Prospectus Supplement
(To REMIC Prospectus dated June 1, 2014)

$265,778,403

FannieMae®

Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2016-86

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust 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
FE	1	$111,065,281	PT	(2)	FLT	3136AT6K5	November 2046
SE	1	111,065,281(3)	NTL	(2)	INV/IO	3136AT6L3	November 2046
EA	1	13,883,161	PT	2.0%	FIX	3136AT6M1	November 2046
FT	2	52,811,235	PT	(2)	FLT	3136AT6N9	November 2046
ST	2	52,811,235(3)	NTL	(2)	INV/IO	3136AT6P4	November 2046
PA(4) . . .	2	61,600,623	PAC	2.5	FIX	3136AT6R0	March 2045
PL	2	8,400,085	PAC	2.5	FIX	3136AT6Q2	November 2046
HD	2	5,281,000	PAC	2.5	FIX	3136AT6S8	November 2046
HA	2	12,731,389	SUP/AD	2.5	FIX	3136AT6T6	November 2046
HZ	2	5,629	SUP	2.5	FIX/Z	3136AT6U3	November 2046
R		0	NPR	0	NPR	3136AT6V1	November 2046

(1) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC prospectus.
(2) Based on LIBOR.
(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) Exchangeable class.

If you own certificates of the PA Class, you can exchange them for certificates of the corresponding RCR classes to be delivered at the time of exchange. The PB and PI 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.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be October 28, 2016.

Carefully consider the risk factors starting on page 14 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

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

Mizuho Securities USA Inc.

The date of this Prospectus Supplement is October 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
  - June 1, 2016, for all MBS issued on or after June 1, 2016,
  - October 1, 2014, for all MBS issued on or after October 1, 2014 and prior to June 1, 2016,
  - 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 June 1, 2016.

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:

Mizuho Securities USA Inc.
320 Park Avenue
12th Floor
New York, NY 10022
(telephone 201-626-1288).

SUMMARY

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

Group	Assets
1	Group 1 MBS
2	Group 2 MBS

Group 1 and Group 2

Characteristics of the MBS

	Approximate Principal Balance	Pass-Through Rate	Range of Weighted Average Coupons or WACs (annual percentages)	Range of Weighted Average Remaining Terms to Maturity or WAMs (in months)
Group 1 MBS	$124,948,442	6.00%	6.25% to 8.50%	200 to 360
Group 2 MBS	$140,829,961	4.00%	4.25% to 6.50%	241 to 360

Assumed Characteristics of the Underlying Mortgage Loans

	Principal Balance	Original Term to Maturity (in months)	Remaining Term to Maturity (in months)	Loan Age (in months)	Interest Rate
Group 1 MBS	$124,948,442	360	239	106	6.537%
Group 2 MBS	$140,829,961	360	356	1	4.413%

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 October 28, 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:

Fed Book-Entry	Physical
All classes of certificates other than the R Class	R Class

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 combination 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.

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

Class	Initial Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Formula for Calculation of Interest Rate(1)
FE	0.924%	6.50%	0.40%	LIBOR + 40 basis points
SE	5.576%	6.10%	0.00%	6.1% − LIBOR
FT	1.028%	6.50%	0.50%	LIBOR + 50 basis points
ST	5.472%	6.00%	0.00%	6% − LIBOR

(1) We will establish LIBOR on the basis of the "ICE Method."

Notional Classes

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

Class	
SE	100% of the FE Class
ST	100% of the FT Class
PI	12.4999985796% of the PA 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)*

Group 1 Classes	PSA Prepayment Assumption					
	0%	100%	310%	400%	800%	1200%
FE, SE and EA	20.8	8.1	4.1	3.3	1.5	0.8

Group 2 Classes	PSA Prepayment Assumption								
	0%	100%	115%	150%	185%	225%	350%	600%	900%
FT and ST	19.6	10.8	10.1	8.8	7.7	6.8	4.9	3.2	2.4
PA, PB and PI	16.1	6.6	6.2	6.2	6.2	6.2	4.6	3.1	2.4
PL	26.3	19.0	19.0	19.0	19.0	19.0	13.7	8.3	5.5
HD	27.5	16.0	13.1	2.8	2.8	2.8	2.3	1.6	1.2
HA	29.0	23.5	22.1	17.2	9.9	3.5	1.6	1.0	0.8
HZ	30.0	29.7	29.7	29.7	29.6	8.5	2.6	1.6	1.2

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the "Trust") pursuant to a trust agreement dated as of May 1, 2010 and a supplement thereto dated as of October 1, 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 two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the "Group 1 MBS" and "Group 2 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 constitute a "real estate mortgage investment conduit" ("REMIC") under the Internal Revenue Code of 1986, as amended (the "Code").

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

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

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

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

We will issue the Residual Certificate in fully registered, certificated form. The "Holder" or "Certificateholder" of the Residual Certificate is its registered owner. The Residual Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. U.S. Bank National Association in Boston, Massachusetts will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the

Residual Certificate and may require payment to cover any tax or other governmental charge. See also "—Characteristics of the Residual Class" below.

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

Classes	Denominations
Interest Only and Inverse Floating Rate Classes	$100,000 minimum plus whole dollar increments
All other Classes (except the R Class)	$1,000 minimum plus whole dollar increments

The MBS

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

For additional information, see "Summary—Group 1 and Group 2—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 Class) on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to that Distribution Date. For a description of the Accrual Class, see "*—Accrual Class*" below.

The Floating Rate and Inverse Floating Rate Classes will bear interest at interest rates based on LIBOR. We currently establish LIBOR on the basis of the "ICE Method" as generally described under "Description of the Certificates—Distributions on Certificates—*Interest Distributions—Indices for Floating Rate Classes and Inverse Floating Rate Classes*" in the REMIC Prospectus. For a description of recent developments affecting LIBOR calculations, see "Risk Factors—Risks Relating to Yield and Prepayment—*Intercontinental Exchange Benchmark Administration is the new LIBOR administrator*" in the REMIC Prospectus.

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

Delay Classes	No-Delay Classes
Fixed Rate Classes	Floating Rate and Inverse Floating Rate Classes

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

Accrual Class. The HZ Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under "—Distributions of Principal" below.

Distributions of Principal

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

- *Group 1*

The Group 1 Principal Distribution Amount to FE and EA, 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 HZ Accrual Amount to HA until retired, and thereafter to HZ.

Accretion Directed Class and Accrual Class

The Group 2 Cash Flow Distribution Amount as follows:

— 37.4999997337% to FT until retired, and

Pass-Through Class

— 62.5000002663% as follows:

first, to the Aggregate Group to its Planned Balance;

second, to HD to its Planned Balance;

PAC Group and Class

third, to HA and HZ, in that order, until retired;

Support Classes

fourth, to HD until retired; and

fifth, to the Aggregate Group to zero.

PAC Class and Group

The "HZ Accrual Amount" is any interest then accrued and added to the principal balance of the HZ Class.

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

The "Aggregate Group" consists of the PA and PL Classes. On each Distribution Date, we will apply payments of principal of the Aggregate Group to PA and PL, in that order, until retired.

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

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 and Group 2—Assumed Characteristics of the Underlying Mortgage Loans" in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables;
- the settlement date for the Certificates is October 28, 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.

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

Group and Class	Structuring Ranges	Initial Effective Ranges
Aggregate Group Planned Balances	Between 115% and 225% PSA	Between 115% and 225% PSA
HD Class Planned Balances	Between 150% and 225% PSA	Between 150% and 247% PSA

The Aggregate Group consists of the PA and PL Classes.

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

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

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

- We will distribute any excess of principal distributions over the amount necessary to reduce the Aggregate Group or the HD Class to its scheduled balance in any month. As a result, the likelihood of reducing the Aggregate Group or the HD Class to its scheduled balance each month will not be improved by the averaging of high and low principal distributions from month to month.

- Even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Range or Effective Range, principal distributions may be insufficient to reduce the Aggregate Group or the HD Class to its scheduled balance each month if prepayments do not occur at a *constant* PSA rate.

- The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. As a result, the actual Effective Ranges will likely differ from the Initial Effective Ranges specified above. For the same reason, the Aggregate Group and the HD Class might not be reduced to their scheduled balances each month even if the related Mortgage Loans prepay at a *constant* PSA rate within the applicable Initial Effective Range. This is so particularly if the rate falls at the lower or higher end of the applicable range.

- The actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.
- The principal payment stability of the Aggregate Group and the HD Class will be supported by one or more other Classes. When the related supporting Class or Classes are retired, the Aggregate Group or the HD Class, if still outstanding, may no longer have an Effective Range and will be much more sensitive to prepayments of the related Mortgage Loans.

Yield Tables

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

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

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

We cannot assure you that

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

In addition, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments (or notional principal balance reductions) on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

- the Mortgage Loans will prepay at a constant PSA rate until maturity,
- all of the Mortgage Loans will prepay at the same rate, or
- the level of the Index will remain constant.

The Inverse Floating Rate Classes. **The yields on the Inverse Floating Rate Classes will be sensitive in varying degrees to the rate of principal payments (including prepayments) of the related Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time without penalty. In addition, the rate of principal payments (including prepayments) of the related Mortgage Loans is likely**

to vary, and may vary considerably, from pool to pool. As illustrated in the tables below, it is possible that investors in the Inverse Floating Rate Classes would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

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

Class	Price*
SE	21.00%
ST	22.75%

* 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 SE Class to Prepayments and LIBOR
(Pre-Tax Yields to Maturity)

	PSA Prepayment Assumption					
LIBOR	50%	100%	310%	400%	800%	1200%
0.262%	21.9%	18.5%	3.7%	(3.1)%	(36.4)%	(79.2)%
0.524%	20.5%	17.1%	2.3%	(4.3)%	(37.5)%	(80.1)%
2.524%	9.2%	6.0%	(8.1)%	(14.4)%	(46.0)%	(86.9)%
4.524%	(4.1)%	(7.1)%	(20.4)%	(26.4)%	(56.1)%	(95.5)%
6.100%	*	*	*	*	*	*

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

	PSA Prepayment Assumption								
LIBOR	50%	100%	115%	150%	185%	225%	350%	600%	900%
0.264%	21.6%	19.1%	18.3%	16.5%	14.7%	12.6%	6.0%	(7.6)%	(24.6)%
0.528%	20.3%	17.7%	17.0%	15.2%	13.3%	11.2%	4.6%	(9.1)%	(26.3)%
2.528%	10.2%	7.6%	6.8%	4.9%	3.0%	0.8%	(6.2)%	(20.8)%	(39.6)%
4.528%	(1.1)%	(3.9)%	(4.7)%	(6.6)%	(8.6)%	(10.9)%	(18.2)%	(33.7)%	(54.5)%
6.000%	*	*	*	*	*	*	*	*	*

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

Class	% PSA
PI	323%

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 PI Class would lose money on their initial investments.

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

Class	Price*
PI	19.375%

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

Sensitivity of the PI Class to Prepayments

	PSA Prepayment Assumption								
	50%	100%	115%	150%	185%	225%	350%	600%	900%
Pre-Tax Yields to Maturity	12.7%	7.3%	5.8%	5.8%	5.8%	5.8%	(1.9)%	(20.4)%	(41.3)%

Weighted Average Lives of the Certificates

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

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

- the timing of changes in the rate of principal distributions, and
- the priority sequence of distributions of principal of the 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.

Mortgage Loans Backing Trust Assets Specified Below	Original and Remaining Terms to Maturity	Interest Rates
Group 1 MBS	360 months	8.50%
Group 2 MBS	360 months	6.50%

It is unlikely that all of the Mortgage Loans will have the loan ages, interest rates or remaining terms to maturity assumed, or that the Mortgage Loans will prepay at any *constant* PSA level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates, even if the weighted average remaining term to maturity and the weighted average loan age of the Mortgage Loans are identical to the weighted averages specified in the Pricing Assumptions. This is the case because pools of loans with identical weighted averages are nonetheless likely to reflect differing dispersions of the related characteristics.

Percent of Original Principal Balances Outstanding

Date	FE, SE† and EA Classes PSA Prepayment Assumption					
	0%	100%	310%	400%	800%	1200%
Initial Percent	100	100	100	100	100	100
October 2017	99	92	79	74	51	27
October 2018	98	84	63	55	26	7
October 2019	98	76	50	40	13	2
October 2020	97	69	39	30	6	1
October 2021	95	63	31	22	3	*
October 2022	94	57	24	16	2	*
October 2023	93	51	19	11	1	*
October 2024	92	45	14	8	*	*
October 2025	90	40	11	6	*	*
October 2026	89	35	8	4	*	*
October 2027	87	31	6	3	*	*
October 2028	85	26	5	2	*	*
October 2029	83	22	3	1	*	*
October 2030	81	19	2	1	*	0
October 2031	78	15	2	1	*	0
October 2032	75	12	1	*	*	0
October 2033	72	8	1	*	*	0
October 2034	69	5	*	*	*	0
October 2035	66	2	*	*	*	0
October 2036	62	0	0	0	0	0
October 2037	58	0	0	0	0	0
October 2038	53	0	0	0	0	0
October 2039	49	0	0	0	0	0
October 2040	43	0	0	0	0	0
October 2041	37	0	0	0	0	0
October 2042	31	0	0	0	0	0
October 2043	24	0	0	0	0	0
October 2044	17	0	0	0	0	0
October 2045	9	0	0	0	0	0
October 2046	0	0	0	0	0	0
Weighted Average Life (years)**	20.8	8.1	4.1	3.3	1.5	0.8

Date	FT and ST† Classes PSA Prepayment Assumption								
	0%	100%	115%	150%	185%	225%	350%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100
October 2017	99	97	97	96	96	95	93	89	85
October 2018	98	91	91	89	87	85	79	67	54
October 2019	96	84	83	80	76	73	62	43	25
October 2020	95	78	76	71	66	61	48	27	11
October 2021	94	72	69	63	58	52	37	17	5
October 2022	92	66	63	56	50	44	28	11	2
October 2023	90	60	57	50	44	37	22	7	1
October 2024	89	55	52	44	38	31	17	4	*
October 2025	87	50	47	39	33	26	13	3	*
October 2026	85	46	42	34	28	22	10	2	*
October 2027	83	42	38	30	24	18	8	1	*
October 2028	80	38	34	27	21	15	6	1	*
October 2029	78	34	31	23	18	13	4	*	*
October 2030	75	31	27	20	15	11	3	*	*
October 2031	73	28	24	18	13	9	3	*	*
October 2032	70	25	21	15	11	7	2	*	*
October 2033	66	22	19	13	9	6	1	*	*
October 2034	63	19	17	11	8	5	1	*	*
October 2035	59	17	14	10	6	4	1	*	*
October 2036	56	15	12	8	5	3	1	*	*
October 2037	52	13	11	7	4	2	*	*	*
October 2038	47	11	9	5	3	2	*	*	*
October 2039	43	9	7	4	3	1	*	*	*
October 2040	38	7	6	4	2	1	*	*	0
October 2041	32	6	5	3	2	1	*	*	0
October 2042	27	4	3	2	1	1	*	*	0
October 2043	21	3	2	1	1	*	*	*	0
October 2044	14	2	1	1	*	*	*	*	0
October 2045	7	1	1	*	*	*	*	*	0
October 2046	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.6	10.8	10.1	8.8	7.7	6.8	4.9	3.2	2.4

Date	PA, PB and PI† Classes PSA Prepayment Assumption								
	0%	100%	115%	150%	185%	225%	350%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100
October 2017	98	96	95	95	95	95	95	95	95
October 2018	97	88	87	87	87	87	87	82	63
October 2019	95	78	76	76	76	76	74	48	22
October 2020	93	68	65	65	65	65	55	25	3
October 2021	91	59	56	56	56	56	39	10	0
October 2022	89	51	47	47	47	47	27	1	0
October 2023	86	43	39	39	39	39	18	0	0
October 2024	84	36	31	31	31	31	10	0	0
October 2025	81	29	24	24	24	24	5	0	0
October 2026	78	23	18	18	18	18	1	0	0
October 2027	75	17	13	13	13	13	0	0	0
October 2028	72	11	8	8	8	8	0	0	0
October 2029	68	6	5	5	5	5	0	0	0
October 2030	65	2	2	2	2	2	0	0	0
October 2031	61	0	0	0	0	0	0	0	0
October 2032	57	0	0	0	0	0	0	0	0
October 2033	52	0	0	0	0	0	0	0	0
October 2034	47	0	0	0	0	0	0	0	0
October 2035	42	0	0	0	0	0	0	0	0
October 2036	37	0	0	0	0	0	0	0	0
October 2037	31	0	0	0	0	0	0	0	0
October 2038	25	0	0	0	0	0	0	0	0
October 2039	18	0	0	0	0	0	0	0	0
October 2040	11	0	0	0	0	0	0	0	0
October 2041	3	0	0	0	0	0	0	0	0
October 2042	0	0	0	0	0	0	0	0	0
October 2043	0	0	0	0	0	0	0	0	0
October 2044	0	0	0	0	0	0	0	0	0
October 2045	0	0	0	0	0	0	0	0	0
October 2046	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.1	6.6	6.2	6.2	6.2	6.2	4.6	3.1	2.4

Date	PL Class PSA Prepayment Assumption								
	0%	100%	115%	150%	185%	225%	350%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100
October 2017	100	100	100	100	100	100	100	100	100
October 2018	100	100	100	100	100	100	100	100	100
October 2019	100	100	100	100	100	100	100	100	100
October 2020	100	100	100	100	100	100	100	100	100
October 2021	100	100	100	100	100	100	100	100	53
October 2022	100	100	100	100	100	100	100	100	24
October 2023	100	100	100	100	100	100	100	69	11
October 2024	100	100	100	100	100	100	100	43	5
October 2025	100	100	100	100	100	100	100	27	2
October 2026	100	100	100	100	100	100	100	17	1
October 2027	100	100	100	100	100	100	79	10	*
October 2028	100	100	100	100	100	100	61	6	*
October 2029	100	100	100	100	100	100	46	4	*
October 2030	100	100	100	100	100	100	35	2	*
October 2031	100	92	92	92	92	92	26	1	*
October 2032	100	76	76	76	76	76	20	1	*
October 2033	100	62	62	62	62	62	15	1	*
October 2034	100	50	50	50	50	50	11	*	*
October 2035	100	41	41	41	41	41	8	*	*
October 2036	100	32	32	32	32	32	6	*	*
October 2037	100	26	26	26	26	26	4	*	*
October 2038	100	20	20	20	20	20	3	*	*
October 2039	100	15	15	15	15	15	2	*	*
October 2040	100	12	12	12	12	12	1	*	*
October 2041	100	8	8	8	8	8	1	*	*
October 2042	65	6	6	6	6	6	1	*	0
October 2043	4	4	4	4	4	4	*	*	0
October 2044	2	2	2	2	2	2	*	*	0
October 2045	1	1	1	1	1	1	*	*	0
October 2046	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.3	19.0	19.0	19.0	19.0	19.0	13.7	8.3	5.5

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

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

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

Date	HD Class PSA Prepayment Assumption 0%	100%	115%	150%	185%	225%	350%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100
October 2017	100	100	100	91	91	91	91	91	91
October 2018	100	100	100	70	70	70	70	0	0
October 2019	100	100	100	43	43	43	0	0	0
October 2020	100	100	100	21	21	21	0	0	0
October 2021	100	100	100	4	4	4	0	0	0
October 2022	100	100	100	0	0	0	0	0	0
October 2023	100	100	100	0	0	0	0	0	0
October 2024	100	100	100	0	0	0	0	0	0
October 2025	100	100	100	0	0	0	0	0	0
October 2026	100	100	94	0	0	0	0	0	0
October 2027	100	100	85	0	0	0	0	0	0
October 2028	100	100	71	0	0	0	0	0	0
October 2029	100	100	55	0	0	0	0	0	0
October 2030	100	96	36	0	0	0	0	0	0
October 2031	100	74	17	0	0	0	0	0	0
October 2032	100	51	0	0	0	0	0	0	0
October 2033	100	27	0	0	0	0	0	0	0
October 2034	100	3	0	0	0	0	0	0	0
October 2035	100	0	0	0	0	0	0	0	0
October 2036	100	0	0	0	0	0	0	0	0
October 2037	100	0	0	0	0	0	0	0	0
October 2038	100	0	0	0	0	0	0	0	0
October 2039	100	0	0	0	0	0	0	0	0
October 2040	100	0	0	0	0	0	0	0	0
October 2041	100	0	0	0	0	0	0	0	0
October 2042	100	0	0	0	0	0	0	0	0
October 2043	97	0	0	0	0	0	0	0	0
October 2044	0	0	0	0	0	0	0	0	0
October 2045	0	0	0	0	0	0	0	0	0
October 2046	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.5	16.0	13.1	2.8	2.8	2.8	2.3	1.6	1.2

Date	HA Class PSA Prepayment Assumption 0%	100%	115%	150%	185%	225%	350%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100
October 2017	100	100	100	100	96	92	79	54	22
October 2018	100	100	100	100	88	74	31	0	0
October 2019	100	100	100	100	77	51	0	0	0
October 2020	100	100	100	100	69	35	0	0	0
October 2021	100	100	100	100	63	23	0	0	0
October 2022	100	100	100	96	55	12	0	0	0
October 2023	100	100	100	92	49	4	0	0	0
October 2024	100	100	100	90	45	1	0	0	0
October 2025	100	100	100	88	43	0	0	0	0
October 2026	100	100	100	86	42	0	0	0	0
October 2027	100	100	100	82	39	0	0	0	0
October 2028	100	100	100	78	37	0	0	0	0
October 2029	100	100	100	73	34	0	0	0	0
October 2030	100	100	100	67	31	0	0	0	0
October 2031	100	100	100	61	28	0	0	0	0
October 2032	100	100	98	56	25	0	0	0	0
October 2033	100	100	90	50	22	0	0	0	0
October 2034	100	100	81	45	19	0	0	0	0
October 2035	100	91	72	39	17	0	0	0	0
October 2036	100	81	64	34	14	0	0	0	0
October 2037	100	71	56	29	12	0	0	0	0
October 2038	100	61	48	25	10	0	0	0	0
October 2039	100	52	40	20	8	0	0	0	0
October 2040	100	43	33	17	7	0	0	0	0
October 2041	100	35	26	13	5	0	0	0	0
October 2042	100	26	20	10	4	0	0	0	0
October 2043	100	19	14	7	2	0	0	0	0
October 2044	97	11	8	4	1	0	0	0	0
October 2045	50	4	3	1	*	0	0	0	0
October 2046	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.0	23.5	22.1	17.2	9.9	3.5	1.6	1.0	0.8

Date	HZ Class PSA Prepayment Assumption 0%	100%	115%	150%	185%	225%	350%	600%	900%
Initial Percent	100	100	100	100	100	100	100	100	100
October 2017	103	103	103	103	103	103	103	103	103
October 2018	105	105	105	105	105	105	105	0	0
October 2019	108	108	108	108	108	108	0	0	0
October 2020	111	111	111	111	111	111	0	0	0
October 2021	113	113	113	113	113	113	0	0	0
October 2022	116	116	116	116	116	116	0	0	0
October 2023	119	119	119	119	119	119	0	0	0
October 2024	122	122	122	122	122	122	0	0	0
October 2025	125	125	125	125	125	*	0	0	0
October 2026	128	128	128	128	128	*	0	0	0
October 2027	132	132	132	132	132	*	0	0	0
October 2028	135	135	135	135	135	*	0	0	0
October 2029	138	138	138	138	138	*	0	0	0
October 2030	142	142	142	142	142	*	0	0	0
October 2031	145	145	145	145	145	*	0	0	0
October 2032	149	149	149	149	149	*	0	0	0
October 2033	153	153	153	153	153	*	0	0	0
October 2034	157	157	157	157	157	*	0	0	0
October 2035	161	161	161	161	161	*	0	0	0
October 2036	165	165	165	165	165	*	0	0	0
October 2037	169	169	169	169	169	*	0	0	0
October 2038	173	173	173	173	173	*	0	0	0
October 2039	178	178	178	178	178	*	0	0	0
October 2040	182	182	182	182	182	*	0	0	0
October 2041	187	187	187	187	187	*	0	0	0
October 2042	191	191	191	191	191	*	0	0	0
October 2043	196	196	196	196	196	*	0	0	0
October 2044	201	201	201	201	201	*	0	0	0
October 2045	206	206	206	206	206	*	0	0	0
October 2046	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	30.0	29.7	29.7	29.7	29.6	8.5	2.6	1.6	1.2

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

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

Characteristics of the Residual Class

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Election and Special Tax Attributes

We will make a REMIC election with respect to the REMIC set forth in the table under "Description of the Certificates—General—*Structure*." The Regular Classes will be designated as "regular interests" and the Residual Class will be designated as the "residual interest" in the REMIC as set forth in that table. Thus, the 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 Class, as "qualified mortgages" for other REMICs. See "Material Federal Income Tax Consequences—REMIC Election and Special Tax Attributes" in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Accrual Class 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:

Group	Prepayment Assumption
1	310% PSA
2	185% PSA

See "Material Federal Income Tax Consequences—Taxation of Beneficial Owners of Regular Certificates—*Treatment of Original Issue Discount*" in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at either of those rates or 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 Strip 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 Certificates to Mizuho Securities USA Inc. (the "Dealer") in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

CREDIT RISK RETENTION

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

LEGAL MATTERS

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

Schedule 1

Available Recombination(1)

REMIC Certificate		RCR Certificates						
Class	Original Balance	RCR Classes	Original Balances	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
PA	$61,600,623	PB	$61,600,623	PAC	2.0%	FIX	3136AT6X7	March 2045
		PI	7,700,077(3)	NTL	4.0	FIX/IO	3136AT6Y5	March 2045

(1) REMIC 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 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 balance. This Class is an Interest Only Class. See page S-5 for a description of how its notional principal balance is calculated.

Principal Balance Schedules

Aggregate Group Planned Balances

Distribution Date	Planned Balance
Initial Balance	$70,000,708.00
November 2016	69,846,803.49
December 2016	69,675,655.98
January 2017	69,487,324.31
February 2017	69,281,877.58
March 2017	69,059,395.11
April 2017	68,819,966.38
May 2017	68,563,690.99
June 2017	68,290,678.63
July 2017	68,001,048.98
August 2017	67,694,931.65
September 2017	67,372,466.09
October 2017	67,033,801.49
November 2017	66,679,096.69
December 2017	66,308,520.03
January 2018	65,922,249.27
February 2018	65,520,471.39
March 2018	65,103,382.53
April 2018	64,671,187.74
May 2018	64,224,100.91
June 2018	63,762,344.53
July 2018	63,286,149.53
August 2018	62,795,755.09
September 2018	62,291,408.45
October 2018	61,773,364.71
November 2018	61,241,886.58
December 2018	60,697,244.18
January 2019	60,139,714.85
February 2019	59,569,582.82
March 2019	58,987,139.07
April 2019	58,408,432.90
May 2019	57,833,441.47
June 2019	57,262,142.09
July 2019	56,694,512.20
August 2019	56,130,529.35
September 2019	55,570,171.27
October 2019	55,013,415.80
November 2019	54,460,240.89
December 2019	53,910,624.67
January 2020	53,364,545.37
February 2020	52,821,981.36
March 2020	52,282,911.13
April 2020	51,747,313.32
May 2020	51,215,166.67
June 2020	50,686,450.08
July 2020	50,161,142.55
August 2020	49,639,223.21
September 2020	49,120,671.34
October 2020	48,605,466.31
November 2020	48,093,587.63
December 2020	47,585,014.95
January 2021	47,079,728.01
February 2021	46,577,706.69
March 2021	46,078,930.99
April 2021	45,583,381.02
May 2021	45,091,037.03
June 2021	$44,601,879.37
July 2021	44,115,888.52
August 2021	43,633,045.06
September 2021	43,153,329.71
October 2021	42,676,723.29
November 2021	42,203,206.74
December 2021	41,732,761.12
January 2022	41,265,367.59
February 2022	40,801,007.43
March 2022	40,339,662.04
April 2022	39,881,312.92
May 2022	39,425,941.69
June 2022	38,973,530.08
July 2022	38,524,059.93
August 2022	38,077,513.18
September 2022	37,633,871.88
October 2022	37,193,118.21
November 2022	36,755,234.42
December 2022	36,320,202.91
January 2023	35,888,006.14
February 2023	35,458,626.72
March 2023	35,032,047.32
April 2023	34,608,250.76
May 2023	34,187,219.93
June 2023	33,768,937.83
July 2023	33,353,387.57
August 2023	32,940,552.35
September 2023	32,530,415.49
October 2023	32,122,960.40
November 2023	31,718,170.58
December 2023	31,316,029.64
January 2024	30,916,521.29
February 2024	30,519,629.34
March 2024	30,125,337.68
April 2024	29,733,630.31
May 2024	29,344,491.33
June 2024	28,957,904.94
July 2024	28,573,855.41
August 2024	28,192,327.13
September 2024	27,813,304.57
October 2024	27,436,772.31
November 2024	27,062,715.00
December 2024	26,691,117.39
January 2025	26,321,964.34
February 2025	25,955,240.78
March 2025	25,590,931.73
April 2025	25,229,022.32
May 2025	24,869,497.76
June 2025	24,512,343.33
July 2025	24,159,364.70
August 2025	23,811,116.67
September 2025	23,467,538.28
October 2025	23,128,569.38
November 2025	22,794,150.56
December 2025	22,464,223.14
January 2026	22,138,729.19
February 2026	$21,817,611.53
March 2026	21,500,813.67
April 2026	21,188,279.85
May 2026	20,879,955.00
June 2026	20,575,784.76
July 2026	20,275,715.43
August 2026	19,979,694.01
September 2026	19,687,668.16
October 2026	19,399,586.19
November 2026	19,115,397.08
December 2026	18,835,050.44
January 2027	18,558,496.53
February 2027	18,285,686.21
March 2027	18,016,571.00
April 2027	17,751,102.99
May 2027	17,489,234.90
June 2027	17,230,920.05
July 2027	16,976,112.33
August 2027	16,724,766.23
September 2027	16,476,836.81
October 2027	16,232,279.70
November 2027	15,991,051.08
December 2027	15,753,107.69
January 2028	15,518,406.83
February 2028	15,286,906.32
March 2028	15,058,564.53
April 2028	14,833,340.34
May 2028	14,611,193.17
June 2028	14,392,082.95
July 2028	14,175,970.09
August 2028	13,962,815.53
September 2028	13,752,580.71
October 2028	13,545,227.54
November 2028	13,340,718.41
December 2028	13,139,016.21
January 2029	12,940,084.28
February 2029	12,743,886.43
March 2029	12,550,386.93
April 2029	12,359,550.51
May 2029	12,171,342.33
June 2029	11,985,728.02
July 2029	11,802,673.62
August 2029	11,622,145.61
September 2029	11,444,110.91
October 2029	11,268,536.83
November 2029	11,095,391.13
December 2029	10,924,641.95
January 2030	10,756,257.86
February 2030	10,590,207.82
March 2030	10,426,461.17
April 2030	10,264,987.66
May 2030	10,105,757.42
June 2030	9,948,740.95
July 2030	9,793,909.15
August 2030	9,641,233.27
September 2030	9,490,684.92

Aggregate Group (Continued)

Distribution Date	Planned Balance	Distribution Date	Planned Balance	Distribution Date	Planned Balance
October 2030	$ 9,342,236.09	September 2035	$ 3,465,025.61	August 2040	$ 1,020,272.89
November 2030	9,195,859.13	October 2035	3,402,614.19	September 2040	995,364.09
December 2030	9,051,526.72	November 2035	3,341,126.69	October 2040	970,860.53
January 2031	8,909,211.91	December 2035	3,280,550.55	November 2040	946,756.46
February 2031	8,768,888.08	January 2036	3,220,873.37	December 2040	923,046.20
March 2031	8,630,528.96	February 2036	3,162,082.92	January 2041	899,724.14
April 2031	8,494,108.60	March 2036	3,104,167.12	February 2041	876,784.75
May 2031	8,359,601.41	April 2036	3,047,114.05	March 2041	854,222.59
June 2031	8,226,982.09	May 2036	2,990,911.96	April 2041	832,032.25
July 2031	8,096,225.69	June 2036	2,935,549.22	May 2041	810,208.44
August 2031	7,967,307.57	July 2036	2,881,014.38	June 2041	788,745.91
September 2031	7,840,203.40	August 2036	2,827,296.14	July 2041	767,639.50
October 2031	7,714,889.18	September 2036	2,774,383.33	August 2041	746,884.09
November 2031	7,591,341.19	October 2036	2,722,264.92	September 2041	726,474.66
December 2031	7,469,536.03	November 2036	2,670,930.06	October 2041	706,406.25
January 2032	7,349,450.60	December 2036	2,620,368.00	November 2041	686,673.94
February 2032	7,231,062.08	January 2037	2,570,568.15	December 2041	667,272.91
March 2032	7,114,347.98	February 2037	2,521,520.07	January 2042	648,198.39
April 2032	6,999,286.04	March 2037	2,473,213.43	February 2042	629,445.67
May 2032	6,885,854.34	April 2037	2,425,638.05	March 2042	611,010.12
June 2032	6,774,031.22	May 2037	2,378,783.88	April 2042	592,887.14
July 2032	6,663,795.27	June 2037	2,332,641.01	May 2042	575,072.23
August 2032	6,555,125.41	July 2037	2,287,199.64	June 2042	557,560.92
September 2032	6,448,000.78	August 2037	2,242,450.12	July 2042	540,348.82
October 2032	6,342,400.82	September 2037	2,198,382.90	August 2042	523,431.59
November 2032	6,238,305.21	October 2037	2,154,988.59	September 2042	506,804.94
December 2032	6,135,693.92	November 2037	2,112,257.89	October 2042	490,464.66
January 2033	6,034,547.14	December 2037	2,070,181.64	November 2042	474,406.58
February 2033	5,934,845.35	January 2038	2,028,750.80	December 2042	458,626.59
March 2033	5,836,569.25	February 2038	1,987,956.44	January 2043	443,120.63
April 2033	5,739,699.82	March 2038	1,947,789.75	February 2043	427,884.70
May 2033	5,644,218.26	April 2038	1,908,242.04	March 2043	412,914.87
June 2033	5,550,106.01	May 2038	1,869,304.73	April 2043	398,207.23
July 2033	5,457,344.77	June 2038	1,830,969.35	May 2043	383,757.95
August 2033	5,365,916.47	July 2038	1,793,227.55	June 2043	369,563.23
September 2033	5,275,803.24	August 2038	1,756,071.08	July 2043	355,619.35
October 2033	5,186,987.49	September 2038	1,719,491.81	August 2043	341,922.61
November 2033	5,099,451.82	October 2038	1,683,481.70	September 2043	328,469.39
December 2033	5,013,179.08	November 2038	1,648,032.83	October 2043	315,256.08
January 2034	4,928,152.31	December 2038	1,613,137.38	November 2043	302,279.16
February 2034	4,844,354.79	January 2039	1,578,787.63	December 2043	289,535.14
March 2034	4,761,770.02	February 2039	1,544,975.97	January 2044	277,020.56
April 2034	4,680,381.70	March 2039	1,511,694.88	February 2044	264,732.04
May 2034	4,600,173.75	April 2039	1,478,936.95	March 2044	252,666.22
June 2034	4,521,130.28	May 2039	1,446,694.86	April 2044	240,819.81
July 2034	4,443,235.63	June 2039	1,414,961.38	May 2044	229,189.53
August 2034	4,366,474.32	July 2039	1,383,729.40	June 2044	217,772.18
September 2034	4,290,831.09	August 2039	1,352,991.87	July 2044	206,564.59
October 2034	4,216,290.86	September 2039	1,322,741.86	August 2044	195,563.62
November 2034	4,142,838.75	October 2039	1,292,972.52	September 2044	184,766.19
December 2034	4,070,460.07	November 2039	1,263,677.10	October 2044	174,169.26
January 2035	3,999,140.34	December 2039	1,234,848.92	November 2044	163,769.82
February 2035	3,928,865.23	January 2040	1,206,481.41	December 2044	153,564.92
March 2035	3,859,620.64	February 2040	1,178,568.08	January 2045	143,551.63
April 2035	3,791,392.61	March 2040	1,151,102.51	February 2045	133,727.08
May 2035	3,724,167.40	April 2040	1,124,078.39	March 2045	124,088.43
June 2035	3,657,931.41	May 2040	1,097,489.49	April 2045	114,632.86
July 2035	3,592,671.24	June 2040	1,071,329.63	May 2045	105,357.62
August 2035	3,528,373.66	July 2040	1,045,592.76	June 2045	96,259.99

Aggregate Group (Continued)

Distribution Date	Planned Balance	Distribution Date	Planned Balance	Distribution Date	Planned Balance
July 2045	$ 87,337.27	November 2045	$ 53,343.07	March 2046	$ 21,941.87
August 2045	78,586.82	December 2045	45,255.88	April 2046	14,478.36
September 2045	70,006.01	January 2046	37,328.24	May 2046	7,164.84
October 2045	61,592.28	February 2046	29,557.70	June 2046 and thereafter	0.00

HD Class Planned Balances

Distribution Date	Planned Balance	Distribution Date	Planned Balance	Distribution Date	Planned Balance
Initial Balance	$5,281,000.00	August 2018	$3,939,200.37	June 2020	$1,465,163.83
November 2016	5,270,695.09	September 2018	3,829,583.36	July 2020	1,372,031.12
December 2016	5,255,248.95	October 2018	3,716,671.60	August 2020	1,280,813.35
January 2017	5,234,676.07	November 2018	3,600,615.23	September 2020	1,191,487.78
February 2017	5,208,997.91	December 2018	3,481,568.78	October 2020	1,104,031.95
March 2017	5,178,242.89	January 2019	3,359,690.81	November 2020	1,018,423.60
April 2017	5,142,446.46	February 2019	3,235,143.78	December 2020	934,640.67
May 2017	5,101,651.00	March 2019	3,108,093.71	January 2021	852,661.34
June 2017	5,055,905.82	April 2019	2,983,353.99	February 2021	772,464.02
July 2017	5,005,267.08	May 2019	2,860,898.05	March 2021	694,027.30
August 2017	4,949,797.78	June 2019	2,740,699.57	April 2021	617,330.01
September 2017	4,889,567.65	July 2019	2,622,732.47	May 2021	542,351.16
October 2017	4,824,653.07	August 2019	2,506,970.99	June 2021	469,069.99
November 2017	4,755,136.98	September 2019	2,393,389.55	July 2021	397,465.94
December 2017	4,681,108.79	October 2019	2,281,962.84	August 2021	327,518.66
January 2018	4,602,664.21	November 2019	2,172,665.82	September 2021	259,208.00
February 2018	4,519,905.21	December 2019	2,065,473.67	October 2021	192,514.00
March 2018	4,432,939.75	January 2020	1,960,361.82	November 2021	127,416.90
April 2018	4,341,881.79	February 2020	1,857,305.93	December 2021	63,897.16
May 2018	4,246,850.95	March 2020	1,756,281.94	January 2022	1,935.41
June 2018	4,147,972.48	April 2020	1,657,265.96	February 2022 and thereafter	0.00
July 2018	4,045,377.01	May 2020	1,560,234.39		

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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$265,778,403

FannieMae®

Guaranteed REMIC Pass-Through Certificates

Fannie Mae REMIC Trust 2016-86

PROSPECTUS SUPPLEMENT

Mizuho Securities USA Inc.

October 24, 2016