	100	13	0	0
November 2026 . . . . .	65	19	6	1	*	*	*	100	18	0	0	0	100	100	0	0	0
November 2027 . . . . .	61	16	5	1	*	*	0	100	2	0	0	0	100	100	0	0	0
November 2028 . . . . .	57	14	4	*	*	*	0	100	0	0	0	0	100	36	0	0	0
November 2029 . . . . .	53	12	3	*	*	*	0	100	0	0	0	0	100	0	0	0	0
November 2030 . . . . .	47	9	2	*	*	*	0	100	0	0	0	0	100	0	0	0	0
November 2031 . . . . .	42	8	2	*	*	*	0	100	0	0	0	0	100	0	0	0	0
November 2032 . . . . .	36	6	1	*	*	*	0	99	0	0	0	0	100	0	0	0	0
November 2033 . . . . .	29	4	1	*	*	*	0	55	0	0	0	0	100	0	0	0	0
November 2034 . . . . .	22	2	*	*	*	0	0	0	0	0	0	0	62	0	0	0	0
November 2035 . . . . .	14	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
November 2036 . . . . .	6	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
November 2037 . . . . .	1	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
November 2038 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																	
Life (years)** . . . . .	19.7	10.3	6.7	4.1	2.9	1.8	1.3	25.1	16.0	2.8	1.2	0.5	26.1	19.8	14.7	2.5	0.9

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

\*\* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

†† The weighted average life information set forth for this Class is based solely on assumed principal distributions.

Date	GD Class					GO Class					DB Class					AO, AF and AS† Classes					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	185%	300%	500%	0%	100%	185%	300%	500%	0%	100%	185%	300%	500%	0%	100%	350%	600%	800%	1200%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2009 . . . . .	100	100	100	100	76	100	100	100	100	38	100	100	100	100	100	100	98	93	87	83	74
November 2010 . . . . .	100	100	100	100	3	100	100	100	100	1	100	100	100	100	100	100	93	78	64	53	34
November 2011 . . . . .	100	100	100	63	0	100	100	100	31	0	100	100	100	100	100	100	88	62	41	28	9
November 2012 . . . . .	100	100	100	50	0	100	100	100	25	0	100	100	100	100	82	100	83	49	26	14	3
November 2013 . . . . .	100	100	100	39	0	100	100	100	20	0	100	100	100	100	51	100	78	38	17	7	1
November 2014 . . . . .	100	100	100	33	0	100	100	100	16	0	100	100	100	76	29	100	73	30	11	4	*
November 2015 . . . . .	100	100	100	27	0	100	100	100	13	0	100	100	84	48	16	100	69	24	7	2	*
November 2016 . . . . .	100	100	100	22	0	100	100	100	11	0	100	80	51	27	8	100	65	19	4	1	*
November 2017 . . . . .	100	100	100	18	0	100	100	100	9	0	100	42	25	12	3	100	61	15	3	1	*
November 2018 . . . . .	100	100	100	14	0	100	100	100	7	0	100	20	11	5	1	100	57	12	2	*	*
November 2019 . . . . .	100	100	100	12	0	100	100	100	6	0	100	1	1	*	*	98	52	9	1	*	*
November 2020 . . . . .	100	100	100	9	0	100	100	95	5	0	100	0	0	0	0	96	47	7	1	*	*
November 2021 . . . . .	100	100	100	7	0	100	100	87	4	0	84	0	0	0	0	94	43	5	*	*	*
November 2022 . . . . .	100	100	100	6	0	100	100	80	3	0	41	0	0	0	0	91	39	4	*	*	*
November 2023 . . . . .	100	100	100	4	0	100	100	73	2	0	0	0	0	0	0	89	36	3	*	*	*
November 2024 . . . . .	100	100	100	3	0	100	100	67	2	0	0	0	0	0	0	86	32	2	*	*	0
November 2025 . . . . .	100	100	100	2	0	100	100	57	1	0	0	0	0	0	0	83	29	2	*	*	0
November 2026 . . . . .	100	100	85	2	0	100	100	43	1	0	0	0	0	0	0	79	26	1	*	*	0
November 2027 . . . . .	100	100	60	1	0	100	100	30	1	0	0	0	0	0	0	75	23	1	*	*	0
November 2028 . . . . .	100	100	38	1	0	100	68	19	*	0	0	0	0	0	0	71	20	1	*	*	0
November 2029 . . . . .	100	100	27	1	0	100	50	14	*	0	0	0	0	0	0	66	17	1	*	*	0
November 2030 . . . . .	100	64	19	*	0	100	32	9	*	0	0	0	0	0	0	61	15	*	*	*	0
November 2031 . . . . .	100	30	12	*	0	100	15	6	*	0	0	0	0	0	0	56	13	*	*	*	0
November 2032 . . . . .	100	16	5	0	0	100	8	3	0	0	0	0	0	0	0	50	10	*	*	*	0
November 2033 . . . . .	100	6	1	0	0	100	3	1	0	0	0	0	0	0	0	43	8	*	*	*	0
November 2034 . . . . .	100	1	*	0	0	81	*	*	0	0	0	0	0	0	0	36	6	*	*	*	0
November 2035 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28	4	*	*	0	0
November 2036 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	3	*	*	0	0
November 2037 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	1	*	*	0	0
November 2038 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	26.4	22.7	20.0	5.8	1.2	26.2	21.3	17.4	4.1	1.1	13.8	9.0	8.3	7.2	5.4	22.9	12.4	5.1	3.2	2.5	1.7

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

\*\* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

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

Date	BO, BF and BS† Classes						KA and KB Classes					CO Class					PC Class				
	PSA Prepayment Assumption						PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	350%	600%	800%	1200%	0%	100%	145%	300%	500%	0%	100%	200%	300%	500%	0%	100%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2009	100	98	92	86	81	72	100	100	100	40	0	99	92	86	80	69	100	100	100	100	100
November 2010	100	93	77	62	51	31	100	100	100	0	0	97	85	74	65	47	100	100	100	100	100
November 2011	100	88	61	39	26	9	100	100	100	0	0	96	78	64	52	32	100	100	100	100	98
November 2012	100	82	48	25	14	2	100	100	100	0	0	94	71	55	41	22	100	100	100	100	56
November 2013	100	77	38	16	7	1	100	100	98	0	0	92	65	47	33	15	100	100	100	100	16
November 2014	100	73	30	10	4	*	100	100	90	0	0	90	60	40	26	10	100	100	85	80	0
November 2015	100	68	24	7	2	*	100	100	79	0	0	88	54	34	21	7	100	86	58	49	0
November 2016	100	64	19	4	1	*	100	100	67	0	0	86	49	29	17	5	100	57	35	25	0
November 2017	100	60	15	3	1	*	100	100	53	0	0	83	44	25	13	3	100	30	17	5	0
November 2018	100	56	12	2	*	*	100	100	39	0	0	80	40	21	10	2	100	9	1	0	0
November 2019	98	52	9	1	*	*	100	87	24	0	0	78	36	17	8	1	100	0	0	0	0
November 2020	96	47	7	1	*	*	100	70	10	0	0	74	32	15	6	1	100	0	0	0	0
November 2021	94	43	5	*	*	*	100	52	0	0	0	71	28	12	5	1	100	0	0	0	0
November 2022	92	39	4	*	*	*	100	35	0	0	0	68	25	10	4	*	100	0	0	0	0
November 2023	89	36	3	*	*	*	100	18	0	0	0	64	22	8	3	*	100	0	0	0	0
November 2024	86	32	2	*	*	0	100	1	0	0	0	59	19	7	2	*	100	0	0	0	0
November 2025	83	29	2	*	*	0	100	0	0	0	0	55	16	5	2	*	100	0	0	0	0
November 2026	80	26	1	*	*	0	100	0	0	0	0	50	13	4	1	*	88	0	0	0	0
November 2027	76	23	1	*	*	0	100	0	0	0	0	45	11	3	1	*	63	0	0	0	0
November 2028	72	20	1	*	*	0	100	0	0	0	0	39	9	2	1	*	34	0	0	0	0
November 2029	67	18	1	*	*	0	100	0	0	0	0	33	6	2	*	*	3	0	0	0	0
November 2030	63	15	*	*	*	0	100	0	0	0	0	27	4	1	*	*	0	0	0	0	0
November 2031	57	13	*	*	*	0	100	0	0	0	0	19	3	1	*	*	0	0	0	0	0
November 2032	51	10	*	*	*	0	55	0	0	0	0	12	1	*	*	*	0	0	0	0	0
November 2033	44	8	*	*	*	0	6	0	0	0	0	4	*	*	*	0	0	0	0	0	0
November 2034	37	6	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2035	29	4	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2036	20	3	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2037	11	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.0	12.4	5.0	3.1	2.4	1.7	24.1	13.2	9.1	0.9	0.4	16.5	9.2	6.1	4.4	2.7	19.4	8.4	7.5	7.1	4.2

Date	FH and SH† Classes							IO† Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption				
	0%	100%	395%	600%	800%	1200%	1400%	0%	100%	200%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
November 2009	99	95	85	77	70	54	47	95	86	80	75	63
November 2010	99	89	65	50	37	17	9	89	72	63	55	40
November 2011	98	83	49	32	19	5	1	84	60	49	39	24
November 2012	97	77	37	20	10	1	*	77	48	37	27	14
November 2013	97	71	28	13	5	*	*	71	37	27	18	8
November 2014	96	66	21	8	3	*	*	63	27	18	11	4
November 2015	95	61	16	5	1	*	*	56	18	11	6	2
November 2016	94	57	12	3	1	*	*	47	9	5	3	1
November 2017	92	52	9	2	*	*	*	38	2	1	1	*
November 2018	91	48	7	1	*	*	*	30	*	*	*	*
November 2019	89	44	5	1	*	*	0	23	0	0	0	0
November 2020	88	40	4	*	*	*	0	17	0	0	0	0
November 2021	86	37	3	*	*	*	0	9	0	0	0	0
November 2022	84	34	2	*	*	*	0	1	0	0	0	0
November 2023	82	31	1	*	*	0	0	0	0	0	0	0
November 2024	79	28	1	*	*	0	0	0	0	0	0	0
November 2025	76	25	1	*	*	0	0	0	0	0	0	0
November 2026	73	22	1	*	*	0	0	0	0	0	0	0
November 2027	70	19	*	*	*	0	0	0	0	0	0	0
November 2028	66	17	*	*	*	0	0	0	0	0	0	0
November 2029	62	15	*	*	*	0	0	0	0	0	0	0
November 2030	58	13	*	*	*	0	0	0	0	0	0	0
November 2031	53	11	*	*	*	0	0	0	0	0	0	0
November 2032	47	9	*	*	*	0	0	0	0	0	0	0
November 2033	41	7	*	*	*	0	0	0	0	0	0	0
November 2034	35	5	*	*	*	0	0	0	0	0	0	0
November 2035	27	3	*	*	0	0	0	0	0	0	0	0
November 2036	19	1	*	*	0	0	0	0	0	0	0	0
November 2037	10	0	0	0	0	0	0	0	0	0	0	0
November 2038	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.6	11.1	4.0	2.6	2.0	1.3	1.1	7.5	4.1	3.4	2.9	2.0

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

\*\* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

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

Date	FC and SC† Classes						OC Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	350%	600%	800%	1200%	0%	100%	350%	600%	800%	1200%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100
November 2009 . . . . .	100	98	92	87	83	74	100	98	93	87	83	74
November 2010 . . . . .	100	93	78	63	52	33	100	93	78	63	53	33
November 2011 . . . . .	100	88	61	40	27	9	100	88	62	41	27	9
November 2012 . . . . .	100	83	48	26	14	3	100	83	49	26	14	3
November 2013 . . . . .	100	78	38	17	7	1	100	78	38	17	7	1
November 2014 . . . . .	100	73	30	11	4	*	100	73	30	11	4	*
November 2015 . . . . .	100	69	24	7	2	*	100	69	24	7	2	*
November 2016 . . . . .	100	64	19	4	1	*	100	64	19	4	1	*
November 2017 . . . . .	100	61	15	3	1	*	100	61	15	3	1	*
November 2018 . . . . .	100	56	12	2	*	*	100	57	12	2	*	*
November 2019 . . . . .	98	52	9	1	*	*	98	52	9	1	*	*
November 2020 . . . . .	96	47	7	1	*	*	96	47	7	1	*	*
November 2021 . . . . .	94	43	5	*	*	*	94	43	5	*	*	*
November 2022 . . . . .	92	39	4	*	*	*	91	39	4	*	*	*
November 2023 . . . . .	89	36	3	*	*	*	89	36	3	*	*	*
November 2024 . . . . .	86	32	2	*	*	0	86	32	2	*	*	0
November 2025 . . . . .	83	29	2	*	*	0	83	29	2	*	*	0
November 2026 . . . . .	79	26	1	*	*	0	79	26	1	*	*	0
November 2027 . . . . .	75	23	1	*	*	0	75	23	1	*	*	0
November 2028 . . . . .	71	20	1	*	*	0	71	20	1	*	*	0
November 2029 . . . . .	67	17	1	*	*	0	67	17	1	*	*	0
November 2030 . . . . .	62	15	*	*	*	0	62	15	*	*	*	0
November 2031 . . . . .	56	13	*	*	*	0	56	13	*	*	*	0
November 2032 . . . . .	50	10	*	*	*	0	50	10	*	*	*	0
November 2033 . . . . .	44	8	*	*	*	0	43	8	*	*	*	0
November 2034 . . . . .	36	6	*	*	*	0	36	6	*	*	*	0
November 2035 . . . . .	29	4	*	*	0	0	28	4	*	*	0	0
November 2036 . . . . .	20	3	*	*	0	0	20	3	*	*	0	0
November 2037 . . . . .	10	1	*	*	0	0	10	1	*	*	0	0
November 2038 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	22.9	12.4	5.1	3.1	2.4	1.7	22.9	12.4	5.1	3.2	2.5	1.7

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

\*\* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

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

## Characteristics of the Residual Classes

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 Elections and Special Tax Attributes

We will make a REMIC election with respect to each 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 Classes will be designated as the “residual interests” in the REMICs 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 Classes, 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 and the Principal Only Classes will be issued with original issue discount (“OID”), and certain other Classes of REMIC Certificates may be issued with OID. In addition, because all payments will be treated as included in the stated redemption price at maturity, the LA Class will be treated as having been 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	350% PSA
2	185% PSA
3	185% PSA
4	350% PSA
5	350% PSA
6	145% PSA
7	200% PSA
8	200% PSA
9	395% PSA
10	200% 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 Certificates to Barclays Capital Inc. (the “Dealer”) in exchange for the Group 1 SMBS, the Underlying REMIC Certificates 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.

## **LEGAL MATTERS**

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



## Group 1 Underlying REMIC and RCR Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(I)	Final Distribution Date	Principal Type(I)	Original Principal Balance of Class	November 2008 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2007-035	PO	March 2007	31396V1Z9	0.0%	PO	April 2037	PT	\$ 5,000,000	0.84509621	\$ 4,225,481.05	6.451%	332	23
2007-054	BO	May 2007	31396WD70	0.0	PO	June 2037	PT	25,000,000	0.80101877	20,025,469.25	6.615	324	32
2007-109	OA	November 2007	31396X3E2	0.0	PO	June 2037	SC/PT	108,602,949	0.87773911	51,438,100.30	(2)	(2)	(2)
2008-022	EO	March 2008	31397LDV8	0.0	PO	April 2038	PT	11,327,086	0.92046994	10,426,242.17	6.463	304	49
2008-036	DO	April 2008	31397LKM0	0.0	PO	May 2038	PT	7,692,308	0.97511141	7,500,857.30	6.981	351	8
2008-064	HO	July 2008	31397MFP7	0.0	PO	August 2038	PT	7,692,308	0.89851073	6,911,621.28	6.970	354	5

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

(2) The Class 2007-109-OA RCR Certificate is backed by the following Fannie Mae REMIC and RCR certificates with the following characteristics:

Class	Interest Type	Principal Type	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2007-30-NO	PO	PT	6.637%	332	24
2007-30-IO	PO	PT	6.629	332	24
2007-15-DO	PO	PT	6.607	331	23
2007-54-GO	PO	PT	6.658	336	20

## Group 2 Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(I)	Final Distribution Date	Principal Type(I)	Original Principal Balance of Class	November 2008 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2004-025	LC	March 2004	31393XRL3	5.50000%	FIX	April 2034	SUP	\$ 7,965,774	1.00000000	\$ 700,000.00	5.968%	291	58
2005-036	GD	April 2005	31394DNE6	5.50000	FIX	April 2035	SUP	3,830,000	1.00000000	1,010,000.00	5.906	281	68
2005-104	UE	November 2005	31394U2K7	5.50000	FIX	December 2035	SUP	6,522,361	1.00000000	500,000.00	5.952	313	39
2006-018	TA	February 2006	31394V3M0	5.50000	FIX	March 2036	PAC/AD	25,000,000	0.57232146	11,596,377.42	5.942	311	43

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

Note: For any pool of Mortgage Loans backing an Underlying REMIC Certificate, if a preliminary calculation indicated that the sum of the WAM and WALA for that pool exceeded the longest original term to maturity of any Mortgage Loan in the pool, the WALA used in determining the information shown in the related table was reduced as necessary to insure that the sum of the WAM and WALA does not exceed such original term to maturity.



### Group 3 Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	November 2008 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2008-064	EB	July 2008	31397MFU6	5.00000%	FIX	August 2023	SEQ	\$11,096,823	1.00000000	\$11,096,823.00	5.413%	131	46
2008-076	DB	August 2008	31397MRY5	5.00000	FIX	September 2023	SEQ	3,719,784	1.00000000	3,719,784.00	5.412	106	67

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

### Group 6 Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	November 2008 Class Factor	Principal or Notional Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2005-098	TI	October 2005	31394UGJ5	(2)	FLT/TV/O	September 2034	NTL	\$39,600,000	0.49298665	\$7,197,605.09	5.972%	275	72
2005-098	TO	October 2005	31394UGK2	0.0%	PO	September 2034	SUP	10,800,000	0.49298665	92,123.43	5.972	275	72
2005-098	TW	October 2005	31394UGH9	(2)	INVT	September 2034	SUP	39,600,000	0.49298665	7,197,605.09	5.972	275	72

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

(2) These Classes bear interest as further described in the related Underlying REMIC Disclosure Document.

### Group 7 Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	November 2008 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2004-038	AO	April 2004	31393YBQ7	0.0%	PO	May 2034	NSJ/SEQ	\$150,000,000	0.64673123	\$15,461,726.88	5.588%	294	58
2004-038	JO	April 2004	31393YBR5	0.0	PO	May 2034	NSJ/SEQ	50,000,000	0.31265678	2,491,614.09	5.588	294	58

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

Note: For any pool of Mortgage Loans backing an Underlying REMIC Certificate, if a preliminary calculation indicated that the sum of the WAM and WALA for that pool exceeded the longest original term to maturity of any Mortgage Loan in the pool, the WALA used in determining the information shown in the related table was reduced as necessary to insure that the sum of the WAM and WALA does not exceed such original term to maturity.

## Group 8 Underlying RCR Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Notional Principal Balance of Class	November 2008 Class Factor	Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2005-012	JE	February 2005	31394CLV2	5.00000%	FIX	September 2033	PAC	\$ 27,621,000	1.00000000	\$7,895,000.00	5.528%	293	62
2005-022	HE	March 2005	31394DED8	5.00000	FIX	October 2033	PAC	26,134,000	1.00000000	2,325,000.00	5.517	295	62
2005-086	WD	September 2005	31394UCZ3	5.00000	FIX	March 2034	PAC	131,331,000	1.00000000	6,439,000.00	5.487	286	64

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

## Group 10 Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Notional Principal Balance of Class	November 2008 Class Factor	Notional Principal Balance in the Trust	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2003-074	DI	July 2003	31393EBB4	4.50000%	FIX/IO	August 2018	NTL	\$25,000,000	0.62982624	\$15,745,656.00	4.863%	110	64
2008-014	BI	February 2008	31396YVW9	4.50000	FIX/IO	March 2023	NTL	16,666,666	0.88026962	10,563,235.44	4.979	116	59
2008-014	IO	February 2008	31396YVT6	4.50000	FIX/IO	March 2023	NTL	24,666,666	0.87948069	21,693,856.43	4.939	113	62
2008-026	AI	March 2008	31396YR53	4.50000	FIX/IO	November 2022	NTL	8,333,333	0.88059681	7,338,306.46	4.977	109	65
2008-040	IO	April 2008	31397LMG1	4.50000	FIX/IO	January 2023	NTL	7,777,777	0.89798651	6,984,338.82	4.948	110	65

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

Note: For any pool of Mortgage Loans backing an Underlying REMIC Certificate, if a preliminary calculation indicated that the sum of the WAM and WALA for that pool exceeded the longest original term to maturity of any Mortgage Loan in the pool, the WALA used in determining the information shown in the related table was reduced as necessary to insure that the sum of the WAM and WALA does not exceed such original term to maturity.

## 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								
AF	\$36,255,641	FC(3)	\$50,000,000	PT	(4)	FLT	31397MH59	December 2038
BF	13,744,359							
Recombination 2								
AS	36,255,641(5)	SC(6)	50,000,000(5)	NTL	(4)	INV/IO	31397MH67	December 2038
BS	13,744,359(5)							
Recombination 3								
AO	5,577,791	OC(7)	6,559,531	PT	0.0%	PO	31397MH75	December 2038
BO	981,740							

(1) REMIC Certificates and RCR Certificates in each Recombination may be exchanged only in the proportions of *original* 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) The FC Class is an RCR Class formed from a combination of the AF Class in Group 4 and the BF Class in Group 5.

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

(5) Notional balances. These Classes are Interest Only Classes. See page S-9 for a description of how their notional balances are calculated.

(6) The SC Class is an RCR Class formed from a combination of the AS Class in Group 4 and the BS Class in Group 5.

(7) The OC Class is an RCR Class formed from a combination of the AO Class in Group 4 and the BO Class in Group 5.

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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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**\$281,612,353**



**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 2008-86**

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**PROSPECTUS SUPPLEMENT**

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**Barclays Capital**

**November 24, 2008**

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