

\$365,467,773



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2016-21**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
BD(2)	1	\$103,985,000	SEQ	2.5%	FIX	3136AR Y S 1	March 2042
BI(2)	1	17,330,833(3)	NTL	3.0	FIX/IO	3136AR Y T 9	March 2042
VB	1	6,976,000	SEQ/AD	3.0	FIX	3136AR Y U 6	August 2027
BV	1	10,355,000	SEQ/AD	3.0	FIX	3136AR Y V 4	June 2039
BZ	1	17,331,236	SEQ	3.0	FIX/Z	3136AR Y W 2	April 2046
GA(2)	2	75,000,000	SEQ	2.5	FIX	3136AR Y X 0	March 2043
GI(2)	2	12,500,000(3)	NTL	3.0	FIX/IO	3136AR Y Y 8	March 2043
VG(2)	2	4,032,000	SEQ/AD	3.0	FIX	3136AR Y Z 5	August 2027
GV(2)	2	4,127,000	SEQ/AD	3.0	FIX	3136AR Z A 9	March 2036
GZ(2)	2	10,011,000	SEQ	3.0	FIX/Z	3136AR Z B 7	April 2046
MB(2)	3	133,650,537	PT	1.5	FIX	3136AR Z C 5	January 2032
MI(2)	3	108,591,061(3)	NTL	8.0	FIX/IO	3136AR Z D 3	January 2032
R		0	NPR	0	NPR	3136AR Z E 1	April 2046
RL		0	NPR	0	NPR	3136AR Z F 8	April 2046

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

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

If you own certificates of certain classes, you can exchange them for certificates of the corresponding RCR classes to be delivered at the time of exchange. The BA, GB, GC, GN, GU, MC, MA, MD, ME, MG and MH 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.

Except as described below, the dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be March 31, 2016. We expect initially to retain certain certificates of the Group 3 Classes. See “Plan of Distribution” in this prospectus supplement.

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.

Wells Fargo Securities

March 24, 2016

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	WEIGHTED AVERAGE LIVES OF THE	
SUMMARY	S- 4	CERTIFICATES	S-11
DESCRIPTION OF THE		DECREMENT TABLES	S-12
CERTIFICATES	S- 7	CHARACTERISTICS OF THE RESIDUAL	
GENERAL	S- 7	CLASSES	S-15
<i>Structure</i>	S- 7	CERTAIN ADDITIONAL FEDERAL	
<i>Fannie Mae Guaranty</i>	S- 7	INCOME TAX CONSEQUENCES ..	S-15
<i>Characteristics of Certificates</i>	S- 7	REMIC ELECTIONS AND SPECIAL TAX	
<i>Authorized Denominations</i>	S- 8	ATTRIBUTES	S-16
THE MBS	S- 8	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF INTEREST	S- 8	REGULAR CERTIFICATES	S-16
<i>General</i>	S- 8	TAXATION OF BENEFICIAL OWNERS OF	
<i>Delay Classes and No-Delay</i>		RESIDUAL CERTIFICATES	S-16
<i>Classes</i>	S- 8	TAXATION OF BENEFICIAL OWNERS OF	
<i>Accrual Classes</i>	S- 9	RCR CERTIFICATES	S-17
DISTRIBUTIONS OF PRINCIPAL	S- 9	TAX AUDIT PROCEDURES	S-17
STRUCTURING ASSUMPTIONS	S- 9	FOREIGN INVESTORS	S-17
<i>Pricing Assumptions</i>	S- 9	PLAN OF DISTRIBUTION	S-18
<i>Prepayment Assumptions</i>	S-10	CREDIT RISK RETENTION	S-18
YIELD TABLES FOR THE FIXED RATE		LEGAL MATTERS	S-18
INTEREST ONLY CLASSES	S-10	SCHEDULE 1	A- 1

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 800-2FANNIE).

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:

Wells Fargo Securities, LLC
Customer Service
MAC N9303-054
608 2nd Avenue South, Suite 500
Minneapolis, Minnesota 55479
US and International Callers: (800) 645-3751, option 5
WFSCustomerService@wellsfargo.com.

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of March 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.

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS

Group 1, Group 2 and Group 3

Characteristics of the MBS

	<u>Approximate Principal Balance</u>	<u>Pass- Through Rate</u>	<u>Range of Weighted Average Coupons or WACs (annual percentages)</u>	<u>Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)</u>
Group 1 MBS	\$138,647,236	3.00%	3.25% to 5.50%	241 to 360
Group 2 MBS	\$ 93,170,000	3.00%	3.25% to 5.50%	241 to 360
Group 3 MBS	\$133,650,537	8.00%	8.25% to 10.50%	53 to 360

Assumed Characteristics of the Underlying Mortgage Loans

	<u>Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Interest Rate</u>
Group 1 MBS	\$138,647,236	360	326	30	3.653%
Group 2 MBS	\$ 93,170,000	360	358	1	3.750%
Group 3 MBS	\$133,650,537	360	124	222	8.536%

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 March 31, 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 and RL Classes	R and RL Classes

Exchanging Certificates Through Combination and Recombination

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

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

Interest Rates

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

Notional Classes

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

<u>Class</u>	
BI	16.6666663461% of the BD Class
GI	16.6666666667% of the GA Class
MI	81.2499997662% of the MB Class

Distributions of Principal

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

Weighted Average Lives (years)*

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>149%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>	<u>600%</u>
BD, BI and BA	15.9	5.9	4.5	3.5	2.4	1.8	1.4	1.2
VB	6.0	6.0	6.0	5.7	4.8	4.0	3.3	2.8
BV	17.6	14.6	12.1	10.0	7.3	5.7	4.5	3.7
BZ	28.1	20.7	18.2	15.9	12.1	9.5	7.6	6.3

Group 2 Classes	PSA Prepayment Assumption								
	0%	100%	200%	246%	300%	400%	600%	800%	1000%
GA, GI, GB, GC and GN	16.7	7.7	5.0	4.3	3.8	3.1	2.3	2.0	1.7
VG	6.0	6.0	6.0	5.9	5.6	5.0	3.9	3.2	2.8
GV	15.8	15.6	12.2	10.6	9.2	7.4	5.3	4.1	3.4
GZ	28.5	23.1	17.8	15.8	13.8	11.0	7.7	5.8	4.6
GU	28.5	22.8	16.7	14.6	12.6	9.9	6.8	5.2	4.1

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>									
	<u>0%</u>	<u>100%</u>	<u>200%</u>	<u>283%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>1000%</u>	<u>1300%</u>	<u>1600%</u>
MB, MI, MC, MA, MD, ME, MG and MH ...	10.0	4.8	3.9	3.3	2.7	1.9	1.4	1.0	0.7	0.3

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) pursuant to a trust agreement dated as of May 1, 2010 and a supplement thereto dated as of March 1, 2016 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement and supplement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of May 1, 2010 and a supplement thereto dated as of the Issue Date (together with the trust agreement and supplement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

The assets of the Trust will include three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS” and “Group 3 MBS,” and together, the “MBS”).

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

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

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

REMIC Designation	Assets	Regular Interests	Residual Interest
Lower Tier REMIC	MBS	Interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”)	RL
Upper Tier REMIC	Lower Tier Regular Interests	All Classes of REMIC Certificates other than the R and RL Classes	R

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

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

We will issue the Residual Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of a Residual Certificate is its registered owner. A Residual Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. U.S. Bank National Association in Boston, Massachusetts will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of a Residual Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the Residual Classes” below.

Authorized Denominations. We will issue the Certificates in the following denominations:

<u>Classes</u>	<u>Denominations</u>
Interest Only Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

The MBS

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

In addition, the pools of mortgage loans backing the Group 2 MBS have been designated as pools that include “jumbo-conforming” or “high balance” mortgage loans as described further under “The Mortgage Loans—Special Feature Mortgage Loans—*Mortgage Loans with Original Principal Balances Exceeding our Traditional Conforming Loan Limits*” in the MBS Prospectus dated October 1, 2014. For periodic updates to that description, please refer to the Pool Prefix Glossary available on our Web site at www.fanniemae.com. For additional information about the particular pools underlying the Group 2 MBS, see the Final Data Statement for the Trust and the related prospectus supplement for each MBS. See also “Risk Factors—Risks Relating to Yield and Prepayment—Refinancing of Loans; Sale of Property—*“Jumbo-conforming” mortgage loans, which have original principal balances that exceed our traditional conforming loan limits, may prepay at different rates than conforming balance mortgage loans generally*” in the MBS Prospectus dated October 1, 2014.

For additional information, see “Summary—Group 1, Group 2 and Group 3—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 (or added to principal, in the case of the Accrual Classes) on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Classes, see “—Accrual Classes” below.

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

<u>Delay Classes</u>	<u>No-Delay Classes</u>
All interest-bearing Classes	—

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

Accrual Classes. The BZ and GZ Classes are Accrual Classes. Interest will accrue on each Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement or on Schedule 1. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on each Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

Distributions of Principal

On the Distribution Date in each month, we will make payments of principal on the 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 BZ Accrual Amount to VB and BV, in that order, until retired, and thereafter to BZ. } Accretion
Directed
Classes and
Accrual Class

The Group 1 Cash Flow Distribution Amount to BD, VB, BV and BZ, in that order, until retired. } Sequential
Pay Classes

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

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

- *Group 2*

The GZ Accrual Amount to VG and GV, in that order, until retired, and thereafter to GZ. } Accretion
Directed
Classes and
Accrual Class

The Group 2 Cash Flow Distribution Amount to GA, VG, GV and GZ, in that order, until retired. } Sequential
Pay Classes

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

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

- *Group 3*

The Group 3 Principal Distribution Amount to MB, until retired. } Pass-Through
Class

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

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, loan ages and interest rates specified under “Summary—Group 1, Group 2 and Group 3—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 March 31, 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 Fixed Rate Interest Only Classes

The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA. **The tables below are provided for illustrative purposes only and are not intended as a forecast or prediction of the actual yields on the applicable Classes.** We calculated the yields set forth in the tables by

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present values of the assumed streams of cash flows to equal the assumed aggregate purchase prices of those Classes, and
- converting the monthly rates to corporate bond equivalent rates.

These calculations do not take into account variations in the interest rates at which you could reinvest distributions on the Certificates. Accordingly, these calculations do not illustrate the return on any investment in the Certificates when reinvestment rates are taken into account.

We cannot assure you that

- the pre-tax yields on the applicable Certificates will correspond to any of the pre-tax yields shown here, or
- the aggregate purchase prices of the applicable Certificates will be as assumed.

In addition, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments (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, or
- all of the Mortgage Loans will prepay at the same rate.

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

<u>Class</u>	<u>% PSA</u>
BI	169%
GI	403%
MI	264%

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>
BI	12.00%
GI	9.00%
MI	27.00%

* 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.

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

Sensitivity of the BI Class to Prepayments

	PSA Prepayment Assumption							
	<u>50%</u>	<u>100%</u>	<u>149%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>500%</u>	<u>600%</u>
Pre-Tax Yields to Maturity	16.1%	10.0%	3.1%	(5.0)%	(22.8)%	(42.1)%	(62.0)%	(82.0)%

Sensitivity of the GI Class to Prepayments

	PSA Prepayment Assumption								
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>246%</u>	<u>300%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity	28.4%	24.9%	17.2%	13.4%	8.8%	0.2%	(16.3)%	(31.1)%	(44.0)%

Sensitivity of the MI Class to Prepayments

	<u>PSA Prepayment Assumption</u>									
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>283%</u>	<u>400%</u>	<u>600%</u>	<u>800%</u>	<u>1000%</u>	<u>1300%</u>	<u>1600%</u>
Pre-Tax Yields to Maturity	14.3%	11.1%	4.4%	(1.3)%	(9.7)%	(25.0)%	(41.8)%	(60.8)%	(96.0)%	*

Weighted Average Lives of the Certificates

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

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

- the timing of changes in the rate of principal distributions, and
- the priority sequences of distributions of principal of the Group 1 and Group 2 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	5.50%
Group 2 MBS	360 months	360 months	5.50%
Group 3 MBS	360 months	190 months	10.50%

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	BD, BI† and BA Classes								VB Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	149%	200%	300%	400%	500%	600%	0%	100%	149%	200%	300%	400%	500%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	98	89	85	81	74	66	58	50	92	92	92	92	92	92	92	92
March 2018	96	79	72	65	52	40	29	19	85	85	85	85	85	85	85	85
March 2019	94	70	60	51	35	21	9	0	77	77	77	77	77	77	77	65
March 2020	92	61	50	39	21	7	0	0	68	68	68	68	68	68	4	0
March 2021	90	53	40	29	10	0	0	0	60	60	60	60	60	7	0	0
March 2022	88	45	32	20	1	0	0	0	51	51	51	51	51	0	0	0
March 2023	85	38	24	12	0	0	0	0	42	42	42	42	0	0	0	0
March 2024	82	32	17	5	0	0	0	0	33	33	33	33	0	0	0	0
March 2025	80	26	11	0	0	0	0	0	23	23	23	11	0	0	0	0
March 2026	77	20	5	0	0	0	0	0	13	13	13	0	0	0	0	0
March 2027	74	14	*	0	0	0	0	0	3	3	3	0	0	0	0	0
March 2028	70	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2029	67	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2030	63	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2031	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2032	55	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2033	51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2037	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2038	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2039	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2040	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2041	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2045	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																
Life (years)**	15.9	5.9	4.5	3.5	2.4	1.8	1.4	1.2	6.0	6.0	6.0	5.7	4.8	4.0	3.3	2.8

Date	BV Class								BZ Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	149%	200%	300%	400%	500%	600%	0%	100%	149%	200%	300%	400%	500%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	100	100	100	100	100	100	100	100	103	103	103	103	103	103	103	103
March 2018	100	100	100	100	100	100	100	100	106	106	106	106	106	106	106	106
March 2019	100	100	100	100	100	100	100	100	109	109	109	109	109	109	109	109
March 2020	100	100	100	100	100	100	100	15	113	113	113	113	113	113	113	113
March 2021	100	100	100	100	100	100	4	0	116	116	116	116	116	116	116	76
March 2022	100	100	100	100	100	20	0	0	120	120	120	120	120	120	81	47
March 2023	100	100	100	100	70	0	0	0	123	123	123	123	123	97	55	29
March 2024	100	100	100	100	6	0	0	0	127	127	127	127	127	71	37	18
March 2025	100	100	100	100	0	0	0	0	131	131	131	131	103	52	25	11
March 2026	100	100	100	50	0	0	0	0	135	135	135	135	81	38	17	7
March 2027	100	100	100	0	0	0	0	0	139	139	139	139	64	28	11	4
March 2028	95	95	54	0	0	0	0	0	143	143	143	117	50	20	7	3
March 2029	88	88	7	0	0	0	0	0	148	148	148	97	39	14	5	2
March 2030	80	80	0	0	0	0	0	0	152	152	131	81	30	10	3	1
March 2031	72	39	0	0	0	0	0	0	157	157	112	67	23	7	2	1
March 2032	64	0	0	0	0	0	0	0	162	158	95	55	18	5	1	*
March 2033	56	0	0	0	0	0	0	0	166	138	80	45	14	4	1	*
March 2034	48	0	0	0	0	0	0	0	171	119	67	36	10	3	1	*
March 2035	39	0	0	0	0	0	0	0	177	101	55	29	8	2	*	*
March 2036	30	0	0	0	0	0	0	0	182	85	45	23	6	1	*	*
March 2037	21	0	0	0	0	0	0	0	188	70	36	17	4	1	*	*
March 2038	11	0	0	0	0	0	0	0	193	56	28	13	3	1	*	*
March 2039	1	0	0	0	0	0	0	0	199	43	21	9	2	*	*	*
March 2040	0	0	0	0	0	0	0	0	200	31	15	6	1	*	*	*
March 2041	0	0	0	0	0	0	0	0	200	21	9	4	1	*	*	*
March 2042	0	0	0	0	0	0	0	0	195	11	5	2	*	*	*	*
March 2043	0	0	0	0	0	0	0	0	150	1	1	*	*	*	*	*
March 2044	0	0	0	0	0	0	0	0	103	0	0	0	0	0	0	0
March 2045	0	0	0	0	0	0	0	0	53	0	0	0	0	0	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																
Life (years)**	17.6	14.6	12.1	10.0	7.3	5.7	4.5	3.7	28.1	20.7	18.2	15.9	12.1	9.5	7.6	6.3

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

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

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

Date	GA, GI†, GB, GC and GN Classes									VG Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	200%	246%	300%	400%	600%	800%	1000%	0%	100%	200%	246%	300%	400%	600%	800%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	98	96	94	93	92	90	87	83	79	92	92	92	92	92	92	92	92	92
March 2018	97	89	83	80	77	71	59	48	37	85	85	85	85	85	85	85	85	85
March 2019	95	80	68	63	57	47	29	13	1	77	77	77	77	77	77	77	77	77
March 2020	93	72	55	49	41	29	9	0	0	68	68	68	68	68	68	68	0	0
March 2021	91	64	44	36	28	15	0	0	0	60	60	60	60	60	60	0	0	0
March 2022	88	56	34	26	18	5	0	0	0	51	51	51	51	51	51	0	0	0
March 2023	86	50	26	18	9	0	0	0	0	42	42	42	42	42	0	0	0	0
March 2024	84	43	19	10	2	0	0	0	0	33	33	33	33	33	0	0	0	0
March 2025	81	37	12	4	0	0	0	0	0	23	23	23	23	0	0	0	0	0
March 2026	78	32	7	0	0	0	0	0	0	13	13	13	1	0	0	0	0	0
March 2027	75	27	2	0	0	0	0	0	0	3	3	3	0	0	0	0	0	0
March 2028	72	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2029	69	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2030	66	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2031	62	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2032	58	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2033	54	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2034	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2035	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2036	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2037	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2038	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2039	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2040	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2041	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2042	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2045	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																		
Life (years)**	16.7	7.7	5.0	4.3	3.8	3.1	2.3	2.0	1.7	6.0	6.0	6.0	5.9	5.6	5.0	3.9	3.2	2.8

Date	GV Class									GZ Class								
	PSA Prepayment Assumption									PSA Prepayment Assumption								
	0%	100%	200%	246%	300%	400%	600%	800%	1000%	0%	100%	200%	246%	300%	400%	600%	800%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 2017	100	100	100	100	100	100	100	100	100	103	103	103	103	103	103	103	103	103
March 2018	100	100	100	100	100	100	100	100	100	106	106	106	106	106	106	106	106	106
March 2019	100	100	100	100	100	100	100	100	100	109	109	109	109	109	109	109	109	109
March 2020	100	100	100	100	100	100	100	74	0	113	113	113	113	113	113	113	113	73
March 2021	100	100	100	100	100	100	94	0	0	116	116	116	116	116	116	116	73	29
March 2022	100	100	100	100	100	100	0	0	0	120	120	120	120	120	120	97	37	11
March 2023	100	100	100	100	100	92	0	0	0	123	123	123	123	123	123	60	19	4
March 2024	100	100	100	100	100	0	0	0	0	127	127	127	127	127	119	37	9	2
March 2025	100	100	100	100	100	67	0	0	0	131	131	131	131	131	88	23	5	1
March 2026	100	100	100	100	0	0	0	0	0	135	135	135	135	126	65	14	2	*
March 2027	100	100	100	16	0	0	0	0	0	139	139	139	139	99	47	9	1	*
March 2028	93	93	61	0	0	0	0	0	0	143	143	143	119	79	35	5	1	*
March 2029	82	82	0	0	0	0	0	0	0	148	148	142	98	62	25	3	*	*
March 2030	71	71	0	0	0	0	0	0	0	152	152	120	80	48	18	2	*	*
March 2031	60	60	0	0	0	0	0	0	0	157	157	100	65	38	13	1	*	*
March 2032	48	48	0	0	0	0	0	0	0	162	162	84	52	29	10	1	*	*
March 2033	37	37	0	0	0	0	0	0	0	166	166	70	42	23	7	*	*	*
March 2034	24	7	0	0	0	0	0	0	0	171	171	57	34	18	5	*	*	*
March 2035	12	0	0	0	0	0	0	0	0	177	153	47	27	13	3	*	*	*
March 2036	0	0	0	0	0	0	0	0	0	182	133	38	21	10	2	*	*	*
March 2037	0	0	0	0	0	0	0	0	0	182	114	31	16	8	2	*	*	*
March 2038	0	0	0	0	0	0	0	0	0	182	97	24	13	6	1	*	*	*
March 2039	0	0	0	0	0	0	0	0	0	182	81	19	10	4	1	*	*	0
March 2040	0	0	0	0	0	0	0	0	0	182	66	15	7	3	1	*	*	0
March 2041	0	0	0	0	0	0	0	0	0	182	52	11	5	2	*	*	*	0
March 2042	0	0	0	0	0	0	0	0	0	182	40	8	4	1	*	*	*	0
March 2043	0	0	0	0	0	0	0	0	0	175	28	5	2	1	*	*	*	0
March 2044	0	0	0	0	0	0	0	0	0	120	17	3	1	*	*	*	*	0
March 2045	0	0	0	0	0	0	0	0	0	62	8	1	*	*	*	*	0	0
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																		
Life (years)**	15.8	15.6	12.2	10.6	9.2	7.4	5.3	4.1	3.4	28.5	23.1	17.8	15.8	13.8	11.0	7.7	5.8	4.6

* 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	GU Class										MB, MI†, MC, MA, MD, ME, MG and MH Classes									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	200%	246%	300%	400%	600%	800%	1000%	0%	100%	200%	283%	400%	600%	800%	1000%	1300%	1600%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
March 2017	100	100	100	100	100	100	100	100	100	97	88	82	78	71	60	49	37	21	4	
March 2018	100	100	100	100	100	100	100	100	100	95	77	67	60	50	36	23	14	4	*	
March 2019	100	100	100	100	100	100	100	100	100	91	66	54	45	35	21	11	5	1	*	
March 2020	100	100	100	100	100	100	100	79	40	88	56	43	34	24	12	5	2	*	*	
March 2021	100	100	100	100	100	100	85	40	16	84	46	33	25	16	7	2	1	*	*	
March 2022	100	100	100	100	100	100	53	20	6	79	36	24	17	10	4	1	*	*	0	
March 2023	100	100	100	100	100	89	33	10	2	75	27	17	11	6	2	*	*	*	0	
March 2024	100	100	100	100	100	66	21	5	1	69	19	11	7	3	1	*	*	*	0	
March 2025	100	100	100	100	87	48	13	3	*	63	11	6	3	2	*	*	*	*	0	
March 2026	100	100	100	97	69	36	8	1	*	56	3	1	1	*	*	*	*	*	0	
March 2027	100	100	100	80	55	26	5	1	*	49	0	0	0	0	0	0	0	0	0	
March 2028	100	100	93	66	43	19	3	*	*	41	0	0	0	0	0	0	0	0	0	
March 2029	100	100	78	54	34	14	2	*	*	32	0	0	0	0	0	0	0	0	0	
March 2030	100	100	66	44	27	10	1	*	*	22	0	0	0	0	0	0	0	0	0	
March 2031	100	100	55	36	21	7	1	*	*	10	0	0	0	0	0	0	0	0	0	
March 2032	100	100	46	29	16	5	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2033	100	100	38	23	13	4	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2034	100	96	32	19	10	3	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2035	100	84	26	15	7	2	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2036	100	73	21	12	6	1	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2037	100	63	17	9	4	1	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2038	100	53	13	7	3	1	*	*	*	0	0	0	0	0	0	0	0	0	0	
March 2039	100	44	11	5	2	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2040	100	36	8	4	2	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2041	100	29	6	3	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2042	100	22	4	2	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2043	96	15	3	1	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2044	66	10	2	1	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2045	34	4	1	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	
March 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average																				
Life (years)**	28.5	22.8	16.7	14.6	12.6	9.9	6.8	5.2	4.1	10.0	4.8	3.9	3.3	2.7	1.9	1.4	1.0	0.7	0.3	

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

Characteristics of the Residual Classes

A Residual Certificate will be subject to certain transfer restrictions. See “Description of the Certificates—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 Elections and Special Tax Attributes

We will make a REMIC election with respect to each REMIC set forth in the table under “Description of the Certificates—General—*Structure*.” The Regular Classes will be designated as “regular interests” and the Residual Classes will be designated as the “residual interests” in the REMICs as set forth in that table. Thus, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the Residual Classes, as “qualified mortgages” for other REMICs. See “Material Federal Income Tax Consequences—REMIC Election and Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	149% PSA
2	246% PSA
3	283% PSA

See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at any of those rates or 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.

Taxation of Beneficial Owners of RCR Certificates

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

Generally, the ownership interest represented by an RCR certificate will be one of two types. A certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in one or more underlying Regular Certificates. A certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying Regular Certificates. All of the RCR Certificates are Combination RCR Certificates. See “Material Federal Income Tax Consequences—Taxation of Beneficial Owners of RCR Certificates” in the REMIC Prospectus for a general discussion of the federal income tax treatment of beneficial owners of RCR Certificates.

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 Group 1 and Group 2 Classes to Wells Fargo Securities, LLC (the “Dealer”) in exchange for the Group 1 MBS and the Group 2 MBS.

We will assign the Group 3 MBS to the Trust and may sell certain Certificates of the Group 3 Classes to the Dealer in exchange for cash proceeds. We expect initially to retain certain Certificates of the Group 3 Classes and may sell some or all of the retained Certificates at any time in negotiated transactions at varying prices to be determined at the time of sale.

The Dealer proposes to offer the Certificates (other than any Certificates initially retained by us) 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. K&L Gates LLP will provide legal representation for the Dealer.

Schedule 1

Available Recombinations(1)

	REMIC Certificates		RCR Certificates						
	Classes	Original Balances	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
A-1	Recombination 1								
	BD	\$103,985,000	BA	\$103,985,000	SEQ	3.00%	FIX	3136ARZG6	March 2042
	BI	17,330,833(3)							
	Recombination 2								
	GA	75,000,000	GB	75,000,000	SEQ	2.75	FIX	3136ARZH4	March 2043
	GI	6,250,000(3)							
	Recombination 3								
	GA	75,000,000	GC	75,000,000	SEQ	3.00	FIX	3136ARZJ0	March 2043
	GI	12,500,000(3)							
	Recombination 4								
	GA	25,000,000	GN	25,000,000	SEQ	4.00	FIX	3136ARZK7	March 2043
	GI	12,500,000(3)							
	Recombination 5								
	VG	4,032,000	GU(4)	18,170,000	SEQ	3.00	FIX	3136ARZL5	April 2046
	GV	4,127,000							
	GZ	10,011,000							
	Recombination 6								
	MB	133,650,537	MC	133,650,537	PT	1.75	FIX	3136ARZM3	January 2032
	MI	4,176,579(3)							
	Recombination 7								
	MB	133,650,537	MA	133,650,537	PT	2.00	FIX	3136ARZN1	January 2032
	MI	8,353,159(3)							
	Recombination 8								
	MB	133,650,537	MD	133,650,537	PT	2.25	FIX	3136ARZP6	January 2032
	MI	12,529,738(3)							
	Recombination 9								
	MB	133,650,537	ME	133,650,537	PT	2.50	FIX	3136ARZQ4	January 2032
	MI	16,706,317(3)							

REMIC Certificates		RCR Certificates						
<u>Classes</u>	<u>Original Balances</u>	<u>RCR Classes</u>	<u>Original Balances</u>	<u>Principal Type(2)</u>	<u>Interest Rate</u>	<u>Interest Type(2)</u>	<u>CUSIP Number</u>	<u>Final Distribution Date</u>
Recombination 10								
MB	\$133,650,537	MG	\$133,650,537	PT	2.75%	FIX	3136ARZR2	January 2032
MI	20,882,896(3)							
Recombination 11								
MB	133,650,537	MH	133,650,537	PT	3.00	FIX	3136ARZS0	January 2032
MI	25,059,476(3)							

- (1) REMIC Certificates and RCR Certificates in each Recombination may be exchanged only in the proportions of *original* principal or notional principal balances for the related Classes shown in this Schedule 1 (disregarding any retired Classes). For example, if a particular Recombination includes two REMIC Classes and one RCR Class whose *original* principal balances shown in the schedule reflect a 1:1:2 relationship, the same 1:1:2 relationship among the *original* principal balances of those REMIC and RCR Classes must be maintained in any exchange. This is true even if, as a result of the applicable payment priority sequence, the relationship between their *current* principal balances has changed over time. Moreover, if as a result of a proposed exchange, a Certificateholder would hold a REMIC Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the Certificates—General— *Authorized Denominations*” in this prospectus supplement.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.
- (3) Notional principal balances. These Classes are Interest Only Classes. See page S-5 for a description of how their notional principal balances are calculated.
- (4) Principal payments on the REMIC Certificates in Recombination 5 from the GZ Accrual Amount will be paid as interest on the related RCR Certificates, and thus will not reduce the principal balances of those RCR Certificates.

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in or incorporated into this Prospectus Supplement and the additional Disclosure Documents. We take no responsibility for any unauthorized information or representation. This Prospectus Supplement and the additional Disclosure Documents do not constitute an offer or solicitation with regard to the Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this Prospectus Supplement and the additional Disclosure Documents at any time, no one implies that the information contained herein or therein is correct after the date hereof or thereof.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Certificates or determined if this Prospectus Supplement is truthful and complete. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

	Page
Table of Contents	S- 2
Available Information	S- 3
Summary	S- 4
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences	S-15
Plan of Distribution	S-18
Credit Risk Retention	S-18
Legal Matters	S-18
Schedule 1	A- 1

\$365,467,773



Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2016-21

PROSPECTUS SUPPLEMENT

Wells Fargo Securities

March 24, 2016