

\$664,830,547



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2011-116**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

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

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

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
PT	1	\$ 79,013,928	SC/PT	4.5%	FIX	3136A1L37	August 2041
AB	2	9,790,529	PT	3.5	FIX	3136A1L45	November 2041
FA	2	19,581,057	PT	(2)	FLT	3136A1L52	November 2041
SA	2	19,581,057(3)	NTL	(2)	INV/IO	3136A1L60	November 2041
BA(4)	3	200,000,000	SEQ	1.5	FIX	3136A1L78	February 2038
BI(4)	3	114,285,714(3)	NTL	3.5	FIX/IO	3136A1L86	February 2038
VA(4)	3	17,373,000	SEQ/AD	3.5	FIX	3136A1L94	February 2023
VB(4)	3	11,064,000	SEQ/AD	3.5	FIX	3136A1M28	June 2028
ZA(4)	3	36,279,000	SEQ	3.5	FIX/Z	3136A1M36	November 2041
DA(4)	4	127,094,000	SEQ/AD	3.5	FIX	3136A15P6	June 2037
DZ(4)	4	18,770,517	SEQ	3.5	FIX/Z	3136A15Q4	November 2041
FD	4	145,864,516	PT	(2)	FLT	3136A15R2	November 2041
SD	4	145,864,516(3)	NTL	(2)	INV/IO	3136A15S0	November 2041
R		0	NPR	0	NPR	3136A1M44	November 2041
RL		0	NPR	0	NPR	3136A1M51	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 BG, BT, BY 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 (other than the PT Class) from time to time in negotiated transactions at varying prices. We expect the settlement date to be October 28, 2011. See “Plan of Distribution” in this prospectus supplement.

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.

BofA Merrill Lynch

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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 the Group 1 Class or the R or RL Class, the disclosure document relating to the underlying RCR certificates (the “Underlying REMIC Disclosure Document”); and
- any information incorporated by reference in this prospectus supplement as discussed below and under the heading “Incorporation by Reference” in the REMIC Prospectus.

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 Document are incorporated by reference in this prospectus supplement. This means that we are disclosing information in those documents by referring you to them. Those documents are considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with those documents.

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

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

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at www.fanniemae.com.

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

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Mortgage Finance Department
One Bryant Park
New York, New York 10036
(telephone 646 855-8340).

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 2011-79-BA RCR Certificate Class 2011-79-BY RCR Certificate
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS

Group 1

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

Group 2, Group 3 and Group 4

Characteristics of the Trust MBS

	<u>Approximate Principal Balance</u>	<u>Pass- Through Rate</u>	<u>Range of Weighted Average Coupons or WACs (annual percentages)</u>	<u>Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)</u>
Group 2 MBS	\$ 29,371,586	5.50%	5.75% to 8.00%	241 to 360
Group 3 MBS	\$264,716,000	3.50%	3.75% to 6.00%	241 to 360
Group 4 MBS	\$291,729,033	5.00%	5.25% to 7.50%	241 to 360

Assumed Characteristics of the Underlying Mortgage Loans

	<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>
Group 2 MBS	\$ 29,371,586	360	350	8	5.830%
Group 3 MBS	\$264,716,000	360	348	10	4.050%
Group 4 MBS	\$291,729,033	360	351	6	5.362%

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

Settlement Date

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

Distribution Dates

We will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day.

Record Date

On each distribution date, we will make each monthly payment on the certificates to holders of record on the last day of the preceding month.

Book-Entry and Physical Certificates

We will issue the classes of certificates in the following forms:

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate(1)</u>
FA	0.73878%	6.50%	0.50%	LIBOR + 50 basis points
SA	5.76122%	6.00%	0.00%	6.00% – LIBOR
FD	0.74333%	6.50%	0.50%	LIBOR + 50 basis points
SD	5.75667%	6.00%	0.00%	6.00% – LIBOR

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

Notional Classes

The notional principal balances of the notional classes will equal the percentages of the outstanding balances specified below immediately before the related distribution date:

Class

SA	100% of the FA Class
BI	57.142857% of the BA Class
SD	100% of the FD Class

Distributions of Principal

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

Weighted Average Lives (years)*

<u>Group 1 Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>450%</u>	<u>800%</u>	<u>1200%</u>	<u>1600%</u>
PT	19.7	9.4	3.6	2.2	1.5	1.2
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>400%</u>	<u>700%</u>	<u>1100%</u>	<u>1500%</u>
AB, FA and SA	20.5	10.8	4.1	2.4	1.6	1.2
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>500%</u>	<u>800%</u>	
BA, BI, BG and BT	16.4	6.7	3.5	2.0	1.3	
VA	6.0	6.0	5.5	3.8	2.6	
VB	14.0	13.9	8.9	5.1	3.2	
ZA	28.2	21.3	14.0	7.9	4.9	
BY	28.2	21.1	12.8	6.9	4.2	
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>450%</u>	<u>800%</u>	<u>1150%</u>	<u>1500%</u>
DA	16.3	7.5	2.7	1.8	1.3	1.1
DZ	27.9	22.1	9.2	5.3	3.5	2.5
FD, SD and DB	20.2	10.7	3.8	2.3	1.6	1.3

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) pursuant to a trust agreement dated as of 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:

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

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

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

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

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

<u>REMIC Designation</u>	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
Lower Tier REMIC . . .	Group 1 Underlying RCR Certificates and Trust 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 Group 1 Underlying RCR Certificates, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus, the MBS Prospectus and the Underlying REMIC Disclosure Document. Our guaranties are not backed by the full faith and credit of the United States.

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

We will issue the Residual 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 Group 1 Underlying RCR Certificates

The Group 1 Underlying RCR Certificates represent beneficial ownership interests in the Underlying REMIC Trust. The assets of that trust consist of MBS (or beneficial ownership interests in MBS) having the general characteristics set forth in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

Distributions on the Group 1 Underlying RCR Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 1 Underlying RCR Certificates are described in the Underlying REMIC Disclosure Document. See Exhibit A for certain additional information about the Group 1 Underlying RCR Certificates. Exhibit A is provided in lieu of a Final Data Statement with respect to the Group 1 Underlying RCR Certificates.

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

The Trust MBS

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

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

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	Floating Rate and Inverse Floating Rate Classes

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

Accrual Classes. The ZA and DZ Classes are Accrual Classes. Interest will accrue on each 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 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 Group 1 Principal Distribution Amount to PT until retired.

} Structured Collateral/Pass-Through Class

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

- *Group 2*

The Group 2 Principal Distribution Amount to AB and FA, pro rata, until retired.

} Pass-Through Classes

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

- *Group 3*

The ZA Accrual Amount to VA and VB, in that order, until retired, and thereafter to ZA.

} Accretion Directed Classes and Accrual Class

The Group 3 Cash Flow Distribution Amount to BA, VA, VB 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 3 Cash Flow Distribution Amount” is the principal then paid on the Group 3 MBS.

- *Group 4*

The DZ Accrual Amount to DA until retired, and thereafter to DZ.

} Accretion
Directed
Class and
Accrual Class

The Group 4 Cash Flow Distribution Amount as follows:

— 50.0000001714% to DA and DZ, in that order, until retired and

} Sequential
Pay Classes

— 49.9999998286% to FD until retired.

} Pass-Through
Class

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

The “Group 4 Cash Flow 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 actual characteristics of each pool of Mortgage Loans backing the Group 1 Underlying RCR Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 2, 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 October 28, 2011; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. The prepayment model used in this prospectus supplement is PSA. For a description of PSA, see “Yield, Maturity and Prepayment Considerations—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other *constant* rate.

Yield Tables

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 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 levels of the Index, and
- the aggregate purchase prices of these Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SA	14.44%
SD	14.97%

* 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>400%</u>	<u>700%</u>	<u>1100%</u>	<u>1500%</u>
0.12000%	39.6%	36.8%	19.0%	(0.3)%	(28.9)%	(62.3)%
0.23878%	38.7%	35.8%	18.0%	(1.3)%	(29.9)%	(63.4)%
2.23878%	22.9%	20.0%	1.9%	(17.9)%	(47.7)%	(83.4)%
4.23878%	6.9%	4.0%	(14.4)%	(34.8)%	(66.7)%	*
6.00000%	*	*	*	*	*	*

**Sensitivity of the SD 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>450%</u>	<u>800%</u>	<u>1150%</u>	<u>1500%</u>
0.12000%	37.9%	35.2%	15.3%	(6.3)%	(29.9)%	(56.2)%
0.24333%	36.9%	34.2%	14.3%	(7.3)%	(31.0)%	(57.4)%
2.24333%	21.8%	19.0%	(1.6)%	(24.2)%	(49.4)%	(77.9)%
4.24333%	6.2%	3.4%	(17.8)%	(41.7)%	(69.4)%	*
6.00000%	*	*	*	*	*	*

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

<u>Class</u>	<u>% PSA</u>
BI	250%

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 BI Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
BI	11.85%

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

Sensitivity of the BI Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	250%	500%	800%
Pre-Tax Yields to Maturity . . .	22.8%	17.9%	0.0%	(33.9)%	(71.4)%

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 Group 3 and Group 4 Classes.

See “—Distributions of Principal” above.

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

Decrement Tables

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

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

<u>Mortgage Loans Backing Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 Underlying RCR Certificates	360 months	357 months	7.00%
Group 2 MBS	360 months	360 months	8.00%
Group 3 MBS	360 months	360 months	6.00%
Group 4 MBS	360 months	360 months	7.50%

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates and 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	PT Class						AB, FA and SA† Classes						BA, BI†, BG and BT Classes				
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	450%	800%	1200%	1600%	0%	100%	400%	700%	1100%	1500%	0%	100%	250%	500%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2012	99	95	86	77	66	55	99	96	87	78	67	55	98	93	87	76	63
October 2013	98	88	65	45	25	9	98	89	68	49	27	10	97	84	68	44	20
October 2014	97	81	46	23	7	*	97	83	51	28	9	1	95	75	51	20	0
October 2015	95	74	33	11	2	*	96	77	38	16	3	*	93	66	37	4	0
October 2016	94	67	23	6	1	*	95	71	28	9	1	*	91	58	25	0	0
October 2017	93	61	16	3	*	*	94	65	21	5	*	*	89	50	16	0	0
October 2018	91	56	12	1	*	0	92	60	16	3	*	*	86	43	7	0	0
October 2019	89	50	8	1	*	0	91	55	12	2	*	*	84	37	*	0	0
October 2020	87	45	6	*	*	0	89	50	9	1	*	0	81	31	0	0	0
October 2021	86	41	4	*	*	0	88	46	6	1	*	0	78	25	0	0	0
October 2022	83	36	3	*	*	0	86	42	5	*	*	0	75	20	0	0	0
October 2023	81	32	2	*	*	0	84	38	3	*	*	0	72	15	0	0	0
October 2024	79	29	1	*	*	0	82	35	3	*	*	0	69	10	0	0	0
October 2025	76	25	1	*	*	0	79	31	2	*	*	0	65	6	0	0	0
October 2026	73	22	1	*	0	0	77	28	1	*	*	0	62	2	0	0	0
October 2027	71	19	*	*	0	0	74	25	1	*	*	0	58	0	0	0	0
October 2028	67	16	*	*	0	0	71	23	1	*	*	0	53	0	0	0	0
October 2029	64	13	*	*	0	0	68	20	1	*	0	0	49	0	0	0	0
October 2030	60	11	*	*	0	0	64	18	*	*	0	0	44	0	0	0	0
October 2031	56	8	*	*	0	0	60	15	*	*	0	0	39	0	0	0	0
October 2032	52	6	*	*	0	0	56	13	*	*	0	0	34	0	0	0	0
October 2033	48	4	*	*	0	0	52	11	*	*	0	0	28	0	0	0	0
October 2034	43	2	*	*	0	0	47	9	*	*	0	0	22	0	0	0	0
October 2035	38	1	*	0	0	0	42	7	*	*	0	0	16	0	0	0	0
October 2036	32	0	0	0	0	0	36	6	*	*	0	0	9	0	0	0	0
October 2037	26	0	0	0	0	0	30	4	*	*	0	0	1	0	0	0	0
October 2038	20	0	0	0	0	0	23	3	*	*	0	0	0	0	0	0	0
October 2039	13	0	0	0	0	0	16	1	*	*	0	0	0	0	0	0	0
October 2040	6	0	0	0	0	0	8	*	*	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
Weighted Average Life (years)**	19.7	9.4	3.6	2.2	1.5	1.2	20.5	10.8	4.1	2.4	1.6	1.2	16.4	6.7	3.5	2.0	1.3

Date	VA Class					VB Class					ZA Class					BY Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	250%	500%	800%	0%	100%	250%	500%	800%	0%	100%	250%	500%	800%	0%	100%	250%	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	93	93	93	93	93	100	100	100	100	100	104	104	104	104	104	100	100	100	100	100
October 2013	85	85	85	85	85	100	100	100	100	100	107	107	107	107	107	100	100	100	100	100
October 2014	77	77	77	77	9	100	100	100	100	100	111	111	111	111	111	100	100	100	100	82
October 2015	69	69	69	69	0	100	100	100	100	0	115	115	115	115	74	100	100	100	100	42
October 2016	60	60	60	0	0	100	100	100	55	0	119	119	119	119	38	100	100	100	76	21
October 2017	51	51	51	0	0	100	100	100	0	0	123	123	123	93	19	100	100	100	52	11
October 2018	42	42	42	0	0	100	100	100	0	0	128	128	128	63	10	100	100	100	35	5
October 2019	33	33	33	0	0	100	100	100	0	0	132	132	132	43	5	100	100	100	24	3
October 2020	23	23	0	0	0	100	100	38	0	0	137	137	137	29	2	100	100	83	16	1
October 2021	13	13	0	0	0	100	100	0	0	0	142	142	122	20	1	100	100	68	11	1
October 2022	2	2	0	0	0	100	100	0	0	0	147	147	100	13	1	100	100	56	7	*
October 2023	0	0	0	0	0	86	86	0	0	0	152	152	82	9	*	100	100	46	5	*
October 2024	0	0	0	0	0	68	68	0	0	0	158	158	67	6	*	100	100	37	3	*
October 2025	0	0	0	0	0	50	50	0	0	0	163	163	54	4	*	100	100	30	2	*
October 2026	0	0	0	0	0	31	31	0	0	0	169	169	44	3	*	100	100	24	1	*
October 2027	0	0	0	0	0	11	0	0	0	0	175	166	35	2	*	100	93	20	1	*
October 2028	0	0	0	0	0	0	0	0	0	0	178	147	28	1	*	100	82	16	1	*
October 2029	0	0	0	0	0	0	0	0	0	0	178	129	22	1	*	100	72	12	*	*
October 2030	0	0	0	0	0	0	0	0	0	0	178	112	18	*	*	100	63	10	*	*
October 2031	0	0	0	0	0	0	0	0	0	0	178	97	14	*	*	100	54	8	*	*
October 2032	0	0	0	0	0	0	0	0	0	0	178	82	11	*	*	100	46	6	*	*
October 2033	0	0	0	0	0	0	0	0	0	0	178	69	8	*	*	100	39	4	*	*
October 2034	0	0	0	0	0	0	0	0	0	0	178	57	6	*	*	100	32	3	*	*
October 2035	0	0	0	0	0	0	0	0	0	0	178	45	4	*	*	100	25	2	*	*
October 2036	0	0	0	0	0	0	0	0	0	0	178	35	3	*	*	100	19	2	*	*
October 2037	0	0	0	0	0	0	0	0	0	0	178	25	2	*	*	100	14	1	*	*
October 2038	0	0	0	0	0	0	0	0	0	0	144	16	1	*	*	81	9	1	*	*
October 2039	0	0	0	0	0	0	0	0	0	0	99	8	*	*	0	55	4	*	*	0
October 2040	0	0	0	0	0	0	0	0	0	0	51	0	0	0	0	28	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)**	6.0	6.0	5.5	3.8	2.6	14.0	13.9	8.9	5.1	3.2	28.2	21.3	14.0	7.9	4.9	28.2	21.1	12.8	6.9	4.2

* 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	DA Class						DZ Class						FD, SD† and DB Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	450%	800%	1150%	1500%	0%	100%	450%	800%	1150%	1500%	0%	100%	450%	800%	1150%	1500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2012	98	95	85	75	65	54	104	104	104	104	104	104	99	96	87	79	70	61
October 2013	97	87	61	38	18	1	107	107	107	107	107	107	98	90	67	47	29	14
October 2014	95	79	39	11	0	0	111	111	111	111	70	11	97	83	48	24	9	1
October 2015	93	71	23	0	0	0	115	115	115	95	21	1	96	77	34	12	3	*
October 2016	91	64	11	0	0	0	119	119	119	49	6	*	95	71	25	6	1	*
October 2017	89	57	2	0	0	0	123	123	123	25	2	*	93	65	18	3	*	*
October 2018	87	50	0	0	0	0	128	128	98	13	1	*	92	60	13	2	*	*
October 2019	84	44	0	0	0	0	132	132	70	6	*	*	90	55	9	1	*	*
October 2020	81	37	0	0	0	0	137	137	50	3	*	*	89	50	6	*	*	*
October 2021	79	32	0	0	0	0	142	142	35	2	*	0	87	46	5	*	*	0
October 2022	76	26	0	0	0	0	147	147	25	1	*	0	85	42	3	*	*	0
October 2023	73	21	0	0	0	0	152	152	18	*	*	0	83	38	2	*	*	0
October 2024	69	16	0	0	0	0	158	158	12	*	*	0	80	34	2	*	*	0
October 2025	65	12	0	0	0	0	163	163	9	*	*	0	78	31	1	*	*	0
October 2026	62	7	0	0	0	0	169	169	6	*	*	0	75	28	1	*	*	0
October 2027	57	3	0	0	0	0	175	175	4	*	*	0	73	25	1	*	*	0
October 2028	53	0	0	0	0	0	181	173	3	*	*	0	70	22	*	*	0	0
October 2029	48	0	0	0	0	0	188	153	2	*	0	0	66	20	*	*	0	0
October 2030	43	0	0	0	0	0	194	134	1	*	0	0	63	17	*	*	0	0
October 2031	38	0	0	0	0	0	201	117	1	*	0	0	59	15	*	*	0	0
October 2032	32	0	0	0	0	0	208	100	1	*	0	0	55	13	*	*	0	0
October 2033	26	0	0	0	0	0	216	85	*	*	0	0	50	11	*	*	0	0
October 2034	19	0	0	0	0	0	223	71	*	*	0	0	46	9	*	*	0	0
October 2035	12	0	0	0	0	0	231	57	*	*	0	0	40	7	*	*	0	0
October 2036	5	0	0	0	0	0	240	45	*	*	0	0	35	6	*	*	0	0
October 2037	0	0	0	0	0	0	225	33	*	*	0	0	29	4	*	*	0	0
October 2038	0	0	0	0	0	0	175	22	*	*	0	0	22	3	*	0	0	0
October 2039	0	0	0	0	0	0	121	12	*	*	0	0	16	2	*	0	0	0
October 2040	0	0	0	0	0	0	63	2	*	0	0	0	8	*	*	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)**	16.3	7.5	2.7	1.8	1.3	1.1	27.9	22.1	9.2	5.3	3.5	2.5	20.2	10.7	3.8	2.3	1.6	1.3

* 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.

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	450% PSA
2	400% PSA
3	250% PSA
4	450% 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 (other than the PT Class) to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) in exchange for the Group 1 Underlying RCR Certificates and the Trust MBS. The Dealer proposes to offer the Certificates (other than the PT Class) directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

On the Settlement Date, we are obligated to transfer the PT Class to Fannie Mae Mega Trust number 310098 (CUSIP Number 31374CNP7) and to deliver the related Mega certificates to the Dealer.

LEGAL MATTERS

Sidley Austin LLP will provide legal representation for Fannie Mae. Orrick, Herrington & Sutcliffe LLP will provide legal representation for the Dealer.

Group 1 Underlying RCR 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 WALA (in months)
2011-79	BA	July 2011	3136A0RJ8	4.5%	FIX	February 2038	SEQ	\$61,862,000	0.94838003	\$58,668,685	4.883%	7
2011-79	BY	July 2011	3136A0RE9	4.5	FIX	August 2041	SEQ	20,345,243	1.00000000	20,345,243	4.883	7

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

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

Available Recombinations(1)

REMIC Certificates		RCR Certificates						
Class	Original Balances	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
BA	\$200,000,000	BG	\$200,000,000	SEQ	2.5%	FIX	3136A1M69	February 2038
BI	57,142,858(3)							
Recombination 2								
BA	200,000,000	BT	200,000,000	SEQ	3.5	FIX	3136A1M77	February 2038
BI	114,285,714(3)							
Recombination 3								
VA	17,373,000	BY(4)	64,716,000	SEQ	3.5	FIX	3136A1M85	November 2041
VB	11,064,000							
ZA	36,279,000							
Recombination 4								
DA	127,094,000	DB(5)	145,864,517	PT	3.5	FIX	3136A15T8	November 2041
DZ	18,770,517							

(1) REMIC Certificates and RCR Certificates in any 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) Notional balance. This Class is an Interest Only Class. See page S-6 for a description of how its notional balance is calculated.

(4) Principal payments on the REMIC Certificates in Recombination 3 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.

(5) Principal payments on the REMIC Certificates in Recombination 4 from the DZ Accrual Amount will be paid as interest on the related RCR Certificates and thus will not reduce the principal balances of those RCR Certificates.

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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\$664,830,547



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2011-116**

PROSPECTUS SUPPLEMENT

BofA Merrill Lynch

October 24, 2011
