

**\$463,363,140**



**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2011-106**

**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 Certificateholder**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will own Fannie Mae MBS.

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
ME(2) . . .	1	\$133,657,000	SEQ	3.0%	FIX	3136A1WN1	February 2038
MI(2) . . .	1	33,414,250(3)	NTL	4.0	FIX/IO	3136A1WP6	February 2038
MV . . . . .	1	11,233,000	SEQ/AD	4.0	FIX	3136A1WQ4	December 2022
VM . . . . .	1	13,365,000	SEQ/AD	4.0	FIX	3136A1WR2	October 2031
MZ . . . . .	1	20,125,694	SEQ	4.0	FIX/Z	3136A1WS0	October 2041
LE(2) . . .	2	120,000,000	SEQ	3.0	FIX	3136A1WT8	February 2036
LI(2) . . .	2	17,142,857(3)	NTL	3.5	FIX/IO	3136A1WU5	February 2036
LV . . . . .	2	13,691,000	SEQ/AD	3.5	FIX	3136A1WV3	January 2023
LU . . . . .	2	21,252,000	SEQ/AD	3.5	FIX	3136A1WW1	September 2034
LZ . . . . .	2	28,588,700	SEQ	3.5	FIX/Z	3136A1WX9	October 2041
CH(2) . . .	3	65,537,939	SEQ	2.5	FIX	3136A1WY7	September 2026
CI(2) . . .	3	18,725,125(3)	NTL	3.5	FIX/IO	3136A1WZ4	September 2026
CB(2) . . .	3	950,789	SEQ	3.5	FIX	3136A1XA8	October 2026
EH(2) . . .	4	34,462,061	SEQ	2.5	FIX	3136A1XB6	September 2026
EI(2) . . .	4	9,846,303(3)	NTL	3.5	FIX/IO	3136A1XC4	September 2026
EB(2) . . .	4	499,957	SEQ	3.5	FIX	3136A1XD2	October 2026
R . . . . .		0	NPR	0	NPR	3136A1XE0	October 2041
RL . . . . .		0	NPR	0	NPR	3136A1XF7	October 2041

- (1) See “Description of the Certificates—The Certificates—Class Definitions and Abbreviations” in the REMIC prospectus.  
(2) Exchangeable classes.

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

If you own certificates of certain classes, you can exchange them for certificates of the corresponding RCR classes to be delivered at the time of exchange. The MC, MA, MT, LJ, DH, DI and DB Classes are the RCR classes. For a more detailed description of the RCR classes, see Schedule 1 attached to this prospectus supplement and “Description of the Certificates—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 September 30, 2011.

**Carefully consider the risk factors 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.

Wells Fargo Securities

September 26, 2011

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## AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2010 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated
  - July 1, 2011, for all MBS issued on or after July 1, 2011,
  - June 1, 2009, for all MBS issued on or after January 1, 2009 and prior to July 1, 2011,
  - 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”); 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 July 1, 2011.

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

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

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

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

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

Wells Fargo Securities, LLC  
Client Services  
550 South Tryon Street—7th Floor  
MAC D1086-070  
Charlotte, NC 28202  
[CMClientSupport@wellsfargo.com](mailto:CMClientSupport@wellsfargo.com)  
US Callers: 1-800-326-5897  
International: 1-877-856-8878.

## RECENT DEVELOPMENTS

### Ratings Matters

#### *Standard and Poor's Ratings Services*

On August 8, 2011, Standard and Poor's Ratings Services ("Standard & Poor's") announced that it had downgraded Fannie Mae senior unsecured long-term debt from "AAA" to "AA+" with a negative outlook. This announcement followed a similar action by Standard & Poor's taken on August 5, 2011 on the United States sovereign long-term debt rating. Standard & Poor's also announced that Fannie Mae's debt ratings were no longer on CreditWatch Negative, and that the ratings on Fannie Mae short term debt and subordinated debt remain unchanged at "A-1+" and "A", respectively.

The action taken by Standard & Poor's with respect to Fannie Mae's ratings was announced at the same time as similar ratings actions on other institutions with ties to the United States Government, including Freddie Mac, select Federal Home Loan Banks, and the Farm Credit System.

#### *Moody's Investors Service*

On August 2, 2011, Moody's Investors Service ("Moody's") confirmed the "Aaa" rating of institutions directly linked to the United States Government, including Fannie Mae. Moody's also announced that the rating outlook for Fannie Mae and other institutions directly linked to the United States Government was being revised to negative, following a similar revision on the outlook of the United States Government.

#### *Fitch Ratings Limited*

On August 16, 2011, Fitch Ratings Limited ("Fitch") affirmed the long-term issuer default rating and senior unsecured debt rating of Fannie Mae at "AAA", with a Ratings Outlook of Stable, following a similar affirmation of the United States sovereign rating. Fitch has previously indicated that the ratings of Fannie Mae and other issuers with ties to the United States Government would ultimately be aligned with the United States sovereign rating assigned by Fitch.

For additional information on the impacts of a credit rating downgrade on Fannie Mae and its securities, please refer to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, including the Risk Factors set forth in that Quarterly Report.

## SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of September 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	Group 3 MBS
4	Group 4 MBS

### Group 1, Group 2, Group 3 and Group 4

#### Characteristics of the 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	\$178,380,694	4.0%	4.25% to 6.50%	241 to 360
Group 2 MBS	\$183,531,700	3.5%	3.75% to 6.00%	241 to 360
Group 3 MBS	\$ 66,488,728	3.5%	3.75% to 6.00%	121 to 180
Group 4 MBS	\$ 34,962,018	3.5%	3.75% to 6.00%	121 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 1 MBS	\$178,380,694	360	358	2	4.580%
Group 2 MBS	\$183,531,700	360	349	9	4.029%
Group 3 MBS	\$ 66,488,728	180	179	1	3.950%
Group 4 MBS	\$ 34,962,018	180	179	1	3.950%

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

### Settlement Date

We expect to issue the certificates on September 30, 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 combinations of the certificates eligible for exchange and the related RCR certificates. You can exchange your certificates by notifying us and paying an exchange fee. We will deliver the RCR certificates upon such exchange.

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

## Interest Rates

During each interest accrual period, the 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>	
MI .....	25% of the ME Class
LI .....	14.2857141667% of the LE Class
CI .....	28.5714279175% of the CH Class
EI .....	28.5714281569% of the EH Class
DI .....	28.5714281569% of the EH Class
	<i>plus</i>
	28.5714279175% of the CH Class

## Distributions of Principal

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

## Weighted Average Lives (years)\*

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>309%</u>	<u>550%</u>	<u>900%</u>	<u>1300%</u>
ME, MI, MC, MA and MT .....	16.7	7.2	3.4	2.3	1.7	1.3
MV .....	6.0	6.0	5.2	3.8	2.7	2.1
VM .....	15.8	15.1	8.3	5.3	3.5	2.6
MZ .....	28.2	22.5	13.1	8.1	5.0	3.4
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>249%</u>	<u>500%</u>	<u>800%</u>	
LE, LI and LJ .....	15.0	5.6	2.9	1.7	1.2	
LV .....	6.0	6.0	4.9	3.2	2.2	
LU .....	17.4	13.4	7.8	4.4	2.9	
LZ .....	27.3	20.7	13.6	7.7	4.8	
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>700%</u>	<u>1000%</u>
CH and CI .....	8.5	6.4	5.1	3.6	2.5	2.0
CB .....	15.0	14.8	14.5	13.0	9.3	6.6
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>700%</u>	<u>1000%</u>
EH and EI .....	8.5	6.4	5.1	3.6	2.5	2.0
EB .....	15.0	14.8	14.5	13.0	9.3	6.6
<u>Group 3/Group 4 Classes**</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>700%</u>	<u>1000%</u>
DH and DI .....	8.5	6.4	5.1	3.6	2.5	2.0
DB .....	15.0	14.8	14.5	13.0	9.3	6.6

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

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

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) pursuant to a trust agreement dated as of May 1, 2010 and a supplement thereto dated as of September 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 four groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS” and “Group 4 MBS,” and together, the “MBS”).

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

The Trust will 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.”

<u>REMIC Designation</u>	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
Lower Tier REMIC . . . .	MBS	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 and the MBS, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus and the MBS Prospectus. Our guaranties are not backed by the full faith and credit of the United States.

*Characteristics of Certificates.* Except as specified below, we will issue the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.”



We will issue the Residual 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 MBS

The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years in the case of the Group 1 MBS and Group 2 MBS, and up to 15 years in the case of the Group 3 MBS and Group 4 MBS.

In addition, the pools of mortgage loans backing the Group 1 MBS, Group 3 MBS and Group 4 MBS have been designated as pools that include “jumbo-conforming” or “high balance” mortgage loans as described further under “The Mortgage Loans—Special Feature Mortgage Loans—*Loans with Original Principal Balance Exceeding our Traditional Conforming Loan Limits*” in the MBS Prospectus dated July 1, 2011. For periodic updates to that description, please refer to the Pool Prefix Glossary available on our Web site and [www.fanniemae.com](http://www.fanniemae.com). For additional information about the particular pools underlying the Group 1 MBS, Group 3 MBS and Group 4 MBS, see the Final Data Statement for the Trust and the related prospectus supplement for each MBS. See also “Risk Factors—Risks Relating to Yield and Prepayment—*Refinancing—“Jumbo-conforming” mortgage loans, which have original principal balances that exceed our traditional conforming loan limits, may prepay at different rates than conforming balance mortgage loans generally*” in the MBS Prospectus dated July 1, 2011.

For additional information, see “Summary—Group 1, Group 2, Group 3 and Group 4—Characteristics of the MBS” and “—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement and “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

## Distributions of Interest

*General.* The Certificates will bear interest at the rates specified in this prospectus supplement. 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 MZ and LZ Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on each Accrual Class will be added as principal to its principal balance 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 MZ Accrual Amount to MV and VM, in that order, until retired, and thereafter to MZ. } **Accretion  
Directed  
Classes and  
Accrual Class**

The Group 1 Cash Flow Distribution Amount to ME, MV, VM, and MZ, in that order, until retired. } **Sequential  
Pay Classes**

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

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

- *Group 2*

The LZ Accrual Amount to LV and LU, in that order, until retired, and thereafter to LZ. } **Accretion  
Directed  
Classes and  
Accrual Class**

The Group 2 Cash Flow Distribution Amount to LE, LV, LU and LZ, in that order, until retired. } **Sequential  
Pay Classes**

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

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

- *Group 3*

The Group 3 Principal Distribution Amount to CH and CB, in that order, until retired. } **Sequential  
Pay Classes**

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

- *Group 4*

The Group 4 Principal Distribution Amount to EH and EB, in that order, until retired. } **Sequential  
Pay Classes**

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

## Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 1, Group 2, Group 3 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 September 30, 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 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 .....	324%
LI .....	259%
CI .....	827%
EI .....	827%
DI .....	827%

**For any 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 applicable 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>
MI .....	12.75000%
LI .....	9.71875%
CI .....	7.75000%
EI .....	7.75000%
DI .....	7.75000%

\* 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>309%</u>	<u>550%</u>	<u>900%</u>	<u>1300%</u>
Pre-Tax Yields to Maturity .....	25.9%	21.8%	1.5%	(22.1)%	(50.2)%	(74.5)%

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

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>249%</u>	<u>500%</u>	<u>800%</u>
Pre-Tax Yields to Maturity .....	28.7%	22.8%	1.5%	(36.3)%	(74.4)%

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

	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>700%</u>	<u>1000%</u>	<u>1300%</u>
Pre-Tax Yields to Maturity .....	38.0%	35.8%	31.2%	21.6%	6.5%	(9.0)%	(24.4)%

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

	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>400%</u>	<u>700%</u>	<u>1000%</u>	<u>1300%</u>
Pre-Tax Yields to Maturity .....	38.0%	35.8%	31.2%	21.6%	6.5%	(9.0)%	(24.4)%

## Sensitivity of the DI Class to Prepayments

	PSA Prepayment Assumption						
	50%	100%	200%	400%	700%	1000%	1300%
Pre-Tax Yields to Maturity . . . . .	38.0%	35.8%	31.2%	21.6%	6.5%	(9.0)%	(24.4)%

### 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 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 and Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	6.50%
Group 2 MBS	360 months	6.00%
Group 3 MBS	180 months	6.00%
Group 4 MBS	180 months	6.00%

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, 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

ME, MI†, MC, MA and MT Classes							MV Class					
Date	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	309%	550%	900%	1300%	0%	100%	309%	550%	900%	1300%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
September 2012	99	96	91	85	77	68	93	93	93	93	93	93
September 2013	97	88	73	57	35	12	85	85	85	85	85	85
September 2014	95	79	52	27	0	0	77	77	77	77	54	0
September 2015	93	70	35	6	0	0	69	69	69	69	0	0
September 2016	91	62	21	0	0	0	60	60	60	0	0	0
September 2017	89	54	10	0	0	0	51	51	51	0	0	0
September 2018	87	47	1	0	0	0	42	42	42	0	0	0
September 2019	85	40	0	0	0	0	33	33	0	0	0	0
September 2020	82	34	0	0	0	0	23	23	0	0	0	0
September 2021	80	28	0	0	0	0	12	12	0	0	0	0
September 2022	77	23	0	0	0	0	1	1	0	0	0	0
September 2023	74	17	0	0	0	0	0	0	0	0	0	0
September 2024	71	13	0	0	0	0	0	0	0	0	0	0
September 2025	67	8	0	0	0	0	0	0	0	0	0	0
September 2026	63	4	0	0	0	0	0	0	0	0	0	0
September 2027	59	0	0	0	0	0	0	0	0	0	0	0
September 2028	55	0	0	0	0	0	0	0	0	0	0	0
September 2029	51	0	0	0	0	0	0	0	0	0	0	0
September 2030	46	0	0	0	0	0	0	0	0	0	0	0
September 2031	41	0	0	0	0	0	0	0	0	0	0	0
September 2032	35	0	0	0	0	0	0	0	0	0	0	0
September 2033	30	0	0	0	0	0	0	0	0	0	0	0
September 2034	23	0	0	0	0	0	0	0	0	0	0	0
September 2035	17	0	0	0	0	0	0	0	0	0	0	0
September 2036	10	0	0	0	0	0	0	0	0	0	0	0
September 2037	2	0	0	0	0	0	0	0	0	0	0	0
September 2038	0	0	0	0	0	0	0	0	0	0	0	0
September 2039	0	0	0	0	0	0	0	0	0	0	0	0
September 2040	0	0	0	0	0	0	0	0	0	0	0	0
September 2041	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.7	7.2	3.4	2.3	1.7	1.3	6.0	6.0	5.2	3.8	2.7	2.1

  

VM Class							MZ Class					
Date	PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	309%	550%	900%	1300%	0%	100%	309%	550%	900%	1300%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
September 2012	100	100	100	100	100	100	104	104	104	104	104	104
September 2013	100	100	100	100	100	100	108	108	108	108	108	108
September 2014	100	100	100	100	100	0	113	113	113	113	113	69
September 2015	100	100	100	100	0	0	117	117	117	117	94	15
September 2016	100	100	100	75	0	0	122	122	122	122	43	3
September 2017	100	100	100	0	0	0	127	127	127	112	19	1
September 2018	100	100	100	0	0	0	132	132	132	74	9	*
September 2019	100	100	67	0	0	0	138	138	138	48	4	*
September 2020	100	100	2	0	0	0	143	143	143	31	2	*
September 2021	100	100	0	0	0	0	149	149	114	20	1	*
September 2022	100	100	0	0	0	0	155	155	90	13	*	*
September 2023	91	91	0	0	0	0	161	161	71	9	*	*
September 2024	82	82	0	0	0	0	168	168	56	6	*	*
September 2025	71	71	0	0	0	0	175	175	43	4	*	*
September 2026	61	61	0	0	0	0	182	182	34	2	*	0
September 2027	49	48	0	0	0	0	189	189	26	1	*	0
September 2028	38	0	0	0	0	0	197	197	20	1	*	0
September 2029	26	0	0	0	0	0	205	174	16	1	*	0
September 2030	13	0	0	0	0	0	214	153	12	*	*	0
September 2031	0	0	0	0	0	0	222	134	9	*	*	0
September 2032	0	0	0	0	0	0	222	115	7	*	*	0
September 2033	0	0	0	0	0	0	222	98	5	*	*	0
September 2034	0	0	0	0	0	0	222	82	4	*	*	0
September 2035	0	0	0	0	0	0	222	67	3	*	*	0
September 2036	0	0	0	0	0	0	222	54	2	*	*	0
September 2037	0	0	0	0	0	0	222	41	1	*	0	0
September 2038	0	0	0	0	0	0	183	29	1	*	0	0
September 2039	0	0	0	0	0	0	126	18	*	*	0	0
September 2040	0	0	0	0	0	0	65	8	*	*	0	0
September 2041	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.8	15.1	8.3	5.3	3.5	2.6	28.2	22.5	13.1	8.1	5.0	3.4

\* 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.

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

LE, LI† and LJ Classes						LV Class				
Date	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	249%	500%	800%	0%	100%	249%	500%	800%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100
September 2012 . . . . .	98	93	86	74	60	93	93	93	93	93
September 2013 . . . . .	96	82	65	38	10	85	85	85	85	85
September 2014 . . . . .	94	71	45	9	0	77	77	77	77	0
September 2015 . . . . .	92	61	28	0	0	69	69	69	0	0
September 2016 . . . . .	89	52	15	0	0	60	60	60	0	0
September 2017 . . . . .	87	43	3	0	0	51	51	51	0	0
September 2018 . . . . .	84	35	0	0	0	42	42	0	0	0
September 2019 . . . . .	81	27	0	0	0	33	33	0	0	0
September 2020 . . . . .	78	20	0	0	0	23	23	0	0	0
September 2021 . . . . .	75	13	0	0	0	13	13	0	0	0
September 2022 . . . . .	72	7	0	0	0	2	2	0	0	0
September 2023 . . . . .	68	1	0	0	0	0	0	0	0	0
September 2024 . . . . .	64	0	0	0	0	0	0	0	0	0
September 2025 . . . . .	60	0	0	0	0	0	0	0	0	0
September 2026 . . . . .	56	0	0	0	0	0	0	0	0	0
September 2027 . . . . .	51	0	0	0	0	0	0	0	0	0
September 2028 . . . . .	46	0	0	0	0	0	0	0	0	0
September 2029 . . . . .	41	0	0	0	0	0	0	0	0	0
September 2030 . . . . .	36	0	0	0	0	0	0	0	0	0
September 2031 . . . . .	30	0	0	0	0	0	0	0	0	0
September 2032 . . . . .	23	0	0	0	0	0	0	0	0	0
September 2033 . . . . .	17	0	0	0	0	0	0	0	0	0
September 2034 . . . . .	10	0	0	0	0	0	0	0	0	0
September 2035 . . . . .	2	0	0	0	0	0	0	0	0	0
September 2036 . . . . .	0	0	0	0	0	0	0	0	0	0
September 2037 . . . . .	0	0	0	0	0	0	0	0	0	0
September 2038 . . . . .	0	0	0	0	0	0	0	0	0	0
September 2039 . . . . .	0	0	0	0	0	0	0	0	0	0
September 2040 . . . . .	0	0	0	0	0	0	0	0	0	0
September 2041 . . . . .	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	15.0	5.6	2.9	1.7	1.2	6.0	6.0	4.9	3.2	2.2

LU Class						LZ Class				
Date	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	249%	500%	800%	0%	100%	249%	500%	800%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100
September 2012 . . . . .	100	100	100	100	100	104	104	104	104	104
September 2013 . . . . .	100	100	100	100	100	107	107	107	107	107
September 2014 . . . . .	100	100	100	100	30	111	111	111	111	111
September 2015 . . . . .	100	100	100	85	0	115	115	115	115	68
September 2016 . . . . .	100	100	100	4	0	119	119	119	119	34
September 2017 . . . . .	100	100	100	0	0	123	123	123	83	17
September 2018 . . . . .	100	100	90	0	0	128	128	128	57	9
September 2019 . . . . .	100	100	39	0	0	132	132	132	39	4
September 2020 . . . . .	100	100	0	0	0	137	137	133	26	2
September 2021 . . . . .	100	100	0	0	0	142	142	109	18	1
September 2022 . . . . .	100	100	0	0	0	147	147	90	12	1
September 2023 . . . . .	94	94	0	0	0	152	152	73	8	*
September 2024 . . . . .	87	65	0	0	0	158	158	60	5	*
September 2025 . . . . .	80	29	0	0	0	163	163	49	4	*
September 2026 . . . . .	72	0	0	0	0	169	165	39	2	*
September 2027 . . . . .	64	0	0	0	0	175	147	32	2	*
September 2028 . . . . .	55	0	0	0	0	181	130	25	1	*
September 2029 . . . . .	47	0	0	0	0	188	114	20	1	*
September 2030 . . . . .	38	0	0	0	0	194	99	16	*	*
September 2031 . . . . .	28	0	0	0	0	201	86	12	*	*
September 2032 . . . . .	19	0	0	0	0	208	73	10	*	*
September 2033 . . . . .	9	0	0	0	0	216	61	7	*	*
September 2034 . . . . .	0	0	0	0	0	222	51	5	*	*
September 2035 . . . . .	0	0	0	0	0	222	40	4	*	*
September 2036 . . . . .	0	0	0	0	0	199	31	3	*	*
September 2037 . . . . .	0	0	0	0	0	164	23	2	*	*
September 2038 . . . . .	0	0	0	0	0	127	15	1	*	*
September 2039 . . . . .	0	0	0	0	0	87	7	*	*	0
September 2040 . . . . .	0	0	0	0	0	45	1	*	*	0
September 2041 . . . . .	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	17.4	13.4	7.8	4.4	2.9	27.3	20.7	13.6	7.7	4.8

\* 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.



CH and CI† Classes								CB Class						
Date	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	200%	400%	700%	1000%	1300%	0%	100%	200%	400%	700%	1000%	1300%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2012 . . . . .	96	93	92	89	85	80	76	100	100	100	100	100	100	100
September 2013 . . . . .	91	85	80	71	58	45	34	100	100	100	100	100	100	100
September 2014 . . . . .	86	75	66	51	31	17	6	100	100	100	100	100	100	100
September 2015 . . . . .	81	65	54	35	16	5	*	100	100	100	100	100	100	100
September 2016 . . . . .	76	57	44	24	8	1	0	100	100	100	100	100	100	23
September 2017 . . . . .	70	49	35	17	4	0	0	100	100	100	100	100	64	5
September 2018 . . . . .	64	41	28	11	1	0	0	100	100	100	100	100	23	1
September 2019 . . . . .	57	34	21	7	0	0	0	100	100	100	100	94	8	*
September 2020 . . . . .	50	28	16	4	0	0	0	100	100	100	100	48	3	*
September 2021 . . . . .	43	22	12	2	0	0	0	100	100	100	100	23	1	*
September 2022 . . . . .	35	16	8	1	0	0	0	100	100	100	100	11	*	*
September 2023 . . . . .	27	11	5	0	0	0	0	100	100	100	88	5	*	*
September 2024 . . . . .	18	7	2	0	0	0	0	100	100	100	45	2	*	*
September 2025 . . . . .	8	2	*	0	0	0	0	100	100	100	17	1	*	*
September 2026 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	8.5	6.4	5.1	3.6	2.5	2.0	1.7	15.0	14.8	14.5	13.0	9.3	6.6	4.7

  

EH and EI† Classes								EB Class						
Date	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	200%	400%	700%	1000%	1300%	0%	100%	200%	400%	700%	1000%	1300%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2012 . . . . .	96	93	92	89	85	80	76	100	100	100	100	100	100	100
September 2013 . . . . .	91	85	80	71	58	45	34	100	100	100	100	100	100	100
September 2014 . . . . .	86	75	66	51	31	17	6	100	100	100	100	100	100	100
September 2015 . . . . .	81	65	54	35	16	5	*	100	100	100	100	100	100	100
September 2016 . . . . .	76	57	44	24	8	1	0	100	100	100	100	100	100	23
September 2017 . . . . .	70	49	35	17	4	0	0	100	100	100	100	100	64	5
September 2018 . . . . .	64	41	28	11	1	0	0	100	100	100	100	100	23	1
September 2019 . . . . .	57	34	21	7	0	0	0	100	100	100	100	94	8	*
September 2020 . . . . .	50	28	16	4	0	0	0	100	100	100	100	48	3	*
September 2021 . . . . .	43	22	12	2	0	0	0	100	100	100	100	23	1	*
September 2022 . . . . .	35	16	8	1	0	0	0	100	100	100	100	11	*	*
September 2023 . . . . .	27	11	5	0	0	0	0	100	100	100	88	5	*	*
September 2024 . . . . .	18	7	2	0	0	0	0	100	100	100	45	2	*	*
September 2025 . . . . .	8	2	*	0	0	0	0	100	100	100	17	1	*	*
September 2026 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	8.5	6.4	5.1	3.6	2.5	2.0	1.7	15.0	14.8	14.5	13.0	9.3	6.6	4.7

  

DH and DI† Classes								DB Class						
Date	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	200%	400%	700%	1000%	1300%	0%	100%	200%	400%	700%	1000%	1300%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2012 . . . . .	96	93	92	89	85	80	76	100	100	100	100	100	100	100
September 2013 . . . . .	91	85	80	71	58	45	34	100	100	100	100	100	100	100
September 2014 . . . . .	86	75	66	51	31	17	6	100	100	100	100	100	100	100
September 2015 . . . . .	81	65	54	35	16	5	*	100	100	100	100	100	100	100
September 2016 . . . . .	76	57	44	24	8	1	0	100	100	100	100	100	100	23
September 2017 . . . . .	70	49	35	17	4	0	0	100	100	100	100	100	64	5
September 2018 . . . . .	64	41	28	11	1	0	0	100	100	100	100	100	23	1
September 2019 . . . . .	57	34	21	7	0	0	0	100	100	100	100	94	8	*
September 2020 . . . . .	50	28	16	4	0	0	0	100	100	100	100	48	3	*
September 2021 . . . . .	43	22	12	2	0	0	0	100	100	100	100	23	1	*
September 2022 . . . . .	35	16	8	1	0	0	0	100	100	100	100	11	*	*
September 2023 . . . . .	27	11	5	0	0	0	0	100	100	100	88	5	*	*
September 2024 . . . . .	18	7	2	0	0	0	0	100	100	100	45	2	*	*
September 2025 . . . . .	8	2	*	0	0	0	0	100	100	100	17	1	*	*
September 2026 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	8.5	6.4	5.1	3.6	2.5	2.0	1.7	15.0	14.8	14.5	13.0	9.3	6.6	4.7

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

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

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



## **Characteristics of the Residual Classes**

A Residual Certificate will be subject to certain transfer restrictions. See “Description of the Certificates—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	309% PSA
2	249% PSA
3	200% PSA
4	200% PSA

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

### **Taxation of Beneficial Owners of Residual Certificates**

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

### **Taxation of Beneficial Owners of RCR Certificates**

The RCR Classes will be created, sold and administered pursuant to an arrangement that will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. The Regular Certificates that are exchanged for RCR Certificates set forth in Schedule 1 (including any exchanges effective on the Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an ownership interest of the underlying Regular Certificates. For a general discussion of the federal income tax treatment of beneficial owners of Regular Certificates, see “Material Federal Income Tax Consequences” in the REMIC Prospectus.

Generally, the ownership interest represented by an RCR certificate will be one of two types. A certificate of a 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 Wells Fargo Securities, LLC (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

### **LEGAL MATTERS**

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

## Available Recombinations(1)

REMIC Certificates		RCR Certificates						
Classes	Original Balances	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
ME	\$133,657,000	MC	\$133,657,000	SEQ	3.50%	FIX	3136A1XG5	February 2038
MI	16,707,125(3)							
Recombination 2								
ME	133,657,000	MA	133,657,000	SEQ	4.00	FIX	3136A1XH3	February 2038
MI	33,414,250(3)							
Recombination 3								
ME	44,552,333	MT	44,552,333	SEQ	6.00	FIX	3136A1XJ9	February 2038
MI	33,414,250(3)							
Recombination 4								
LE	20,000,000	LJ	20,000,000	SEQ	6.00	FIX	3136A1XK6	February 2036
LI	17,142,857(3)							
Recombination 5								
CH	65,537,939	DH(4)	100,000,000	SEQ	2.50	FIX	3136A1XL4	September 2026
EH	34,462,061							
Recombination 6								
CI	18,725,125(3)	DI(5)	28,571,428(3)	NTL	3.50	FIX/IO	3136A1XM2	September 2026
EI	9,846,303(3)							
Recombination 7								
CB	950,789	DB(6)	1,450,746	SEQ	3.50	FIX	3136A1XN0	October 2026
EB	499,957							

(1) REMIC Certificates and RCR Certificates in each Recombination may be exchanged only in the proportions of *original* principal or notional principal balances for the related Classes shown in this Schedule 1 (disregarding any retired Classes). For example, if a particular Recombination includes two REMIC Classes and one RCR Class whose *original* principal balances shown in the schedule reflect a 1:1:2 relationship, the same 1:1:2 relationship among the *original* principal balances of those REMIC and RCR Classes must be maintained in any exchange. This is true even if, as a result of the applicable payment priority sequence, the relationship between their *current* principal balances has changed over time. Moreover, if as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See "Description of the Certificates—General—Authorized Denominations" in this prospectus supplement.

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

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

(4) The DH Class is an RCR Class formed from a combination of the CH Class in Group 3 and the EH Class in Group 4.

(5) The DI Class is an RCR Class formed from a combination of the CI Class in Group 3 and the EI Class in Group 4.

(6) The DB Class is an RCR Class formed from a combination of the CB Class in Group 3 and the EB Class in Group 4.

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No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in 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.

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**\$463,363,140**



**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 2011-106**

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## PROSPECTUS SUPPLEMENT

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**Wells Fargo Securities**

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**September 26, 2011**

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