

\$888,199,998



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2016-1**

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, and
- principal to the extent available for payment on your class.

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

Class	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
SJ	\$163,044,772(2)	NTL	(3)	INV/IO	3136AQC57	February 2046
SH	40,855,941(2)	NTL	(3)	INV/IO	3136AQE48	February 2046
SI	129,174,285(2)	NTL	(3)	INV/IO	3136AQG46	February 2046
FT	333,074,998	PT	(3)	FLT	3136AQP61	February 2046
EA	543,125,000	SEQ	2.5%	FIX	3136AQU81	February 2046
A	12,000,000	SEQ	2.5	FIX	3136AQU99	May 2042
R	0	NPR	0	NPR	3136AQV23	February 2046

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

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

(3) Based on LIBOR.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 29, 2016.

Carefully consider the risk factors starting on page 14 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.

J.P. Morgan

January 25, 2016

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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 June 1, 2014 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated
 - October 1, 2014, for all MBS issued on or after October 1, 2014,
 - March 1, 2013, for all MBS issued on or after March 1, 2013 and prior to October 1, 2014,
 - February 1, 2012, for all MBS issued on or after February 1, 2012 and prior to March 1, 2013,
 - 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”); 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 October 1, 2014.

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

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

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

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

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

J.P. Morgan Securities LLC
c/o Broadridge Financial Solutions
Prospectus Department
1155 Long Island Avenue
Edgewood, NY 11717
(telephone 631-274-2635).

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of January 1, 2016. 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.

Characteristics of the MBS

	<u>Approximate Principal Balance</u>	<u>Pass- Through Rate</u>	<u>Range of Weighted Average Coupons or WACs (annual percentages)</u>	<u>Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)</u>
<i>Subgroup 1a</i>	\$434,786,060	4.00%	4.25% to 6.50%	241 to 360
<i>Subgroup 1b</i>	\$108,949,177	4.00%	4.25% to 6.50%	241 to 360
<i>Subgroup 1c</i>	\$344,464,761	4.00%	4.25% to 6.50%	241 to 360

Assumed Characteristics of the Underlying Mortgage Loans

	<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>
<i>Subgroup 1a</i>	\$434,786,060	360	354	6	4.555%
<i>Subgroup 1b</i>	\$108,949,177	360	330	25	4.714%
<i>Subgroup 1c</i>	\$344,464,761	360	295	56	4.470%

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the MBS will differ from those shown above, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—*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.

Settlement Date

We expect to issue the certificates on January 29, 2016.

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 Class	R Class

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.

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>
SJ	5.7265%	6.15%	0.00%	6.15% – LIBOR
SH	5.7265%	6.15%	0.00%	6.15% – LIBOR
SI	5.7265%	6.15%	0.00%	6.15% – LIBOR
FT	0.7735%	6.50%	0.35%	LIBOR + 35 basis points

(1) We will establish LIBOR on the basis of the “ICE 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>	
SJ	37.4999998850% of the Subgroup 1a MBS
SH	37.4999996558% of the Subgroup 1b MBS
SI	37.4999998911% of the Subgroup 1c MBS

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>PSA Prepayment Assumption</u>								
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>259%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>	<u>600%</u>	<u>800%</u>
SJ	19.6	10.6	7.1	5.9	5.2	4.1	3.4	2.9	2.3
SH	19.6	9.7	6.3	5.1	4.5	3.4	2.7	2.2	1.5
SI	19.6	8.9	6.0	4.9	4.4	3.3	2.6	2.1	1.5
FT	19.6	9.8	6.6	5.4	4.8	3.7	3.0	2.5	1.9
EA	19.7	9.9	6.6	5.5	4.8	3.8	3.0	2.5	1.9
A	16.6	6.3	3.9	3.1	2.8	2.2	1.8	1.5	1.1

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) pursuant to a trust agreement dated as of May 1, 2010 and a supplement thereto dated as of January 1, 2016 (the “Issue Date”). The trust agreement and supplement are collectively referred to as the “Trust Agreement.” We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates”) pursuant to the Trust Agreement. We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”).

The assets of the Trust will include certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”).

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

The Trust will constitute a “real estate mortgage investment conduit” (“REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

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

	<u>Assets</u>	<u>Regular Interests</u>	<u>Residual Interest</u>
REMIC	MBS	All Classes of Certificates other than the R Class	R

Fannie Mae Guaranty. For a description of our guaranties of the Certificates and the MBS, see the applicable discussions appearing under the heading “Fannie Mae Guaranty” in the REMIC Prospectus and the MBS Prospectus. Our guaranties are not backed by the full faith and credit of the United States.

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

We will issue the Residual Certificate in fully registered, certificated form. The “Holder” or “Certificateholder” of the Residual Certificate is its registered owner. The 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 the Residual Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the Residual Class” 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 Class)	\$1,000 minimum plus whole dollar increments

The MBS

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

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

Distributions of Interest

General. The Certificates will bear interest at the rates specified in this prospectus supplement. Interest to be paid on each Certificate on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date.

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 “ICE Method” as generally 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. For a description of recent developments affecting LIBOR calculations, see “Risk Factors—Risks Relating to Yield and Prepayment—*Intercontinental Exchange Benchmark Administration is the new LIBOR administrator*” in the REMIC Prospectus.

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

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

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

Distributions of Principal

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

37.4999998850% of the Subgroup 1a Principal Distribution Amount, 37.4999996558% of the Subgroup 1b Principal Distribution Amount and 37.4999998911% of the Subgroup 1c Principal Distribution Amount to FT until retired.	} Pass-Through Class
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The remaining Subgroup 1a Principal Distribution Amount, Subgroup 1b Principal Distribution Amount and Subgroup 1c Principal Distribution Amount in the following priority:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. To A and EA, in the proportions of 2.9074314670% and 97.0925685330%, respectively, until A is retired. 2. To EA until retired. | $\left. \vphantom{\begin{matrix} 1. \\ 2. \end{matrix}} \right\} \text{Sequential Pay Classes}$ |
|--|---|

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

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

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

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Assumed Characteristics of the Underlying Mortgage Loans” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables;
- the settlement date for the Certificates is January 29, 2016; 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 MBS will differ from the assumed characteristics shown in the Summary, and may differ significantly. See “Risk Factors—Risks Relating to Yield and Prepayment—*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.

Yield Tables for the Inverse Floating Rate Classes

The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA 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 (or notional principal balance reductions) 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 yields on the Inverse Floating Rate Classes 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 related Mortgage Loans is likely to vary, and may vary considerably, from pool to pool. As illustrated in the tables below, it is possible that investors in the Inverse Floating Rate Classes would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Summary—Interest Rates” in this prospectus supplement and for each following Interest Accrual Period will be based on the specified levels of the Index, and
- the aggregate purchase prices of those Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SJ	21.7500%
SH	21.6875%
SI	19.7500%

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

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

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

LIBOR	PSA Prepayment Assumption								
	50%	100%	200%	259%	300%	400%	500%	600%	800%
0.21175%	23.8%	21.0%	15.3%	11.9%	9.5%	3.6%	(2.5)%	(8.8)%	(21.9)%
0.42350%	22.7%	19.9%	14.2%	10.8%	8.4%	2.4%	(3.7)%	(10.0)%	(23.1)%
2.42350%	12.3%	9.5%	3.7%	0.2%	(2.3)%	(8.4)%	(14.7)%	(21.2)%	(34.9)%
4.42350%	0.9%	(1.9)%	(7.7)%	(11.3)%	(13.7)%	(20.0)%	(26.4)%	(33.1)%	(47.3)%
6.15000%	*	*	*	*	*	*	*	*	*

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

LIBOR	PSA Prepayment Assumption								
	50%	100%	200%	259%	300%	400%	500%	600%	800%
0.21175%	23.0%	19.6%	12.7%	8.5%	5.5%	(1.9)%	(9.7)%	(17.8)%	(35.2)%
0.42350%	21.9%	18.5%	11.6%	7.4%	4.5%	(2.9)%	(10.6)%	(18.7)%	(36.0)%
2.42350%	11.6%	8.3%	1.7%	(2.3)%	(5.2)%	(12.3)%	(19.7)%	(27.4)%	(44.1)%
4.42350%	0.1%	(3.0)%	(9.3)%	(13.1)%	(15.8)%	(22.6)%	(29.7)%	(37.0)%	(53.1)%
6.15000%	*	*	*	*	*	*	*	*	*

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

LIBOR	PSA Prepayment Assumption								
	50%	100%	200%	259%	300%	400%	500%	600%	800%
0.21175%	25.3%	21.8%	14.8%	10.5%	7.5%	(0.1)%	(7.9)%	(16.2)%	(33.9)%
0.42350%	24.1%	20.6%	13.6%	9.4%	6.4%	(1.1)%	(9.0)%	(17.2)%	(34.8)%
2.42350%	12.7%	9.4%	2.7%	(1.4)%	(4.2)%	(11.4)%	(18.9)%	(26.7)%	(43.6)%
4.42350%	0.0%	(3.1)%	(9.4)%	(13.3)%	(16.0)%	(22.8)%	(29.8)%	(37.2)%	(53.2)%
6.15000%	*	*	*	*	*	*	*	*	*

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 sequence of distributions of principal of the Classes.

See “—Distributions of Principal” above.

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to

the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their original principal balances, variability in the weighted average lives of those Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various constant prepayment rates, see the Decrement Tables below.

Decrement Tables

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

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

<u>Original and Remaining Term to Maturity</u>	<u>Interest Rate</u>
360 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	SJ† Class									SH† Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	200%	259%	300%	400%	500%	600%	800%	0%	100%	200%	259%	300%	400%	500%	600%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2017	99	96	93	92	91	88	86	84	78	99	92	87	83	81	75	70	64	52
January 2018	98	90	83	79	76	70	64	58	47	98	85	75	69	65	56	48	40	27
January 2019	96	83	71	65	61	52	44	36	24	96	78	64	57	52	42	33	25	14
January 2020	95	76	62	54	49	39	30	23	12	95	72	55	47	42	31	22	16	7
January 2021	94	70	53	45	40	29	21	14	6	94	66	48	39	34	23	15	10	4
January 2022	92	64	46	37	32	21	14	9	3	92	61	41	32	27	17	10	6	2
January 2023	90	59	39	30	25	16	10	6	2	90	55	35	26	21	13	7	4	1
January 2024	89	54	34	25	20	12	7	3	1	89	51	30	22	17	9	5	2	*
January 2025	87	49	29	21	16	9	4	2	*	87	46	25	18	14	7	3	1	*
January 2026	85	45	25	17	13	6	3	1	*	85	42	22	14	11	5	2	1	*
January 2027	83	41	21	14	10	5	2	1	*	83	38	18	12	8	4	1	1	*
January 2028	80	37	18	11	8	3	1	1	*	80	34	15	9	7	3	1	*	*
January 2029	78	34	15	9	6	3	1	*	*	78	31	13	8	5	2	1	*	*
January 2030	75	30	13	7	5	2	1	*	*	75	27	11	6	4	1	*	*	*
January 2031	73	27	11	6	4	1	*	*	*	73	24	9	5	3	1	*	*	*
January 2032	70	24	9	5	3	1	*	*	*	70	21	7	4	2	1	*	*	*
January 2033	66	22	7	4	2	1	*	*	*	66	19	6	3	2	1	*	*	*
January 2034	63	19	6	3	2	*	*	*	*	63	16	5	2	1	*	*	*	*
January 2035	59	17	5	2	1	*	*	*	*	59	14	4	2	1	*	*	*	*
January 2036	56	14	4	2	1	*	*	*	*	56	12	3	1	1	*	*	*	*
January 2037	52	12	3	1	1	*	*	*	*	52	10	2	1	1	*	*	*	*
January 2038	47	11	3	1	1	*	*	*	*	47	8	2	1	*	*	*	*	*
January 2039	43	9	2	1	*	*	*	*	*	43	6	1	1	*	*	*	*	*
January 2040	38	7	2	1	*	*	*	*	*	38	5	1	*	*	*	*	*	*
January 2041	32	6	1	*	*	*	*	*	*	32	3	1	*	*	*	*	*	*
January 2042	27	4	1	*	*	*	*	*	*	27	2	*	*	*	*	*	*	0
January 2043	21	3	1	*	*	*	*	*	0	21	1	*	*	*	*	*	*	0
January 2044	14	2	*	*	*	*	*	*	0	14	0	0	0	0	0	0	0	0
January 2045	7	1	*	*	*	*	*	*	0	7	0	0	0	0	0	0	0	0
January 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																		
Life (years)**	19.6	10.6	7.1	5.9	5.2	4.1	3.4	2.9	2.3	19.6	9.7	6.3	5.1	4.5	3.4	2.7	2.2	1.5

Date	SI† Class									FT Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	200%	259%	300%	400%	500%	600%	800%	0%	100%	200%	259%	300%	400%	500%	600%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2017	99	92	86	83	80	74	68	63	51	99	94	90	87	86	81	77	73	65
January 2018	98	84	74	68	64	55	47	39	26	98	87	78	73	70	62	55	48	36
January 2019	96	77	63	56	51	41	32	24	13	96	80	67	61	56	46	38	30	18
January 2020	95	70	54	46	41	30	22	15	7	95	73	58	50	45	34	26	19	9
January 2021	94	64	46	38	32	22	15	9	3	94	67	50	41	36	26	18	12	5
January 2022	92	58	39	31	26	16	10	6	2	92	62	43	34	29	19	12	7	2
January 2023	90	53	33	25	20	12	7	4	1	90	56	36	28	23	14	8	5	1
January 2024	89	48	28	20	16	9	5	2	*	89	51	31	23	18	10	6	3	1
January 2025	87	43	24	16	13	6	3	1	*	87	47	26	19	14	8	4	2	*
January 2026	85	39	20	13	10	5	2	1	*	85	42	22	15	11	6	3	1	*
January 2027	83	35	17	11	8	3	1	1	*	83	38	19	12	9	4	2	1	*
January 2028	80	31	14	8	6	2	1	*	*	80	34	16	10	7	3	1	*	*
January 2029	78	27	11	7	5	2	1	*	*	78	31	13	8	6	2	1	*	*
January 2030	75	24	9	5	4	1	*	*	*	75	27	11	6	4	2	1	*	*
January 2031	73	21	8	4	3	1	*	*	*	73	24	9	5	3	1	*	*	*
January 2032	70	18	6	3	2	1	*	*	*	70	21	8	4	3	1	*	*	*
January 2033	66	15	5	2	1	*	*	*	*	66	19	6	3	2	1	*	*	*
January 2034	63	13	4	2	1	*	*	*	*	63	16	5	2	1	*	*	*	*
January 2035	59	10	3	1	1	*	*	*	*	59	14	4	2	1	*	*	*	*
January 2036	56	8	2	1	1	*	*	*	*	56	12	3	1	1	*	*	*	*
January 2037	52	6	2	1	*	*	*	*	*	52	10	2	1	1	*	*	*	*
January 2038	47	4	1	*	*	*	*	*	*	47	8	2	1	*	*	*	*	*
January 2039	43	2	1	*	*	*	*	*	*	43	6	1	1	*	*	*	*	*
January 2040	38	1	*	*	*	*	*	*	0	38	4	1	*	*	*	*	*	*
January 2041	32	0	0	0	0	0	0	0	0	32	3	1	*	*	*	*	*	*
January 2042	27	0	0	0	0	0	0	0	0	27	2	*	*	*	*	*	*	0
January 2043	21	0	0	0	0	0	0	0	0	21	1	*	*	*	*	*	*	0
January 2044	14	0	0	0	0	0	0	0	0	14	1	*	*	*	*	*	*	0
January 2045	7	0	0	0	0	0	0	0	0	7	*	*	*	*	*	*	*	0
January 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																		
Life (years)**	19.6	8.9	6.0	4.9	4.4	3.3	2.6	2.1	1.5	19.6	9.8	6.6	5.4	4.8	3.7	3.0	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	EA Class									A Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	200%	259%	300%	400%	500%	600%	800%	0%	100%	200%	259%	300%	400%	500%	600%	800%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2017	99	94	90	87	86	81	77	73	65	98	92	86	83	81	75	69	64	52
January 2018	98	87	78	74	70	63	56	49	37	97	82	71	64	60	49	40	31	14
January 2019	96	80	68	61	57	47	38	31	19	95	73	56	47	41	28	16	6	0
January 2020	95	74	58	50	46	35	26	19	10	93	64	43	33	26	12	*	0	0
January 2021	94	68	50	42	37	26	18	12	5	91	56	32	21	14	0	0	0	0
January 2022	92	62	43	34	29	19	12	8	2	89	48	23	11	4	0	0	0	0
January 2023	90	57	37	28	23	14	8	5	1	87	41	14	3	0	0	0	0	0
January 2024	89	52	32	23	19	11	6	3	1	85	34	7	0	0	0	0	0	0
January 2025	87	47	27	19	15	8	4	2	*	82	28	1	0	0	0	0	0	0
January 2026	85	43	23	15	12	6	3	1	*	80	22	0	0	0	0	0	0	0
January 2027	83	39	19	13	9	4	2	1	*	77	17	0	0	0	0	0	0	0
January 2028	81	35	16	10	7	3	1	*	*	74	12	0	0	0	0	0	0	0
January 2029	78	31	14	8	6	2	1	*	*	70	7	0	0	0	0	0	0	0
January 2030	76	28	11	7	4	2	1	*	*	67	2	0	0	0	0	0	0	0
January 2031	73	25	9	5	3	1	*	*	*	63	0	0	0	0	0	0	0	0
January 2032	70	22	8	4	3	1	*	*	*	59	0	0	0	0	0	0	0	0
January 2033	67	19	6	3	2	1	*	*	*	55	0	0	0	0	0	0	0	0
January 2034	63	17	5	3	2	*	*	*	*	50	0	0	0	0	0	0	0	0
January 2035	60	14	4	2	1	*	*	*	*	46	0	0	0	0	0	0	0	0
January 2036	56	12	3	1	1	*	*	*	*	40	0	0	0	0	0	0	0	0
January 2037	52	10	3	1	1	*	*	*	*	35	0	0	0	0	0	0	0	0
January 2038	48	8	2	1	*	*	*	*	*	29	0	0	0	0	0	0	0	0
January 2039	43	6	1	1	*	*	*	*	*	23	0	0	0	0	0	0	0	0
January 2040	38	5	1	*	*	*	*	*	*	16	0	0	0	0	0	0	0	0
January 2041	33	3	1	*	*	*	*	*	*	9	0	0	0	0	0	0	0	0
January 2042	27	2	*	*	*	*	*	*	0	1	0	0	0	0	0	0	0	0
January 2043	21	2	*	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0
January 2044	15	1	*	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0
January 2045	7	*	*	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0
January 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																		
Life (years)**	19.7	9.9	6.6	5.5	4.8	3.8	3.0	2.5	1.9	16.6	6.3	3.9	3.1	2.8	2.2	1.8	1.5	1.1

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

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

Characteristics of the Residual Class

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 following tax discussion supplements the discussion under the caption “Material Federal Income Tax Consequences” in the REMIC Prospectus. When read together, the two discussions describe the current federal income tax treatment of beneficial owners of Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

REMIC Election and Special Tax Attributes

We will make a REMIC election with respect to the 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 Class will be designated as the “residual interest” in the REMIC as set forth in that table. Thus, the 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 Class, 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 will be issued with original issue discount (“OID”), and certain other Classes of 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 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 Assumption that will be used in determining the rate of accrual of OID will be 259% 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 that rate or at 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.

Tax Audit Procedures

The Bipartisan Budget Act of 2015, which was enacted on November 2, 2015, repeals and replaces the rules applicable to certain administrative and judicial proceedings regarding a REMIC’s tax affairs, effective beginning with the 2018 taxable year. Under the new rules, a partnership, including for this purpose a REMIC, appoints one person to act as its sole representative in connection with IRS audits and related procedures. In the case of a REMIC, the representative’s actions, including the representative’s agreeing to adjustments to taxable income, will bind Residual Owners to a greater degree than would actions of the tax matters partner (“TMP”) under current rules. See “*Material Federal Income Tax Consequences—Reporting and Other Administrative Matters*” in the REMIC Prospectus for a discussion of the TMP. Further, an adjustment to the REMIC’s taxable income following an IRS audit may have to be taken into account by those Residual Owners in the year in which the adjustment is made rather than in the

year to which the adjustment relates, and otherwise in different and potentially less advantageous ways than under current rules. In some cases, a REMIC could itself be liable for taxes on income adjustments, although it is anticipated that each REMIC will seek to follow procedures in the new rules to avoid entity-level liability to the extent it otherwise may be imposed. The new rules, which will apply to both existing and future REMICs, are complex and likely will be clarified and possibly revised before going into effect. Residual Owners should discuss with their own tax advisors the possible effect of the new rules on them.

Foreign Investors

In IRS Notice 2015-66, the IRS announced on September 18, 2015 its intention to push back the start date of FATCA withholding on gross proceeds from the sale or other disposition of any property of a type that can produce interest from U.S. sources. Under this published guidance, a 30-percent United States withholding tax (“FATCA withholding”) will apply to gross proceeds from the sale or other disposition of a Regular Certificate beginning on January 1, 2019 that are paid to a non-U.S. entity that is a “financial institution” and fails to comply with certain reporting and other requirements or to a non-U.S. entity that is not a “financial institution” but fails to disclose the identity of its direct or indirect “substantial U.S. owners” or to certify that it has no such owners. FATCA withholding currently applies to payments treated as interest on a Regular Certificate paid to such persons. Various exceptions may apply. You should consult your own tax advisor regarding the potential application and impact of this withholding tax based on your particular circumstances. See “Material Federal Income Tax Consequences—Foreign Investors” in the REMIC Prospectus.

PLAN OF DISTRIBUTION

We are obligated to deliver the Certificates to J.P. Morgan Securities LLC (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

CREDIT RISK RETENTION

The Certificates satisfy the requirements of the Credit Risk Retention Rule (12 C.F.R. Part 1234) jointly promulgated by the Federal Housing Finance Agency (“FHFA”), the SEC and several other federal agencies. In accordance with 12 C.F.R. 1234.8(a), (i) the Certificates are fully guaranteed as to timely payment of principal and interest by Fannie Mae and (ii) Fannie Mae is operating under the conservatorship of FHFA with capital support from the United States.

LEGAL MATTERS

Katten Muchin Rosenman LLP will provide legal representation for Fannie Mae. Cleary Gottlieb Steen & Hamilton LLP will provide legal representation for the Dealer.

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.

\$888,199,998



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 2016-1

PROSPECTUS SUPPLEMENT

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J.P. Morgan

January 25, 2016