

**Prospectus Supplement  
(To REMIC Prospectus dated August 1, 2012)**

**\$283,792,828**



**FannieMae®**

**Guaranteed Pass-Through Certificates  
Fannie Mae Trust 2012-119**

**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 assets will be divided into three groups.

- Group 1 and Group 2 will consist of Fannie Mae MBS.
- Group 3 will consist of an underlying RCR certificate backed by Fannie Mae MBS.

The mortgage loans underlying the Group 1 MBS and Group 2 MBS are first lien, single-family, fixed rate loans. The mortgage loans underlying the Group 2 MBS have loan-to-value ratios in excess of 125%.

**Tax Treatment**

- Group 1 and Group 3 will together be treated as a REMIC for tax purposes.
- Group 2 will be treated as a grantor trust for tax purposes.

<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>
BE(2) ...	1	\$52,463,791	PAC	1.50%	FIX	3136A9NA2	December 2040
IB(2) ....	1	13,115,947(3)	NTL	4.00	FIX/IO	3136A9NB0	December 2040
BL(2) ....	1	8,607,324	PAC	2.50	FIX	3136A9NC8	November 2042
JD ..... 1		3,816,000	PAC	2.50	FIX	3136A9ND6	November 2042
JA ..... 1		10,388,000	SUP	2.50	FIX	3136A9NE4	June 2042
JB ..... 1		1,275,000	SUP	2.50	FIX	3136A9NF1	August 2042
JC ..... 1		1,574,885	SUP	2.50	FIX	3136A9NG9	November 2042
FB ..... 1		46,875,000	PT	(4)	FLT	3136A9NH7	November 2042
SB ..... 1		46,875,000(3)	NTL	(4)	INV/IO	3136A9NJ3	November 2042
HE ..... 2		70,000,000	PT	1.25	FIX	3136A9NK0	November 2027
HI ..... 2		45,000,000(3)	NTL	3.50	FIX/IO	3136A9NL8	November 2027
AC(2) ... 3		39,280,630	SC/SPS/AD	2.50	FIX	3136A9NM6	December 2041
CA(2) ... 3		48,009,658	SC/SP/AD	2.50	FIX	3136A9NN4	December 2041
CZ ..... 3		1,502,540	SC/SEQ	2.50	FIX/Z	3136A9NP9	December 2041
R ..... 0			NPR	0	NPR	3136A9NQ7	November 2042
RL ..... 0			NPR	0	NPR	3136A9NR5	November 2042

- (1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC prospectus.  
(2) Exchangeable classes.  
(3) Notional balances. These classes are interest only classes. See page S-5 for a description of how their notional balances are calculated.  
(4) Based on LIBOR.

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 BA, BI and CB 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—Combination and Recombination—RCR Certificates" in the REMIC prospectus.

Because the mortgage loans underlying the Group 2 MBS have loan-to-value ratios in excess of 125%, the Group 2 Classes are not eligible assets for a REMIC. See "Certain Additional Federal Income Tax Consequences" in this prospectus supplement and "Material Federal Income Tax Consequences—Special Tax Attributes" in the MBS 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 30, 2012.

**Carefully consider the risk factors on page S-7 of this prospectus supplement and starting on page 13 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

You should read the REMIC prospectus as well as this prospectus supplement.

The certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

The certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

**Jefferies**

October 24, 2012

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## AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated August 1, 2012 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated
  - February 1, 2012, for all MBS issued on or after February 1, 2012,
  - July 1, 2011, for all MBS issued on or after July 1, 2011 and prior to February 1, 2012,
  - 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 3 Class or the R or RL Class, the disclosure document relating to the underlying RCR certificate (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 February 1, 2012.

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](http://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:

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

## SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of October 1, 2012. You should purchase the certificates only after reading this prospectus supplement and each of the additional disclosure documents listed on page S-3. In particular, please see the discussion of risk factors that appears in each of those additional disclosure documents.

### Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Class 2011-125-DL RCR Certificate

### Group 1 and Group 2

#### Characteristics of the Trust MBS

	<u>Approximate Principal Balance</u>	<u>Pass- Through Rate</u>	<u>Range of Weighted Average Coupons or WACs (annual percentages)</u>	<u>Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)</u>
Group 1 MBS	\$125,000,000	4.0%	4.25% to 6.50%	241 to 360
Group 2 MBS	\$ 70,000,000	3.5%	3.75% to 6.00%	121 to 180

#### Assumed Characteristics of the Underlying Mortgage Loans

	<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>
Group 1 MBS	\$125,000,000	360	355	4	4.500%
Group 2 MBS	\$ 70,000,000	180	175	5	4.012%

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, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—*Yield—Yields on and weighted average lives of the certificates are affected by actual characteristics of the mortgage loans backing the series trust assets*” in the REMIC Prospectus.

Each of the mortgage loans underlying the Group 2 MBS has an LTV greater than 125%.

### Group 3

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

### Settlement Date

We expect to issue the certificates on October 30, 2012.

## Distribution Dates

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

## Record Date

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

## Book-Entry and Physical Certificates

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

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes of certificates other than the R and RL Classes	R and RL Classes

## Exchanging Certificates Through Combination and Recombination

If you own certificates of a class designated as “exchangeable” on the cover of this prospectus supplement, you will be able to exchange them for a proportionate interest in the related RCR certificates. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates. You can exchange your certificates by notifying us and paying an exchange fee. We will deliver the RCR certificates upon such exchange.

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

## Interest Rates

During each interest accrual period, the fixed rate classes will bear interest at the applicable annual interest rates listed on the cover of this prospectus supplement or on Schedule 1.

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>
FB .....	0.569%	6.50%	0.35%	LIBOR + 35 basis points
SB .....	5.931%	6.15%	0.00%	6.15% – LIBOR

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

## Notional Classes

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

<u>Class</u>	
IB .....	24.9999985704% of the BE Class
SB .....	100% of the FB Class
HI .....	64.2857142857% of the HE Class
BI .....	24.9999987719% of the <i>sum</i> of the BE and BL Classes

## 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>125%</u>	<u>150%</u>	<u>200%</u>	<u>250%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>	<u>1300%</u>
BE and IB .....	15.7	6.1	5.4	5.4	5.4	5.4	3.9	2.7	2.1	1.6
BL .....	25.9	17.1	17.0	17.0	17.0	17.0	11.6	7.2	5.1	3.3
JD .....	27.2	15.8	11.5	3.0	3.0	3.0	2.0	1.4	1.1	0.8
JA .....	28.6	21.5	18.8	15.4	5.8	2.2	1.1	0.7	0.5	0.4
JB .....	29.6	27.0	25.7	23.9	17.9	4.6	2.0	1.3	1.0	0.7
JC .....	29.9	28.6	28.1	27.2	23.8	6.0	2.1	1.4	1.0	0.8
FB and SB .....	19.6	10.7	9.5	8.6	7.2	6.1	4.2	2.8	2.2	1.6
BA and BI .....	17.1	7.7	7.0	7.0	7.0	7.0	5.0	3.3	2.5	1.9

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>	<u>800%</u>	<u>1100%</u>
HE and HI .....	8.6	6.3	4.6	3.7	3.1	2.2	1.7

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>								
	<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>	<u>800%</u>	<u>1100%</u>	<u>1500%</u>	<u>2000%</u>
AC .....	25.1	15.1	5.4	1.9	1.3	0.8	0.6	0.4	0.3
CA .....	13.1	5.0	5.0	5.0	4.0	2.5	1.7	1.2	0.7
CZ .....	28.9	27.2	21.7	16.6	12.8	7.7	5.0	2.8	1.1
CB .....	18.5	9.6	5.2	3.6	2.8	1.7	1.2	0.8	0.5

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



## ADDITIONAL RISK FACTORS

*In the future we may be unable to establish LIBOR on the basis of the BBA Method.* On September 28, 2012, Britain's Financial Services Authority recommended that the BBA be removed from its rate-setting responsibility and proposed additional reforms in connection with the determination of LIBOR. If in the future the BBA is no longer calculating the interest settlement rate for one-month U.S. dollar deposits, or if for any other reason we are unable to establish LIBOR on the basis of the BBA Method on any index determination date, we will establish LIBOR based on the LIBO Method as described under "Description of the Certificates—Distributions on Certificates—Interest Distributions—Indices for Floating Rate Classes and Inverse Floating Rate Classes" in the REMIC Prospectus. We can provide no assurance as to which entity or entities will assume responsibility for setting the applicable rates in the future. In addition, we can provide no assurance that LIBOR for any Distribution Date accurately represents the offered rate applicable to loans in U.S. dollars for a one-month period between leading European banks or that LIBOR's prominence as a benchmark interest rate will be preserved.

*Mortgage loans with loan-to-value ratios greater than 125% may have different prepayment and default characteristics than conforming mortgage loans generally.*

The Group 2 MBS are backed by mortgage loans with loan-to-value ratios greater than 125% (a "very high LTV loan"). Although information is limited regarding the default and prepayment rates for very high LTV loans, it is possible that loans of this type may experience rates of default and voluntary prepayment that differ from otherwise comparable loans with lower loan-to-value ratios.

Very high LTV loans may be eligible for refinancing under the federal Home Affordable Refinancing Program ("HARP") and our Refi Plus program. Moreover, our mortgage seller/servicers are permitted to solicit refinancings of very high LTV loans even if the related seller/servicers are not soliciting refinancings from borrowers more generally, so long as they are also soliciting eligible borrowers whose mortgage loans are owned or guaranteed by Freddie Mac. If very high LTV loans are refinanced, the weighted average life of your certificates may be reduced and, in the case of interest only certificates, as well as certain other classes of certificates purchased at a premium, your yield may be adversely affected.

In addition, very high LTV loans may already have been refinanced. A refinanced very high LTV loan is likely to have a lower interest rate than the predecessor loan, which may enable the related borrower to continue to make monthly principal and interest payments. In that case, the weighted average life of your certificates may be extended and, in the case of principal only certificates, as well as certain other classes of certificates purchased at a discount, your yield may be adversely affected.

In general, very high LTV loans may be viewed as posing a greater risk of default than loans with lower loan-to-value ratios because borrowers may decide that it is not in their economic interest to continue making monthly payments. To the extent the very high LTV loans go into default, the weighted average life of your certificates may be reduced and, in the case of interest only certificates, as well as certain other classes of certificates purchased at a premium, your yield may be adversely affected. See "Description of the Certificates—The Trust MBS" in this prospectus supplement.

## DESCRIPTION OF THE CERTIFICATES

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

## General

*Structure.* We will create the Fannie Mae 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, 2012 (the “Issue Date”). We will issue the Guaranteed Pass-Through Certificates (the “Trust Certificates”) pursuant to that trust agreement and supplement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the Trust 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 Trust 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 Trust Certificates and RCR Certificates.

The assets of the Trust will include:

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

The Group 3 Underlying RCR Certificate evidences 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 portion of the Trust other than the Group 2 MBS will include the “Lower Tier REMIC” and the “Upper Tier REMIC” as “real estate mortgage investment conduits” (each, a “REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”). The portion of the Trust that consists of the Group 2 MBS will be treated as a grantor trust for tax purposes (the “Group 2 Grantor Trust”).

The following chart contains information about the assets, the “regular interests” and the “residual interests” of each REMIC. The Trust Certificates other than the Group 2 Classes and 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 MBS and Group 3 Underlying RCR Certificate	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 Trust Certificates other than the Group 2 Classes and the R and RL Classes	R

*Fannie Mae Guaranty.* For a description of our guaranties of the Certificates, the MBS and the Group 3 Underlying RCR Certificate, 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

*Trust Agreement Amendments.* The Trust Agreement provides that any amendment to the Trust Agreement that requires the consent of holders of the Group 2 Classes will require the consent of all holders of the Group 2 Classes. For a description of the required level of Certificateholder consent for amendments to the Trust Agreement affecting Classes other than the Group 2 Classes, see “The Trust Documents—Amendment” in the REMIC Prospectus.

## **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 in the case of the Group 1 MBS and up to 15 years in the case of the Group 2 MBS.

In addition, each Mortgage Loan underlying the Group 2 MBS is a very high LTV loan with a loan-to-value ratio greater than 125%. Borrowers may be eligible to refinance very high LTV loans if we purchased those loans on or before May 31, 2009. In addition, we are now permitted to issue certificates backed by pools containing very high LTV loans. For a description of very high LTV loans, see “The Mortgage Loans—High Loan-to-Value Mortgage Loans” in the MBS Prospectus dated February 1, 2012. See also “Additional Risk Factors—*Mortgage loans with loan-to-value ratios greater than 125% may have different prepayment and default characteristics than conforming mortgage loans generally*” in this prospectus supplement.

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

## **The Group 3 Underlying RCR Certificate**

The Group 3 Underlying RCR Certificate represents 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.

In addition, the mortgage loans backing the Group 3 Underlying RCR Certificate are relocation mortgage loans made under agreements between lenders and employers that frequently relocate their employees. For additional information, see “Risk Factors—Risks Relating to Yield and Prepayment—*Yield—It is possible that the rate of prepayment of relocation mortgage loans may be higher than that of nonrelocation mortgage loans*” and “The Mortgage Loans—Special Feature Mortgage Loans—*Relocation Loans*” in the MBS Prospectus dated February 1, 2012.

Distributions on the Group 3 Underlying RCR Certificate will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 3 Underlying RCR Certificate are described in the Underlying REMIC Disclosure Document. See Exhibit A for certain additional information about the Group 3 Underlying RCR Certificate. Exhibit A is provided in lieu of a Final Data Statement with respect to the Group 3 Underlying RCR Certificate.

For further information about the Group 3 Underlying RCR Certificate, telephone us at 1-800-237-8627. Additional information about the Group 3 Underlying RCR Certificate is also available at <https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html>. 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.

## 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.

The Floating Rate and Inverse Floating Rate Classes will bear interest at interest rates based on LIBOR. We currently establish LIBOR on the basis of the “BBA Method.” See “Additional Risk Factors – *In the future we may be unable to establish LIBOR on the basis of the BBA Method*” in this prospectus supplement.

*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>
All interest-bearing Classes other than the FB and SB Classes	FB and SB Classes

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

*Accrual Class.* The CZ Class is an 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 Classes of REMIC Certificates as described below. Following any exchange of REMIC Certificates for RCR Certificates, we will apply principal payments from the exchanged REMIC Certificates to the corresponding RCR Certificates on a pro rata basis.

- *Group 1*

The Group 1 Principal Distribution Amount as follows:

— 62.5% as follows:

- |  |   |                     |
|--|---|---------------------|
| <i>first</i> , to the Aggregate Group to its Planned Balance;  | } | PAC Group and Class |
| <i>second</i> , to JD to its Planned Balance;                  |   |                     |
| <i>third</i> , to JA, JB and JC, in that order, until retired; | } | Support Classes     |
| <i>fourth</i> , to JD until retired; and                       |   |                     |
| <i>fifth</i> , to the Aggregate Group to zero, and             | } | PAC Class and Group |
| — 37.5% to FB until retired.                                   |   |                     |
|  | } | Pass-Through Class  |
|  |   |                     |

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

The “Aggregate Group” consists of the BE and BL Classes. On each Distribution Date, we will apply payments of principal of the Aggregate Group to BE and BL, in that order, until retired.

The Aggregate Group has a principal balance equal to the aggregate principal balance of the Classes included in the Aggregate Group.

- *Group 2*

The Group 2 Principal Distribution Amount to HE until retired.

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

- *Group 3*

The Group 3 Principal Distribution Amount in the following priority:

- |   |   |                                 |   |                       |
|---|---|---------------------------------|---|-----------------------|
| 1. Up to \$2,220 in each month to AC until retired.   | } | Specified Payment Support Class | } | Structured Collateral |
| 2. Up to \$411,500 in each month to CA until retired. |   |                                 |   |                       |
| 3. To AC until retired.                               |   |                                 |   |                       |
| 4. To CA until retired.                               |   |                                 |   |                       |
| 5. To CZ until retired.                               |   |                                 |   |                       |
|   |   | Specified Payment Class         |   |                       |
|   |   | Specified Payment Support Class |   |                       |
|   |   | Specified Payment Class         |   |                       |
|   |   | Sequential Pay Class            |   |                       |

The “Group 3 Principal Distribution Amount” is the *sum* of the principal then paid on the Group 3 Underlying RCR Certificate *plus* any interest then accrued and added to the principal balance of the CZ Class.

## Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each pool of Mortgage Loans backing the Group 3 Underlying RCR Certificate and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 1 and 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 30, 2012; and
- each Distribution Date occurs on the 25th day of a month.

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the Trust MBS will differ from the assumed characteristics shown in the Summary, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—Yield—Yields on and weighted average lives of the certificates are affected by actual characteristics of the mortgage loans backing the series trust assets” in the REMIC Prospectus.

*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.

*Principal Balance Schedules.* The Principal Balance Schedules are set forth beginning on page B-1 of this prospectus supplement. The Principal Balance Schedules were prepared based on the Pricing Assumptions and the assumption that the related Mortgage Loans prepay at a constant rate within the applicable “Structuring Ranges” specified in the chart below. The “Effective Range” for an Aggregate Group or a Class is the range of prepayment rates (measured by constant PSA rates) that would reduce that Aggregate Group or Class to its scheduled balance each month based on the Pricing Assumptions. We have not provided separate schedules for the individual Classes included in the Aggregate Group. However, those Classes are designed to receive principal distributions in the same fashion as if separate schedules had been provided (with schedules based on the same underlying assumptions that apply to the Aggregate Group schedule). If such separate schedules had been provided for the individual Classes included in the Aggregate Group, we expect that the effective ranges for those Classes would not be narrower than that shown below for the Aggregate Group.

<u>Group and Class</u>	<u>Structuring Ranges</u>	<u>Initial Effective Ranges</u>
Aggregate Group Planned Balances	Between 125% and 250% PSA	Between 125% and 250% PSA
JD Class Planned Balances	Between 150% and 250% PSA	Between 150% and 255% PSA

The Aggregate Group consists of the BE and BL Classes.

See “—Decrement Tables” below for the percentages of original principal balances of the individual Classes included in the Aggregate Group that would be outstanding at various constant PSA rates, including the upper and lower bands of the applicable Structuring Range, based on the Pricing Assumptions.

**We cannot assure you that the balance of the Aggregate Group or the JD Class will conform on any Distribution Date to the balance specified in the Principal Balance Schedules or that distributions of principal of the Aggregate Group or the JD Class will begin or end on the Distribution Dates specified in the Principal Balance Schedules.**

If you are considering the purchase of a PAC Class, you should first take into account the considerations set forth below.

- We will distribute any excess of principal distributions over the amount necessary to reduce the Aggregate Group or the JD Class to its scheduled balance in any month. As a result, the likelihood of reducing the Aggregate Group or the JD Class to its scheduled balance each month will not be improved by the averaging of high and low principal distributions from month to month.
- Even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Ranges or Effective Ranges, principal distributions may be insufficient to reduce the Aggregate Group and the JD Class to their scheduled balances each month if prepayments do not occur at a constant PSA rate.

- The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. As a result, the actual Effective Ranges will likely differ from the Initial Effective Ranges specified above. For the same reason, the Aggregate Group and the JD Class might not be reduced to their scheduled balances each month even if the related Mortgage Loans prepay at a *constant* PSA rate within the applicable Initial Effective Ranges. This is so particularly if the rates fall at the lower or higher end of the applicable ranges.
- The actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.
- The principal payment stability of the Aggregate Group and the JD Class will be supported by one or more other Classes. When the related supporting Class or Classes are retired, the Aggregate Group or the JD Class, if still outstanding, may no longer have an Effective Range, and will be much more sensitive to prepayments of the related Mortgage Loans.

## 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 Fixed Rate Interest Only Classes.* **The yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below,**



the yield to maturity on each Fixed Rate Interest Only Class would be 0% if prepayments of the related Mortgage Loans were to occur at the following constant rates:

<u>Class</u>	<u>% PSA</u>
IB .....	326%
HI .....	358%
BI .....	394%

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 the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
IB .....	18.00%
HI .....	13.00%
BI .....	20.00%

\* 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

	<u>PSA Prepayment Assumption</u>									
	<u>50%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>	<u>200%</u>	<u>250%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>	<u>1300%</u>
Pre-Tax Yields to Maturity . . . .	13.8%	7.8%	4.8%	4.8%	4.8%	4.8%	(5.8)%	(26.6)%	(46.5)%	(73.8)%

#### Sensitivity of the HI Class to Prepayments

	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>375%</u>	<u>500%</u>	<u>800%</u>	<u>1100%</u>
Pre-Tax Yields to Maturity . . . .	16.4%	13.8%	5.9%	(0.9)%	(8.0)%	(26.0)%	(45.7)%

#### Sensitivity of the BI Class to Prepayments

	<u>PSA Prepayment Assumption</u>									
	<u>50%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>	<u>200%</u>	<u>250%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>	<u>1300%</u>
Pre-Tax Yields to Maturity . . . .	13.0%	8.7%	6.9%	6.9%	6.9%	6.9%	(0.3)%	(14.8)%	(30.5)%	(58.1)%

*The Inverse Floating Rate Class.* The yield on the Inverse Floating Rate Class will be sensitive 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 table below, it is possible that investors in the Inverse Floating Rate Class would lose money on their initial investments under certain 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 table has been prepared on the basis of the Pricing Assumptions and the assumptions that

- the interest rate for the Inverse Floating Rate Class for the initial Interest Accrual Period is the rate 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 price of that Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
SB .....	27.00%

\* 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.

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

### Sensitivity of the SB 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>125%</u>	<u>150%</u>	<u>200%</u>	<u>250%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>	<u>1300%</u>
0.110% .....	18.2%	15.5%	14.1%	12.7%	10.0%	7.1%	(1.5)%	(16.7)%	(32.9)%	(61.2)%
0.219% .....	17.8%	15.0%	13.7%	12.3%	9.5%	6.7%	(2.0)%	(17.2)%	(33.4)%	(61.8)%
2.219% .....	9.3%	6.5%	5.1%	3.7%	0.9%	(2.0)%	(11.0)%	(26.7)%	(43.9)%	(74.4)%
4.219% .....	(0.2)%	(3.0)%	(4.4)%	(5.8)%	(8.7)%	(11.7)%	(20.8)%	(37.0)%	(55.2)%	(89.2)%
6.150% .....	*	*	*	*	*	*	*	*	*	*

### 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 1 and Group 3 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 MBS	360 months	360 months	6.50%
Group 2 MBS	180 months	180 months	6.00%
Group 3 Underlying RCR Certificate	360 months	349 months	6.50%

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	BE and IB† Classes										BL Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2013	98	94	94	94	94	94	94	94	89	100	100	100	100	100	100	100	100	100	100	100
October 2014	97	86	83	83	83	83	83	71	52	26	100	100	100	100	100	100	100	100	100	100
October 2015	95	75	71	71	71	71	64	36	15	0	100	100	100	100	100	100	100	100	100	56
October 2016	93	65	60	60	60	60	44	15	0	0	100	100	100	100	100	100	100	100	86	12
October 2017	90	56	50	50	50	50	28	2	0	0	100	100	100	100	100	100	100	100	39	3
October 2018	88	48	40	40	40	40	17	0	0	0	100	100	100	100	100	100	100	68	17	1
October 2019	86	40	31	31	31	31	8	0	0	0	100	100	100	100	100	100	100	41	8	*
October 2020	83	32	23	23	23	23	2	0	0	0	100	100	100	100	100	100	100	24	3	*
October 2021	80	25	17	17	17	17	0	0	0	0	100	100	100	100	100	100	82	14	2	*
October 2022	77	19	11	11	11	11	0	0	0	0	100	100	100	100	100	100	60	8	1	*
October 2023	74	13	6	6	6	6	0	0	0	0	100	100	100	100	100	100	44	5	*	*
October 2024	71	7	2	2	2	2	0	0	0	0	100	100	100	100	100	100	33	3	*	*
October 2025	67	1	0	0	0	0	0	0	0	0	100	100	91	91	91	91	24	2	*	*
October 2026	63	0	0	0	0	0	0	0	0	0	100	78	74	74	74	74	17	1	*	*
October 2027	59	0	0	0	0	0	0	0	0	0	100	60	60	60	60	60	13	1	*	0
October 2028	55	0	0	0	0	0	0	0	0	0	100	49	49	49	49	49	9	*	*	0
October 2029	50	0	0	0	0	0	0	0	0	0	100	39	39	39	39	39	7	*	*	0
October 2030	45	0	0	0	0	0	0	0	0	0	100	31	31	31	31	31	5	*	*	0
October 2031	40	0	0	0	0	0	0	0	0	0	100	25	25	25	25	25	3	*	*	0
October 2032	34	0	0	0	0	0	0	0	0	0	100	19	19	19	19	19	2	*	*	0
October 2033	28	0	0	0	0	0	0	0	0	0	100	15	15	15	15	15	2	*	*	0
October 2034	21	0	0	0	0	0	0	0	0	0	100	12	12	12	12	12	1	*	*	0
October 2035	14	0	0	0	0	0	0	0	0	0	100	9	9	9	9	9	1	*	*	0
October 2036	7	0	0	0	0	0	0	0	0	0	100	6	6	6	6	6	*	*	*	0
October 2037	0	0	0	0	0	0	0	0	0	0	95	5	5	5	5	5	*	*	*	0
October 2038	0	0	0	0	0	0	0	0	0	0	44	3	3	3	3	3	*	*	0	0
October 2039	0	0	0	0	0	0	0	0	0	0	2	2	2	2	2	2	*	*	0	0
October 2040	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	*	*	0	0
October 2041	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*	*	*	*	0	0
October 2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	15.7	6.1	5.4	5.4	5.4	5.4	3.9	2.7	2.1	1.6	25.9	17.1	17.0	17.0	17.0	17.0	11.6	7.2	5.1	3.3

Date	JD Class										JA Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2013	100	100	100	89	89	89	89	89	89	0	100	100	100	100	92	84	61	22	0	0
October 2014	100	100	100	69	69	69	69	0	0	0	100	100	100	100	77	55	0	0	0	0
October 2015	100	100	100	45	45	45	0	0	0	0	100	100	100	100	61	24	0	0	0	0
October 2016	100	100	100	27	27	27	0	0	0	0	100	100	100	100	49	2	0	0	0	0
October 2017	100	100	100	13	13	13	0	0	0	0	100	100	100	100	41	0	0	0	0	0
October 2018	100	100	100	3	3	3	0	0	0	0	100	100	100	100	35	0	0	0	0	0
October 2019	100	100	100	0	0	0	0	0	0	0	100	100	100	98	31	0	0	0	0	0
October 2020	100	100	100	0	0	0	0	0	0	0	100	100	100	97	28	0	0	0	0	0
October 2021	100	100	95	0	0	0	0	0	0	0	100	100	100	94	26	0	0	0	0	0
October 2022	100	100	82	0	0	0	0	0	0	0	100	100	100	90	23	0	0	0	0	0
October 2023	100	100	64	0	0	0	0	0	0	0	100	100	100	84	20	0	0	0	0	0
October 2024	100	100	42	0	0	0	0	0	0	0	100	100	100	77	16	0	0	0	0	0
October 2025	100	100	17	0	0	0	0	0	0	0	100	100	100	69	12	0	0	0	0	0
October 2026	100	100	0	0	0	0	0	0	0	0	100	100	97	61	8	0	0	0	0	0
October 2027	100	77	0	0	0	0	0	0	0	0	100	100	87	53	4	0	0	0	0	0
October 2028	100	43	0	0	0	0	0	0	0	0	100	100	76	45	*	0	0	0	0	0
October 2029	100	9	0	0	0	0	0	0	0	0	100	100	66	37	0	0	0	0	0	0
October 2030	100	0	0	0	0	0	0	0	0	0	100	91	56	30	0	0	0	0	0	0
October 2031	100	0	0	0	0	0	0	0	0	0	100	78	47	22	0	0	0	0	0	0
October 2032	100	0	0	0	0	0	0	0	0	0	100	66	37	16	0	0	0	0	0	0
October 2033	100	0	0	0	0	0	0	0	0	0	100	54	28	9	0	0	0	0	0	0
October 2034	100	0	0	0	0	0	0	0	0	0	100	43	20	3	0	0	0	0	0	0
October 2035	100	0	0	0	0	0	0	0	0	0	100	32	12	0	0	0	0	0	0	0
October 2036	100	0	0	0	0	0	0	0	0	0	100	22	5	0	0	0	0	0	0	0
October 2037	100	0	0	0	0	0	0	0	0	0	100	12	0	0	0	0	0	0	0	0
October 2038	100	0	0	0	0	0	0	0	0	0	100	2	0	0	0	0	0	0	0	0
October 2039	71	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0
October 2040	0	0	0	0	0	0	0	0	0	0	78	0	0	0	0	0	0	0	0	0
October 2041	0	0	0	0	0	0	0	0	0	0	27	0	0	0	0	0	0	0	0	0
October 2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	27.2	15.8	11.5	3.0	3.0	3.0	2.0	1.4	1.1	0.8	28.6	21.5	18.8	15.4	5.8	2.2	1.1	0.7	0.5	0.4

\* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.  
 \*\* Determined as specified under “Yield, Maturity and Prepayment Considerations—Weighted Average Lives and Final Distribution Dates” in the REMIC Prospectus.  
 † In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Date	JB Class										JC Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2013	100	100	100	100	100	100	100	100	0	0	100	100	100	100	100	100	100	100	61	0
October 2014	100	100	100	100	100	100	11	0	0	0	100	100	100	100	100	100	100	0	0	0
October 2015	100	100	100	100	100	100	0	0	0	0	100	100	100	100	100	100	0	0	0	0
October 2016	100	100	100	100	100	100	0	0	0	0	100	100	100	100	100	100	0	0	0	0
October 2017	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	100	0	0	0	0
October 2018	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	45	0	0	0	0
October 2019	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	11	0	0	0	0
October 2020	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2021	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2022	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2023	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2024	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2025	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2026	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2027	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2028	100	100	100	100	100	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2029	100	100	100	100	73	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2030	100	100	100	100	47	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2031	100	100	100	100	22	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2032	100	100	100	100	0	0	0	0	0	0	100	100	100	100	100	*	0	0	0	0
October 2033	100	100	100	100	0	0	0	0	0	0	100	100	100	100	83	*	0	0	0	0
October 2034	100	100	100	100	0	0	0	0	0	0	100	100	100	100	68	*	0	0	0	0
October 2035	100	100	100	83	0	0	0	0	0	0	100	100	100	100	55	*	0	0	0	0
October 2036	100	100	100	43	0	0	0	0	0	0	100	100	100	100	43	*	0	0	0	0
October 2037	100	100	83	5	0	0	0	0	0	0	100	100	100	100	33	*	0	0	0	0
October 2038	100	100	31	0	0	0	0	0	0	0	100	100	100	77	24	*	0	0	0	0
October 2039	100	45	0	0	0	0	0	0	0	0	100	100	86	52	16	*	0	0	0	0
October 2040	100	0	0	0	0	0	0	0	0	0	100	81	50	30	9	*	0	0	0	0
October 2041	100	0	0	0	0	0	0	0	0	0	100	29	18	11	3	*	0	0	0	0
October 2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	29.6	27.0	25.7	23.9	17.9	4.6	2.0	1.3	1.0	0.7	29.9	28.6	28.1	27.2	23.8	6.0	2.1	1.4	1.0	0.8

Date	FB and SB† Classes										BA and BI† Classes									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%	0%	100%	125%	150%	200%	250%	400%	650%	900%	1300%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2013	99	96	96	95	94	93	90	85	80	71	99	95	95	95	95	95	95	95	95	91
October 2014	98	90	89	87	84	81	72	59	46	28	97	88	86	86	86	86	86	75	59	36
October 2015	96	83	81	78	73	68	54	35	21	6	95	79	75	75	75	75	69	45	27	8
October 2016	95	77	73	69	63	56	40	21	9	1	94	70	66	66	66	66	52	27	12	2
October 2017	94	71	66	62	54	47	30	13	4	*	92	62	57	57	57	57	38	16	5	*
October 2018	92	65	60	55	46	39	22	8	2	*	90	55	49	49	49	49	28	10	2	*
October 2019	90	59	54	49	40	32	17	4	1	*	88	48	41	41	41	41	21	6	1	*
October 2020	89	54	49	43	34	27	12	3	*	*	85	42	34	34	34	34	16	3	*	*
October 2021	87	50	44	38	29	22	9	2	*	*	83	36	28	28	28	28	12	2	*	*
October 2022	85	45	39	34	25	18	7	1	*	*	81	30	23	23	23	23	9	1	*	*
October 2023	83	41	35	30	21	15	5	1	*	*	78	25	19	19	19	19	6	1	*	*
October 2024	80	37	31	26	18	12	4	*	*	*	75	20	16	16	16	16	5	*	*	*
October 2025	78	34	28	23	15	10	3	*	*	*	72	15	13	13	13	13	3	*	*	*
October 2026	75	30	25	20	13	8	2	*	*	*	68	11	10	10	10	10	2	*	*	0
October 2027	73	27	22	17	11	7	1	*	*	*	65	9	9	9	9	9	2	*	*	0
October 2028	70	24	19	15	9	5	1	*	*	*	61	7	7	7	7	7	1	*	*	0
October 2029	66	22	17	13	8	4	1	*	*	*	57	6	6	6	6	6	1	*	*	0
October 2030	63	19	15	11	6	3	1	*	*	*	53	4	4	4	4	4	1	*	*	0
October 2031	59	17	13	9	5	3	*	*	*	*	48	3	3	3	3	3	*	*	*	0
October 2032	56	15	11	8	4	2	*	*	*	*	43	3	3	3	3	3	*	*	*	0
October 2033	52	13	9	7	3	2	*	*	*	*	38	2	2	2	2	2	*	*	*	0
October 2034	47	11	8	5	3	1	*	*	*	*	32	2	2	2	2	2	*	*	*	0
October 2035	43	9	6	4	2	1	*	*	*	*	27	1	1	1	1	1	*	*	*	0
October 2036	38	7	5	3	2	1	*	*	*	0	20	1	1	1	1	1	*	*	0	0
October 2037	32	6	4	3	1	1	*	*	*	0	13	1	1	1	1	1	*	*	0	0
October 2038	27	4	3	2	1	*	*	*	*	0	6	*	*	*	*	*	*	*	0	0
October 2039	21	3	2	1	1	*	*	*	*	0	*	*	*	*	*	*	*	*	0	0
October 2040	14	2	1	1	*	*	*	*	*	0	*	*	*	*	*	*	*	*	0	0
October 2041	7	1	*	*	*	*	*	*	*	0	*	*	*	*	*	*	*	*	0	0
October 2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)**	19.6	10.7	9.5	8.6	7.2	6.1	4.2	2.8	2.2	1.6	17.1	7.7	7.0	7.0	7.0	7.0	5.0	3.3	2.5	1.9

\* 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	HE and HI† Classes						
	PSA Prepayment Assumption						
	0%	100%	250%	375%	500%	800%	1100%
Initial Percent .....	100	100	100	100	100	100	100
October 2013 .....	96	93	89	87	84	77	70
October 2014 .....	91	83	74	67	60	45	32
October 2015 .....	86	73	59	49	40	22	10
October 2016 .....	81	64	47	35	26	11	3
October 2017 .....	76	56	37	25	17	5	1
October 2018 .....	70	48	29	18	11	2	*
October 2019 .....	64	40	22	12	7	1	*
October 2020 .....	58	34	16	9	4	1	*
October 2021 .....	51	27	12	6	3	*	*
October 2022 .....	44	22	9	4	1	*	*
October 2023 .....	36	16	6	2	1	*	*
October 2024 .....	28	11	4	1	*	*	*
October 2025 .....	19	7	2	1	*	*	*
October 2026 .....	10	2	1	*	*	*	*
October 2027 .....	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	8.6	6.3	4.6	3.7	3.1	2.2	1.7

Date	AC Class										CA Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	250%	375%	500%	800%	1100%	1500%	2000%	0%	100%	250%	375%	500%	800%	1100%	1500%	2000%		
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
October 2013 .....	100	99	85	73	61	33	4	0	0	98	90	90	90	90	90	90	60	3		
October 2014 .....	100	95	65	41	20	0	0	0	0	95	80	79	79	79	59	30	4	0		
October 2015 .....	100	92	50	20	0	0	0	0	0	93	69	69	69	64	28	8	0	0		
October 2016 .....	100	90	39	6	0	0	0	0	0	90	59	59	59	43	13	*	0	0		
October 2017 .....	100	89	32	0	0	0	0	0	0	87	49	49	47	28	5	0	0	0		
October 2018 .....	100	88	28	0	0	0	0	0	0	84	39	38	35	18	*	0	0	0		
October 2019 .....	100	88	27	0	0	0	0	0	0	81	29	28	25	11	0	0	0	0		
October 2020 .....	99	88	27	0	0	0	0	0	0	77	20	19	18	6	0	0	0	0		
October 2021 .....	99	88	27	0	0	0	0	0	0	73	11	11	12	3	0	0	0	0		
October 2022 .....	99	88	26	0	0	0	0	0	0	69	3	4	8	1	0	0	0	0		
October 2023 .....	99	83	25	0	0	0	0	0	0	65	0	0	5	0	0	0	0	0		
October 2024 .....	99	74	19	0	0	0	0	0	0	61	0	0	3	0	0	0	0	0		
October 2025 .....	99	66	15	0	0	0	0	0	0	56	0	0	1	0	0	0	0	0		
October 2026 .....	99	59	11	0	0	0	0	0	0	51	0	0	0	0	0	0	0	0		
October 2027 .....	99	52	8	0	0	0	0	0	0	45	0	0	0	0	0	0	0	0		
October 2028 .....	99	45	5	0	0	0	0	0	0	39	0	0	0	0	0	0	0	0		
October 2029 .....	99	39	3	0	0	0	0	0	0	33	0	0	0	0	0	0	0	0		
October 2030 .....	99	33	1	0	0	0	0	0	0	26	0	0	0	0	0	0	0	0		
October 2031 .....	99	28	0	0	0	0	0	0	0	19	0	0	0	0	0	0	0	0		
October 2032 .....	99	23	0	0	0	0	0	0	0	11	0	0	0	0	0	0	0	0		
October 2033 .....	99	18	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0		
October 2034 .....	91	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2035 .....	80	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2036 .....	68	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2037 .....	55	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2038 .....	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2039 .....	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
October 2040 .....	10	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		
October 2042 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Weighted Average Life (years)** .....	25.1	15.1	5.4	1.9	1.3	0.8	0.6	0.4	0.3	13.1	5.0	5.0	5.0	4.0	2.5	1.7	1.2	0.7		

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

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

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

Date	CZ Class									CB Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	250%	375%	500%	800%	1100%	1500%	2000%	0%	100%	250%	375%	500%	800%	1100%	1500%	2000%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2013 .....	103	103	103	103	103	103	103	103	103	99	94	88	82	77	64	51	33	2
October 2014 .....	105	105	105	105	105	105	105	105	0	97	86	73	62	53	32	16	2	0
October 2015 .....	108	108	108	108	108	108	108	22	0	96	79	60	47	35	15	4	0	0
October 2016 .....	111	111	111	111	111	111	111	2	0	94	73	50	35	24	7	*	0	0
October 2017 .....	113	113	113	113	113	113	39	*	0	93	67	41	26	16	3	0	0	0
October 2018 .....	116	116	116	116	116	116	13	*	0	91	61	34	19	10	*	0	0	0
October 2019 .....	119	119	119	119	119	67	4	*	0	89	56	27	14	6	0	0	0	0
October 2020 .....	122	122	122	122	122	34	1	*	0	87	51	22	10	3	0	0	0	0
October 2021 .....	125	125	125	125	125	17	*	0	0	85	46	18	7	2	0	0	0	0
October 2022 .....	128	128	128	128	128	9	*	0	0	83	41	14	5	*	0	0	0	0
October 2023 .....	132	132	132	132	100	4	*	0	0	81	37	11	3	0	0	0	0	0
October 2024 .....	135	135	135	135	67	2	*	0	0	78	33	9	1	0	0	0	0	0
October 2025 .....	138	138	138	138	45	1	*	0	0	75	30	7	*	0	0	0	0	0
October 2026 .....	142	142	142	120	30	1	*	0	0	72	26	5	0	0	0	0	0	0
October 2027 .....	145	145	145	88	20	*	*	0	0	69	23	3	0	0	0	0	0	0
October 2028 .....	149	149	149	65	13	*	*	0	0	66	20	2	0	0	0	0	0	0
October 2029 .....	153	153	153	47	9	*	*	0	0	62	18	1	0	0	0	0	0	0
October 2030 .....	157	157	157	34	6	*	0	0	0	59	15	*	0	0	0	0	0	0
October 2031 .....	161	161	136	24	4	*	0	0	0	55	13	0	0	0	0	0	0	0
October 2032 .....	165	165	106	17	2	*	0	0	0	51	10	0	0	0	0	0	0	0
October 2033 .....	169	169	81	12	1	*	0	0	0	46	8	0	0	0	0	0	0	0
October 2034 .....	173	173	61	8	1	*	0	0	0	41	6	0	0	0	0	0	0	0
October 2035 .....	178	178	45	6	1	*	0	0	0	36	5	0	0	0	0	0	0	0
October 2036 .....	182	182	32	4	*	*	0	0	0	31	3	0	0	0	0	0	0	0
October 2037 .....	187	187	22	2	*	*	0	0	0	25	1	0	0	0	0	0	0	0
October 2038 .....	191	180	14	1	*	*	0	0	0	18	0	0	0	0	0	0	0	0
October 2039 .....	196	105	7	1	*	0	0	0	0	12	0	0	0	0	0	0	0	0
October 2040 .....	201	37	2	*	*	0	0	0	0	5	0	0	0	0	0	0	0	0
October 2041 .....	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2042 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																		
Life (years)** .....	28.9	27.2	21.7	16.6	12.8	7.7	5.0	2.8	1.1	18.5	9.6	5.2	3.6	2.8	1.7	1.2	0.8	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.

## Characteristics of the Residual Classes

A Residual Certificate will be subject to certain transfer restrictions. See “Description of the Certificates—Special Characteristics of the Residual Certificates” and “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Residual Certificates” in the REMIC Prospectus.

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. A Residual Certificate will constitute a noneconomic residual interest under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate had “improper knowledge” at the time of the transfer. See “Description of the Certificates—Special Characteristics of the Residual Certificates” in the REMIC Prospectus. You should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

## CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The tax discussions below 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 and the MBS 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.



The discussions under the captions “—REMIC Elections and Special Tax Attributes,” “—Taxation of Beneficial Owners of Regular Certificates” and “—Taxation of Beneficial Owners of Residual Certificates” supplement the discussion under the caption “Material Federal Income Tax Consequences” in the REMIC Prospectus. When read together, these discussions describe the current federal income tax treatment of beneficial owners of Certificates of the Group 1 and Group 3 Classes and the Residual Classes. For a discussion of the current federal income tax treatment of beneficial owners of Certificates of the Group 2 Classes, see “—Taxation of Beneficial Owners of Certificates of the Group 2 Classes” below.

## **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 Trust Certificates (other than the Group 2 Classes) 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 Regular 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 Regular 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	200% PSA
3	250% 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 either 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 the Group 2 Grantor Trust**

Dechert LLP, special tax counsel to Fannie Mae, will deliver its opinion that, assuming compliance with the Trust Agreement, the Group 2 Grantor Trust will be classified as a grantor trust under subpart E, part I of subchapter J of the Code and not as an association taxable as a corporation. A beneficial owner of a Certificate of a Group 2 Class will be treated as owning an undivided interest in the Group 2 MBS, and the Group 2 Classes will not be treated as regular or residual interests in a REMIC.

## **Taxation of Beneficial Owners of Certificates of the Group 2 Classes**

*General.* A beneficial owner of a Certificate of a Group 2 Class will be treated as owning, pursuant to section 1286 of the Code, “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments, as applicable. See “—Stripped Bonds and Stripped Coupons” below for a discussion of the application of section 1286 to a beneficial owner’s share of principal and interest payments. Fannie Mae intends to treat each Certificate of a Group 2 Class as a single debt instrument representing rights to future cashflows from the Group 2 MBS for purposes of information reporting. You should consult your own tax advisor as to the proper treatment of a Certificate of a Group 2 Class in this regard.

*Stripped Bonds and Stripped Coupons.* Under section 1286 of the Code, a beneficial owner of a Certificate of a Group 2 Class must treat the stripped bonds and stripped coupons represented by the Certificate as a debt instrument originally issued on the date the owner acquires it and as having OID equal to the excess, if any, of the “stated redemption price at maturity” of the stripped bonds and stripped coupons over the price paid by the owner to acquire such stripped bonds and stripped coupons. The stated redemption price at maturity of stripped bonds and stripped coupons represented by the Certificate of a Group 2 Class generally is equal to the sum of all distributions to be made on the stripped bonds and stripped coupons represented by the Certificate. For information reporting purposes, we intend to treat all principal and interest to be distributed on each Certificate of a Group 2 Class as included in the stated redemption price at maturity and, as a result, each Certificate of a Group 2 Class will be treated as if issued with OID.

The beneficial owner of a Certificate of a Group 2 Class must include in its ordinary income for federal income tax purposes, generally in advance of receipt of the cash attributable to that income, the sum of the “daily portions” of OID on its Certificate for each day during its taxable year on which it held that Certificate. The daily portions of OID are determined as follows:

- First, the portion of OID that accrued during each “accrual period” is calculated;
- then, the OID accruing during an accrual period is allocated ratably to each day during the period to determine the daily portion of OID.

Final regulations issued by the Treasury Department relating to the tax treatment of debt instruments with OID (the “OID Regulations”) provide that a holder of a debt instrument may use

an accrual period of any length, up to one year, as long as each distribution of principal or interest occurs on either the final day or the first day of an accrual period. We intend to report OID based on accrual periods of one month. Each of these accrual periods will begin on a Distribution Date and end on the day before the next Distribution Date.

Although the matter is not entirely clear, a beneficial owner of a Certificate of a Group 2 Class should determine the amount of OID accruing during any accrual period with respect to that Certificate using the method described in section 1272(a)(6) of the Code. Under section 1272(a)(6), the portion of OID treated as accruing with respect to a Certificate of a Group 2 Class for any accrual period equals the excess, if any, of

- the sum of (A) the present values of all the distributions of principal and interest remaining to be made on that Certificate, if any, as of the end of the accrual period; and (B) the distributions made on that Certificate during the accrual period of amounts included in the stated redemption price at maturity;

*over*

- the sum of the present values of all the distributions of principal and interest remaining to be made on that Certificate as of the beginning of the accrual period.

The present values of the remaining distributions of principal and interest with respect to a Certificate of a Group 2 Class are calculated based on the following:

- an assumption that the Mortgage Loans underlying the Group 2 MBS prepay at a specified rate (the “Prepayment Assumption”),
- the yield to maturity of the stripped bonds and stripped coupons backing the Certificate giving effect to the Prepayment Assumption,
- events (including actual prepayments) that have occurred prior to the end of the accrual period, and
- in the case of a Certificate bearing a variable rate of interest, an assumption that the value of the index upon which the variable rate is based remains the same as its value on the settlement date.

Each beneficial owner of a Certificate of a Group 2 Class must determine its yield to maturity based on its purchase price for the Certificate. For a particular beneficial owner of a Certificate of a Group 2 Class, it is not clear whether the Prepayment Assumption used for calculating OID would be one determined at the time that Certificate is acquired or would be the original Prepayment Assumption for that Certificate. For information reporting purposes, we will use the original yield to maturity of that Certificate, calculated based on the original Prepayment Assumption. You should consult your own tax advisor regarding the proper method for accruing OID on a Certificate of a Group 2 Class.

The Code requires that the Prepayment Assumption be determined in the manner prescribed in Treasury Regulations. To date, no such regulations have been promulgated. For information reporting purposes, we will assume a Prepayment Assumption equal to 250% PSA for the Mortgage Loans underlying the Group 2 MBS. We make no representation, however, that the Mortgage Loans underlying the Group 2 MBS will prepay at that rate or any other rate. You must make your own decision as to the appropriate prepayment assumption to be used in deciding whether or not to purchase a Certificate of a Group 2 Class.

If a Certificate of a Group 2 Class entitles the holder to payments of principal and interest, the IRS could contend that the interest payments on that Certificate should be treated as payments of “qualified stated interest” within the meaning of the OID Regulations. In that case, a beneficial owner would be required to include such payments in income, in accordance with its method of accounting, rather than to accrue OID with respect to such payments. If the beneficial

owner in that case had acquired the Certificate for less than its principal amount, such beneficial owner generally would have market discount with respect to the Certificate. For a discussion of the market discount rules, see “Material Federal Income Tax Consequences—Application of Revenue Ruling 84-10—*Market Discount*” in the MBS Prospectus. Further, if the beneficial owner had purchased the Certificate for an amount (net of accrued interest) greater than the outstanding principal amount of the Certificate, the beneficial owner generally would have premium with respect to the Certificate in the amount of the excess. Such a purchaser may elect, under section 171(c)(2) of the Code, to treat the premium as “amortizable bond premium.”

If a beneficial owner makes this election, the beneficial owner must reduce the amount of any payment of qualified stated interest that must be included in the beneficial owner’s income for a period by the portion of the premium allocable to the period based on the Certificate’s yield to maturity. Correspondingly, the beneficial owner must reduce its basis in the Certificate by the amount of premium applied to reduce any interest income. The election will also apply to all bonds the interest on which is not excludible from gross income (“fully taxable bonds”) held by the beneficial owner at the beginning of the first taxable year to which the election applies and to all fully taxable bonds that it acquires after the beginning of that taxable year. A beneficial owner may revoke the election only with the consent of the IRS.

If a beneficial owner does not elect to amortize premium, (i) the beneficial owner must include the full amount of each payment of qualified stated interest in income, and (ii) the premium must be allocated to the principal distributions on the Certificate and, when each principal distribution is received, a loss equal to the premium allocated to that distribution will be recognized. Any tax benefit from the premium not previously recognized will be taken into account in computing gain or loss upon the sale or disposition of the Certificate.

Because we will treat all Certificates of the Group 2 Classes as being issued with OID (and as not paying qualified stated interest) for information reporting purposes, you should consult your own tax advisors as to the proper treatment of a Certificate of a Group 2 Class in this regard.

*Expenses of the Group 2 Grantor Trust.* Each beneficial owner of a Certificate of the Group 2 Classes will be required to include in income its allocable share of the expenses paid by the Group 2 Grantor Trust. Each beneficial owner of a Certificate of the Group 2 Classes can deduct its allocable share of such expenses as provided in section 162 or section 212 of the Code, consistent with its method of accounting. Fannie Mae intends to allocate expenses to beneficial owners in each monthly period in proportion to the respective amounts of income (including any OID) accrued for each Group 2 Class of Certificates. A beneficial owner’s ability to deduct its share of these expenses is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in a Certificate of the Group 2 Classes directly or through an investment in a “pass-through entity” (other than in connection with such individual’s trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies and non-publicly offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Generally, such a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner’s other miscellaneous itemized deductions, exceed 2% of the beneficial owner’s adjusted gross income. For this purpose, an estate or nongrantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or trust that would not have been incurred if the property were not held in the trust or estate are treated as allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on certain itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.



*Sales and Other Dispositions of Certificates of the Group 2 Classes.* Upon the sale, exchange or other disposition of a Certificate of the Group 2 Classes, a beneficial owner generally will recognize gain or loss equal to the difference between the amount realized upon the disposition and the beneficial owner's adjusted basis in that Certificate. The adjusted basis of a Certificate of a Group 2 Class generally will equal the cost of that Certificate to the beneficial owner, increased by any amounts of OID and market discount included in the beneficial owner's gross income with respect to that Certificate, and reduced (but not below zero) by distributions on that Certificate previously received by the beneficial owner as principal (or as amounts constituting stated redemption price at maturity) and by any premium that has reduced the beneficial owner's interest income with respect to that Certificate. Any such gain or loss generally will be capital gain or loss, except (i) as provided in section 582(c) of the Code (which generally applies to banks) or (ii) to the extent any gain represents OID or accrued market discount not previously included in income (to which extent such gain would be treated as ordinary income). Any capital gain (or loss) recognized upon the sale, exchange or other disposition of a Certificate of a Group 2 Class will be long-term capital gain (or loss) if at the time of disposition the beneficial owner held that Certificate for more than one year. The ability to deduct capital losses is subject to limitations.

*Special Tax Attributes.* Several sections of the Code provide beneficial treatment to certain taxpayers that invest in mortgage loans of the type that back or comprise the Certificates of the Group 2 Classes. With respect to these Code sections, no specific legal authority exists regarding whether the character of the Certificates of the Group 2 Classes will be the same as that of the mortgage loans that back or comprise the Group 2 MBS. Although the characterization of the Certificates of the Group 2 Classes for these purposes is not entirely clear, to the extent that a Mortgage Loan underlying the Group 2 MBS has a loan-to-value ratio in excess of 100% (that is, the principal balance of the mortgage loan exceeds the fair market value of the real property securing the loan), the interest income on the portion of the Mortgage Loan in excess of the value of the real property will not be interest on obligations secured by mortgages on real property within the meaning of section 856(c)(3)(B) of the Code and such excess portion will not be a real estate asset within the meaning of section 856(c)(5)(B) of the Code. The excess portion should represent a "Government security" within the meaning of section 856(c)(4)(A) of the Code. A holder of a Certificate of the Group 2 Classes that is a real estate investment trust should consult its tax advisor concerning the treatment of such excess portion.

It is not certain whether or to what extent a mortgage loan with a loan-to-value ratio in excess of 100% qualifies as a loan secured by an interest in real property for purposes of section 7701(a)(19)(C)(v) of the Code. Even if the property securing the mortgage loan does not meet this test, the certificates will be treated as "obligations of a corporation which is an instrumentality of the United States" within the meaning of section 7701(a)(19)(C)(ii) of the Code. Thus, a Certificate of the Group 2 Classes will be a qualifying asset for a domestic building and loan association.

A mortgage loan with a loan-to-value ratio in excess of 125% is not a "qualified mortgage" within the meaning of section 860G(a)(3) of the Code. Accordingly, a Certificate of the Group 2 Classes will not be an eligible asset for a REMIC. For a discussion of the special tax characteristics of certain types of mortgage loans, see "Material Federal Income Tax Consequences—Special Tax Attributes" in the MBS Prospectus.

*Information Reporting and Backup Withholding for Certificates of the Group 2 Classes.* For each distribution, we will post on our Corporate Web site information that will allow beneficial owners to determine (i) the portion of such distribution allocable to principal and to interest, (ii) the amount, if any, of OID and market discount and (iii) the administrative expenses allocable to such distribution.

Payments of interest and principal, as well as payments of proceeds from the sale of the Certificates of the Group 2 Classes, may be subject to the backup withholding tax under section 3406 of the Code if the recipient of the payment is not an exempt recipient and fails to furnish

certain information, including its taxpayer identification number, to us or our agent, or otherwise fails to establish an exemption from such tax. Any amounts deducted and withheld from such a payment would be allowed as a credit against the beneficial owner's federal income tax. Furthermore, certain penalties may be imposed by the IRS on a holder or owner who is required to supply information but who does not do so in the proper manner.

*Foreign Investors in Certificates of the Group 2 Classes.* Additional rules apply to a beneficial owner of a Certificate of the Group 2 Classes that is not a U.S. Person and that is not a partnership (a "Non-U.S. Person"). "U.S. Person" means a citizen or resident of the United States, a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. Person has the authority to control all substantial decisions of the trust.

Payments on a Certificate of the Group 2 Classes made to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner does not hold the Certificate in connection with its conduct of a trade or business in the United States;
- the beneficial owner is not, with respect to the United States, a personal holding company or a corporation that accumulates earnings in order to avoid U.S. federal income tax;
- the beneficial owner is not a U.S. expatriate or former U.S. resident who is taxable in the manner provided in section 877(b) of the Code;
- the beneficial owner is not an excluded person (i.e., a 10-percent shareholder of Fannie Mae within the meaning of section 871(h)(3)(B) of the Code or a controlled foreign corporation related to Fannie Mae within the meaning of section 881(c)(3)(C) of the Code);
- the beneficial owner signs a statement under penalties of perjury certifying that it is a Non-U.S. Person and provides its name, address and taxpayer identification number (a "Non-U.S. Beneficial Owner Statement");
- the last U.S. Person in the chain of payment to the beneficial owner (the withholding agent) receives such Non-U.S. Beneficial Ownership Statement from the beneficial owner or a financial institution holding on behalf of the beneficial owner and does not have actual knowledge that such statement is false; and
- the Certificate represents an undivided interest in a pool of mortgage loans all of which were originated after July 18, 1984.

That portion of interest income of a beneficial owner who is a Non-U.S. Person on a Certificate that represents an interest in one or more mortgage loans originated before July 19, 1984 will be subject to a U.S. withholding tax at the rate of 30 percent or lower treaty rate, if applicable. Regardless of the date of origination of the mortgage loans, backup withholding will not apply to payments made to a beneficial owner that is a Non-U.S. Person if the beneficial owner or a financial institution holding on behalf of the beneficial owner provides a Non-U.S. Beneficial Ownership Statement to the withholding agent. A Non-U.S. Beneficial Ownership Statement may be made on an IRS Form W-8BEN or a substantially similar substitute form. The beneficial owner or financial institution holding on behalf of the beneficial owner must inform the withholding agent of any change in the information on the statement within 30 days of such change.

A beneficial owner of a Certificate of the Group 2 Classes who is a Non-U.S. Person should be aware of recent legislation and IRS guidance that would impose a 30 percent United States withholding tax on certain payments (which could include payments in respect of a Certificate beginning on January 1, 2014 and gross proceeds from the sale or other disposition of a Certificate



beginning on January 1, 2015) made to a non-U.S. entity that fails to disclose the identity of its direct or indirect “substantial U.S. owners” or to certify that it has no such owners. Various exceptions are provided under the legislation and additional exceptions may be provided in future guidance. You should consult your own tax advisor regarding the potential application and impact of this legislation based on your particular circumstances.

### **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. The CB Class of RCR Certificates is a Class of Combination RCR Certificates. The BA Class represents (i) the right to receive a portion of the payments on the BL Class and (ii) beneficial ownership of an undivided interest in the BE Class. The BI Class represents (i) the right to receive a portion of the payments on the BL Class and (ii) beneficial ownership of an undivided interest in the IB Class. To the extent any such Class represents the right to receive a portion of the payments on a Class, it will be treated as a Strip RCR Certificate. To the extent any such Class represents beneficial ownership of an undivided interest in a Class, it will be treated as a Combination RCR Certificate. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of RCR Certificates” in the REMIC Prospectus for a general discussion of the federal income tax treatment of beneficial owners of RCR Certificates.

### **PLAN OF DISTRIBUTION**

We are obligated to deliver the Certificates to Jefferies & Company, Inc. (the “Dealer”) in exchange for the Trust MBS and the Group 3 Underlying RCR Certificate. 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**

Katten Muchin Rosenman LLP will provide legal representation for Fannie Mae. K&L Gates LLP will provide legal representation for the Dealer.

## Exhibit A

### Group 3 Underlying RCR Certificate

<u>Underlying REMIC Trust</u>	<u>Class</u>	<u>Date of Issue</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Interest Type(1)</u>	<u>Final Distribution Date</u>	<u>Principal Type(1)</u>	<u>Original Principal Balance of Class</u>	<u>October 2012 Class Factor</u>	<u>Principal Balance in the Lower Tier REMIC</u>	<u>Approximate Weighted Average WAC</u>	<u>Approximate Weighted Average WAM (in months)</u>	<u>Approximate Weighted Average WALA (in months)</u>
2011-125	DL	November 2011	3136A2RV7	2.5%	FIX	December 2041	PT	\$100,000,000	0.88792828	\$88,792,828.00	4.415%	343	15

(1) See “Description of 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.

Schedule 1

Available Recombinations(1)

Trust 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								
BE	\$52,463,791	BA	\$61,071,115	PAC	1.5%	FIX	3136A9NS3	November 2042
IB	13,115,947(3)	BI	15,267,778(3)	NTL	4.0	FIX/IO	3136A9NT1	November 2042
BL	8,607,324							
Recombination 2								
AC	39,280,630	CB	87,290,288	SC/SEQ/AD	2.5	FIX	3136A9NU8	December 2041
CA	48,009,658							

- (1) Trust Certificates and RCR Certificates in any Recombination may be exchanged only in the proportions of *original* principal or notional principal balances for the related Classes shown in this Schedule 1 (disregarding any retired Classes). For example, if a particular Recombination includes two Trust 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 Trust 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 Trust Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the Certificates—General—*Authorized Denominations*” in this prospectus supplement.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
- (3) Notional balances. These Classes are Interest Only Classes. See page S-5 for a description of how their notional balances are calculated.

## Principal Balance Schedules

### *Aggregate Group Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$61,071,115.00	June 2017 .....	\$36,373,902.56	February 2022 .....	\$16,210,114.36
November 2012 .....	60,883,852.67	July 2017 .....	35,931,394.64	March 2022 .....	15,951,623.60
December 2012 .....	60,680,080.00	August 2017 .....	35,492,017.72	April 2022 .....	15,697,004.36
January 2013 .....	60,459,883.83	September 2017 .....	35,055,750.80	May 2022 .....	15,446,200.73
February 2013 .....	60,223,361.70	October 2017 .....	34,622,573.02	June 2022 .....	15,199,157.55
March 2013 .....	59,970,621.71	November 2017 .....	34,192,463.64	July 2022 .....	14,955,820.49
April 2013 .....	59,701,782.50	December 2017 .....	33,765,402.07	August 2022 .....	14,716,135.94
May 2013 .....	59,416,973.15	January 2018 .....	33,341,367.85	September 2022 .....	14,480,051.08
June 2013 .....	59,116,333.10	February 2018 .....	32,920,340.66	October 2022 .....	14,247,513.82
July 2013 .....	58,800,012.04	March 2018 .....	32,502,300.30	November 2022 .....	14,018,472.82
August 2013 .....	58,468,169.79	April 2018 .....	32,087,226.72	December 2022 .....	13,792,877.45
September 2013 .....	58,120,976.19	May 2018 .....	31,675,099.99	January 2023 .....	13,570,677.81
October 2013 .....	57,758,610.94	June 2018 .....	31,265,900.32	February 2023 .....	13,351,824.69
November 2013 .....	57,381,263.48	July 2018 .....	30,859,608.04	March 2023 .....	13,136,269.60
December 2013 .....	56,989,132.82	August 2018 .....	30,456,203.61	April 2023 .....	12,923,964.71
January 2014 .....	56,582,427.35	September 2018 .....	30,055,667.63	May 2023 .....	12,714,862.89
February 2014 .....	56,161,364.71	October 2018 .....	29,657,980.82	June 2023 .....	12,508,917.65
March 2014 .....	55,726,171.54	November 2018 .....	29,263,124.03	July 2023 .....	12,306,083.20
April 2014 .....	55,277,083.33	December 2018 .....	28,871,078.22	August 2023 .....	12,106,314.36
May 2014 .....	54,814,344.19	January 2019 .....	28,481,824.51	September 2023 .....	11,909,566.60
June 2014 .....	54,338,206.63	February 2019 .....	28,095,344.10	October 2023 .....	11,715,796.03
July 2014 .....	53,848,931.32	March 2019 .....	27,711,618.35	November 2023 .....	11,524,959.38
August 2014 .....	53,346,786.90	April 2019 .....	27,330,628.72	December 2023 .....	11,337,013.99
September 2014 .....	52,832,049.68	May 2019 .....	26,952,356.81	January 2024 .....	11,151,917.80
October 2014 .....	52,305,003.41	June 2019 .....	26,576,784.32	February 2024 .....	10,969,629.37
November 2014 .....	51,765,939.01	July 2019 .....	26,203,893.10	March 2024 .....	10,790,107.80
December 2014 .....	51,215,154.33	August 2019 .....	25,833,665.08	April 2024 .....	10,613,312.83
January 2015 .....	50,668,225.49	September 2019 .....	25,466,082.35	May 2024 .....	10,439,204.73
February 2015 .....	50,125,126.71	October 2019 .....	25,101,127.09	June 2024 .....	10,267,744.34
March 2015 .....	49,585,832.41	November 2019 .....	24,738,781.60	July 2024 .....	10,098,893.07
April 2015 .....	49,050,317.16	December 2019 .....	24,379,028.31	August 2024 .....	9,932,612.88
May 2015 .....	48,518,555.69	January 2020 .....	24,021,849.76	September 2024 .....	9,768,866.24
June 2015 .....	47,990,522.92	February 2020 .....	23,667,228.59	October 2024 .....	9,607,616.20
July 2015 .....	47,466,193.90	March 2020 .....	23,315,147.58	November 2024 .....	9,448,826.28
August 2015 .....	46,945,543.88	April 2020 .....	22,965,589.61	December 2024 .....	9,292,460.58
September 2015 .....	46,428,548.25	May 2020 .....	22,618,537.66	January 2025 .....	9,138,483.65
October 2015 .....	45,915,182.57	June 2020 .....	22,273,974.85	February 2025 .....	8,986,860.60
November 2015 .....	45,405,422.56	July 2020 .....	21,931,884.39	March 2025 .....	8,837,556.99
December 2015 .....	44,899,244.09	August 2020 .....	21,592,249.60	April 2025 .....	8,690,538.90
January 2016 .....	44,396,623.19	September 2020 .....	21,255,053.93	May 2025 .....	8,545,772.87
February 2016 .....	43,897,536.07	October 2020 .....	20,921,368.91	June 2025 .....	8,403,225.95
March 2016 .....	43,401,959.07	November 2020 .....	20,592,638.41	July 2025 .....	8,262,865.63
April 2016 .....	42,909,868.70	December 2020 .....	20,268,791.24	August 2025 .....	8,124,659.87
May 2016 .....	42,421,241.60	January 2021 .....	19,949,757.21	September 2025 .....	7,988,577.08
June 2016 .....	41,936,054.61	February 2021 .....	19,635,467.11	October 2025 .....	7,854,586.15
July 2016 .....	41,454,284.67	March 2021 .....	19,325,852.73	November 2025 .....	7,722,656.37
August 2016 .....	40,975,908.91	April 2021 .....	19,020,846.79	December 2025 .....	7,592,757.51
September 2016 .....	40,500,904.59	May 2021 .....	18,720,382.98	January 2026 .....	7,464,859.73
October 2016 .....	40,029,249.13	June 2021 .....	18,424,395.92	February 2026 .....	7,338,933.66
November 2016 .....	39,560,920.09	July 2021 .....	18,132,821.14	March 2026 .....	7,214,950.31
December 2016 .....	39,095,895.18	August 2021 .....	17,845,595.08	April 2026 .....	7,092,881.13
January 2017 .....	38,634,152.25	September 2021 .....	17,562,655.10	May 2026 .....	6,972,697.97
February 2017 .....	38,175,669.31	October 2021 .....	17,283,939.41	June 2026 .....	6,854,373.07
March 2017 .....	37,720,424.52	November 2021 .....	17,009,387.12	July 2026 .....	6,737,879.08
April 2017 .....	37,268,396.14	December 2021 .....	16,738,938.17	August 2026 .....	6,623,189.04
May 2017 .....	36,819,562.63	January 2022 .....	16,472,533.37	September 2026 .....	6,510,276.38

# Aggregate Group (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
October 2026 .....	\$ 6,399,114.89	January 2032 .....	\$ 2,011,018.74	April 2037 .....	\$ 471,010.07
November 2026 .....	6,289,678.75	February 2032 .....	1,971,370.11	May 2037 .....	457,880.31
December 2026 .....	6,181,942.52	March 2032 .....	1,932,377.68	June 2037 .....	444,993.43
January 2027 .....	6,075,881.10	April 2032 .....	1,894,031.42	July 2037 .....	432,345.51
February 2027 .....	5,971,469.77	May 2032 .....	1,856,321.45	August 2037 .....	419,932.70
March 2027 .....	5,868,684.14	June 2032 .....	1,819,238.05	September 2037 .....	407,751.20
April 2027 .....	5,767,500.20	July 2032 .....	1,782,771.61	October 2037 .....	395,797.27
May 2027 .....	5,667,894.26	August 2032 .....	1,746,912.69	November 2037 .....	384,067.23
June 2027 .....	5,569,842.98	September 2032 .....	1,711,651.97	December 2037 .....	372,557.46
July 2027 .....	5,473,323.35	October 2032 .....	1,676,980.27	January 2038 .....	361,264.38
August 2027 .....	5,378,312.69	November 2032 .....	1,642,888.56	February 2038 .....	350,184.47
September 2027 .....	5,284,788.66	December 2032 .....	1,609,367.93	March 2038 .....	339,314.27
October 2027 .....	5,192,729.21	January 2033 .....	1,576,409.59	April 2038 .....	328,650.37
November 2027 .....	5,102,112.64	February 2033 .....	1,544,004.90	May 2038 .....	318,189.40
December 2027 .....	5,012,917.54	March 2033 .....	1,512,145.33	June 2038 .....	307,928.05
January 2028 .....	4,925,122.82	April 2033 .....	1,480,822.48	July 2038 .....	297,863.07
February 2028 .....	4,838,707.67	May 2033 .....	1,450,028.08	August 2038 .....	287,991.25
March 2028 .....	4,753,651.61	June 2033 .....	1,419,753.98	September 2038 .....	278,309.41
April 2028 .....	4,669,934.44	July 2033 .....	1,389,992.15	October 2038 .....	268,814.46
May 2028 .....	4,587,536.24	August 2033 .....	1,360,734.66	November 2038 .....	259,503.32
June 2028 .....	4,506,437.40	September 2033 .....	1,331,973.72	December 2038 .....	250,372.97
July 2028 .....	4,426,618.57	October 2033 .....	1,303,701.64	January 2039 .....	241,420.45
August 2028 .....	4,348,060.69	November 2033 .....	1,275,910.86	February 2039 .....	232,642.81
September 2028 .....	4,270,744.96	December 2033 .....	1,248,593.92	March 2039 .....	224,037.18
October 2028 .....	4,194,652.89	January 2034 .....	1,221,743.46	April 2039 .....	215,600.72
November 2028 .....	4,119,766.20	February 2034 .....	1,195,352.25	May 2039 .....	207,330.63
December 2028 .....	4,046,066.93	March 2034 .....	1,169,413.15	June 2039 .....	199,224.16
January 2029 .....	3,973,537.32	April 2034 .....	1,143,919.14	July 2039 .....	191,278.59
February 2029 .....	3,902,159.93	May 2034 .....	1,118,863.28	August 2039 .....	183,491.26
March 2029 .....	3,831,917.51	June 2034 .....	1,094,238.75	September 2039 .....	175,859.54
April 2029 .....	3,762,793.10	July 2034 .....	1,070,038.84	October 2039 .....	168,380.83
May 2029 .....	3,694,769.98	August 2034 .....	1,046,256.93	November 2039 .....	161,052.59
June 2029 .....	3,627,831.65	September 2034 .....	1,022,886.47	December 2039 .....	153,872.31
July 2029 .....	3,561,961.87	October 2034 .....	999,921.06	January 2040 .....	146,837.51
August 2029 .....	3,497,144.62	November 2034 .....	977,354.35	February 2040 .....	139,945.76
September 2029 .....	3,433,364.12	December 2034 .....	955,180.11	March 2040 .....	133,194.67
October 2029 .....	3,370,604.83	January 2035 .....	933,392.19	April 2040 .....	126,581.88
November 2029 .....	3,308,851.40	February 2035 .....	911,984.54	May 2040 .....	120,105.05
December 2029 .....	3,248,088.74	March 2035 .....	890,951.19	June 2040 .....	113,761.92
January 2030 .....	3,188,301.95	April 2035 .....	870,286.26	July 2040 .....	107,550.21
February 2030 .....	3,129,476.35	May 2035 .....	849,983.96	August 2040 .....	101,467.71
March 2030 .....	3,071,597.50	June 2035 .....	830,038.59	September 2040 .....	95,512.25
April 2030 .....	3,014,651.14	July 2035 .....	810,444.53	October 2040 .....	89,681.67
May 2030 .....	2,958,623.22	August 2035 .....	791,196.25	November 2040 .....	83,973.85
June 2030 .....	2,903,499.91	September 2035 .....	772,288.29	December 2040 .....	78,386.72
July 2030 .....	2,849,267.55	October 2035 .....	753,715.28	January 2041 .....	72,918.21
August 2030 .....	2,795,912.72	November 2035 .....	735,471.93	February 2041 .....	67,566.31
September 2030 .....	2,743,422.16	December 2035 .....	717,553.03	March 2041 .....	62,329.04
October 2030 .....	2,691,782.81	January 2036 .....	699,953.44	April 2041 .....	57,204.43
November 2030 .....	2,640,981.82	February 2036 .....	682,668.09	May 2041 .....	52,190.55
December 2030 .....	2,591,006.50	March 2036 .....	665,692.02	June 2041 .....	47,285.51
January 2031 .....	2,541,844.35	April 2036 .....	649,020.31	July 2041 .....	42,487.45
February 2031 .....	2,493,483.07	May 2036 .....	632,648.12	August 2041 .....	37,794.51
March 2031 .....	2,445,910.52	June 2036 .....	616,570.70	September 2041 .....	33,204.90
April 2031 .....	2,399,114.75	July 2036 .....	600,783.34	October 2041 .....	28,716.83
May 2031 .....	2,353,083.96	August 2036 .....	585,281.43	November 2041 .....	24,328.55
June 2031 .....	2,307,806.55	September 2036 .....	570,060.42	December 2041 .....	20,038.33
July 2031 .....	2,263,271.07	October 2036 .....	555,115.82	January 2042 .....	15,844.46
August 2031 .....	2,219,466.25	November 2036 .....	540,443.21	February 2042 .....	11,745.29
September 2031 .....	2,176,380.98	December 2036 .....	526,038.25	March 2042 .....	7,739.15
October 2031 .....	2,134,004.31	January 2037 .....	511,896.64	April 2042 .....	3,824.43
November 2031 .....	2,092,325.44	February 2037 .....	498,014.17	May 2042 and thereafter .....	0.00
December 2031 .....	2,051,333.74	March 2037 .....	484,386.68		

## ***JD Class Planned Balances***

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$3,816,000.00	December 2014 .....	\$2,456,719.70	February 2017 .....	\$ 832,457.22
November 2012 .....	3,799,538.33	January 2015 .....	2,377,241.55	March 2017 .....	786,503.25
December 2012 .....	3,779,828.51	February 2015 .....	2,299,258.61	April 2017 .....	741,635.17
January 2013 .....	3,756,893.18	March 2015 .....	2,222,753.04	May 2017 .....	697,839.31
February 2013 .....	3,730,759.53	April 2015 .....	2,147,707.21	June 2017 .....	655,102.12
March 2013 .....	3,701,459.40	May 2015 .....	2,074,103.64	July 2017 .....	613,410.23
April 2013 .....	3,669,029.16	June 2015 .....	2,001,925.04	August 2017 .....	572,750.40
May 2013 .....	3,633,509.69	July 2015 .....	1,931,154.31	September 2017 .....	533,109.49
June 2013 .....	3,594,946.35	August 2015 .....	1,861,774.48	October 2017 .....	494,474.53
July 2013 .....	3,553,388.91	September 2015 .....	1,793,768.79	November 2017 .....	456,832.68
August 2013 .....	3,508,891.50	October 2015 .....	1,727,120.63	December 2017 .....	420,171.22
September 2013 .....	3,461,512.51	November 2015 .....	1,661,813.56	January 2018 .....	384,477.57
October 2013 .....	3,411,314.55	December 2015 .....	1,597,831.31	February 2018 .....	349,739.28
November 2013 .....	3,358,364.35	January 2016 .....	1,535,157.78	March 2018 .....	315,944.04
December 2013 .....	3,302,732.61	February 2016 .....	1,473,777.02	April 2018 .....	283,079.64
January 2014 .....	3,244,494.01	March 2016 .....	1,413,673.26	May 2018 .....	251,134.01
February 2014 .....	3,183,726.97	April 2016 .....	1,354,830.86	June 2018 .....	220,095.23
March 2014 .....	3,120,513.67	May 2016 .....	1,297,234.38	July 2018 .....	189,951.46
April 2014 .....	3,054,939.78	June 2016 .....	1,240,868.48	August 2018 .....	160,691.03
May 2014 .....	2,987,094.47	July 2016 .....	1,185,718.06	September 2018 .....	132,302.35
June 2014 .....	2,917,070.15	August 2016 .....	1,131,768.08	October 2018 .....	104,773.97
July 2014 .....	2,844,962.43	September 2016 .....	1,079,003.72	November 2018 .....	78,094.57
August 2014 .....	2,770,869.89	October 2016 .....	1,027,410.29	December 2018 .....	52,252.93
September 2014 .....	2,694,893.97	November 2016 .....	976,973.24	January 2019 .....	27,237.95
October 2014 .....	2,617,138.81	December 2016 .....	927,678.18	February 2019 .....	3,038.67
November 2014 .....	2,537,711.06	January 2017 .....	879,510.87	March 2019 and thereafter .....	0.00



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.

**\$283,792,828**



**Guaranteed  
Pass-Through Certificates  
Fannie Mae Trust 2012-119**

**PROSPECTUS SUPPLEMENT**

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**Jefferies**

**October 24, 2012**