

\$379,056,992



FannieMae®

Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 2011-12

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
NA	1	\$ 87,750,000	NAS/AD	3.50%	FIX	31397QNX2	April 2037
AE	1	47,150,000	AS/AD	2.25	FIX	31397QNY0	April 2037
AI	1	16,839,285(2)	NTL	3.50	FIX/IO	31397QNZ7	April 2037
ZA	1	100,000	AS/AD	3.50	FIX/Z	31397QPA0	April 2037
AZ	1	15,000,000	SEQ	3.50	FIX/Z	31397QPB8	February 2041
MA	2	27,492,595	SEQ	4.00	FIX	31397QPC6	May 2029
MB	2	5,000,000	SEQ	4.00	FIX	31397QPD4	February 2031
YZ(3) . . .	3	1,928,514	SC/PT	4.00	FIX/Z	31397QPE2	December 2040
ZY(3) . . .	3	1,928,513	SC/PT	4.00	FIX/Z	31397QPF9	December 2040
NB	4	112,259,791	NAS/AD	4.00	FIX	31397QPG7	October 2036
BD	4	60,147,579	AS/AD	2.50	FIX	31397QPH5	October 2036
BI	4	22,555,342(2)	NTL	4.00	FIX/IO	31397QPJ1	October 2036
ZB	4	300,000	AS/AD	4.00	FIX/Z	31397QPK8	October 2036
BZ	4	20,000,000	SEQ	4.00	FIX/Z	31397QPL6	February 2041
R		0	NPR	0	NPR	31397QPM4	February 2041
RL		0	NPR	0	NPR	31397QPN2	February 2041

(1) See "Description of the Certificates—The Certificates—*Class Definitions and Abbreviations*" in the REMIC prospectus.

(2) Notional balances. These classes are interest only classes. See page S-5 for a description of how their notional balances are calculated.

(3) Exchangeable classes.

The Trust and its Assets

The trust will own

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

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

If you own certificates of certain classes, you can exchange them for certificates of the corresponding RCR class to be delivered at the time of exchange. The ZE Class is the RCR class. For a more detailed description of the RCR class, see Schedule 1 attached to this prospectus supplement and "Description of the Certificates—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 January 28, 2011.

Carefully consider the risk factors on page S-7 of this prospectus supplement and starting on page 11 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.

Jefferies

January 24, 2011

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	YIELD TABLES FOR THE FIXED RATE	
SUMMARY	S- 4	INTEREST ONLY CLASSES	S-13
ADDITIONAL RISK FACTORS	S- 7	WEIGHTED AVERAGE LIVES OF THE	
DESCRIPTION OF THE		CERTIFICATES	S-14
CERTIFICATES	S- 7	DECREMENT TABLES	S-15
GENERAL	S- 8	CHARACTERISTICS OF THE RESIDUAL	
<i>Structure</i>	S- 8	CLASSES	S-18
<i>Fannie Mae Guaranty</i>	S- 8	CERTAIN ADDITIONAL FEDERAL	
<i>Characteristics of Certificates</i>	S- 8	INCOME TAX CONSEQUENCES . .	S-18
<i>Authorized Denominations</i>	S- 9	U.S. TREASURY CIRCULAR 230 NOTICE . .	S-19
THE TRUST MBS	S- 9	REMIC ELECTIONS AND SPECIAL TAX	
THE GROUP 3 UNDERLYING REMIC		ATTRIBUTES	S-19
CERTIFICATES	S- 9	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF INTEREST	S-10	REGULAR CERTIFICATES	S-19
<i>General</i>	S-10	TAXATION OF BENEFICIAL OWNERS OF	
<i>Delay Classes and No-Delay</i>		RESIDUAL CERTIFICATES	S-20
<i>Classes</i>	S-10	TAXATION OF BENEFICIAL OWNERS OF	
<i>Accrual Classes</i>	S-10	RCR CERTIFICATES	S-20
DISTRIBUTIONS OF PRINCIPAL	S-10	PLAN OF DISTRIBUTION	S-20
STRUCTURING ASSUMPTIONS	S-13	LEGAL MATTERS	S-20
<i>Pricing Assumptions</i>	S-13	EXHIBIT A	A- 1
<i>Prepayment Assumptions</i>	S-13	SCHEDULE 1	A- 2

AVAILABLE INFORMATION

You should purchase the certificates only if you have read and understood this prospectus supplement and the following documents (the “Disclosure Documents”):

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2010 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated
 - June 1, 2009, for all MBS issued on or after January 1, 2009,
 - April 1, 2008, for all MBS issued on or after June 1, 2007 and prior to January 1, 2009, or
 - January 1, 2006, for all other MBS(as applicable, the “MBS Prospectus”);
- if you are purchasing a Group 3 Class or the R or RL Class, the disclosure documents relating to the underlying REMIC 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.

For a description of current servicing policies generally applicable to existing Fannie Mae MBS pools, see “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus dated June 1, 2009.

The MBS Prospectus and the Underlying REMIC 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.

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

Jefferies & Company, Inc.
The Metro Center
One Station Place, 3 North
Stamford, Connecticut 06902
(telephone 203-708-6550).

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of January 1, 2011. 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 MBS
2	Group 2 MBS
3	Class 2010-103-YZ REMIC Certificate Class 2010-120-YZ REMIC Certificate Class 2010-146-YZ REMIC Certificate
4	Group 4 MBS

Group 1, Group 2 and Group 4

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 1 MBS	\$144,123,576	3.50%	3.75% to 6.00%	241 to 360
	\$ 5,876,424	3.50%	3.75% to 6.00%	241 to 360
Group 2 MBS	\$ 32,492,595	4.00%	4.25% to 6.50%	181 to 240
Group 4 MBS	\$192,707,370	4.00%	4.25% to 6.50%	241 to 360

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 1 MBS	\$144,123,576	360	357	3	3.95%
	\$ 5,876,424	360	357	3	3.95%
Group 2 MBS	\$ 32,492,595	240	213	24	4.45%
Group 4 MBS	\$192,707,370	360	353	5	4.44%

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.

Group 3

Exhibit A describes the underlying REMIC certificates in Group 3, 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 documents as described on page S-3.

Settlement Date

We expect to issue the certificates on January 28, 2011.

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 other than the R and RL Classes	R and RL 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 combination 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 fixed rate classes will bear interest at the applicable annual interest rates listed on the cover of this prospectus supplement or on Schedule 1.

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>	
AI	35.7142841994% of the AE Class
BI	37.4999997922% of the BD 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)*

		PSA Prepayment Assumption						
Group 1 Classes		0%	100%	291%	450%	600%	900%	
NA		15.3	7.2	5.4	3.9	3.2	2.4	
AE and AI		17.7	9.2	1.8	1.4	1.2	0.9	
ZA		26.2	18.0	3.0	2.2	1.9	1.5	
AZ		28.2	23.0	14.1	10.0	7.7	5.1	
		PSA Prepayment Assumption						
Group 2 Classes		0%	100%	205%	300%	425%	700%	
MA		10.9	5.6	3.7	2.8	2.0	1.2	
MB		19.1	15.3	12.8	10.5	8.1	4.9	
		PSA Prepayment Assumption						
Group 3 Classes		0%	100%	200%	316%	475%	650%	1000%
YZ, ZY and ZE		29.4	27.5	21.9	0.9	0.4	0.2	0.1
		PSA Prepayment Assumption						
Group 4 Classes		0%	100%	316%	475%	650%	1000%	
NB		15.4	7.2	4.9	3.6	2.8	2.0	
BD and BI		16.9	8.7	1.6	1.2	1.0	0.7	
ZB		25.6	17.3	2.7	2.0	1.7	1.2	
BZ		27.9	22.5	13.0	9.2	6.9	4.4	

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

ADDITIONAL RISK FACTORS

Our purchases of delinquent loans from our single-family MBS trusts may result in increased rates of principal payments on your certificates. On February 10, 2010, we announced that we intend to increase significantly our purchases of delinquent loans from our single-family MBS trusts. If the MBS directly or indirectly backing your certificates hold delinquent loans, those MBS could as a result experience increased prepayments. In turn, this may result in an increase in the rate of principal payments on your certificates. You should refer to the MBS Prospectus for further information about our option to purchase delinquent loans from MBS pools and to our Web site at www.fanniemae.com for further information about our intention to increase our purchases of delinquent loans from our single-family MBS trusts.

The rate of prepayment of relocation mortgage loans may be higher than that of non-relocation mortgage loans. Approximately 96% of the mortgage loans underlying the Group 1 MBS (by principal balance at the issue date), and all of the mortgage loans underlying the Group 3 Underlying REMIC Certificates and the Group 4 MBS, are relocation mortgage loans made to borrowers whose employers frequently relocate their employees. Accordingly, the rate of prepayment of these mortgage loans will be influenced by:

- the circumstances of individual employees and employers,
- the characteristics of the relocation programs and
- the occurrence and timing of the relocation of the borrowers.

It is possible that borrowers under relocation mortgage loans are more likely than other

borrowers to be transferred by their employers. If so, relocation mortgage loans would experience a higher rate of prepayment than non-relocation mortgage loans. Because many unpredictable factors affect the prepayment rate of relocation mortgage loans, we cannot estimate the prepayment experience of such mortgage loans. We are unaware of any conclusive data on the prepayment rate of relocation mortgage loans. See “The Mortgage Loans—Special Feature Mortgage Loans—*Relocation Loans*” in the MBS Prospectus.

Payments on the Group 3 Classes also will be affected by the applicable payment priorities governing the underlying REMIC certificates. If you invest in a Group 3 Class, the rate at which you receive payments will be affected by the applicable priority sequences governing principal payments on the Group 3 Underlying REMIC Certificates.

As described in the Underlying REMIC Disclosure Documents, the Group 3 Underlying REMIC Certificates are support classes. A support class is entitled to receive 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 may vary widely from period to period.

You may obtain additional information about the Group 3 Underlying REMIC Certificates by reviewing their current class factors in light of other information available in the related Underlying REMIC Disclosure Documents. You may obtain those documents from us as described on page S-3.

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 May 1, 2010 and a supplement thereto dated as of January 1, 2011 (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 May 1, 2010 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:

- three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS” and “Group 4 MBS,” and together, the “Trust MBS”), and
- certain previously issued REMIC certificates (the “Group 3 Underlying REMIC Certificates”) issued from the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A.

The Group 3 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 include the “Lower Tier REMIC” and “Upper Tier REMIC” as “real estate mortgage investment conduits” (each, a “REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

The following chart contains information about the assets, the “regular interests” and the “residual interests” of each REMIC. The REMIC Certificates other than the R and RL Classes are collectively referred to as the “Regular Classes” or “Regular Certificates,” and the R and RL Classes are collectively referred to as the “Residual Classes” or “Residual Certificates.”

REMIC Designation	Assets	Regular Interests	Residual Interest
Lower Tier REMIC . . .	Trust MBS and Group 3 Underlying REMIC Certificates	Interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”)	RL
Upper Tier REMIC . . .	Lower Tier Regular Interests	All Classes of REMIC Certificates other than the R and RL Classes	R

Fannie Mae Guaranty. For a description of our guaranties of the Certificates, the MBS and the 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 Documents. 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 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 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 Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

The Trust MBS

The Trust MBS in Group 1, Group 2 and Group 4 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 the case of the Group 1 MBS and Group 4 MBS, and up to 20 years in the case of the Group 2 MBS.

In addition, approximately 96% of the Mortgage Loans underlying the Group 1 MBS (by principal balance at the Issue Date) and all of the Mortgage Loans underlying the Group 4 MBS are relocation mortgage loans made under agreements between lenders and employers that frequently relocate their employees. For additional information, see “Additional Risk Factor—*The rate of prepayment of relocation mortgage loans may be higher than that of nonrelocation mortgage loans*” in this prospectus supplement.

For additional information, see “Summary—Group 1, Group 2 and Group 4—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.

The Group 3 Underlying REMIC Certificates

The Group 3 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.

In addition, the Mortgage Loans backing the Group 3 Underlying REMIC Certificates are relocation mortgage loans made under agreements between lenders and employers that frequently relocate their employees. For additional information, see “Additional Risk Factor—*The rate of prepayment of relocation mortgage loans may be higher than that of nonrelocation mortgage loans*” in this prospectus supplement.

Distributions on the Group 3 Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 3

Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents. See Exhibit A for certain additional information about the Group 3 Underlying REMIC Certificates. Exhibit A is provided in lieu of a Final Data Statement with respect to the Group 3 Underlying REMIC Certificates.

For further information about the Group 3 Underlying REMIC Certificates, telephone us at 1-800-237-8627. Additional information about the Group 3 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.

Distributions of Interest

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

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—The Certificates—*Distributions on Certificates—Interest Distributions*” in the REMIC Prospectus.

Accrual Classes. The ZA, AZ, YZ, ZY, ZB, BZ and ZE Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates specified on the cover of this prospectus supplement or on Schedule 1. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on the Accrual Classes will be added as principal to their principal balances on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

Distributions of Principal

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

- *Group 1*

The ZA Accrual Amount to AE until retired, and thereafter to ZA.

} Accretion
Directed
Class and
Accrual Class

The Group 1 Cash Flow Distribution Amount and the AZ Accrual Amount in the following priority:

1. To NA, in an amount equal to the *lesser* of
 - 99% of the *sum* of the Group 1 Cash Flow Distribution Amount and the AZ Accrual Amount for that Distribution Date
 - and
 - the *sum* of
 - (i) the *product* of the aggregate amount of scheduled payments included in the Group 1 Cash Flow Distribution Amount for that Distribution Date *multiplied by* the Priority Percentage
 - plus*
 - (ii) the *product* of the aggregate amount of unscheduled payments of principal included in the Group 1 Cash Flow Distribution Amount for that Distribution Date *multiplied by* (x) the Priority Percentage *multiplied by* (y) the Shift Percentage.
2. To AE until retired.
3. To ZA until retired.
4. To NA until retired.
5. To AZ until retired.

NAS Class

AS Classes

NAS Class

Sequential Pay Class

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

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

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

The “Priority Percentage” for any Distribution Date will be equal to the *lesser* of

- 89% and
- (a) the *sum* of the principal balance of the NA Class on that Distribution Date (before giving effect to any payments on that date) *plus* \$24,570,000, *divided by* (b) the aggregate principal balance of the NA, AE and ZA Classes (before giving effect to any payments on that date, and in the case of the ZA Class, before the ZA Accrual Amount is added to the ZA principal balance), expressed as a percentage.

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

<u>Distribution Date in</u>	<u>Shift Percentage</u>
February 2011 through January 2014.....	0%
February 2014 through January 2015.....	100%
February 2015 through January 2016.....	175%
February 2016 and thereafter	300%

- *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 YZ and ZY, pro rata, until retired. } Structured Collateral/ Pass-Through Classes

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

- *Group 4*

The ZB Accrual Amount to BD until retired, and thereafter to ZB. } Accretion Directed Class and Accrual Class

The Group 4 Cash Flow Distribution Amount and the BZ Accrual Amount in the following priority:

1. To NB, in an amount equal to the *lesser* of

- 99% of the *sum* of the Group 4 Cash Flow Distribution Amount and the BZ Accrual Amount for that Distribution Date

and

- the *sum* of

(i) the *product* of the aggregate amount of scheduled payments included in the Group 4 Cash Flow Distribution Amount for that Distribution Date *multiplied by* the Priority Percentage

plus

(ii) the *product* of the aggregate amount of unscheduled payments of principal included in the Group 4 Cash Flow Distribution Amount for that Distribution Date *multiplied by* (x) the Priority Percentage *multiplied by* (y) the Shift Percentage.

NAS Class

2. To BD until retired.

AS Classes

3. To ZB until retired.

4. To NB until retired.

NAS Class

5. To BZ until retired.

Sequential Pay Class

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

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

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

The “Priority Percentage” for any Distribution Date will be equal to the *lesser* of

- 95% and
- (a) the *sum* of the principal balance of the NB Class on that Distribution Date (before giving effect to any payments on that date) *plus* \$31,432,741, *divided by* (b) the aggregate principal balance of the NB, BD and ZB Classes (before giving effect to any payments on that date, and in the case of the ZB Class, before the ZB Accrual Amount is added to the ZB principal balance), expressed as a percentage.

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

<u>Distribution Date in</u>	<u>Shift Percentage</u>
February 2011 through January 2014.....	0%
February 2014 through January 2015.....	100%
February 2015 through January 2016.....	175%
February 2016 and thereafter	300%

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 3 Underlying REMIC Certificates, the applicable priority sequences governing principal payments on the Group 3 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 1, Group 2 and Group 4—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 January 28, 2011; 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 for the Fixed Rate Interest Only Classes

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. **The tables below are provided for illustrative purposes only and are not intended as a forecast or prediction of the actual yields on the applicable Classes.** 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 yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the 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>
AI	333%
BI	328%

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 the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
AI	5.500000%
BI	5.796875%

* 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 AI Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>291%</u>	<u>450%</u>	<u>600%</u>	<u>900%</u>
Pre-Tax Yields to Maturity . . .	61.0%	54.5%	7.6%	(18.8)%	(39.7)%	(73.8)%

Sensitivity of the BI Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>316%</u>	<u>475%</u>	<u>650%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity . . .	66.2%	58.8%	2.5%	(26.7)%	(53.8)%	(96.2)%

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 sequences of distributions of principal of the Group 1, Group 2 and Group 4 Classes and
- in the case of the Group 3 Classes, the applicable priority sequences affecting principal payments on the Group 3 Underlying REMIC Certificates.

See “—Distributions of Principal” above and “Description of the Certificates—Distributions of Principal” in the 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 MBS	360 months	360 months	6.00%
Group 2 MBS	240 months	240 months	6.50%
Group 3 Underlying REMIC Certificates	360 months	(1)	6.50%
Group 4 MBS	360 months	360 months	6.50%

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

2010-103-YZ	355 months
2010-120-YZ	356 months
2010-146-YZ	358 months

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

Date	NA Class						AE and AI† Classes						ZA Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	291%	450%	600%	900%	0%	100%	291%	450%	600%	900%	0%	100%	291%	450%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2012	98	97	97	97	97	97	98	92	81	71	62	44	104	104	104	104	104	104
January 2013	96	95	95	95	90	65	96	77	42	14	0	0	107	107	107	107	0	0
January 2014	94	92	91	68	49	19	94	58	0	0	0	0	111	111	0	0	0	0
January 2015	92	82	69	42	23	0	92	55	0	0	0	0	115	115	0	0	0	0
January 2016	90	71	51	24	6	0	90	54	0	0	0	0	119	119	0	0	0	0
January 2017	88	60	37	10	0	0	88	54	0	0	0	0	123	123	0	0	0	0
January 2018	85	50	25	1	0	0	86	54	0	0	0	0	128	128	0	0	0	0
January 2019	82	41	15	0	0	0	84	54	0	0	0	0	132	132	0	0	0	0
January 2020	79	32	6	0	0	0	81	54	0	0	0	0	137	137	0	0	0	0
January 2021	76	24	0	0	0	0	79	53	0	0	0	0	142	142	0	0	0	0
January 2022	73	16	0	0	0	0	77	53	0	0	0	0	147	147	0	0	0	0
January 2023	69	8	0	0	0	0	74	53	0	0	0	0	152	152	0	0	0	0
January 2024	65	1	0	0	0	0	71	53	0	0	0	0	158	158	0	0	0	0
January 2025	61	0	0	0	0	0	69	43	0	0	0	0	163	163	0	0	0	0
January 2026	57	0	0	0	0	0	66	31	0	0	0	0	169	169	0	0	0	0
January 2027	52	0	0	0	0	0	63	20	0	0	0	0	175	175	0	0	0	0
January 2028	48	0	0	0	0	0	60	10	0	0	0	0	181	181	0	0	0	0
January 2029	42	0	0	0	0	0	56	0	0	0	0	0	188	0	0	0	0	0
January 2030	37	0	0	0	0	0	53	0	0	0	0	0	194	0	0	0	0	0
January 2031	31	0	0	0	0	0	50	0	0	0	0	0	201	0	0	0	0	0
January 2032	25	0	0	0	0	0	46	0	0	0	0	0	208	0	0	0	0	0
January 2033	18	0	0	0	0	0	42	0	0	0	0	0	216	0	0	0	0	0
January 2034	11	0	0	0	0	0	38	0	0	0	0	0	223	0	0	0	0	0
January 2035	4	0	0	0	0	0	34	0	0	0	0	0	231	0	0	0	0	0
January 2036	0	0	0	0	0	0	22	0	0	0	0	0	240	0	0	0	0	0
January 2037	0	0	0	0	0	0	2	0	0	0	0	0	248	0	0	0	0	0
January 2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.3	7.2	5.4	3.9	3.2	2.4	17.7	9.2	1.8	1.4	1.2	0.9	26.2	18.0	3.0	2.2	1.9	1.5

Date	AZ Class					
	PSA Prepayment Assumption					
	0%	100%	291%	450%	600%	900%
Initial Percent	100	100	100	100	100	100
January 2012	104	104	104	104	104	104
January 2013	107	107	107	107	107	107
January 2014	111	111	111	111	111	111
January 2015	115	115	115	115	115	99
January 2016	119	119	119	119	119	45
January 2017	123	123	123	123	97	20
January 2018	128	128	128	128	61	9
January 2019	132	132	132	93	38	4
January 2020	137	137	137	66	23	2
January 2021	142	142	140	47	15	1
January 2022	147	147	111	33	9	*
January 2023	152	152	89	23	6	*
January 2024	158	158	70	16	3	*
January 2025	163	163	55	11	2	*
January 2026	169	169	44	8	1	*
January 2027	175	175	34	5	1	*
January 2028	181	181	27	4	*	*
January 2029	188	187	21	3	*	*
January 2030	194	164	16	2	*	*
January 2031	201	143	12	1	*	*
January 2032	208	122	9	1	*	*
January 2033	216	104	7	1	*	*
January 2034	223	87	5	*	*	*
January 2035	231	71	4	*	*	*
January 2036	240	56	2	*	*	*
January 2037	248	42	2	*	*	0
January 2038	197	30	1	*	*	0
January 2039	135	18	1	*	*	0
January 2040	70	7	*	*	*	0
January 2041	0	0	0	0	0	0
Weighted Average Life (years)**	28.2	23.0	14.1	10.0	7.7	5.1

* 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.

Date	MA Class						MB Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	205%	300%	425%	700%	0%	100%	205%	300%	425%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
January 2012	97	89	82	76	68	50	100	100	100	100	100	100
January 2013	94	78	66	56	43	20	100	100	100	100	100	100
January 2014	90	69	52	40	25	3	100	100	100	100	100	100
January 2015	87	59	41	27	13	0	100	100	100	100	100	63
January 2016	83	51	31	17	4	0	100	100	100	100	100	35
January 2017	79	43	22	9	0	0	100	100	100	100	84	19
January 2018	74	35	15	3	0	0	100	100	100	100	58	10
January 2019	70	28	9	0	0	0	100	100	100	86	40	6
January 2020	65	22	3	0	0	0	100	100	100	65	28	3
January 2021	59	16	0	0	0	0	100	100	94	48	19	2
January 2022	54	10	0	0	0	0	100	100	73	35	12	1
January 2023	48	5	0	0	0	0	100	100	56	25	8	*
January 2024	41	*	0	0	0	0	100	100	41	17	5	*
January 2025	34	0	0	0	0	0	100	77	29	11	3	*
January 2026	27	0	0	0	0	0	100	54	19	7	2	*
January 2027	19	0	0	0	0	0	100	33	11	4	1	*
January 2028	11	0	0	0	0	0	100	14	4	1	*	*
January 2029	2	0	0	0	0	0	100	0	0	0	0	0
January 2030	0	0	0	0	0	0	56	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.9	5.6	3.7	2.8	2.0	1.2	19.1	15.3	12.8	10.5	8.1	4.9

Date	YZ, ZY and ZE Classes							NB Class						BD and BI† Classes					
	PSA Prepayment Assumption							PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	200%	316%	475%	650%	1000%	0%	100%	316%	475%	650%	1000%	0%	100%	316%	475%	650%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2012	104	104	104	39	0	0	0	98	98	98	98	98	98	98	90	75	63	50	24
January 2013	108	108	108	0	0	0	0	97	95	95	95	78	47	96	74	30	0	0	0
January 2014	113	113	113	0	0	0	0	95	92	84	60	38	6	94	55	0	0	0	0
January 2015	117	117	117	0	0	0	0	93	82	62	35	14	0	92	53	0	0	0	0
January 2016	122	122	122	0	0	0	0	91	70	44	18	0	0	89	52	0	0	0	0
January 2017	127	127	127	0	0	0	0	88	60	29	5	0	0	87	52	0	0	0	0
January 2018	132	132	132	0	0	0	0	86	50	17	0	0	0	84	52	0	0	0	0
January 2019	138	138	138	0	0	0	0	83	40	8	0	0	0	82	52	0	0	0	0
January 2020	143	143	143	0	0	0	0	81	31	0	0	0	0	79	51	0	0	0	0
January 2021	149	149	149	0	0	0	0	78	23	0	0	0	0	77	51	0	0	0	0
January 2022	155	155	155	0	0	0	0	74	15	0	0	0	0	74	51	0	0	0	0
January 2023	161	161	161	0	0	0	0	71	7	0	0	0	0	71	51	0	0	0	0
January 2024	168	168	168	0	0	0	0	67	0	0	0	0	0	68	50	0	0	0	0
January 2025	175	175	175	0	0	0	0	63	0	0	0	0	0	65	37	0	0	0	0
January 2026	182	182	182	0	0	0	0	58	0	0	0	0	0	62	25	0	0	0	0
January 2027	189	189	189	0	0	0	0	54	0	0	0	0	0	59	13	0	0	0	0
January 2028	197	197	190	0	0	0	0	49	0	0	0	0	0	56	2	0	0	0	0
January 2029	205	205	168	0	0	0	0	43	0	0	0	0	0	53	0	0	0	0	0
January 2030	214	214	143	0	0	0	0	37	0	0	0	0	0	49	0	0	0	0	0
January 2031	222	222	121	0	0	0	0	31	0	0	0	0	0	46	0	0	0	0	0
January 2032	231	231	101	0	0	0	0	24	0	0	0	0	0	42	0	0	0	0	0
January 2033	241	241	83	0	0	0	0	17	0	0	0	0	0	38	0	0	0	0	0
January 2034	251	251	67	0	0	0	0	10	0	0	0	0	0	34	0	0	0	0	0
January 2035	261	261	52	0	0	0	0	1	0	0	0	0	0	30	0	0	0	0	0
January 2036	271	271	40	0	0	0	0	0	0	0	0	0	0	12	0	0	0	0	0
January 2037	282	237	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2038	294	166	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2039	306	98	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2040	312	35	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.4	27.5	21.9	0.9	0.4	0.2	0.1	15.4	7.2	4.9	3.6	2.8	2.0	16.9	8.7	1.6	1.2	1.0	0.7

* 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	ZB Class						BZ Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	316%	475%	650%	1000%	0%	100%	316%	475%	650%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
January 2012	104	104	104	104	104	104	104	104	104	104	104	104
January 2013	108	108	108	0	0	0	108	108	108	108	108	108
January 2014	113	113	0	0	0	0	113	113	113	113	113	113
January 2015	117	117	0	0	0	0	117	117	117	117	117	58
January 2016	122	122	0	0	0	0	122	122	122	122	117	23
January 2017	127	127	0	0	0	0	127	127	127	127	70	9
January 2018	132	132	0	0	0	0	132	132	132	108	41	3
January 2019	138	138	0	0	0	0	138	138	138	75	25	1
January 2020	143	143	0	0	0	0	143	143	143	52	15	1
January 2021	149	149	0	0	0	0	149	149	112	36	9	*
January 2022	155	155	0	0	0	0	155	155	88	25	5	*
January 2023	161	161	0	0	0	0	161	161	69	17	3	*
January 2024	168	168	0	0	0	0	168	168	53	12	2	*
January 2025	175	175	0	0	0	0	175	175	41	8	1	*
January 2026	182	182	0	0	0	0	182	182	32	6	1	*
January 2027	189	189	0	0	0	0	189	189	25	4	*	*
January 2028	197	197	0	0	0	0	197	197	19	3	*	*
January 2029	205	0	0	0	0	0	205	182	14	2	*	*
January 2030	214	0	0	0	0	0	214	159	11	1	*	*
January 2031	222	0	0	0	0	0	222	138	8	1	*	*
January 2032	231	0	0	0	0	0	231	118	6	*	*	*
January 2033	241	0	0	0	0	0	241	100	4	*	*	*
January 2034	251	0	0	0	0	0	251	83	3	*	*	0
January 2035	261	0	0	0	0	0	261	67	2	*	*	0
January 2036	271	0	0	0	0	0	271	53	1	*	*	0
January 2037	0	0	0	0	0	0	257	39	1	*	*	0
January 2038	0	0	0	0	0	0	199	27	1	*	*	0
January 2039	0	0	0	0	0	0	137	15	*	*	*	0
January 2040	0	0	0	0	0	0	71	4	*	*	*	0
January 2041	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average												
Life (years)**	25.6	17.3	2.7	2.0	1.7	1.2	27.9	22.5	13.0	9.2	6.9	4.4

* 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.

Characteristics of the Residual Classes

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

The Prepayment Assumptions that will be used in determining the rate of accrual of OID will be as follows:

<u>Group</u>	<u>Prepayment Assumption</u>
1	291% PSA
2	205% PSA
3	316% PSA
4	316% 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 Class 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 Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in one or more underlying Regular Certificates. 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. 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 Jefferies & Company, Inc. (the “Dealer”) in exchange for the Trust MBS and the Group 3 Underlying REMIC Certificates. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. K&L Gates LLP will provide legal representation for the Dealer.

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	January 2011 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2010-103	YZ	August 2010	31398TX97	4.0%	FIX/Z	September 2040	SUP	\$2,927,269	0.82464107	\$ 407,594.52	4.533%	353	6
2010-120	YZ	September 2010	31398NRLO	4.0	FIX/Z	October 2040	SUP	4,237,256	0.93421505	1,945,152.51	4.453	355	4
2010-146	YZ	November 2010	31398STT0	4.0	FIX/Z	December 2040	SUP	3,514,595	0.98855145	1,504,280.38	4.354	356	3

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

Note: For any pool of Mortgage Loans backing an underlying REMIC or RCR 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 Recombination(1)

REMIC Certificates		RCR Certificates						
Classes	Original Balances	RCR Class	Original Balance	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
YZ	\$1,928,514	ZE	\$3,857,027	SC/PT	4.0%	FIX/Z	31397QPP7	December 2040
ZY	1,928,513							

(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—The Certificates—*Class Definitions and Abbreviations*” in the REMIC Prospectus.

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in or incorporated into this Prospectus Supplement and the additional Disclosure Documents. We take no responsibility for 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.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Certificates or determined if this Prospectus Supplement is truthful and complete. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

	Page
Table of Contents	S- 2
Available Information	S- 3
Summary	S- 4
Additional Risk Factors	S- 7
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences	S-18
Plan of Distribution	S-20
Legal Matters	S-20
Exhibit A	A- 1
Schedule 1	A- 2

\$379,056,992



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2011-12**

PROSPECTUS SUPPLEMENT

Jefferies

January 24, 2011
