

\$266,809,270



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2011-114**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

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

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

<i>Class</i>	<i>Group</i>	<i>Original Class Balance</i>	<i>Principal Type(1)</i>	<i>Interest Rate</i>	<i>Interest Type(1)</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
LA	1	\$ 17,726,159	SC/PT	2.5%	FIX	3136A1M93	June 2039
FA	1	124,083,111	SC/PT	(2)	FLT	3136A1N27	June 2039
SA	1	124,083,111(3)	NLT	(2)	INV/IO	3136A1N35	June 2039
AG(4)	2	81,360,000	SEQ	2.0	FIX	3136A1N43	March 2036
IB(4)	2	34,868,571(3)	NLT	3.5	FIX/IO	3136A1N50	March 2036
AW(4)	2	10,515,000	SEQ	2.0	FIX	3136A1N68	September 2037
IO(4)	2	4,506,428(3)	NLT	3.5	FIX/IO	3136A1N76	September 2037
VA(4)	2	13,284,119	SEQ/AD	3.5	FIX	3136A1N84	July 2026
ZA(4)	2	19,840,881	SEQ	3.5	FIX/Z	3136A1N92	November 2041
S(4)	3	54,382,754(3)	NLT	(2)	INV/IO	3136A1P25	September 2039
TI(4)	3	54,382,754(3)	NLT	(2)	INV/IO	3136A1P33	September 2039
R		0	NPR	0	NPR	3136A1P41	November 2041
RL		0	NPR	0	NPR	3136A1P58	November 2041

- (1) See "Description of the Certificates—The Certificates—Class Definitions and Abbreviations" in the REMIC prospectus.
(2) Based on LIBOR.
(3) Notional balances. These classes are interest only classes. See page S-6 for a description of how their notional balances are calculated.
(4) Exchangeable classes.

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 B, AJ, AL, AB, AM, AP, AU, A, AI, AQ and SB 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 October 31, 2011.

Carefully consider the risk factors on page S-8 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.



**RBC
Capital
Markets**

October 24, 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”);
- if you are purchasing a Group 1 or Group 3 Class or the R or RL Class, the disclosure documents relating to the applicable 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 July 1, 2011.

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:

RBC Capital Markets, LLC
Three World Financial Center
200 Vesey Street, 8th Floor
New York, New York 10281
(telephone 212-428-7940).

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 October 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	Class 2009-39-AD REMIC Certificate Class 2009-74-HJ REMIC Certificate
2	Group 2 MBS
3	Class 2009-69-SB REMIC Certificate

Group 1 and Group 3

Exhibit A describes the underlying REMIC certificates in Group 1 and 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.

Group 2

Characteristics of the Group 2 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>
\$125,000,000	3.50%	3.75% to 6.00%	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>
\$125,000,000	360	346	11	4.16%

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the Group 2 MBS will differ from those shown above, perhaps significantly.

Settlement Date

We expect to issue the certificates on October 31, 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:

Fed Book-Entry

All classes other than the R and RL Classes

Physical

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 described on the cover of this prospectus supplement or on Schedule 1.

During the initial interest accrual period, the FA and SA Classes will bear interest at the initial interest rates listed below. The initial interest rates listed below for the S, TI and SB Classes are assumed rates. During each subsequent interest accrual period, the floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate(1)</u>
FA.....	0.63900%	6.50%	0.40%	LIBOR + 40 basis points
SA.....	5.86100%	6.10%	0.00%	6.10% – LIBOR
S	5.76544%(2)	6.00%	0.00%	6.00% – LIBOR
TI	0.65000%(2)	0.65%	0.00%	6.65% – LIBOR
SB.....	6.41544%(2)	6.65%	0.00%	6.65% – LIBOR

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

(2) Assumed initial interest rates. We will calculate the actual rates for these classes on October 21, 2011, using the applicable formulas.

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>	
SA	100% of the FA Class
IB	42.8571423304% of the AG Class
IO	42.8571374227% of the AW Class
S	100% of the notional principal balance of the Group 3 Underlying REMIC Certificate
TI	100% of the notional principal balance of the Group 3 Underlying REMIC Certificate
AI	42.8571423304% of the AG Class <i>plus</i> 42.8571374227% of the AW Class
SB	100% of the notional principal balance of the Group 3 Underlying REMIC Certificate

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>250%</u>	<u>463%</u>	<u>700%</u>	<u>1000%</u>	<u>1500%</u>
LA, FA and SA	17.1	7.9	4.1	2.7	1.9	1.1	0.5
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>242%</u>	<u>500%</u>	<u>800%</u>		
AG, IB, AJ, AL and AB	15.0	5.5	2.9	1.6	1.1		
AW, IO and AQ	25.1	13.4	7.1	3.7	2.3		
VA	8.0	8.0	6.4	3.9	2.6		
ZA	28.0	20.5	13.7	7.5	4.6		
B	28.0	20.5	12.7	6.6	4.0		
AM, AP, AU, A and AI	16.1	6.4	3.4	1.8	1.2		
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>436%</u>	<u>700%</u>	<u>1000%</u>	<u>1500%</u>
S, TI and SB	19.0	9.7	5.3	3.1	1.8	1.1	0.5

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

ADDITIONAL RISK FACTOR

Payments on the Group 1 Classes also will be affected by the applicable payment priorities governing the related underlying REMIC certificates. If you invest in a Group 1 Class, the rate at which you receive payments will be affected by the applicable priority sequences governing principal payments on the related underlying REMIC certificates.

As described in the related Underlying REMIC Disclosure Documents, principal payments on the underlying REMIC certificates in Group 1 are governed by principal balance schedules. As a result, those underlying REMIC certificates may receive principal payments faster or slower than would otherwise have been the case. In some cases, they may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at rates faster or slower than the rates initially assumed. In certain high prepayment scenarios, it is possible that the effect of a principal balance schedule on

principal payments over time may be eliminated. In such a case, the underlying REMIC certificates in Group 1 would receive principal payments at rates that may vary widely from period to period. This prospectus supplement contains no information as to whether

- the underlying REMIC certificates in Group 1 have adhered to the related principal balance schedules,
- any related support classes remain outstanding, or
- the underlying REMIC certificates in Group 1 otherwise have performed as originally anticipated.

You may obtain additional information about the underlying REMIC certificates by reviewing their current class factors in light of other information available in the applicable 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 October 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:

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

The Underlying REMIC Certificates evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Group 2 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.”

<u>REMIC Designation</u>	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
Lower Tier REMIC . . .	Underlying REMIC Certificates and Group 2 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, 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 and Inverse Floating Rate 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 Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of those trusts consist of MBS (or beneficial ownership interests in MBS) having the general characteristics set forth in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties,

as described under “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

Distributions on the Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents. See Exhibit A for certain additional information about the Underlying REMIC Certificates. Exhibit A is provided in lieu of a Final Data Statement with respect to the Underlying REMIC Certificates.

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

The Group 2 MBS

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

For additional information, see “Summary—Group 2—Characteristics of the Group 2 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 Class) on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Class, see “—*Accrual Class*” below.

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

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

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

Accrual Class. The ZA Class is the Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as

principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

Distributions of Principal

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

- *Group 1*

The Group 1 Principal Distribution Amount to LA and FA, pro rata, until retired. } **Structured Collateral/Pass-Through Classes**

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

- *Group 2*

The ZA Accrual Amount to VA until retired, and thereafter to ZA. } **Accretion Directed Class and Accrual Class**

The Group 2 Cash Flow Distribution Amount to AG, AW, VA and ZA, in that order, until retired. } **Sequential Pay Classes**

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

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

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each pool of Mortgage Loans backing the Underlying REMIC Certificates, the applicable priority sequences affecting principal payments on the Group 1 Underlying REMIC Certificates, and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 2 MBS have the original term to maturity, remaining term to maturity, loan age and interest rate specified under “Summary—Group 2—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 October 31, 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

General. The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. **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, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

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

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Summary—Interest Rates” in this prospectus supplement and for each following Interest Accrual Period will be based on the specified level of the Index, and

- the aggregate purchase prices of the applicable Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SA	12.625%
S	12.000%
TI	1.625%
SB	13.625%

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

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>463%</u>	<u>700%</u>	<u>1000%</u>	<u>1500%</u>
0.120%	45.4%	41.2%	27.2%	10.0%	(7.2)%	(41.9)%	*
0.239%	44.3%	40.1%	26.1%	9.0%	(8.2)%	(42.8)%	*
2.239%	26.1%	22.0%	7.9%	(7.0)%	(24.9)%	(59.0)%	*
4.239%	7.5%	3.2%	(12.5)%	(24.2)%	(43.8)%	(77.9)%	*
6.100%	*	*	*	*	*	*	*

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>436%</u>	<u>700%</u>	<u>1000%</u>	<u>1500%</u>
0.11000%	48.4%	44.6%	33.0%	17.7%	(6.3)%	(38.1)%	*
0.23456%	47.1%	43.4%	31.9%	16.6%	(7.3)%	(38.9)%	*
2.23456%	28.1%	24.6%	13.8%	(0.4)%	(22.6)%	(52.1)%	*
4.23456%	9.0%	5.8%	(4.2)%	(17.3)%	(37.8)%	(65.4)%	*
6.00000% and above	*	*	*	*	*	*	*

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>436%</u>	<u>700%</u>	<u>1000%</u>	<u>1500%</u>
6.000% and below	37.6%	34.0%	22.9%	8.1%	(14.9)%	(45.5)%	*
6.325%	15.1%	11.8%	1.6%	(11.9)%	(33.0)%	(61.3)%	*
6.650%	*	*	*	*	*	*	*

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

LIBOR	PSA Prepayment Assumption						
	50%	100%	250%	436%	700%	1000%	1500%
0.11000%	47.1%	43.3%	31.8%	16.5%	(7.3)%	(39.0)%	*
0.23456%	46.0%	42.3%	30.8%	15.6%	(8.2)%	(39.7)%	*
2.23456%	29.2%	25.7%	14.9%	0.6%	(21.7)%	(51.3)%	*
4.23456%	12.6%	9.3%	(0.8)%	(14.2)%	(35.0)%	(62.9)%	*
6.65000%	*	*	*	*	*	*	*

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

Class	% PSA
IB	229%
IO	300%
AI	243%

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

Class	Price*
IB	10.312500%
IO	20.296875%
AI	11.500000%

* 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 IB Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	242%	500%	800%
Pre-Tax Yields to Maturity . . .	26.0%	19.7%	(2.1)%	(44.6)%	(86.2)%

Sensitivity of the IO Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	242%	500%	800%
Pre-Tax Yields to Maturity . . .	16.6%	15.0%	5.4%	(22.0)%	(57.1)%

Sensitivity of the AI Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	242%	500%	800%
Pre-Tax Yields to Maturity . . .	23.5%	18.3%	0.2%	(37.2)%	(77.0)%

Weighted Average Lives of the Certificates

For a description of how the weighted average life of a Certificate is determined, see “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including

- the timing of changes in the rate of principal distributions,
- the priority sequence of distributions of principal of the Group 2 Classes, and
- in the case of the Group 1 Classes, the applicable priority sequences affecting principal payments on the Group 1 Underlying REMIC Certificates.

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

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their original principal balances, variability in the weighted average lives of those Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various constant prepayment rates, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates, and the corresponding weighted average lives of those Classes. The tables have been prepared on the basis of the Pricing Assumptions.

In the case of the information set forth for each Class under 0% PSA, however, we assumed that the Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Backing Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 Underlying REMIC Certificates	360 months	(1)	8.50%
Group 2 MBS	360 months	360 months	6.00%
Group 3 Underlying REMIC Certificate	360 months	334 months	8.50%

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

	<u>Remaining Terms to Maturity</u>
2009-39-AD	331 months
2009-74-HJ	334 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	LA, FA and SA† Classes							AG, IB†, AJ, AL and AB Classes					AW, IO† and AQ Classes					
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	250%	463%	700%	1000%	1500%	0%	100%	242%	500%	800%	0%	100%	242%	500%	800%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2012	99	92	82	68	62	42	10	98	92	84	71	55	100	100	100	100	100	100
October 2013	98	84	67	46	35	16	*	96	81	63	34	4	100	100	100	100	100	100
October 2014	96	76	54	32	20	6	*	94	70	44	6	0	100	100	100	100	0	0
October 2015	95	69	43	23	11	2	0	92	60	28	0	0	100	100	100	2	0	0
October 2016	93	63	34	16	6	*	0	89	51	15	0	0	100	100	100	0	0	0
October 2017	91	57	26	11	3	*	0	87	42	3	0	0	100	100	100	0	0	0
October 2018	89	51	20	7	1	*	0	84	34	0	0	0	100	100	51	0	0	0
October 2019	87	45	14	5	*	0	0	81	26	0	0	0	100	100	0	0	0	0
October 2020	85	40	9	3	*	0	0	78	19	0	0	0	100	100	0	0	0	0
October 2021	82	35	5	2	*	0	0	75	13	0	0	0	100	100	0	0	0	0
October 2022	80	30	2	1	*	0	0	72	6	0	0	0	100	100	0	0	0	0
October 2023	77	26	*	*	0	0	0	68	1	0	0	0	100	100	0	0	0	0
October 2024	73	21	*	*	0	0	0	64	0	0	0	0	100	63	0	0	0	0
October 2025	70	17	*	*	0	0	0	60	0	0	0	0	100	24	0	0	0	0
October 2026	66	13	*	*	0	0	0	56	0	0	0	0	100	0	0	0	0	0
October 2027	62	10	*	*	0	0	0	51	0	0	0	0	100	0	0	0	0	0
October 2028	58	6	0	0	0	0	0	46	0	0	0	0	100	0	0	0	0	0
October 2029	53	3	0	0	0	0	0	41	0	0	0	0	100	0	0	0	0	0
October 2030	48	1	0	0	0	0	0	35	0	0	0	0	100	0	0	0	0	0
October 2031	42	0	0	0	0	0	0	29	0	0	0	0	100	0	0	0	0	0
October 2032	36	0	0	0	0	0	0	23	0	0	0	0	100	0	0	0	0	0
October 2033	29	0	0	0	0	0	0	16	0	0	0	0	100	0	0	0	0	0
October 2034	22	0	0	0	0	0	0	9	0	0	0	0	100	0	0	0	0	0
October 2035	14	0	0	0	0	0	0	2	0	0	0	0	100	0	0	0	0	0
October 2036	7	0	0	0	0	0	0	0	0	0	0	0	54	0	0	0	0	0
October 2037	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.1	7.9	4.1	2.7	1.9	1.1	0.5	15.0	5.5	2.9	1.6	1.1	25.1	13.4	7.1	3.7	2.3	

* 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	VA Class					ZA Class					B Class					AM, AP, AU, A and AI† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	242%	500%	800%	0%	100%	242%	500%	800%	0%	100%	242%	500%	800%	0%	100%	242%	500%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2012	95	95	95	95	95	104	104	104	104	104	100	100	100	100	100	98	93	86	74	60
October 2013	89	89	89	89	89	107	107	107	107	107	100	100	100	100	100	97	83	67	41	15
October 2014	83	83	83	83	15	111	111	111	111	111	100	100	100	100	73	95	74	51	17	0
October 2015	78	78	78	78	0	115	115	115	115	62	100	100	100	100	37	93	65	36	*	0
October 2016	71	71	71	0	0	119	119	119	115	31	100	100	100	69	19	91	57	24	0	0
October 2017	65	65	65	0	0	123	123	123	78	16	100	100	100	47	10	88	49	14	0	0
October 2018	59	59	59	0	0	128	128	128	53	8	100	100	100	32	5	86	42	6	0	0
October 2019	52	52	43	0	0	132	132	132	36	4	100	100	96	22	2	83	35	0	0	0
October 2020	45	45	0	0	0	137	137	133	25	2	100	100	80	15	1	81	29	0	0	0
October 2021	38	38	0	0	0	142	142	110	17	1	100	100	66	10	1	78	23	0	0	0
October 2022	30	30	0	0	0	147	147	91	11	1	100	100	54	7	*	75	17	0	0	0
October 2023	22	22	0	0	0	152	152	75	8	*	100	100	45	5	*	72	12	0	0	0
October 2024	14	14	0	0	0	158	158	61	5	*	100	100	37	3	*	68	7	0	0	0
October 2025	6	6	0	0	0	163	163	50	3	*	100	100	30	2	*	64	3	0	0	0
October 2026	0	0	0	0	0	167	161	41	2	*	100	96	24	1	*	61	0	0	0	0
October 2027	0	0	0	0	0	167	143	33	1	*	100	86	20	1	*	57	0	0	0	0
October 2028	0	0	0	0	0	167	126	26	1	*	100	76	16	1	*	52	0	0	0	0
October 2029	0	0	0	0	0	167	111	21	1	*	100	66	13	*	*	48	0	0	0	0
October 2030	0	0	0	0	0	167	96	17	*	*	100	58	10	*	*	43	0	0	0	0
October 2031	0	0	0	0	0	167	83	13	*	*	100	50	8	*	*	37	0	0	0	0
October 2032	0	0	0	0	0	167	70	10	*	*	100	42	6	*	*	32	0	0	0	0
October 2033	0	0	0	0	0	167	59	8	*	*	100	35	5	*	*	26	0	0	0	0
October 2034	0	0	0	0	0	167	48	6	*	*	100	29	3	*	*	20	0	0	0	0
October 2035	0	0	0	0	0	167	38	4	*	*	100	23	2	*	*	13	0	0	0	0
October 2036	0	0	0	0	0	167	29	3	*	*	100	17	2	*	*	6	0	0	0	0
October 2037	0	0	0	0	0	161	21	2	*	*	96	12	1	*	*	0	0	0	0	0
October 2038	0	0	0	0	0	124	13	1	*	*	74	8	1	*	*	0	0	0	0	0
October 2039	0	0	0	0	0	85	6	*	*	0	51	3	*	*	0	0	0	0	0	0
October 2040	0	0	0	0	0	44	0	0	0	0	26	0	0	0	0	0	0	0	0	0
October 2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	8.0	8.0	6.4	3.9	2.6	28.0	20.5	13.7	7.5	4.6	28.0	20.5	12.7	6.6	4.0	16.1	6.4	3.4	1.8	1.2

Date	S†, TI† and SB† Classes						
	PSA Prepayment Assumption						
	0%	100%	250%	436%	700%	1000%	1500%
Initial Percent	100	100	100	100	100	100	100
October 2012	99	93	84	73	57	39	10
October 2013	98	86	70	53	33	15	1
October 2014	97	79	58	38	19	6	*
October 2015	96	73	49	28	11	2	*
October 2016	94	67	40	20	6	1	*
October 2017	93	61	34	14	3	*	*
October 2018	92	56	28	10	2	*	*
October 2019	90	51	23	7	1	*	0
October 2020	88	47	19	5	1	*	0
October 2021	86	42	16	4	*	*	0
October 2022	84	38	13	3	*	*	0
October 2023	82	35	10	2	*	*	0
October 2024	79	31	8	1	*	*	0
October 2025	76	28	7	1	*	*	0
October 2026	73	25	5	1	*	*	0
October 2027	70	22	4	*	*	*	0
October 2028	66	19	3	*	*	*	0
October 2029	62	16	3	*	*	*	0
October 2030	58	14	2	*	*	0	0
October 2031	54	11	2	*	*	0	0
October 2032	49	9	1	*	*	0	0
October 2033	43	7	1	*	*	0	0
October 2034	37	5	*	*	*	0	0
October 2035	31	3	*	*	*	0	0
October 2036	24	2	*	*	*	0	0
October 2037	16	*	*	*	0	0	0
October 2038	8	*	*	*	0	0	0
October 2039	0	0	0	0	0	0	0
October 2040	0	0	0	0	0	0	0
October 2041	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.0	9.7	5.3	3.1	1.8	1.1	0.5

* 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 Class will be issued with original issue discount (“OID”), and certain other Classes of REMIC Certificates may be issued with OID. If a Class is issued with

OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment of Original Issue Discount*” in the REMIC Prospectus. In addition, certain Classes of REMIC Certificates may be treated as having been issued at a premium. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Regular Certificates Purchased at a Premium*” in the REMIC Prospectus.

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	463% PSA
2	242% PSA
3	436% 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 RBC Capital Markets, LLC (the “Dealer”) in exchange for the Underlying REMIC Certificates and the Group 2 MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

LEGAL MATTERS

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

Group 1 Underlying REMIC 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	October 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)
2009-39	AD	May 2009	31397NK87	6.0%	FIX	June 2039	PAC/AD	\$100,000,000	0.59695626	\$59,695,626	6.525%	310	42
2009-74	HJ	August 2009	31396Q3N7	6.0	FIX	June 2039	PAC/AD	140,000,000	0.58652603	82,113,644	6.568	308	43

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

Group 3 Underlying REMIC Certificate

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Notional Principal Balance of Class	October 2011 Class Factor	Notional Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2009-69	SB	August 2009	31396Q5B1	(2)	INV/IO	September 2039	NTL	\$109,200,000	0.49801057	\$54,382,754	6.453%	311	43

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

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

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 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								
VA	\$13,284,119	B(3)	\$33,125,000	SEQ	3.5%	FIX	3136A1P66	November 2041
ZA	19,840,881							
Recombination 2								
AG	81,360,000	AJ	81,360,000	SEQ	2.5	FIX	3136A1P74	March 2036
IB	11,622,857(4)							
Recombination 3								
AG	81,360,000	AL	81,360,000	SEQ	3.0	FIX	3136A1P82	March 2036
IB	23,245,714(4)							
Recombination 4								
AG	81,360,000	AB	81,360,000	SEQ	3.5	FIX	3136A1P90	March 2036
IB	34,868,571(4)							
Recombination 5								
AG	81,360,000	AM	91,875,000	SEQ	2.0	FIX	3136A1Q24	September 2037
AW	10,515,000							
Recombination 6								
AG	81,360,000	AP	91,875,000	SEQ	2.5	FIX	3136A1Q32	September 2037
IB	11,622,857(4)							
AW	10,515,000							
IO	1,502,142(4)							
Recombination 7								
AG	81,360,000	AU	91,875,000	SEQ	3.0	FIX	3136A1Q40	September 2037
IB	23,245,714(4)							
AW	10,515,000							
IO	3,004,285(4)							
Recombination 8								
AG	81,360,000	A	91,875,000	SEQ	3.5	FIX	3136A1Q57	September 2037
IB	34,868,571(4)							
AW	10,515,000							
IO	4,506,428(4)							
Recombination 9								
IB	34,868,571(4)	AI	39,374,999(4)	NTL	3.5	FIX/IO	3136A1Q65	September 2037
IO	4,506,428(4)							

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 10								
AW	\$10,515,000	AQ	\$10,515,000	SEQ	3.5%	FIX	3136A1Q73	September 2037
IO	4,506,428(4)							
Recombination 11								
S	54,382,754(4)	SB	54,382,754(4)	NTL	(5)	INV/IO	3136A1Q81	September 2039
TI	54,382,754(4)							

- (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.
- (3) Principal payments on the REMIC Certificates in Recombination 1 from the ZA Accrual Amount will be paid as interest on the related RCR Certificates, and thus will not reduce the principal balances of those RCR Certificates.
- (4) Notional balances. These Classes are Interest Only Classes. See page S-6 for a description of how their notional balances are calculated.
- (5) For a description of this interest rate, see “Summary—Interest Rates” in this prospectus supplement.

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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\$266,809,270



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2011-114**

PROSPECTUS SUPPLEMENT



October 24, 2011