

\$178,323,839



**Guaranteed Pass-Through Certificates
Fannie Mae Trust 2016-35**

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 assets will be divided into three groups.

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

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

Tax Treatment

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

Class	Group	Original Class Balance	Principal Type(1)	Interest Rate	Interest Type(1)	CUSIP Number	Final Distribution Date
BA	1	\$12,500,000	PT	3.0%	FIX	3136ASNA0	June 2046
BC	1	25,000,000	PT	4.5	FIX	3136ASNB8	June 2046
EA(2)	2	9,069,818	SC/PT	6.0	FIX	3136ASNC6	July 2036
EC(2)	2	59,155,740	SC/PT	6.0	FIX	3136ASND4	August 2038
EI	2	59,155,740(3)	NTL	(4)	WAC/IO	3136ASNE2	August 2038
MB(2)	3	72,598,281	SC/PT	2.0	FIX	3136ASNF9	January 2043
MI(2)	3	31,113,549(3)	NTL	3.5	FIX/IO	3136ASNG7	January 2043
R	2, 3	0	NPR	0	NPR	3136ASNH5	January 2043
RL	2, 3	0	NPR	0	NPR	3136ASNJ1	January 2043

(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-6 for a description of how their notional principal balances are calculated.
(4) The interest rate of the EI Class is calculated as described on page S-11.

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 EG, MC, MD, ME and MA Classes are the RCR Classes. For a more detailed description of the RCR classes, see Schedule 1 attached to this prospectus supplement and “Description of the Certificates—Combination and Recombination—RCR Certificates” in the REMIC prospectus.

Because the mortgage loans underlying the Group 1 MBS have loan-to-value ratios in excess of 125%, the Group 1 Classes are not eligible assets for a REMIC. See “Certain Additional Federal Income Tax Consequences” in this prospectus supplement and “Material Federal Income Tax Consequences—Special Tax Attributes” in the MBS Prospectus.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be May 31, 2016.

Carefully consider the risk factors on page S-8 of this prospectus supplement and 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.

Nomura

May 24, 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”);
- if you are purchasing a Group 2 or Group 3 Class or the R or RL Class, the disclosure documents relating to the applicable underlying REMIC and RCR certificates (the “Underlying REMIC Disclosure Documents”); and
- any information incorporated by reference in this prospectus supplement as discussed below and under the heading “Incorporation by Reference” in the REMIC Prospectus.

For a description of current servicing policies generally applicable to existing Fannie Mae MBS pools, see “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus dated October 1, 2014.

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

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

Fannie Mae
MBS Helpline
3900 Wisconsin Avenue, N.W., Area 2H-3S
Washington, D.C. 20016
(telephone 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, the MBS Prospectus and the Underlying REMIC Disclosure Documents by writing or calling the dealer at:

Nomura Securities International, Inc.
Prospectus Department
Worldwide Plaza
309 West 49th Street
New York, NY 10019-7316
(telephone 1-212-667-1578)
mbstradesupport@us.nomura.com.

SUMMARY

This summary contains only limited information about the certificates. Statistical information in this summary is provided as of May 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	<i>Subgroup 2a</i> Class 2006-71-ZH REMIC Certificate
	<i>Subgroup 2b</i> Class 2009-52-Z REMIC Certificate
3	Class 2012-34-KA RCR Certificate
	Class 2012-54-WC REMIC Certificate
	Class 2013-40-KP RCR Certificate
	Class 2015-43-PA RCR Certificate
	Class 2015-55-QA REMIC Certificate

Group 1

Characteristics of the Group 1 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>
\$37,500,000	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>
\$37,500,000	360	302	45	4.475%

The actual remaining terms to maturity, loan ages and interest rates of most of the mortgage loans underlying the Group 1 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.

Each of the mortgage loans underlying the Group 1 MBS has a loan-to-value ratio greater than 125%.

Group 2 and Group 3

Exhibit A describes the underlying REMIC and RCR certificates in Group 2 and Group 3, including certain information about the related mortgage loans. To learn more about the underlying REMIC and RCR certificates, you should obtain from us the current class factors and the related disclosure documents as described on page S-3.

Settlement Date

We expect to issue the certificates on May 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 trust certificates to the corresponding RCR certificates, on a pro rata basis, following any exchange.

Interest Rates

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

During each interest accrual period, the EI Class will bear interest at the annual rate described under “Description of the Certificates—Distributions of Interest—,” “—*The EI Class*” in this prospectus supplement.

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>	
EI	100% of the EC Class
MI	42.8571428571% 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>140%</u>	<u>280%</u>	<u>420%</u>	<u>500%</u>
BA and BC	19.6	9.1	7.7	4.7	3.2	2.6

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>	<u>750%</u>	<u>900%</u>	<u>1200%</u>
EA	12.8	7.6	4.1	2.9	2.1	1.6	1.3	0.8
EC and EI	14.0	8.0	4.2	2.9	2.1	1.6	1.3	0.8
EG	13.8	8.0	4.2	2.9	2.1	1.6	1.3	0.8

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>	<u>750%</u>	<u>900%</u>	<u>1200%</u>
MB, MI, MC, MD, ME and MA	14.9	6.6	3.5	2.4	1.8	1.3	1.1	0.7

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

ADDITIONAL RISK FACTOR

Payments on the Group 2 and Group 3 Classes will be affected by the applicable payment priorities governing the related underlying REMIC and RCR certificates. If you invest in a Group 2 or Group 3 Class, the rate at which you receive payments will be affected by the applicable priority sequences governing principal payments on the related underlying REMIC and RCR certificates.

As described in the related Underlying REMIC Disclosure Documents, the REMIC certificates backing the Group 2 Underlying REMIC Certificates may be subsequent in payment priority to certain other classes issued from the related underlying REMIC trusts. As a result, such other classes may receive principal before principal is paid on the REMIC certificates backing the Group 2 Underlying REMIC Certificates, possibly for long periods.

In addition, as described in the related Underlying REMIC Disclosure Documents, principal payments on the Group 3 Underlying REMIC and RCR Certificates are governed by principal balance schedules. As a result, the Group 3 Underlying REMIC and RCR Certificates may receive principal payments faster or slower than would otherwise have been the case. In some cases, they

may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at rates faster or slower than the rates initially assumed. In certain high prepayment scenarios, it is possible that the effect of a principal balance schedule on principal payments over time may be eliminated. In such a case, the Group 3 Underlying REMIC and RCR Certificates would receive principal payments at rates that may vary widely from period to period. This prospectus supplement contains no information as to whether

- the Group 3 Underlying REMIC and RCR Certificates have adhered to the related principal balance schedules,
- any related support classes remain outstanding, or
- the Group 3 Underlying REMIC and RCR Certificates otherwise have performed as originally anticipated.

You may obtain additional information about the underlying REMIC and RCR Certificates by reviewing their current class factors in light of other information available in the related Underlying REMIC Disclosure Documents. You may obtain those documents from us as described on page S-3.

DESCRIPTION OF THE CERTIFICATES

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

General

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

The assets of the Trust will include:

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

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

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

The portion of the Trust that consists of the Group 1 MBS will be treated as a grantor trust for tax purposes (the “Grantor Trust”). The portion of the Trust other than the Group 1 MBS will include the “Lower Tier REMIC” and the “Upper Tier REMIC” as “real estate mortgage investment conduits” (each, a “REMIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

The following chart contains information about the assets, the “regular interests” and the “residual interests” of each REMIC. The Trust Certificates, other than the Group 1 Classes and the R and RL Classes, are collectively referred to as the “Regular Classes” or “Regular Certificates,” and the R and RL Classes are collectively referred to as the “Residual Classes” or “Residual Certificates.”

REMIC Designation	Assets	Regular Interests	Residual Interest
Lower Tier REMIC	Underlying REMIC and RCR Certificates	Interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”)	RL
Upper Tier REMIC	Lower Tier Regular Interests	All Classes of Trust Certificates other than the Group 1 Classes and the R and RL Classes	R

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

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

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

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

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

Trust Agreement Amendments. The Trust Agreement provides that any amendment to the Trust Agreement that requires the consent of holders of the Group 1 Classes will require the consent of all holders of the Group 1 Classes. For a description of the required level of Certificateholder consent for amendments to the Trust Agreement affecting Classes other than the Group 1 Classes, see “The Trust Documents—Amendment” in the REMIC Prospectus.

The Group 1 MBS

The Group 1 MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Group 1 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, each Mortgage Loan underlying the Group 1 MBS is a very high LTV loan with a loan-to-value ratio greater than 125%. Borrowers may be eligible to refinance very high LTV loans if we purchased those loans on or before May 31, 2009. For a description of very high LTV loans, see “The Mortgage Loans—High Loan-to-Value Mortgage Loans” and “Risk Factors—Risks Relating to Yield and Prepayment—Refinancing of Loans—Sale of Property—*Mortgage loans with loan-to-value ratios greater than 125% may have different prepayment and default characteristics than conforming mortgage loans generally*” in the MBS Prospectus dated October 1, 2014.

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

The Underlying REMIC and RCR Certificates

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

In addition, the Mortgage Loans backing the Class 2008-64-AZ REMIC Certificate, which backs the Class 2009-52-Z REMIC Certificate in Group 2, provide for interest only periods that may range from at least seven to no more than ten years following origination. See “Risk Factors—Risks Relating to Yield and Prepayment—Refinancing of Loans; Sale of Property—*Fixed rate and ARM loans with long initial interest-only payment periods may be more likely to be refinanced or become delinquent than other mortgage loans*” in the MBS Prospectus dated October 1, 2014.

Furthermore, the pools of Mortgage Loans backing the Group 3 Underlying REMIC and RCR Certificates 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 backing the Group 3 Underlying REMIC and RCR Certificates, see the Final Data Statements for the related trusts 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.

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

For further information about the Underlying REMIC and RCR Certificates, telephone us at 800-2FANNIE. Additional information about the Underlying REMIC and RCR Certificates is also available at <https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html>. There may have been material changes in facts and circumstances since the dates we prepared the Underlying REMIC Disclosure Documents. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in those documents may be limited.

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.

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.

The EI Class. On each Distribution Date, we will pay interest on the EI Class at an annual rate which is equal to the *product* of

- a fraction, expressed as a percentage, the *numerator* of which is the aggregate amount of interest then payable on the Subgroup 2b Underlying REMIC Certificate *minus* the amount of interest accrued on the EC Class for that Distribution Date, and the *denominator* of which is the notional principal balance of the EI Class on that date (before giving effect to any reductions of its notional principal balance on that date)

multiplied by

- 12.

On the initial Distribution Date, we expect to pay interest on the EI Class at an annual rate of approximately 0.069% (calculated based on the amount of interest payable on that date and the initial notional principal balance of the EI Class).

Our determination of the interest rate for the EI Class for each Distribution Date will be final and binding in the absence of manifest error. You may obtain each such interest rate by telephoning us at 800-2FANNIE.

Distributions of Principal

On the Distribution Date in each month, we will make payments of principal on the Classes of Trust Certificates as described below. Following any exchange of Trust Certificates for RCR Certificates, we will apply principal payments from the exchanged Trust Certificates to the corresponding RCR Certificates on a pro rata basis.

- *Group 1*

The Group 1 Principal Distribution Amount to BA and BC, pro rata, until retired. } Pass-Through Classes

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

- *Group 2*

The Subgroup 2a Principal Distribution Amount to EA, until retired.

The Subgroup 2b Principal Distribution Amount to EC, until retired.

The “Subgroup 2a Principal Distribution Amount” is the principal then paid on the Subgroup 2a Underlying REMIC Certificate.

The “Subgroup 2b Principal Distribution Amount” is the principal then paid on the Subgroup 2b Underlying REMIC Certificate.

- *Group 3*

The Group 3 Principal Distribution Amount to MB until retired.

} Structured Collateral/
Pass-Through Class

The “Group 3 Principal Distribution Amount” is the principal then paid on the Group 3 Underlying REMIC and RCR Certificates.

Structuring Assumptions

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

- the Mortgage Loans underlying the Group 1 MBS have the original term to maturity, remaining term to maturity, loan age and interest rate specified under “Summary—Group 1—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 May 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 Group 1 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 Table and Additional Yield Considerations

General. The table below illustrates the sensitivity of the pre-tax corporate bond equivalent yield to maturity of the MI Class to various constant percentages of PSA. **The table below is provided for illustrative purposes only and is not intended as a forecast or prediction of the actual yield on the MI Class.** We calculated the yields set forth in the table by

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the MI Class, would cause the discounted present values of the assumed streams of cash flows to equal the assumed aggregate purchase price of that Class, 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 price of the applicable Certificates will be as assumed.

In addition, because some of the related 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 notional principal balance reductions on the Certificates are likely to differ from those assumed. This would be the case even if all of the related 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 Fixed Rate Interest Only Class. **The yield to investors in the MI Class will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the MI Class would be 0% if prepayments of the related Mortgage Loans were to occur at the following constant rate:**

<u>Class</u>	<u>% PSA</u>
MI	408%

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 MI Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
MI	9.00%

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

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

Sensitivity of the MI Class to Prepayments

	PSA Prepayment Assumption							
	50%	100%	300%	450%	600%	750%	900%	1200%
Pre-Tax Yields to Maturity	32.6%	27.7%	12.3%	(5.3)%	(26.0)%	(48.7)%	(72.8)%	*

The EI Class. The yield on the EI Class will be very sensitive to the rate of principal payments (including prepayments) on the related Mortgage Loans, and to the amount of interest payable on the Subgroup 2b Underlying REMIC Certificate. 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. Under certain high prepayment scenarios, in particular, it is possible that investors in the EI Class would lose money on their initial investments.

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
- in the case of the Group 2 and Group 3 Classes, the applicable priority sequence affecting principal payments on the related Underlying REMIC and RCR Certificates.

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

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

Decrement Tables

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

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

<u>Mortgage Loans Backing Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	6.50%
Subgroup 2a Underlying REMIC Certificate	360 months	241 months	8.50%
Subgroup 2b Underlying REMIC Certificate	360 months	(1)	8.50%
Group 3 Underlying REMIC and RCR Certificates	360 months	(2)	6.00%

- (1) The Subgroup 2b Underlying REMIC Certificate is backed by the Fannie Mae REMIC Certificates listed below. The Mortgage Loans backing those REMIC Certificates are assumed to have the following remaining terms to maturity:

<u>Class</u>	<u>Remaining Terms to Maturity</u>
2006-116-Z	246 months
2008-21-LZ	262 months
2008-64-AZ	266 months*
2008-65-LZ	266 months
2008-68-Z	266 months

- * In addition, we have assumed that the Mortgage Loans backing the Class 2008-64-AZ REMIC Certificate have a remaining interest only period of 17 months.

- (2) The Mortgage Loans backing the Group 3 Underlying REMIC and RCR Certificates listed below are assumed to have the following remaining terms to maturity:

<u>Class</u>	<u>Remaining Terms to Maturity</u>
2012-34-KA	310 months
2012-54-WC	311 months
2013-40-KP	323 months
2015-43-PA	348 months
2015-55-QA	350 months

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates, remaining terms to maturity or, if applicable, remaining interest only periods 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	BA and BC Classes						EA Class							
	PSA Prepayment Assumption						PSA Prepayment Assumption							
	0%	100%	140%	280%	420%	500%	0%	100%	300%	450%	600%	750%	900%	1200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2017	99	92	90	81	73	68	98	91	80	71	62	53	45	27
May 2018	98	84	80	66	53	47	96	83	63	50	39	28	20	7
May 2019	96	77	72	54	39	32	94	75	50	35	24	15	9	2
May 2020	95	71	64	43	28	22	91	68	39	25	15	8	4	1
May 2021	94	65	57	35	21	15	88	61	31	17	9	4	2	*
May 2022	92	59	50	28	15	10	85	55	24	12	5	2	1	*
May 2023	90	53	45	23	11	7	82	49	19	8	3	1	*	*
May 2024	89	48	39	18	8	5	78	43	14	6	2	1	*	*
May 2025	87	44	35	15	6	3	74	38	11	4	1	*	*	*
May 2026	85	39	30	12	4	2	70	33	8	3	1	*	*	*
May 2027	83	35	26	9	3	1	66	28	6	2	*	*	*	*
May 2028	80	31	23	7	2	1	61	23	5	1	*	*	*	*
May 2029	78	28	20	6	1	1	55	19	3	1	*	*	*	0
May 2030	75	24	17	4	1	*	49	15	2	*	*	*	*	0
May 2031	73	21	15	3	1	*	43	12	1	*	*	*	*	0
May 2032	70	18	12	3	*	*	36	8	1	*	*	*	*	0
May 2033	66	16	10	2	*	*	28	5	*	*	*	*	*	0
May 2034	63	13	8	1	*	*	20	2	*	*	*	*	0	0
May 2035	59	11	7	1	*	*	11	*	*	*	*	*	0	0
May 2036	56	9	5	1	*	*	1	0	0	0	0	0	0	0
May 2037	52	7	4	1	*	*	0	0	0	0	0	0	0	0
May 2038	47	5	3	*	*	*	0	0	0	0	0	0	0	0
May 2039	43	3	2	*	*	*	0	0	0	0	0	0	0	0
May 2040	38	2	1	*	*	*	0	0	0	0	0	0	0	0
May 2041	32	*	*	*	*	*	0	0	0	0	0	0	0	0
May 2042	27	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2043	21	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2044	14	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2045	7	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average														
Life (years)**	19.6	9.1	7.7	4.7	3.2	2.6	12.8	7.6	4.1	2.9	2.1	1.6	1.3	0.8

Date	EC and EI† Classes								EG Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	300%	450%	600%	750%	900%	1200%	0%	100%	300%	450%	600%	750%	900%	1200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
May 2017	99	92	80	71	63	54	45	27	98	92	80	71	62	54	45	27
May 2018	97	84	64	51	39	29	20	7	97	84	64	51	39	29	20	7
May 2019	95	76	51	36	24	15	9	2	95	76	51	36	24	15	9	2
May 2020	93	69	40	25	15	8	4	1	92	69	40	25	15	8	4	1
May 2021	90	63	32	18	9	4	2	*	90	63	32	18	9	4	2	*
May 2022	88	57	25	12	6	2	1	*	87	56	25	12	6	2	1	*
May 2023	85	51	19	9	3	1	*	*	84	50	19	9	3	1	*	*
May 2024	82	45	15	6	2	1	*	*	81	45	15	6	2	1	*	*
May 2025	78	40	12	4	1	*	*	*	78	40	12	4	1	*	*	*
May 2026	75	35	9	3	1	*	*	*	74	35	9	3	1	*	*	*
May 2027	71	30	7	2	*	*	*	*	70	30	7	2	*	*	*	*
May 2028	66	26	5	1	*	*	*	*	66	26	5	1	*	*	*	*
May 2029	62	22	4	1	*	*	*	0	61	22	4	1	*	*	*	0
May 2030	56	18	3	1	*	*	*	0	55	18	3	1	*	*	*	0
May 2031	51	14	2	*	*	*	*	0	50	14	2	*	*	*	*	0
May 2032	45	11	1	*	*	*	*	0	43	11	1	*	*	*	*	0
May 2033	38	8	1	*	*	*	*	0	37	7	1	*	*	*	*	0
May 2034	31	5	*	*	*	*	*	0	29	4	*	*	*	*	*	0
May 2035	23	2	*	*	*	*	0	0	21	2	*	*	*	*	0	0
May 2036	14	1	*	*	*	*	0	0	12	1	*	*	*	*	0	0
May 2037	7	*	*	*	*	0	0	0	6	*	*	*	*	0	0	0
May 2038	1	*	*	*	0	0	0	0	1	*	*	*	0	0	0	0
May 2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2045	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May 2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																
Life (years)**	14.0	8.0	4.2	2.9	2.1	1.6	1.3	0.8	13.8	8.0	4.2	2.9	2.1	1.6	1.3	0.8

* 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	MB, MI†, MC, MD, ME and MA Classes							
	PSA Prepayment Assumption							
	0%	100%	300%	450%	600%	750%	900%	1200%
Initial Percent	100	100	100	100	100	100	100	100
May 2017	98	90	83	76	66	55	45	24
May 2018	96	81	66	50	36	23	12	0
May 2019	94	72	50	32	17	6	0	0
May 2020	92	64	37	18	5	0	0	0
May 2021	89	57	27	9	*	0	0	0
May 2022	87	49	18	3	0	0	0	0
May 2023	84	43	11	0	0	0	0	0
May 2024	81	37	6	0	0	0	0	0
May 2025	78	31	3	0	0	0	0	0
May 2026	75	25	1	0	0	0	0	0
May 2027	71	20	0	0	0	0	0	0
May 2028	67	16	0	0	0	0	0	0
May 2029	63	11	0	0	0	0	0	0
May 2030	59	7	0	0	0	0	0	0
May 2031	55	3	0	0	0	0	0	0
May 2032	50	1	0	0	0	0	0	0
May 2033	45	*	0	0	0	0	0	0
May 2034	40	*	0	0	0	0	0	0
May 2035	34	*	0	0	0	0	0	0
May 2036	28	0	0	0	0	0	0	0
May 2037	22	0	0	0	0	0	0	0
May 2038	15	0	0	0	0	0	0	0
May 2039	8	0	0	0	0	0	0	0
May 2040	2	0	0	0	0	0	0	0
May 2041	1	0	0	0	0	0	0	0
May 2042	0	0	0	0	0	0	0	0
May 2043	0	0	0	0	0	0	0	0
May 2044	0	0	0	0	0	0	0	0
May 2045	0	0	0	0	0	0	0	0
May 2046	0	0	0	0	0	0	0	0
Weighted Average								
Life (years)**	14.9	6.6	3.5	2.4	1.8	1.3	1.1	0.7

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

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

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

Characteristics of the Residual Classes

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The tax discussions below do not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus and the MBS Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

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

REMIC Elections and Special Tax Attributes

We will make a REMIC election with respect to each REMIC set forth in the table under “Description of the Certificates—General—*Structure*.” The Regular Classes will be designated as “regular interests” and the Residual Classes will be designated as the “residual interests” in the REMICs as set forth in that table. Thus, the Trust Certificates (other than the Group 1 Classes) and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the Residual Classes, as “qualified mortgages” for other REMICs. See “Material Federal Income Tax Consequences—REMIC Election and Special Tax Attributes” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

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

<u>Group</u>	<u>Prepayment Assumption</u>
2	300% PSA
3	300% 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.

Taxation of the Grantor Trust

Dechert LLP, special tax counsel to Fannie Mae, will deliver its opinion that, assuming compliance with the Trust Agreement, the Grantor Trust will be classified as a grantor trust under subpart E, part I of subchapter J of the Code and not as an association taxable as a corporation. A beneficial owner of a Certificate of a Group 1 Class will be treated as owning an undivided interest in the related MBS, and those Classes will not be treated as regular or residual interests in a REMIC.

Taxation of Beneficial Owners of Grantor Trust Certificates

General. A beneficial owner of a Certificate of a Group 1 Class (each, a “Grantor Trust Certificate”) will be treated as owning, pursuant to section 1286 of the Code, “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments, as applicable. See “—Stripped Bonds and Stripped Coupons” below for a discussion of the application of section 1286 to a beneficial owner’s share of principal and interest payments. Fannie Mae intends to treat each Grantor Trust Certificate as a single debt instrument representing rights to future cashflows from the related MBS for purposes of information reporting. You should consult your own tax advisor as to the proper treatment of a Grantor Trust Certificate in this regard.

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

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

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

Final regulations issued by the Treasury Department relating to the tax treatment of debt instruments with OID (the “OID Regulations”) provide that a holder of a debt instrument may use an accrual period of any length, up to one year, as long as each distribution of principal or interest occurs on either the final day or the first day of an accrual period. We intend to report OID based on accrual periods of one month. Each of these accrual periods will begin on a Distribution Date and end on the day before the next Distribution Date.

Although the matter is not entirely clear, a beneficial owner of a Grantor Trust Certificate should determine the amount of OID accruing during any accrual period with respect to that Certificate using the method described in section 1272(a)(6) of the Code. Under section 1272(a)(6),

the portion of OID treated as accruing with respect to a Grantor Trust Certificate for any accrual period equals the excess, if any, of

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

over

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

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

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

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

The Code requires that the Prepayment Assumption be determined in the manner prescribed in Treasury Regulations. To date, no such regulations have been promulgated. For information reporting purposes, we will assume a Prepayment Assumption equal to 140% PSA for the Mortgage Loans underlying the Group 1 MBS. We make no representation, however, that the related Mortgage Loans will prepay at that rate or at any other rate. You must make your own decision as to the appropriate prepayment assumption to be used in deciding whether or not to purchase a Grantor Trust Certificate.

If a Grantor Trust Certificate entitles the holder to payments of principal and interest, the IRS could contend that the interest payments on that Certificate should be treated as payments of “qualified stated interest” within the meaning of the OID Regulations. In that case, a beneficial owner would be required to include such payments in income, in accordance with its method of accounting, rather than to accrue OID with respect to such payments. If the beneficial owner in that case had acquired the Certificate for less than its principal amount, such beneficial owner generally would have market discount with respect to the Certificate. For a discussion of the market discount rules, see “Material Federal Income Tax Consequences—Application of Revenue Ruling 84-10—*Market Discount*” in the MBS Prospectus. Further, if the beneficial owner had purchased the Certificate for an amount (net of accrued interest) greater than the outstanding principal amount of the Certificate, the beneficial owner generally would have premium with respect to the Certificate in the amount of the excess. Such a purchaser may elect, under section 171(c)(2) of the Code, to treat the premium as “amortizable bond premium.”

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

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

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

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

Sales and Other Dispositions of Grantor Trust Certificates. Upon the sale, exchange or other disposition of a Grantor Trust Certificate, a beneficial owner generally will recognize gain or loss equal to the difference between the amount realized upon the disposition and the beneficial owner's adjusted basis in that Certificate. The adjusted basis of a Grantor Trust Certificate generally will equal the cost of that Certificate to the beneficial owner, increased by any amounts of OID and market discount included in the beneficial owner's gross income with respect to that Certificate, and reduced (but not below zero) by distributions on that Certificate previously received by the beneficial owner as principal (or as amounts constituting stated redemption price at maturity) and by any premium that has reduced the beneficial owner's interest income with respect to that Certificate. Any such gain or loss generally will be capital gain or loss, except (i) as

provided in section 582(c) of the Code (which generally applies to banks) or (ii) to the extent any gain represents OID or accrued market discount not previously included in income (to which extent such gain would be treated as ordinary income). Any capital gain (or loss) recognized upon the sale, exchange or other disposition of a Grantor Trust Certificate will be long-term capital gain (or loss) if at the time of disposition the beneficial owner held that Certificate for more than one year. The ability to deduct capital losses is subject to limitations.

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

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

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

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

Payments of interest and principal, as well as payments of proceeds from the sale of the Grantor Trust Certificates, may be subject to the backup withholding tax under section 3406 of the Code if the recipient of the payment is not an exempt recipient and fails to furnish certain information, including its taxpayer identification number, to us or our agent, or otherwise fails to establish an exemption from such tax. Any amounts deducted and withheld from such a payment would be allowed as a credit against the beneficial owner’s federal income tax. Furthermore, certain penalties may be imposed by the IRS on a holder or owner who is required to supply information but who does not do so in the proper manner.

Foreign Investors in Grantor Trust Certificates. Additional rules apply to a beneficial owner of a Grantor Trust Certificate that is not a U.S. Person and that is not a partnership (a “Non-U.S. Person”). “U.S. Person” means a citizen or resident of the United States, a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or a trust if a court within the United

States can exercise primary supervision over its administration and at least one U.S. Person has the authority to control all substantial decisions of the trust.

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

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

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

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 or Grantor Trust 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 or Grantor Trust 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 Nomura Securities International, Inc. (the “Dealer”) in exchange for the Group 1 MBS and the Underlying REMIC and RCR Certificates. 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.

Exhibit A

Group 2 Underlying REMIC Certificates

	Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	May 2016 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
Subgroup 2a	2006-71	ZH(2)	July 2006	31396KUR1	6.00000%	FIX/Z	July 2036	SC/PT	\$ 25,000,000	0.75581821	\$ 9,069,818.52	6.542%	222	127
Subgroup 2b	2009-52	Z	June 2009	31396QKH1	6.06949	WAC/Z	August 2038	SC/PT	119,811,413	0.49374045	59,155,740.97	(3)	(3)	(3)

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

(2) The Subgroup 2a Underlying REMIC Certificate is backed by the Fannie Mae REMIC Certificate listed below having the following characteristics:

Class	Interest Type	Principal Type
2006-B1-AZ	FIX/Z	SEQ

(3) The Subgroup 2b Underlying REMIC Certificate is backed by the Fannie Mae REMIC Certificates listed below having the following characteristics:

Class	Interest Type	Principal Type	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)	Approximate Weighted Average Remaining Term to Expiration of Interest Only Period (in months)
2006-116-Z	FIX/Z	SEQ	6.557%	227	124	N/A
2008-21-LZ	FIX/Z	SEQ	6.539	251	104	N/A
2008-64-AZ	FIX/Z	SEQ	6.543	257	103	17
2008-65-LZ	FIX/Z	SEQ	6.420	243	106	N/A
2008-68-Z	FIX/Z	SEQ	6.521	230	121	N/A

Group 3 Underlying REMIC and RCR Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	May 2016 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)
2012-34	KA	March 2012	3136A42W8	3.5%	FIX	September 2041	PAC	\$ 32,634,000	0.45003112	\$ 4,741,077.85	4.070%	302	52
2012-54	WC	April 2012	3136A5ZW9	3.5	FIX	January 2041	PAC/AD	113,900,000	0.59348429	10,162,030.31	3.978	302	50
2013-40	KP	April 2013	3136ADL80	3.5	FIX	April 2042	PAC	180,178,643	0.71208026	45,185,055.75	4.050	318	38
2015-43	PA	May 2015	3136ANU54	3.5	FIX	January 2043	PAC/AD	81,398,000	0.93684170	8,710,754.13	4.296	344	14
2015-55	QA	July 2015	3136APE40	3.5	FIX	October 2042	PAC/AD	73,711,000	0.94841818	3,799,363.23	4.162	346	13

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

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

Schedule 1

Available Recombinations(1)

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 1								
EA	\$ 9,069,818	EG	\$68,225,558	SC/PT	6.00%	FIX	3136ASNK8	August 2038
EC	59,155,740							
Recombination 2								
MB	72,598,281	MC	72,598,281	SC/PT	2.25	FIX	3136ASNL6	January 2043
MI	5,185,592(3)							
Recombination 3								
MB	72,598,281	MD	72,598,281	SC/PT	2.50	FIX	3136ASNM4	January 2043
MI	10,371,183(3)							
Recombination 4								
MB	72,598,281	ME	72,598,281	SC/PT	3.00	FIX	3136ASNN2	January 2043
MI	20,742,366(3)							
Recombination 5								
MB	72,598,281	MA	72,598,281	SC/PT	3.50	FIX	3136ASNP7	January 2043
MI	31,113,549(3)							

(1) Trust Certificates and RCR Certificates in any Recombination may be exchanged only in the proportions of *original* principal or notional principal balances for the related Classes shown in this Schedule 1 (disregarding any retired Classes). For example, if a particular Recombination includes two Trust Classes and one RCR Class whose *original* principal balances shown in the schedule reflect a 1:1:2 relationship, the same 1:1:2 relationship among the *original* principal balances of those Trust and RCR Classes must be maintained in any exchange. This is true even if, as a result of the applicable payment priority sequence, the relationship between their *current* principal balances has changed over time. Moreover, if as a result of a proposed exchange, a Certificateholder would hold a Trust Certificate or RCR Certificate of a Class in an amount less than the applicable minimum denomination for that Class, the Certificateholder will be unable to effect the proposed exchange. See “Description of the Certificates—General—*Authorized Denominations*” in this prospectus supplement.

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

(3) Notional principal balance. This Class is an Interest Only Class. See page S-6 for a description of how its notional principal balance is calculated.

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

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

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\$178,323,839



Guaranteed
Pass-Through Certificates
Fannie Mae Trust 2016-35

PROSPECTUS SUPPLEMENT

Nomura

May 24, 2016