

\$232,450,869



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2009-23**

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

- underlying REMIC certificates backed by Fannie Mae MBS and
- Fannie Mae MBS.

The mortgage loans underlying the Fannie Mae 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
PT	1	\$ 78,440,869	SC/PT	7.0%	FIX	31397NRU1	December 2036
MA	2	54,000,000	SEQ	4.0	FIX	31397NRV9	April 2024
MB	2	10,000	SEQ	4.0	FIX	31397NRW7	April 2024
MI	2	6,001,111 (2)	NTL	4.5	FIX/IO	31397NRX5	April 2024
KL	3	100,000,000	PT	4.0	FIX	31397NRY3	April 2024
KI	3	11,111,111 (2)	NTL	4.5	FIX/IO	31397NRZ0	April 2024
R		0	NPR	0	NPR	31397NSA4	December 2036

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

(2) Notional balances. These classes are
interest only classes. See page S-7 for
a description of how their notional
balances are calculated.

The dealer will offer the certificates (other than the PT Class) from time to time in negotiated transactions at varying prices. We expect the settlement date to be March 30, 2009.

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.

MORGAN STANLEY

The date of this Prospectus Supplement is March 23, 2009

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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), dated April 1, 2008 (for all MBS issued from and after June 1, 2007 and prior to January 1, 2009), or dated January 1, 2009 (for all other MBS) (as applicable, the “MBS Prospectus”);
- if you are purchasing the Group 1 Class or the R Class, the disclosure document relating to the underlying REMIC certificates (the “Underlying REMIC Disclosure Document”); 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 and the Underlying REMIC Disclosure Document 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.

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

Morgan Stanley & Co. Incorporated
c/o Broadridge Financial Solutions
Prospectus Department
1155 Long Island Avenue
Edgewood, New York 11717
(telephone 631-274-2635).

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.

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.

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 March 1, 2009. 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	Class 2006-113-FC REMIC Certificate Class 2006-113-SC REMIC Certificate
2	Group 2 MBS
3	Group 3 MBS

Group 1

Exhibit A describes the underlying REMIC certificates in Group 1, including certain information about the related mortgage loans. To learn more about the underlying REMIC certificates, you should obtain from us the current class factors and the related disclosure document as described on page S-3.

Group 2 and Group 3

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 2 MBS	\$ 51,884,605	4.50%	4.75% to 7.00%	98 to 180
	\$ 2,125,395	4.50%	4.75% to 7.00%	119 to 180
Group 3 MBS	\$100,000,000	4.50%	4.75% to 7.00%	105 to 180

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>
Group 2 MBS	\$ 51,884,605	180	115	64	5.08%
	\$ 2,125,395	180	121	53	5.02%
Group 3 MBS	\$100,000,000	180	114	61	4.90%

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

Settlement Date

We expect to issue the certificates on March 30, 2009.

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

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.

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>	
MI	11.1111109054% of the <i>sum</i> of the MA and MB Classes
KI	11.1111110000% of the KL 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 Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>355%</u>	<u>600%</u>	<u>750%</u>
PT	19.3	9.1	5.2	3.8	2.2	1.6
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>242%</u>	<u>350%</u>	<u>500%</u>	
MA	8.8	4.3	3.3	2.7	2.1	
MB	15.0	10.1	10.0	9.9	9.7	
MI	8.8	4.3	3.3	2.7	2.1	
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>242%</u>	<u>350%</u>	<u>500%</u>	
KL and KI	8.8	4.2	3.3	2.7	2.1	

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

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 March 1, 2009 (the “Issue Date”). The trust agreement and supplement are collectively referred to as the “Trust Agreement”. We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates”) pursuant to the Trust Agreement. We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”).

The assets of the Trust will include:

- certain previously issued REMIC certificates (the “Group 1 Underlying REMIC Certificates”) issued from the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A, and
- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 2 MBS” and “Group 3 MBS,” and together, the “Trust MBS”).

The Group 1 Underlying REMIC Certificates evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”).

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

The Trust will 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 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.”

	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
REMIC	Group 1 Underlying REMIC Certificates and Trust MBS	All Classes of Certificates other than R Class	R

Fannie Mae Guaranty. For a description of our guaranties of the Certificates, the MBS and the Group 1 Underlying REMIC Certificates, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus, the MBS Prospectus and the Underlying REMIC Disclosure Document. 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 Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R Class)	\$1,000 minimum plus whole dollar increments

The Group 1 Underlying REMIC Certificates

The Group 1 Underlying REMIC Certificates represent beneficial ownership interests in the Underlying REMIC Trust. The assets of that trust 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. For a description of current servicing policies generally applicable to existing Fannie Mae pools, see “Yield, Maturity and Prepayment Considerations” in the MBS Prospectus dated January 1, 2009.

Distributions on the Group 1 Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 1 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Document. See Exhibit A for certain additional information about the Group 1 Underlying REMIC Certificates.

For further information about the Group 1 Underlying REMIC Certificates, telephone us at 1-800-237-8627. Additional information about the Group 1 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 date we prepared the Underlying REMIC Disclosure Document. 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 that document 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 15 years.

For additional information, see “Summary—Group 2 and Group 3—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. For a description of current servicing policies generally applicable to existing Fannie Mae pools, see “Yield, Maturity and Prepayment Considerations” in the MBS Prospectus dated January 1, 2009.

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 Classes	—

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

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 PT until retired.

} Structured
Collateral/
Pass-Through
Class

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

- *Group 2*

The Group 2 Principal Distribution Amount to MA and MB, in that order, until retired.

} Sequential
Pay 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 KL until retired.

} Pass-Through
Class

The “Group 3 Principal Distribution Amount” is the principal then paid on the Group 3 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 Group 1 Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- 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 2 and Group 3—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 March 30, 2009; 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. 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, 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, or
- all of the Mortgage Loans will prepay at the same rate.

The Fixed Rate Interest Only Classes. The yields to investors in the Fixed Rate Interest Only Classes 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 each Fixed Rate Interest Only Class would be 0% if prepayments of the related Mortgage Loans were to occur at the following constant rates:

<u>Class</u>	<u>% PSA</u>
MI	519%
KI	516%

For either Fixed Rate Interest Only Class, 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 applicable Class would lose money on their initial investments.

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 Fixed Rate Interest Only Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
MI	9.0%
KI	9.0%

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

Sensitivity of the MI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>242%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	35.9%	32.3%	21.9%	13.7%	1.6%

Sensitivity of the KI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>242%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	35.6%	32.0%	21.6%	13.4%	1.3%

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 sequences of distributions of principal of the Group 2 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 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 Certificates	360 months	332 months	9.50%
Group 2 MBS	180 months	180 months	7.00%
Group 3 MBS	180 months	180 months	7.00%

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates or remaining terms to maturity 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

<u>Date</u>	<u>PT Class</u>					
	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>355%</u>	<u>600%</u>	<u>750%</u>
Initial Percent	100	100	100	100	100	100
March 2010	99	92	84	77	63	54
March 2011	98	85	70	60	39	29
March 2012	97	78	58	46	25	16
March 2013	96	72	48	35	15	8
March 2014	95	66	40	27	10	5
March 2015	94	60	33	21	6	2
March 2016	93	55	27	16	4	1
March 2017	91	50	22	12	2	1
March 2018	89	45	18	9	1	*
March 2019	88	41	15	7	1	*
March 2020	86	36	12	5	1	*
March 2021	83	32	10	4	*	*
March 2022	81	28	8	3	*	*
March 2023	78	25	6	2	*	*
March 2024	75	21	5	1	*	*
March 2025	72	18	4	1	*	*
March 2026	69	15	3	1	*	*
March 2027	65	12	2	*	*	*
March 2028	60	9	1	*	*	*
March 2029	56	7	1	*	*	*
March 2030	50	4	*	*	*	*
March 2031	45	2	*	*	*	*
March 2032	39	*	*	*	*	0
March 2033	32	0	0	0	0	0
March 2034	24	0	0	0	0	0
March 2035	16	0	0	0	0	0
March 2036	7	0	0	0	0	0
March 2037	0	0	0	0	0	0
March 2038	0	0	0	0	0	0
March 2039	0	0	0	0	0	0
Weighted Average Life (years)**	19.3	9.1	5.2	3.8	2.2	1.6

* 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.

Date	MA Class					MB Class					MI† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	242%	350%	500%	0%	100%	242%	350%	500%	0%	100%	242%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2010	96	86	78	72	64	100	100	100	100	100	96	86	78	72	64
March 2011	92	73	61	52	41	100	100	100	100	100	92	73	61	52	41
March 2012	87	61	46	36	25	100	100	100	100	100	87	61	46	36	25
March 2013	83	50	34	25	15	100	100	100	100	100	83	50	34	25	15
March 2014	77	40	25	17	9	100	100	100	100	100	77	40	25	17	9
March 2015	72	30	17	11	5	100	100	100	100	100	72	30	17	11	5
March 2016	66	21	11	6	3	100	100	100	100	100	66	21	11	6	3
March 2017	60	12	6	3	1	100	100	100	100	100	60	12	6	3	1
March 2018	53	4	2	1	*	100	100	100	100	100	53	4	2	1	*
March 2019	45	*	0	0	0	100	100	47	21	6	45	*	*	*	*
March 2020	38	0	0	0	0	100	0	0	0	0	38	0	0	0	0
March 2021	29	0	0	0	0	100	0	0	0	0	29	0	0	0	0
March 2022	20	0	0	0	0	100	0	0	0	0	20	0	0	0	0
March 2023	10	0	0	0	0	100	0	0	0	0	10	0	0	0	0
March 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	8.8	4.3	3.3	2.7	2.1	15.0	10.1	10.0	9.9	9.7	8.8	4.3	3.3	2.7	2.1

Date	KL and KI† Classes				
	PSA Prepayment Assumption				
	0%	100%	242%	350%	500%
Initial Percent	100	100	100	100	100
March 2010	96	86	78	72	64
March 2011	92	73	60	52	40
March 2012	87	61	46	36	25
March 2013	83	50	34	25	15
March 2014	77	39	24	16	9
March 2015	72	29	17	10	5
March 2016	66	20	10	6	3
March 2017	60	12	5	3	1
March 2018	53	4	2	1	*
March 2019	45	0	0	0	0
March 2020	38	0	0	0	0
March 2021	29	0	0	0	0
March 2022	20	0	0	0	0
March 2023	10	0	0	0	0
March 2024	0	0	0	0	0
Weighted Average Life (years)**	8.8	4.2	3.3	2.7	2.1

* 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 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 chart 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 chart. Thus, the 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 will be issued with original issue discount (“OID”), and certain other Classes of 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 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	355% PSA
2	242% PSA
3	242% 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.

PLAN OF DISTRIBUTION

We are obligated to deliver the Certificates (other than the PT Class) to Morgan Stanley & Co. Incorporated (the “Dealer”) in exchange for the Group 1 Underlying REMIC Certificates and the Trust MBS. The Dealer proposes to offer the Certificates (other than the PT Class) 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. On the Settlement Date, we expect to transfer the PT Class to Fannie Mae Mega Trust Number ZL-310017 and to deliver the related Mega certificates to the Dealer.

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 Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal or Notional Principal Balance of Class	March 2009 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)
2006-113	FC	November 2006	31396L2A7	(2)	FLT	December 2036	PT	\$120,708,440	0.64983749	\$78,440,869.67	7.543%	273	79
2006-113	SC	November 2006	31396L2B5	(2)	INV/IO	December 2036	NTL	120,708,440	0.64983749	78,440,869.67	7.543	273	79

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

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

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 ensure that the sum of the WAM and WALA does not exceed such original term to maturity.

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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\$232,450,869



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2009-23**

PROSPECTUS SUPPLEMENT

MORGAN STANLEY

March 23, 2009
