

\$968,549,927



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1999-4**

The Certificates

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

Payments to Certificateholders

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

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

We may pay principal at rates that 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 distributed to investors on time.

The Trust and its Assets

The trust will indirectly own

- Fannie Mae MBS
- underlying REMIC certificates backed directly or indirectly by Fannie Mae MBS or by Fannie Mae SMBS
- an underlying redeemable certificate backed indirectly by Fannie Mae MBS and
- Ginnie Mae certificates.

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

In addition, the mortgage loans underlying the Ginnie Mae certificates are either insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs or the Rural Housing Service.

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
BC	1	\$281,534,635	TAC	6.50%	FIX	31359VDG5	February 2029
F	1	13,333,333	SEG(TAC)/TAC	(3)	FLT	31359VDH3	February 2029
A	1	100,000,000	SEG(TAC)/TAC	6.30	FIX	31359VDJ9	February 2029
FA	1	6,666,666	SEG(TAC)/TAC	(3)	FLT	31359VDL4	February 2029
CH	1	50,000,000	SEG(TAC)/TAC	6.30	FIX	31359VDN0	February 2029
ZA	1	9,134,234	SEG(TAC)/SUP	6.50	FIX/Z	31359VDK6	February 2029
ZB	1	4,567,117	SEG(TAC)/SUP	6.50	FIX/Z	31359VDP5	February 2029
Z	1	3,988,407	SUP	6.50	FIX/Z	31359VDQ3	February 2029
S	1	19,999,999(2)	NTL	(3)	INV/IO	31359VDM2	February 2029
SC	2	6,685,172	SC/PT	(3)	INV	31359VDR1	January 2024
SD	3	6,569,688	SC/PT	(4)	INV	31359VDS9	March 2024
G	4	7,785,783	SC/PT	(5)	PO	31359VDT7	January 2024
SG	4	7,785,783(2)	NTL	(3)	INV/IO	31359VDU4	January 2024
K	5	4,000,000	RDM/SEQ	6.50	FIX	31359VDV2	November 2001
JC(1)	5	171,524,374	RDM/SEQ	6.50	FIX	31359VDW0	May 2028
JA	5	13,783,181	RDM/SEQ	6.50	FIX	31359VDX8	February 2029
J	5	10,000,000	RDM/SEQ	6.50	FIX	31359VDY6	June 2028
JB	5	692,445	RDM/SEQ	6.50	FIX	31359VDZ3	February 2029
FJ	6	28,890,405	SC/SEQ	(3)	FLT	31359VEF6	October 2023
SJ	6	28,890,405(2)	NTL	(3)	INV/IO	31359VEG4	October 2023
SL	6	28,890,405(2)	NTL	(3)	INV/IO	31359VEH2	October 2023
L	6	11,223,404(2)	NTL	6.50	FIX/IO	31359VEJ8	October 2023
M(1)	6	8,737,549	SC/SEQ	(5)	PO	31359VEA7	October 2023
SM(1)	6	8,737,549(2)	NTL	(3)	INV/IO	31359VEB5	October 2023
FI	6	40,656,938	SC/SEQ	(3)	FLT	31359VEC3	October 2023
SI	6	3,727,050(2)	NTL	(3)	INV/IO	31359VED1	October 2023
SK	6	3,727,050(2)	NTL	(3)	INV/IO	31359VEE9	October 2023
T	7	150,000,000	SEQ	6.50	FIX	31359VEK5	November 2025
U	7	5,000,000	SEQ	6.50	FIX	31359VEL3	July 2026
V	7	20,000,000	SEQ	6.50	FIX	31359VEM1	January 2029
QA(1)	7	5,000,000	SEQ	7.50	FIX	31359VEN9	January 2029
QB(1)	7	20,000,000	SEQ	6.25	FIX	31359VEP4	January 2029
R		0	NPR	0	NPR	31359VEQ2	February 2029
RB		0	NPR	0	NPR	31359VES8	February 2029
RL		0	NPR	0	NPR	31359VER0	February 2029

- (1) Exchangeable classes. (4) Based on Prime Rate.
(2) Notional balances. These are interest only classes. (5) Principal only classes.
(3) Based on LIBOR.

If you own certificates of certain classes, you can exchange them for RCR certificates to be issued at the time of the exchange.

The dealer specified below will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 29, 1999.

Carefully consider the risk factors starting on page S-9 of this prospectus supplement and page 10 of the REMIC prospectus. If you are a prospective purchaser of certificates of a Group 5 Class, you also should consider the risk factors starting on page 5 of the Trust 1999-R1 prospectus attached to this prospectus supplement. Unless you understand and are able to tolerate these risks, you should not invest in the related certificates.

You should read the REMIC prospectus and, in the case of the Group 5 Classes, the Trust 1999-R1 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.

PaineWebber Incorporated

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AVAILABLE INFORMATION

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

- our Prospectus for Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1998 (the “MBS Prospectus”);
- the disclosure documents relating to the underlying REMIC certificates (the “Underlying REMIC Disclosure Documents”);
- our Prospectus for Guaranteed Grantor Trust Redeemable/Redemption Certificates, Fannie Mae Grantor Trust 1999-R1 dated January 11, 1999 (the “Trust 1999-R1 Prospectus”), which is attached to this prospectus supplement; and
- our Information Statement dated March 31, 1998 and its supplements (the “Information Statement”).

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

Fannie Mae
MBS Helpline
3900 Wisconsin Avenue, N.W., Area 2H-3S
Washington, D.C. 20016
(telephone 1-800-237-8627 or 202-752-6547).

Most of the Disclosure Documents, together with the class factors, are available on our website located at <http://www.fanniemae.com>.

You also can obtain the Disclosure Documents, except those relating to the underlying REMIC certificates, by writing or calling the dealer at:

PaineWebber Incorporated
Prospectus Department
1000 Harbor Boulevard
Weehawken, New Jersey 07087
(telephone 201-902-6858).

REFERENCE SHEET

This reference sheet is not a summary of the transaction and does not contain complete information about the certificates. You should purchase the certificates only after reading this prospectus supplement and each of the additional disclosure documents listed on page S-3.

Assets underlying each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Class 1994-22-E REMIC Certificate Class 1996-14-SR REMIC Certificate
3	Class 1996-67-SM REMIC Certificate Class 1997-65-B REMIC Certificate
4	Class 1994-22-S REMIC Certificate
5	Class 1999-R1-A Guaranteed Grantor Trust Redeemable Certificate
6	Class 1993-201-FA REMIC Certificate Class 1993-201-SA REMIC Certificate Class 1993-201-SE REMIC Certificate Class 1996-11-SB REMIC Certificate Class 1998-64-SF REMIC Certificate Class 1998-64-C REMIC Certificate Class 1996-27-A REMIC Certificate
7	Group 7 Ginnie Mae Certificates

Assumed Characteristics of the Mortgage Loans underlying the Group 1 MBS, Group 5 Underlying Redeemable Certificate and Group 7 Ginnie Mae Certificates (as of January 1, 1999)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity or WARM (in months)</u>	<u>Approximate Calculated Loan Age or WALA (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$ 28,153,473	360	360	0	7.05%
	225,227,705	360	358	2	7.05%
	75,075,901	360	355	4	7.05%
	75,075,901	360	354	5	7.05%
	65,691,412	360	353	6	7.05%
Group 5 Underlying Redeemable Certificate	\$200,000,000	360	332	25	7.15%
Group 7 Ginnie Mae Certificates	\$100,000,000	360	359	1	7.25%
	100,000,000	360	358	2	7.25%

The actual remaining terms to maturity, calculated loan ages and interest rates of most of the mortgage loans will differ from the weighted averages shown above, perhaps significantly.

Characteristics of the Group 2, Group 3, Group 4 and Group 6 Underlying REMIC Certificates

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

Characteristics of the Group 5 Underlying Redeemable Certificate

See the Trust 1999-R1 Prospectus attached to the prospectus supplement for the characteristics of the underlying redeemable certificate, including certain information about the underlying mortgage loans.

Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account distributions in the same month). We publish the class factors on or shortly after the 11th day of each month.

Settlement Date

We expect to issue the certificates on January 29, 1999.

Distribution Dates

We will make payments on the Group 1, Group 2, Group 3, Group 4, Group 5 and Group 6 Classes on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day. We will make payments on the Group 7 Classes on the first business day following the 20th day of each calendar month, or on the 20th day, if the 19th and 20th days are both business days.

Book-Entry and Physical Certificates

We will issue the book-entry certificates through the U.S. Federal Reserve Banks and DTC, as applicable, which will electronically track ownership of the certificates and payments on them. We will issue physical certificates in registered, certificated form.

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

<u>Fed Book-Entry</u>	<u>DTC Book-Entry</u>	<u>Physical</u>
All Group 1, 2, 3, 4, 5 and 6 Classes and the related RCR Classes	All Group 7 Classes and the related RCR Class	R, RB and RL Classes

Exchanging Certificates Through Combination and Recombination

If you own certain certificates, you will be able to exchange them for a proportionate interest in the related RCR certificates as shown on Schedule 1. We will issue the RCR certificates upon such exchange. You can exchange your certificates by notifying us and paying an exchange fee. We use the principal and interest of the certificates exchanged to pay principal and interest on the related RCR certificates. Schedule 1 lists all of the available combinations of the certificates eligible for exchange and the related RCR certificates.

Interest Rates

During each interest accrual period, the fixed rate classes will bear interest at the applicable annual interest rates listed on the cover.

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below, except that the initial interest rates listed for the classes specified below are assumed rates. We will calculate the actual initial interest rate on February 23, 1999 for using the applicable formula for each class with assumed rates listed below. During subsequent interest accrual periods, the floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
F	5.92500%	8.00000%	0.3%	LIBOR + 30 basis points
FA	5.92500%	8.00000%	0.3%	LIBOR + 30 basis points
S	2.07500%	7.70000%	0.0%	7.7% - LIBOR
SC	5.18616% (2)	22.34042%	0.0%	22.34042% - (3.19148937 × LIBOR)
SD	10.12500%	10.12500%	0.0%	58.725% - (5.4 × Prime Rate)
SG	3.34375% (2)	9.75000%	0.0%	9.75% - (1.25 × LIBOR)
SM	10.46076% (2)	32.12195%	0.0%	32.12195% - (4.226573 × LIBOR)
FI	5.52500% (2)	8.00000%	0.4%	LIBOR + 40 basis points
SI	1.82427% (2)	1.82427%	0.0%	7.6% - LIBOR
SK	0.00000% (2)	2.71691%	0.0%	2.71691% - LIBOR
FJ	5.62500% (2)	9.00000%	0.5%	LIBOR + 50 basis points
SJ	2.72427% (2)	2.72427%	0.0%	8.5% - LIBOR
SL	0.00000% (2)	2.71691%	0.0%	2.71691% - LIBOR
SH	10.46076% (2)	32.12195%	0.0%	32.12195% - (4.226573 × LIBOR)
SP	8.66249% (2)	26.60000%	0.0%	26.6% - (3.5 × LIBOR)

(1) We will establish LIBOR on the basis of the "BBA Method" in the case of the F, FA and S Classes, and on the basis of the "LIBO Method" in the case of the SC, SG, SM, FI, SI, SK, FJ, SJ, SL, SH and SP Classes.

(2) Assumed initial interest rates.

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

Notional Classes

A notional class will not receive any principal. Its notional principal balance is the balance used to calculate accrued interest. The notional principal balances will equal the percentage of the outstanding balance specified below immediately before the related distribution date:

<u>Class</u>	
S	100% of F Class
	100% of FA Class
SG	100% of G Class
SM	100% of M Class
SI	9.1670700828% of FI Class
SK	9.1670700828% of FI Class
SJ	100% of FJ Class
SL	100% of FJ Class
L	38.8482058317% of FJ Class

Distributions of Principal

Group 1 Principal Distribution Amount

Z Accrual Amount

To the Segment Group I to its Targeted Balance, and thereafter to the Z Class.

ZA Accrual Amount

To the F and A Classes, pro rata, to their Targeted Balances, and thereafter to the ZA Class.

ZB Accrual Amount

To the FA and CH Classes, pro rata, to their Targeted Balances, and thereafter to the ZB Class.

Group 1 Cash Flow Distribution Amount

1. To the BC Class to its Targeted Balance.
2. To the Segment Group I to its Targeted Balance.
3. To the Z Class to zero.
4. To the Segment Group I to zero.
5. To the BC Class to zero.

For a description of the Segment Group, see “Description of the Certificates—Distributions of Principal” in this Prospectus Supplement.

Group 2 Principal Distribution Amount

To the SC Class to zero.

Group 3 Principal Distribution Amount

To the SD Class to zero.

Group 4 Principal Distribution Amount

To the G Class to zero.

Group 5 Principal Distribution Amount

1. To the K Class to zero.
2. (a) 94.5446709184% to the JC and JA Classes, in that order, to zero, and
(b) 5.4553290816% to the J and JB Classes, in that order, to zero.

Group 6 Principal Distribution Amount

1. To the M and FI Classes, pro rata, to zero.
2. To the FJ Class to zero.

Group 7 Principal Distribution Amount

1. To the T Class to zero.
2. (a) 50% to the U and V Classes, in that order, to zero, and
(b) 50% to the QA and QB Classes, pro rata, to zero.

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

Effect of Redemption of the Group 5 Underlying Redeemable Certificate on the Group 5 Classes

Under certain circumstances, the underlying redeemable certificate may be redeemed in full on any monthly distribution date beginning in January 2000. If a redemption occurs and you hold any of the Group 5 Classes, you will receive the unpaid balance of your certificates plus interest through the 24th day of the month in which the redemption occurs.

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>65%</u>	<u>100%</u>	<u>204%</u>	<u>350%</u>	<u>500%</u>	
BC	17.0	9.5	9.5	9.9	6.8	5.0	
	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>148%</u>	<u>204%</u>	<u>350%</u>	<u>500%</u>	
F and A	21.3	9.4	4.8	3.7	2.2	1.7	
	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>137%</u>	<u>204%</u>	<u>350%</u>	<u>500%</u>	
FA and CH	21.3	9.4	5.5	3.7	2.2	1.7	
	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>204%</u>	<u>350%</u>	<u>500%</u>		
ZA	28.5	23.8	1.3	0.7	0.5		
ZB	28.5	23.8	1.1	0.7	0.5		
Z	29.7	28.1	8.9	0.3	0.2		
	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>137%</u>	<u>148%</u>	<u>204%</u>	<u>350%</u>	<u>500%</u>
S	21.3	9.4	5.5	5.1	3.7	2.2	1.7
<u>Group 2 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>320%</u>	<u>450%</u>	<u>550%</u>		
SC	19.3	8.6	1.2	0.6	0.5		
<u>Group 3 Class</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>		
SD	24.7	21.6	13.3	2.3	1.1		
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>320%</u>	<u>450%</u>	<u>550%</u>		
G and SG	23.1	16.7	7.6	4.7	3.1		
<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>205%</u>	<u>300%</u>	<u>500%</u>		
K	1.4	0.2	0.1	0.1	0.1		
JC, LA, LB, LC, LD, LE and LH	20.8	9.3	5.5	3.9	2.3		
JA	29.6	25.4	20.5	15.9	9.7		
J	20.9	9.5	5.6	3.9	2.3		
JB	29.7	25.7	21.1	16.4	10.0		
<u>Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>		
FJ, SJ, SL and L	24.1	20.5	11.1	2.2	1.1		
M, SM, FI, SI, SH, SP and SK	22.8	14.9	2.7	0.8	0.4		
<u>Group 7 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>350%</u>	<u>500%</u>		
T	17.8	7.8	5.7	3.2	2.5		
U	27.1	18.2	13.5	7.1	5.2		
V	28.8	24.0	20.0	11.3	8.2		
QA, QB and Q	28.5	22.8	18.7	10.5	7.6		

* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement, and subject to the assumptions and qualifications in that section, including the assumption that no redemption of the underlying redeemable certificate occurs.

ADDITIONAL RISK FACTORS

Rate of principal payments on the certificates will be affected by the rate of principal payments on the underlying mortgage loans. The rate that you receive principal payments on the certificates will be sensitive to the rate of principal payments on the mortgage loans underlying the related MBS or Ginnie Mae certificates, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

- at any of the prepayment rates we assumed in this prospectus supplement, or
- at any constant prepayment rate until maturity.

Principal payments on certain classes will also be affected by payment priorities governing the underlying REMIC certificates. If you invest in any Group 2, 3, 4 and 6 Classes, the rate that you receive principal payments will also be affected by the priority sequences governing principal payments on the related underlying REMIC certificates.

As described in the related disclosure documents, the 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 underlying REMIC certificates, possibly for long periods.

In particular, certain underlying REMIC certificates are support classes that are entitled to receive principal payments on any distribution date only if scheduled payments have been made on certain other classes in the related underlying REMIC trusts. Accordingly, these underlying REMIC certificates may receive no principal payments for extended periods or may receive principal payments that vary widely from period to period.

In addition, one of the underlying REMIC certificates has a principal balance schedule. As a result, such underlying REMIC certificate may receive principal payments at a rate faster or slower than would otherwise have been the case.

In some cases, it may receive no principal payments for extended periods. In addition, prepayments on the related mortgage loans may have occurred at a rate faster or slower than the rate initially assumed. This prospectus supplement contains no information as to whether

- such underlying REMIC certificate has adhered to its principal balance schedule,
- any related support classes remain outstanding, or
- such underlying REMIC certificate otherwise has performed as originally anticipated.

You may obtain additional information about the underlying REMIC certificates by reviewing our current class factors in light of other information available in the related disclosure documents. You may obtain these documents from us as described on page S-3.

Redemption of the Group 5 underlying redeemable certificate could affect yields on the Group 5 Classes. The effective yields on the certificates of the Group 5 Classes will be sensitive to whether and when the Group 5 underlying redeemable certificate is redeemed since the Group 5 Classes will be retired in full upon such redemption. A redemption can occur in any month beginning in January 2000. In no event will the holder of a Group 5 Class be entitled to reimbursement for any premium such holder may have paid or for any reduction in effective yield. A redemption is more likely to occur if prevailing mortgage interest rates have declined or if the MBS backing the underlying redeemable certificate have a market value that is greater than their total principal balance.

Yields may be lower than expected due to unexpected rate of principal payments. The actual yield on your certificates probably will be lower than you expect:

- if you bought your certificates at a premium and principal payments are faster than you expected, or
- if you bought your certificates at a discount and principal payments are slower than you expected.

Furthermore, in the case of interest only certificates and certificates purchased at a premium, you could lose money on your investment if prepayments occur at a rapid rate.

You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates. In particular, investors in the Group 5 Classes must make assumptions regarding the likelihood and timing of a redemption of the underlying redeemable certificate.

Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans. We have assumed that the mortgage loans underlying the MBS and the Ginnie Mae certificates have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

Level of floating rate index affects yields on certain certificates. The yield on any floating rate or inverse floating rate certificate will be affected by the level of its interest rate index. If the level of the index differs from the level you expect, then your actual yield may be lower than you expect.

Limited ability to sell Group 5 Classes at a premium due to redemption feature. Because of the redemption feature described in this prospectus supplement and the Trust 1999-R1 Prospectus, the ability of investors to resell certificates of the Group 5 Classes at a premium is likely to be limited.

Delay classes have lower yields and market values. Since certain classes do not receive inter-

est immediately following each interest accrual period (except, in the case of the Group 5 Classes, upon a redemption of the underlying redeemable certificate), these classes have lower yields and lower market values than they would if there were no such delay.

Reinvestment of certificate payments may not achieve same yields as certificates. The rate of principal payments of the certificates is uncertain. You may be unable to reinvest the payments on the certificates at the same yields provided by the certificates.

Unpredictable timing of last payment affects yields on certificates. The actual final payment of your class is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page. If you assumed the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

Some investors may be unable to buy certain classes. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should get legal advice to determine whether you may purchase the certificates.

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

DESCRIPTION OF THE CERTIFICATES

The material under this heading summarizes certain 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 such term in the applicable Disclosure Documents or in the Trust Agreement.

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover (the “Trust”) and two separate trusts (each, a “Lower Tier REMIC”) pursuant to a trust agreement dated as of January 1, 1999 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) and the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to the Trust Agreement. In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

- The REMIC Certificates (except the R, RB and RL Classes) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.
- The interests in the Lower Tier REMICs other than the RL and RB Classes (the “Lower Tier Regular Interests”) will be the “regular interests” in the Lower Tier REMICs.
- The RL and RB Classes will be the “residual interests” in the respective Lower Tier REMICs.

The assets of the Trust will consist of the Lower Tier Regular Interests. The assets of the first Lower Tier REMIC will consist of

- certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS”),
- certain previously issued REMIC certificates (the “Group 2 Underlying REMIC Certificates,” “Group 3 Underlying REMIC Certificates,” “Group 4 Underlying REMIC Certificate” and “Group 6 Underlying REMIC Certificates” and, together, the “Underlying REMIC Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A, and
- certain “fully modified pass-through” mortgage-backed securities guaranteed as to timely payment of principal and interest by Ginnie Mae (the “Group 7 Ginnie Mae Certificates”).

The assets of the second Lower Tier REMIC will consist of the Fannie Mae Class A Guaranteed Grantor Trust Redeemable Certificate (the “Group 5 Underlying Redeemable Certificate”) evidencing a beneficial ownership interest in Fannie Mae Grantor Trust 1999-R1 (the “Underlying Grantor Trust”).

The assets of the Underlying REMIC Trusts and the Underlying Grantor Trust evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Group 1 MBS, the “MBS”). The assets of certain of the Underlying REMIC Trusts also evidence direct or indirect beneficial ownership interests in certain Fannie Mae Stripped Mortgage-Backed Securities (the “SMBS”).

Each MBS represents a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein.

Each Ginnie Mae Certificate is based on and backed by a pool of mortgage loans (together with the pools and mortgage loans underlying the MBS, the “Pools” and “Mortgage Loans”) which are

either insured or guaranteed by the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or the Rural Housing Service (“FmHA”).

Fannie Mae Guaranty. We guarantee that we will distribute to Certificateholders:

- required installments of principal and interest on the Certificates on time, and
- the principal balance of each Class of Certificates no later than its Final Distribution Date, whether or not we have received sufficient payments on the MBS or the Ginnie Mae Certificates.

In addition, we guarantee that we will distribute to each holder of an MBS:

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and
- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

Our guaranty obligations with respect to the Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Documents. Our guaranty obligations with respect to the Group 5 Underlying Redeemable Certificate are described in the Trust 1999-R1 Prospectus. Our guarantees are not backed by the full faith and credit of the United States. See “Description of the Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus, “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus, “Description of the Certificates—General—*Fannie Mae Guaranty*” in the related Underlying REMIC Disclosure Documents and “Description of the Certificates—General—*Fannie Mae Guaranty*” in the Trust 1999-R1 Prospectus.

Characteristics of Certificates. We will issue the Certificates of the Group 1, Group 2, Group 3, Group 4, Group 5 and Group 6 Classes and the related RCR Classes 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.”

The Group 7 Classes and the related RCR Class will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a New York-chartered limited purpose trust company, or any successor or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the Certificates. DTC will maintain the DTC Certificates through its book-entry facilities.

A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Certificates—Denominations and Form” in the REMIC Prospectus.

We will issue the R, RB and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R, RB or RL Certificate is its registered owner. The R, RB or RL 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. State Street Bank and Trust Company in Boston, Massachusetts (“State Street”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the R, RB or RL Certificate and may require payment to cover any tax or other governmental charge. See also “Characteristics of the R, RB and RL Classes.”

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, and the Holders of the RL and RB Classes will receive the proceeds of any remaining assets of the respective Lower Tier REMICs, in each case only by presenting and surrendering the related Certificate at the office of the Paying Agent. State Street will be the initial Paying Agent.

Authorized Denominations. We will issue the Certificates, other than the R, RB and RL Certificates, in minimum denominations of \$1,000 and whole dollar increments. We will issue each of the R, RB and RL Classes as a single Certificate with no principal balance.

Distribution Dates. We will make monthly payments on the Group 1, Group 2, Group 3, Group 4, Group 5 and Group 6 Classes on the 25th day of each month (or, if the 25th day is not a business day, on the first business day after the 25th). We will make monthly payments on the Group 7 Classes on the first business day following the 20th day of each month (or, if the 19th and 20th days are both business days, on the 20th day). We refer to each such date as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

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.

Class Factors. On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of that Class, the product will equal the current principal balance (or notional principal balance) of that Certificate after taking into account payments on the Distribution Date in the same month (as well as any addition to principal in the case of an Accrual Class).

Redemption. The Group 5 Underlying Redeemable Certificate can be redeemed as described in the Trust 1999-R1 Prospectus under the heading “Description of the Certificates—Redemption and Exchange.”

Optional Termination. We will not terminate the Lower Tier REMIC or the Trust by exercising our right to repurchase the Mortgage Loans underlying any MBS unless

- only one Mortgage Loan remains in the related Pool, or
- the principal balance of the Pool is less than one percent of its original level.

See “Description of Certificates—Termination” in the MBS Prospectus.

Voting the Underlying REMIC Certificates and the Underlying Redeemable Certificate. Holders of the Group 2, Group 3, Group 4 and Group 6 Underlying REMIC Certificates and the Group 5 Underlying Redeemable Certificate may be asked to vote on issues arising under the applicable trust agreement. If so, the Trustee will vote the related Underlying REMIC Certificates and the Underlying Redeemable Certificate, as applicable, as instructed by Holders of Certificates of the Classes backed by such Underlying REMIC Certificates and the Underlying Redeemable Certificate. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Combination and Recombination

General. You are permitted to exchange all or a portion of the M, SM, JC, QA and QB Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

Holders of RCR Certificates will be the beneficial owners of a proportionate interest in the related REMIC Certificates and will receive a proportionate share of the distributions on the related REMIC Certificates.

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend

upon any related distributions of principal, as well as any exchanges that occur. The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balances of the related Classes.

Procedures. If a Certificateholder wishes to exchange Certificates, the Certificateholder must notify our Structured Transactions Department through one of our “REMIC Dealer Group” dealers in writing or by telefax no later than two business days before the proposed exchange date. The exchange date can be any business day other than the first or last business day of the month subject to our approval. The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. After receiving the Holder’s notice, we will telephone the dealer with delivery and wire payment instructions. Notice becomes irrevocable on the second business day before the proposed exchange date.

In connection with each exchange, the Holder must pay us a fee equal to 1/32 of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be exchanged. In no event, however, will our fee be less than \$2,000.

We will make the first distribution on a REMIC Certificate or an RCR Certificate received in an exchange transaction on the Distribution Date in the following month. We will make such distribution to the Holder of record as of the close of business on the last day of the month of the exchange.

Additional Considerations. The characteristics of RCR Certificates will reflect the characteristics of the REMIC Certificates used to form such RCR Certificates. You should also consider a number of factors that will limit a Certificateholder’s ability to exchange REMIC Certificates for RCR Certificates or vice versa:

- At the time of the proposed exchange, a Certificateholder must own Certificates of the related Class or Classes in the proportions necessary to make the desired exchange.
- A Certificateholder that does not own the Certificates may be unable to obtain the necessary REMIC Certificates or RCR Certificates.
- The Certificateholder of needed Certificates may refuse to sell them at a reasonable price (or any price) or may be unable to sell them.
- Certain Certificates may have been purchased and placed into other financial structures and thus be unavailable.
- Principal distributions will decrease the amounts available for exchange over time.
- Only the combinations listed on Schedule 1 are permitted.

Book-Entry Procedures

General. The Fed Book-Entry Certificates will be issued and maintained only on the book-entry system of the Federal Reserve Banks. The Fed Book-Entry Certificates may be held of record only by entities eligible to maintain book-entry accounts with the Federal Reserve Banks. Beneficial owners ordinarily will hold Fed Book-Entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of a Fed Book-Entry Certificate, and each other financial intermediary in the chain to the beneficial owner, will have to establish and maintain accounts for their respective customers. A beneficial owner’s rights with respect to us and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Neither we nor the Federal Reserve Banks will have any direct obligation to a beneficial owner of a Fed Book-Entry Certificate that is not the Holder of such Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of a Fed Book-Entry Certificate. See “Description of the Certificates—Denominations and Form” in the REMIC Prospectus.

The DTC Certificates will be registered at all times in the name of the nominee of DTC. Under its normal procedures, DTC will record the amount of DTC Certificates held by each firm which participates in the book-entry system of DTC (each, a “DTC Participant”), whether held for its own account or on behalf of another person. Initially, State Street Bank and Trust Company (“State Street”) will act as paying agent for the DTC Certificates. State Street will also perform certain administrative functions in connection with the DTC Certificates.

A “beneficial owner” or an “investor” is anyone who acquires a beneficial ownership interest in the DTC Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains an account for you. In turn, the record ownership of the financial intermediary that holds your DTC Certificates will be recorded by DTC. If the intermediary is not a DTC Participant, the record ownership of the intermediary will be recorded by a DTC Participant acting on its behalf. Therefore, you must rely on these various arrangements to record your ownership of the DTC Certificates and to relay the payments to your account. You may transfer your beneficial ownership interest in the DTC Certificates only under the procedures of your financial intermediary and of DTC Participants. In general, ownership of DTC Certificates will be subject to the prevailing rules, regulations and procedures governing the DTC and DTC Participants.

Method of Payment. Our fiscal agent for the Fed Book-Entry Certificates is the Federal Reserve Bank of New York. On each applicable Distribution Date, the Federal Reserve Banks will make payments on such Certificates on our behalf by crediting Holders’ accounts at the Federal Reserve Banks.

State Street will direct payments on the DTC Certificates to DTC in immediately available funds. In turn, DTC will credit the payments to the accounts of the appropriate DTC Participants, in accordance with the DTC’s procedures. These procedures currently provide for payments made in same-day funds to be settled through the New York Clearing House. DTC Participants and financial intermediaries will direct the payments to the investors in DTC Certificates that they represent.

The Group 1 MBS

The following table contains certain information about the Group 1 MBS. The Group 1 MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Group 1 MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly. The Mortgage Loans underlying the Group 1 MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties. These Mortgage Loans will have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the Group 1 MBS and the related Mortgage Loans as of January 1, 1999 (the “Issue Date”) to be as follows:

Group 1 MBS	
Aggregate Unpaid Principal Balance	\$469,224,392
MBS Pass-Through Rate	6.50%
Related Mortgage Loans	
Range of WACs (per annum percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	356 months
Approximate Weighted Average CAGE	3 months

The Underlying REMIC Certificates

The Group 2, 3, 4 and 6 Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of these trusts evidence either (i) direct or

indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus or (ii) beneficial ownership interests in payments made in respect of certain SMBS. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. The SMBS evidence beneficial ownership interests in principal and interest payments made on certain MBS. Distributions on the Underlying REMIC Certificates will be passed through monthly. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents.

See Exhibit A for additional information about the Underlying REMIC Certificates.

For further information about the Underlying REMIC Certificates, telephone us at 1-800-237-8627 or 202-752-6547. You also may obtain certain information in electronic form by calling us at 1-800-752-6440 or 202-752-6000. 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 such documents may be limited.

The Group 5 Underlying Redeemable Certificate

The Group 5 Underlying Redeemable Certificate has the characteristics described in the Trust 1999-R1 Prospectus and represents ownership interests in the Underlying Grantor Trust. The assets of the Underlying Grantor Trust consist of certain MBS held in the form of a Mega Certificate. The Group 5 Underlying Redeemable Certificate provides that principal and interest payments will be passed through to its holder each month beginning in the month after the Group 5 Underlying Redeemable Certificate was issued.

The following table contains certain information about the MBS underlying the Group 5 Underlying Redeemable Certificate. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans will be passed through monthly. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans will have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the MBS underlying the Group 5 Underlying Redeemable Certificate and the related Mortgage Loans as of the Issue Date to be as follows:

Related MBS

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	6.50%

Related Mortgage Loans

Range of WACs (per annum percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	332 months
Approximate Weighted Average CAGE	25 months

The Group 7 Ginnie Mae Certificates

The Group 7 Ginnie Mae Certificates will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the REMIC Prospectus. All of the Group 7 Ginnie Mae Certificates are Ginnie Mae II Certificates. See “Ginnie Mae and the Ginnie

Mae Programs” in the REMIC Prospectus. We expect the characteristics of the Group 7 Ginnie Mae Certificates and the related Mortgage Loans as of the Issue Date to be as follows:

Group 7 Ginnie Mae Certificates

Aggregate Unpaid Principal Balance	\$200,000,000
Ginnie Mae Pass-Through Rate	6.50%

Related Mortgage Loans

WAC	7.00% to 8.00%
Range of WARMs	241 months to 360 months
Approximate Weighted Average WARM	359 months
Approximate Weighted Average WALA	1 month

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Group 2, Group 3, Group 4 and Group 6 Underlying REMIC Certificates as of the Issue Date and (a) with respect to the Group 1 MBS and the MBS backing the Group 5 Underlying Redeemable Certificate, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying that MBS and (b) with respect to each Group 7 Ginnie Mae Certificate, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturity Mortgage Loan underlying that Ginnie Mae Certificate as of the Issue Date. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Group 1 MBS and the MBS backing the Group 5 Underlying Redeemable Certificate as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

For the purpose of interest payments, the Classes will be categorized as follows:

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	BC, A, ZA, CH, ZB and Z
Floating Rate	F and FA
Inverse Floating Rate	S
Interest Only	S
Accrual	ZA, ZB and Z
Group 2 Class	
Inverse Floating Rate	SC
Group 3 Class	
Inverse Floating Rate	SD
Group 4 Classes	
Principal Only	G
Inverse Floating Rate	SG
Interest Only	SG
Group 5 Classes	
Fixed Rate	K, JC, JA, J and JB
RCR**	LA, LB, LC, LD, LE and LH
Group 6 Classes	
Principal Only	M
Inverse Floating Rate	SM, SI, SK, SJ and SL
Floating Rate	FI and FJ
Interest Only	SM, SI, SK, SJ, SL and L
Fixed Rate	L
RCR**	SH and SP
Group 7 Classes	
Fixed Rate	T, U, V, QA and QB
RCR**	Q
No Payment Residual	R, RB and RL

* See "Description of Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus.

** See "Description of the Certificates—Combination and Recombination" herein and Schedule 1 for a further description of the RCR Classes.

General. We will pay interest on the interest-bearing Certificates at the applicable annual interest rates shown on the cover or described in this prospectus supplement. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid (or added to principal, in the case of the Accrual Classes) on each Certificate on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to such Distribution Date. For a description of the Accrual Classes, see "Accrual Classes." In addition, if the Group 5 Underlying Redeemable Certificate is redeemed, the final distribution on the Group 5 Classes will include an amount representing interest accrued to the date of redemption. See "—Effect of Redemption of the Group 5 Underlying Redeemable Certificate on the Group 5 Classes" below.

Interest payments on exchangeable REMIC Certificates will be applied to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

Interest Accrual Periods. Interest to be paid on each Distribution Date will accrue on the interest-bearing Certificates during the applicable one-month periods set forth below (each, an “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Periods</u>
The SD Class and all Fixed Rate Classes except the L Class (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The L Class and all Floating Rate and Inverse Floating Rate Classes other than the SD Class (collectively, the “No Delay Classes”)	One month period ending on the day preceding the Distribution Date

See “Additional Risk Factors—*Delay classes have lower yields and market values.*”

We will treat the G and M Classes as No Delay Classes for the sole purpose of facilitating trading.

Accrual Classes. The ZA, ZB and Z Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates listed on the cover. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on each Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Classes as described under “Distributions of Principal” below.

Notional Classes. The Notional Classes will not have principal balances. During each Interest Accrual Period, the Notional Classes will bear interest on their notional principal balances at their applicable interest rates. The notional principal balances of the Notional Classes will be calculated as indicated under “Reference Sheet—Notional Classes.”

We use the notional principal balance of a Notional Class to determine interest payments on that Class. Although a Notional Class will not have a principal balance and will not be entitled to any principal payments, we will publish a class factor for that Class. References in this prospectus supplement to the principal balances of the Certificates generally shall refer also to the notional principal balances of the Notional Classes.

Floating Rate and Inverse Floating Rate Classes. During each Interest Accrual Period, the Floating Rate and Inverse Floating Rate Classes will bear interest at rates determined as described under “Reference Sheet—Interest Rates.”

Changes in each specified interest rate index (each, an “Index”) will affect the yields with respect to the related Classes. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of the applicable Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the applicable Index occurs.

Our establishment of each Index value and our determination of the interest rate for each applicable Class for the related Interest Accrual Period will be final and binding in the absence of manifest error. You may obtain each such interest rate by telephoning us at 1-800-237-8627 or 202-752-6547.

Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of

- the “BBA Method” in the case of the F, FA and S Classes, and

- the “LIBO Method” in the case of the SC, SG, SM, FI, SI, SK, FJ, SJ and SL Classes, as described in the REMIC Prospectus under “Description of the Certificates—Indexes for Floating Rate Classes and Inverse Floating Rate Classes—*LIBOR*.”

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.625% in the case of the F, FA and S Classes, and will be equal to LIBOR as determined for that Interest Accrual Period for the related Underlying REMIC Certificates in the case of the all other Classes with an index of LIBOR.

Calculation of Prime Rate

On each Index Determination Date while the SD Class is outstanding, we will determine the Prime Rate for the related Interest Accrual Period as described in the REMIC Prospectus under “Description of the Certificates—Indices Applicable to Floating Rate and Inverse Floating Rate Classes—*Prime Rate*.”

Distributions of Principal

Categories of Classes

For the purpose of principal payments, the Classes fall into the following categories:

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
TAC	BC
Support	Z
Segment(TAC)/TAC	F, A, FA and CH
Segment(TAC)/Support	ZA and ZB
Accretion Directed	F, A, ZA, FA, CH and ZB
Notional	S
Group 2 Class	
Structured Collateral/Pass-Through	SC
Group 3 Class	
Structured Collateral/Pass-Through	SD
Group 4 Classes	
Structured Collateral/Pass-Through	G
Notional	SG
Group 5 Classes	
Redeemable/Sequential Pay	K, JC, JA, J and JB
RCR**	LA, LB, LC, LD, LE and LH
Group 6 Classes	
Structured Collateral/Sequential Pay	M, FI and FJ
Notional	SM, SI, SK, SJ, SL and L
RCR**	SH and SP
Group 7 Classes	
Sequential Pay	T, U, V, QA and QB
RCR**	Q
No Payment Residual	R, RB and RL

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

** See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description of the RCR Classes.

Principal Distribution Amount

On the Distribution Date in each month, we will pay principal on the Certificates in an aggregate amount (the “Principal Distribution Amount”) equal to the sum of

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the Z, ZA and ZB Classes (the “Z Accrual Amount,” “ZA Accrual Amount” and “ZB Accrual Amount,” respectively, and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 Underlying REMIC Certificates (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 Underlying REMIC Certificates (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 Underlying REMIC Certificate (the “Group 4 Principal Distribution Amount”),
- the principal then paid on the Group 5 Underlying Redeemable Certificate (the “Group 5 Principal Distribution Amount”),
- the principal then paid on the Group 6 Underlying REMIC Certificates (the “Group 6 Principal Distribution Amount”), and
- the principal payable on the Group 7 Ginnie Mae Certificates, calculated as described below (the “Group 7 Principal Distribution Amount”).

The portion of each class of Underlying REMIC Certificates held by the related Lower Tier REMIC is set forth in Exhibit A.

Certain Calculations Relating to the Group 7 Ginnie Mae Certificates

On or about the eighth business day of each month, we will aggregate the amount of principal reported to be payable on the Group 7 Ginnie Mae Certificates that month based on published Ginnie Mae factors.

For any Group 7 Ginnie Mae Certificate for which a factor is not then available, we will calculate the amount of scheduled principal payments distributable in respect of that Certificate during that month based on the assumed amortization schedules of the related Mortgage Loans. The amortization schedules will be prepared on the assumptions that:

- each Mortgage Loan underlying a Group 7 Ginnie Mae Certificate amortizes on a level installment basis, had an original term to maturity of 360 months, and a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying that Ginnie Mae Certificate at its origination, adjusted to the Issue Date; and
- each Mortgage Loan underlying a Group 7 Ginnie Mae Certificate bears an interest rate of 8.00% per annum.

All such amounts (whether reported in Ginnie Mae factors or calculated by us), will be reflected in the Class Factors for the Distribution Date in that month. We will pay those amounts to Holders of Certificates of the Classes on that Distribution Date, whether or not we receive them. The Class Factors will also reflect (and we will also pay) the excess of

- (a) the distributions of principal of the Group 7 Ginnie Mae Certificates received during the month prior to the month of that Distribution Date,

over

- (b) the amount of principal that we calculated and paid previously in accordance with the Ginnie Mae factors and the assumed distribution schedules specified above.

Group 1 Principal Distribution Amount

Z Accrual Amount

On each Distribution Date, we will pay the Z Accrual Amount as principal of the Segment Group I (as described below), until the Segment I Balance (as described below) is reduced to its Targeted Balance for such Distribution Date. Thereafter, we will pay the Z Accrual Amount as principal of the Z Class. } Accretion Directed Group and Accrual Class

ZA Accrual Amount

On each Distribution Date, we will pay the ZA Accrual Amount as principal of the F and A Classes, pro rata (or 11.7647056228% and 88.2352943772%, respectively), until their principal balances are reduced to their Targeted Balances for such Distribution Date. Thereafter, we will pay the ZA Accrual Amount as principal of the ZA Class. } Accretion Directed Classes and Accrual Class

ZB Accrual Amount

On each Distribution Date, we will pay the ZB Accrual Amount, concurrently, as principal of the FA and CH Classes, pro rata (or 11.7647048443% and 88.2352951557%, respectively), until their principal balances are reduced to their Targeted Balances for such Distribution Date. Thereafter, we will pay the ZB Accrual Amount as principal of the ZB Class. } Accretion Directed Classes and Accrual Class

Group 1 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 1 Cash Flow Distribution Amount as principal of the Group 1 Classes in the following priority:

- (i) to the BC Class, until its principal balance is reduced to its Targeted Balance for such Distribution Date; } TAC Class
- (ii) to the Segment Group I, until the Segment I Balance is reduced to its Targeted Balance for such Distribution Date; } TAC Group
- (iii) to the Z Class, until its principal balance is reduced to zero; } Support Class
- (iv) to the Segment Group I, without regard to its Targeted Balance and until the Segment I Balance is reduced to zero; and } TAC Group
- (v) to the BC Class, without regard to its Targeted Balance and until its principal balance is reduced to zero. } TAC Class

The “Segment Group I” consists of the F, A, ZA, FA, CH and ZB Classes. We will apply payments of principal of the Segment Group I as follows:

- (a) 66.6666668481% of this amount as follows:

first, concurrently, to the F and A Classes, pro rata, until their principal balances are reduced to their Targeted Balances for such Distribution Date;

second, to the ZA Class, until its principal balance is reduced to zero; and

third, concurrently, to the F and A Classes, pro rata, without regard to their Targeted Balances and until their principal balances are reduced to zero, and

(b) 33.3333331519% of this amount as follows:

first, concurrently, to the FA and CH Classes, pro rata, until their principal balances are reduced to their Targeted Balances for such Distribution Date;

second, to the ZB Class, until its principal balance is reduced to zero; and

third, concurrently, to the FA and CH Classes, pro rata, without regard to their Targeted Balances and until their principal balances are reduced to zero.

The “Segment I Balance” for any Distribution Date is equal to \$183,701,350 minus the sum of all amounts previously applied to it as specified above.

Group 2 Principal Distribution Amount

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount as principal of the SC Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount as principal of the SD Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

Group 4 Principal Distribution Amount

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount as principal of the G Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

Group 5 Principal Distribution Amount

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount as principal of the Group 5 Classes in the following priority:

- (i) to the K Class, until its principal balance is reduced to zero; and
 - (ii) (a) 94.5446709184% of the remaining amount, sequentially, to the JC and JA Classes, in that order, until their principal balances are reduced to zero, and
 - (b) 5.4553290816% of such remaining amount, sequentially, to the J and JB Classes, in that order, until their principal balances are reduced to zero.
- } Redeemable / Sequential Pay Classes

Group 6 Principal Distribution Amount

On each Distribution Date, we will pay the Group 6 Principal Distribution Amount as principal of the Group 6 Classes in the following priority:

- (i) concurrently, to the M and FI Classes, pro rata (or 17.6893202677% and 82.3106797323%, respectively), until their principal balances are reduced to zero; and
 - (ii) to the FJ Class, until its principal balance is reduced to zero.
- } Structured Collateral / Sequential Pay Classes

Group 7 Principal Distribution Amount

On each Distribution Date, we will pay the Group 7 Principal Distribution Amount as principal of the Group 7 Classes in the following order of priority:

- (i) to the T Class, until its principal balance is reduced to zero; and
- (ii) (a) 50% of the remaining amount, sequentially, to the U and V Classes, in that order, until their principal balances are reduced to zero, and
- (b) 50% of such remaining amount, concurrently, to the QA and QB Classes, pro rata (or 20% and 80%, respectively), until their principal balances are reduced to zero.

Sequential
Pay
Classes

Principal payments on exchangeable REMIC Certificates will be applied to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

Effect of Redemption of the Group 5 Underlying Redeemable Certificate on the Group 5 Classes

Under certain conditions, the Group 5 Underlying Redeemable Certificate may be redeemed in full on any Distribution Date beginning with the Distribution Date in January 2000. See the Trust 1999-R1 Prospectus under the heading “Description of the Certificates—Redemption and Exchange” for additional information. The class factors for the Group 5 Classes for the month in which the Group 5 Underlying Redeemable Certificate is to be redeemed will be zero. At the time of redemption, the Holder of each Certificate of any Group 5 Class will receive an amount (the “Redemption Distribution Amount”) equal to the sum of:

- 100% of the outstanding principal balance of the Certificate, **plus**
- accrued interest at the applicable annual rate for the Certificate for the related Interest Accrual Period, **plus**
- accrued interest at the applicable annual rate for the Certificate for the period from the first day of the month in which the Group 5 Underlying Redeemable Certificate is redeemed through the 24th day of that month, calculated on the principal balance that would have remained outstanding immediately after the Distribution Date if the redemption had not occurred.

Payment of the Redemption Distribution Amount will be in lieu of any payment of principal and interest that otherwise would be made on that Distribution Date.

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 underlying the Group 2, 3, 4 and 6 Underlying REMIC Certificates, the priority sequences affecting the principal payments on such Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 MBS and Group 7 Ginnie Mae Certificates have the original terms to maturity, remaining terms to maturity or WARMs, CAGEs or WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the Group 1 MBS, Group 5 Underlying Redeemable Certificate and Group 7 Ginnie Mae Certificates”;
- the Mortgage Loans indirectly underlying the Group 5 Underlying Redeemable Certificate have the original term to maturity, remaining terms to maturity, CAGEs and interest rates described in the Trust 1999-R1 Prospectus attached to this prospectus supplement;

- we pay all payments (including prepayments) on the Mortgage Loans underlying the Group 7 Ginnie Mae Certificates in the month we receive them;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the settlement date for the sale of the Certificates is January 29, 1999.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of the Certificates—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.

Structuring Rates. The Principal Balance Schedules are found beginning on page B-1. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at the applicable rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Group (1)</u>	<u>Structuring Rates</u>
Targeted Balances	BC	65%
Targeted Balances	F and A	148%
Targeted Balances	FA and CH	137%
Targeted Balances	Segment Group I	204%

(1) The Structuring Rate for the Segment Group is associated with the Segment Balance but not with the individual balances of the related Classes.

We cannot assure you that the balance of any Class or Group listed above will conform on any Distribution Date to the specified balance in the Principal Balance Schedules. As a result, we cannot assure you that payments of principal of any Class or Group listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules. We will distribute any excess of principal payments over the amount needed to reduce a Class or Group to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class or Group to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Classes and Groups specified above may not be reduced to their scheduled balances, even if prepayments occur at the applicable rates specified above.

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 applicable Index. 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 such assumed streams of cash flows to equal the assumed aggregate purchase prices of such Classes, and
- converting such 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 such 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 applicable Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

The Group 5 Classes. The yields to investors in the Group 5 Classes will be sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans and to any redemption of the Group 5 Underlying Redeemable Certificate. The Mortgage Loans generally can be prepaid at any time.

The information in the following tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) redemption of the Group 5 Underlying Redeemable Certificate occurs on the January 2000 Distribution Date, as specified in the tables, (ii) interest is paid through the 24th day of the month in which the redemption, if any, is assumed to occur, and (iii) the aggregate purchase prices of the Group 5 Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
K	99.000000%
JC	100.000000%
JA	97.000000%
J	100.000000%
JB	98.000000%
LA	99.631250%
LB	99.703120%
LC	99.775000%
LD	99.846875%
LE	99.918750%
LH	101.500000%

* The prices do not include accrued interest. Accrued interest has been added to such prices in calculating the yields in the table below.

**Pre-Tax Yields of the K, JC, JA, J and JB Classes
(Assuming Redemption of the Group 5 Underlying Redeemable Certificate
on the January 2000 Distribution Date)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50% PSA</u>	<u>100% PSA</u>	<u>205% PSA</u>	<u>300% PSA</u>	<u>500% PSA</u>
K	8.7%	9.8%	11.9%	13.0%	14.9%
JC	6.5%	6.5%	6.5%	6.5%	6.4%
JA	9.8%	9.8%	9.8%	9.8%	9.8%
J	6.5%	6.5%	6.5%	6.5%	6.4%
JB	8.7%	8.7%	8.7%	8.7%	8.7%
LA	6.6%	6.6%	6.6%	6.6%	6.6%
LB	6.6%	6.6%	6.6%	6.6%	6.5%
LC	6.6%	6.6%	6.6%	6.5%	6.5%
LD	6.6%	6.6%	6.5%	6.5%	6.5%
LE	6.5%	6.5%	6.5%	6.5%	6.4%
LH	6.0%	5.9%	5.8%	5.8%	5.6%

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 applicable Index. The Mortgage Loans generally can be prepaid at any time without penalty. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool. As illustrated in the applicable table below, it is possible that investors in the S, SD, SG, SM, SI, SK, SJ and SL Classes would lose money on their initial investments under certain Index and prepayment scenarios.

Changes in the applicable 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 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 “Reference Sheet—Interest Rates” and for each following Interest Accrual Period will be based on the specified level of the applicable Index, and
- the aggregate purchase prices of such Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
S	3.9500%
SC	98.3750%
SD	100.1875%
SG	7.7500%
SM	79.8750%
SI	1.8750%
SK	0.03125%
SJ	6.46875%
SL	0.03125%
SH	96.9375%
SP	97.7500%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>137%</u>	<u>148%</u>	<u>204%</u>	<u>350%</u>	<u>500%</u>
3.625%	116.9%	110.7%	105.6%	104.6%	102.3%	86.3%	66.3%
5.625%	54.9%	48.3%	42.2%	40.8%	35.7%	11.3%	(12.3)%
7.625%	(8.9)%	(16.2)%	(31.3)%	(30.7)%	(57.9)%	*	*
7.700%	*	*	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>320%</u>	<u>450%</u>	<u>550%</u>
3.375%	12.0%	12.1%	13.0%	13.9%	14.6%
5.375%	5.4%	5.5%	6.7%	8.0%	8.9%
7.000%	0.2%	0.2%	1.6%	3.2%	4.3%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>320%</u>	<u>450%</u>	<u>550%</u>
3.125%	86.1%	86.1%	82.9%	71.1%	55.3%
5.125%	47.2%	47.1%	41.1%	28.4%	13.7%
7.125%	9.4%	8.3%	(3.1)%	(14.0)%	(23.9)%
7.800%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
3.125%	24.3%	23.7%	(21.8)%	*	*
5.125%	11.9%	10.4%	(42.7)%	*	*
7.125%	(6.9)%	(10.9)%	(79.3)%	*	*
7.600%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
5.776% and below	119.2%	119.2%	93.0%	(42.9)%	*
7.125%	28.0%	27.5%	(16.1)%	*	*
7.600%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
1.12500%	88,334.3%	88,334.3%	88,333.5%	87,004.8%	76,876.6%
2.12500%	9,314.5%	9,314.5%	9,311.4%	8,820.9%	6,935.2%
2.71691%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
5.776% and below	46.0%	46.0%	44.5%	(4.4)%	(88.9)%
7.125%	22.3%	22.2%	18.4%	(45.6)%	*
8.500%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
1.12500%	88,333.8%	88,333.8%	88,333.8%	88,333.8%	88,322.6%
2.12500%	9,314.4%	9,314.4%	9,314.4%	9,314.3%	9,288.1%
2.71691%	*	*	*	*	*

* The pre-tax yield to maturity would be less than (99.9)%.

**Sensitivity of the SD Class to Prepayments and Prime Rate
(Pre-Tax Yields to Maturity)**

<u>Prime Rate</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
9.000% and below	10.2%	10.2%	10.2%	9.9%	9.5%
9.750%	6.1%	6.1%	6.1%	5.9%	5.6%
10.875%	0.0%	0.0%	0.0%	(0.1)%	(0.1)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
3.125%	20.2%	20.2%	21.0%	23.4%	26.4%
5.125%	11.1%	11.1%	12.1%	15.0%	18.6%
7.125%	2.3%	2.3%	3.5%	6.9%	11.0%
7.600%	0.2%	0.3%	1.4%	5.0%	9.3%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
3.125%	16.5%	16.5%	17.1%	18.8%	20.8%
5.125%	9.1%	9.1%	9.8%	11.9%	14.5%
7.125%	1.8%	1.9%	2.7%	5.3%	8.3%
7.600%	0.2%	0.2%	1.1%	3.7%	6.9%

The L Class. The yield to investors in the L 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 L Class would be 0% if prepayments of the related Mortgage Loans were to occur at a constant rate of 280% PSA. If the actual prepayment rate of the related Mortgage Loans were to exceed that level for as little as one month while equaling such level for the remaining months, the investors in the L Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
L	30.234375%

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

Sensitivity of the L Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	22.3%	22.1%	18.3%	(45.8)%	(127.0)%

The Principal Only Classes. The Principal Only Classes will not bear interest. As indicated in the table below, a low rate of principal payments (including prepayments) on the related Mortgage Loans will have a negative effect on the yield to investors in the Principal Only Classes.

The information shown in the following table was prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Principal Only Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price</u>
G	75.0000%
M	16.9375%

**Sensitivity of the Principal Only Classes to Prepayments
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>320%</u>	<u>450%</u>	<u>550%</u>
G	1.5%	1.7%	4.0%	6.8%	10.3%

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>350%</u>	<u>500%</u>
M.....	9.7%	12.4%	102.6%	533.7%	1927.5%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a).

For a description of the factors which may influence the weighted average life of a Certificate, see “Description of the Certificates—Weighted Average Life and Final Distribution Date” 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 such rate of principal payments,
- the priority sequences of distributions of principal of the Group 1, Group 5, Group 6 and Group 7 Classes,
- in the case of the Group 2, Group 3, Group 4 and Group 6 Classes, the priority sequences affecting distributions on the related Underlying REMIC Certificates,
- in the case of the Group 5 Classes, whether and, if so, when a redemption of the Group 5 Underlying Redeemable Certificate occurs, and
- in the case of certain Group 1 Classes, the payment of principal of such Classes in accordance with the Principal Balance Schedules.

See “Distributions of Principal” herein and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Documents and in the Trust 1999-R1 Prospectus.

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 such 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 such Classes. The tables have been prepared on the basis of the Pricing Assumptions and the assumption that no redemption of the Group 5 Underlying Redeemable Certificate will occur. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying 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 Relating to 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	9.0%
Group 2 Underlying REMIC Certificates	360 months	300 months	10.0%
Group 3 Underlying REMIC Certificates	360 months	302 months	9.0%
Group 4 Underlying REMIC Certificate	360 months	300 months	10.0%
Group 5 Underlying Redeemable Certificate	360 months	360 months	9.0%
Group 6 Underlying REMIC Certificates	360 months	297 months	9.0%
Group 7 Ginnie Mae Certificates	360 months	360 months	8.0%

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, CAGEs or WALAs or remaining terms to maturity assumed or
- that the underlying 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. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs or WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions. Finally, it is uncertain whether and, if so, when a redemption of the Group 5 Underlying Redeemable Certificate will occur.

Percent of Original Principal Balances Outstanding

Date	BC Class						F and A Classes						FA and CH Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	65%	100%	204%	350%	500%	0%	100%	148%	204%	350%	500%	0%	100%	137%	204%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2000	100	100	100	100	100	100	97	91	89	89	89	81	97	91	89	89	89	81
January 2001	99	94	94	94	94	94	97	85	77	77	57	34	97	85	79	77	57	34
January 2002	97	88	88	88	88	80	96	78	63	57	22	0	96	78	67	57	22	0
January 2003	96	81	81	81	79	55	95	71	51	41	0	0	95	71	56	41	0	0
January 2004	94	74	74	74	61	38	94	65	41	27	0	0	94	65	46	27	0	0
January 2005	92	68	68	68	48	26	93	59	32	17	0	0	93	59	38	17	0	0
January 2006	91	62	62	62	37	18	92	54	24	8	0	0	92	54	31	8	0	0
January 2007	88	56	56	56	29	12	91	49	18	2	0	0	91	49	25	2	0	0
January 2008	86	50	50	50	22	9	90	45	13	0	0	0	90	45	19	0	0	0
January 2009	84	45	45	44	17	6	89	41	8	0	0	0	89	41	15	0	0	0
January 2010	81	39	39	38	13	4	87	37	4	0	0	0	87	37	11	0	0	0
January 2011	78	34	34	32	10	3	86	34	1	0	0	0	86	34	8	0	0	0
January 2012	74	29	29	27	8	2	84	31	0	0	0	0	84	31	5	0	0	0
January 2013	71	24	24	23	6	1	83	29	0	0	0	0	83	29	3	0	0	0
January 2014	67	19	19	20	5	1	81	26	0	0	0	0	81	26	2	0	0	0
January 2015	62	14	14	17	3	1	79	24	0	0	0	0	79	24	0	0	0	0
January 2016	58	10	10	14	3	*	77	22	0	0	0	0	77	22	0	0	0	0
January 2017	52	5	5	12	2	*	75	20	0	0	0	0	75	20	0	0	0	0
January 2018	47	1	1	10	1	*	73	17	0	0	0	0	73	17	0	0	0	0
January 2019	40	0	0	8	1	*	70	10	0	0	0	0	70	10	0	0	0	0
January 2020	33	0	0	6	1	*	68	1	0	0	0	0	68	1	0	0	0	0
January 2021	26	0	0	5	1	*	65	0	0	0	0	0	65	0	0	0	0	0
January 2022	18	0	0	4	*	*	62	0	0	0	0	0	62	0	0	0	0	0
January 2023	9	0	0	3	*	*	59	0	0	0	0	0	59	0	0	0	0	0
January 2024	0	0	0	2	*	*	54	0	0	0	0	0	54	0	0	0	0	0
January 2025	0	0	0	2	*	*	33	0	0	0	0	0	33	0	0	0	0	0
January 2026	0	0	0	1	*	*	10	0	0	0	0	0	10	0	0	0	0	0
January 2027	0	0	0	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.0	9.5	9.5	9.9	6.8	5.0	21.3	9.4	4.8	3.7	2.2	1.7	21.3	9.4	5.5	3.7	2.2	1.7

Date	ZA Class					ZB Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	204%	350%	500%	0%	100%	204%	350%	500%	0%	100%	204%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2000	107	107	70	4	0	107	107	62	0	0	107	107	107	107	0
January 2001	114	114	1	0	0	114	114	0	0	0	114	114	114	114	0
January 2002	121	121	0	0	0	121	121	0	0	0	121	121	121	121	0
January 2003	130	130	0	0	0	130	130	0	0	0	130	130	130	130	0
January 2004	138	138	0	0	0	138	138	0	0	0	138	138	138	138	0
January 2005	148	148	0	0	0	148	148	0	0	0	148	148	148	148	0
January 2006	157	157	0	0	0	157	157	0	0	0	157	157	157	157	0
January 2007	168	168	0	0	0	168	168	0	0	0	168	168	168	168	0
January 2008	179	179	0	0	0	179	179	0	0	0	179	179	62	0	0
January 2009	191	191	0	0	0	191	191	0	0	0	191	191	0	0	0
January 2010	204	204	0	0	0	204	204	0	0	0	204	204	0	0	0
January 2011	218	218	0	0	0	218	218	0	0	0	218	218	0	0	0
January 2012	232	232	0	0	0	232	232	0	0	0	232	232	0	0	0
January 2013	248	248	0	0	0	248	248	0	0	0	248	248	0	0	0
January 2014	264	264	0	0	0	264	264	0	0	0	264	264	0	0	0
January 2015	282	282	0	0	0	282	282	0	0	0	282	282	0	0	0
January 2016	301	301	0	0	0	301	301	0	0	0	301	301	0	0	0
January 2017	321	321	0	0	0	321	321	0	0	0	321	321	0	0	0
January 2018	343	343	0	0	0	343	343	0	0	0	343	343	0	0	0
January 2019	366	366	0	0	0	366	366	0	0	0	366	366	0	0	0
January 2020	390	390	0	0	0	390	390	0	0	0	390	390	0	0	0
January 2021	416	323	0	0	0	416	323	0	0	0	416	416	0	0	0
January 2022	444	246	0	0	0	444	246	0	0	0	444	444	0	0	0
January 2023	474	172	0	0	0	474	172	0	0	0	474	474	0	0	0
January 2024	506	101	0	0	0	506	101	0	0	0	506	506	0	0	0
January 2025	539	33	0	0	0	539	33	0	0	0	539	539	0	0	0
January 2026	576	0	0	0	0	576	0	0	0	0	576	463	0	0	0
January 2027	424	0	0	0	0	424	0	0	0	0	614	283	0	0	0
January 2028	124	0	0	0	0	124	0	0	0	0	655	113	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.5	23.8	1.3	0.7	0.5	28.5	23.8	1.1	0.7	0.5	29.7	28.1	8.9	0.3	0.2

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

** Determined as specified under "Weighted Average Lives of the Certificates" herein.

Date	S† Class							SC Class					SD Class					
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	137%	148%	204%	350%	500%	0%	100%	320%	450%	550%	0%	100%	220%	350%	500%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2000	97	91	89	89	89	89	81	100	100	56	18	6	100	100	100	100	100	58
January 2001	97	85	79	78	77	57	34	100	100	21	1	1	100	100	100	100	65	0
January 2002	96	78	67	65	57	22	0	100	100	0	0	0	100	100	100	5	0	0
January 2003	95	71	56	53	41	0	0	100	100	0	0	0	100	100	100	0	0	0
January 2004	94	65	46	43	27	0	0	100	100	0	0	0	100	100	100	0	0	0
January 2005	93	59	38	34	17	0	0	100	97	0	0	0	100	100	100	0	0	0
January 2006	92	54	31	27	8	0	0	100	80	0	0	0	100	100	100	0	0	0
January 2007	91	49	25	20	2	0	0	100	62	0	0	0	100	100	94	0	0	0
January 2008	90	45	19	15	0	0	0	100	43	0	0	0	100	100	84	0	0	0
January 2009	89	41	15	11	0	0	0	100	23	0	0	0	100	100	76	0	0	0
January 2010	87	37	11	7	0	0	0	100	2	0	0	0	100	100	65	0	0	0
January 2011	86	34	8	4	0	0	0	100	0	0	0	0	100	100	55	0	0	0
January 2012	84	31	5	3	0	0	0	100	0	0	0	0	100	100	46	0	0	0
January 2013	83	29	3	2	0	0	0	100	0	0	0	0	100	100	39	0	0	0
January 2014	81	26	2	2	0	0	0	100	0	0	0	0	100	100	32	0	0	0
January 2015	79	24	0	2	0	0	0	100	0	0	0	0	100	100	25	0	0	0
January 2016	77	22	0	1	0	0	0	100	0	0	0	0	100	100	20	0	0	0
January 2017	75	20	0	1	0	0	0	87	0	0	0	0	100	100	15	0	0	0
January 2018	73	17	0	*	0	0	0	59	0	0	0	0	100	100	11	0	0	0
January 2019	70	10	0	0	0	0	0	28	0	0	0	0	100	85	8	0	0	0
January 2020	68	1	0	0	0	0	0	0	0	0	0	0	100	62	5	0	0	0
January 2021	65	0	0	0	0	0	0	0	0	0	0	0	100	40	2	0	0	0
January 2022	62	0	0	0	0	0	0	0	0	0	0	0	100	18	*	0	0	0
January 2023	59	0	0	0	0	0	0	0	0	0	0	0	100	1	0	0	0	0
January 2024	54	0	0	0	0	0	0	0	0	0	0	0	18	0	0	0	0	0
January 2025	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.3	9.4	5.5	5.1	3.7	2.2	1.7	19.3	8.6	1.2	0.6	0.5	24.7	21.6	13.3	2.3	1.1	

Date	G and SG† Classes					K Class					JC, LA, LB, LC, LD, LE and LH Classes					JA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	320%	450%	550%	0%	100%	205%	300%	500%	0%	100%	205%	300%	500%	0%	100%	205%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2000	100	100	100	100	90	66	0	0	0	0	100	95	88	82	69	100	100	100	100	100
January 2001	100	100	100	79	58	28	0	0	0	0	100	87	75	65	45	100	100	100	100	100
January 2002	100	100	94	59	36	0	0	0	0	0	100	80	64	51	29	100	100	100	100	100
January 2003	100	100	79	43	23	0	0	0	0	0	99	74	54	39	17	100	100	100	100	100
January 2004	100	100	66	32	15	0	0	0	0	0	98	67	45	30	9	100	100	100	100	100
January 2005	100	100	55	24	10	0	0	0	0	0	96	62	38	23	4	100	100	100	100	100
January 2006	100	100	45	19	7	0	0	0	0	0	95	56	32	17	*	100	100	100	100	100
January 2007	100	100	37	15	6	0	0	0	0	0	94	51	26	12	0	100	100	100	100	70
January 2008	100	100	31	12	5	0	0	0	0	0	92	46	21	8	0	100	100	100	100	48
January 2009	100	100	25	9	4	0	0	0	0	0	91	41	17	5	0	100	100	100	100	33
January 2010	100	100	19	6	2	0	0	0	0	0	89	37	13	2	0	100	100	100	100	22
January 2011	100	90	15	4	2	0	0	0	0	0	87	33	10	0	0	100	100	100	100	15
January 2012	100	80	11	3	1	0	0	0	0	0	84	29	7	0	0	100	100	100	79	10
January 2013	100	71	8	2	1	0	0	0	0	0	82	26	5	0	0	100	100	100	62	7
January 2014	100	61	6	1	*	0	0	0	0	0	79	22	3	0	0	100	100	100	49	5
January 2015	100	53	5	1	*	0	0	0	0	0	77	19	1	0	0	100	100	100	38	3
January 2016	100	45	3	1	*	0	0	0	0	0	73	16	0	0	0	100	100	91	29	2
January 2017	100	37	2	*	*	0	0	0	0	0	70	13	0	0	0	100	100	75	22	1
January 2018	100	29	2	*	*	0	0	0	0	0	66	10	0	0	0	100	100	61	17	1
January 2019	100	22	1	*	*	0	0	0	0	0	62	8	0	0	0	100	100	49	13	1
January 2020	96	15	1	*	*	0	0	0	0	0	57	5	0	0	0	100	100	38	9	*
January 2021	76	9	*	*	*	0	0	0	0	0	53	3	0	0	0	100	100	30	7	*
January 2022	53	4	*	*	*	0	0	0	0	0	47	1	0	0	0	100	100	22	5	*
January 2023	28	*	*	*	*	0	0	0	0	0	41	0	0	0	0	100	83	16	3	*
January 2024	0	0	0	0	0	0	0	0	0	0	35	0	0	0	0	100	59	10	2	*
January 2025	0	0	0	0	0	0	0	0	0	0	28	0	0	0	0	100	36	6	1	*
January 2026	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0	100	14	2	*	*
January 2027	0	0	0	0	0	0	0	0	0	0	11	0	0	0	0	100	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	100	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.1	16.7	7.6	4.7	3.1	1.4	0.2	0.1	0.1	0.1	20.8	9.3	5.5	3.9	2.3	29.6	25.4	20.5	15.9	9.7

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.
** Determined as specified under "Weighted Average Lives of the Certificates" herein.
† In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Date	J Class					JB Class					FJ, SJ†, SL† and L† Classes					M, SM†, FI, SI†, SH, SP and SK† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	205%	300%	500%	0%	100%	205%	300%	500%	0%	100%	220%	350%	500%	0%	100%	220%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2000	100	95	88	82	69	100	100	100	100	100	100	100	100	100	54	100	100	92	27	0
January 2001	100	87	75	65	46	100	100	100	100	100	100	100	100	58	0	100	100	63	0	0
January 2002	100	80	64	51	29	100	100	100	100	100	100	100	100	12	0	100	100	38	0	0
January 2003	99	74	54	40	18	100	100	100	100	100	100	100	100	0	0	100	100	20	0	0
January 2004	98	68	46	31	10	100	100	100	100	100	100	100	100	0	0	100	100	7	0	0
January 2005	97	62	39	24	5	100	100	100	100	100	100	100	100	94	0	0	100	100	0	0
January 2006	95	57	32	18	1	100	100	100	100	100	100	100	100	81	0	0	100	100	0	0
January 2007	94	51	27	13	0	100	100	100	100	80	100	100	70	0	0	100	100	0	0	0
January 2008	92	47	22	9	0	100	100	100	100	55	100	100	59	0	0	100	100	0	0	0
January 2009	91	42	18	6	0	100	100	100	100	37	100	100	51	0	0	100	100	0	0	0
January 2010	89	38	14	3	0	100	100	100	100	25	100	100	43	0	0	100	100	0	0	0
January 2011	87	34	11	1	0	100	100	100	100	17	100	100	36	0	0	100	100	0	0	0
January 2012	85	30	8	0	0	100	100	100	90	12	100	100	30	0	0	100	86	0	0	0
January 2013	82	26	6	0	0	100	100	100	71	8	100	100	24	0	0	100	67	0	0	0
January 2014	80	23	4	0	0	100	100	100	56	5	100	100	20	0	0	100	48	0	0	0
January 2015	77	20	2	0	0	100	100	100	43	3	100	100	16	0	0	100	29	0	0	0
January 2016	74	17	*	0	0	100	100	100	34	2	100	100	12	0	0	100	10	0	0	0
January 2017	70	14	0	0	0	100	100	86	26	2	100	92	9	0	0	100	0	0	0	0
January 2018	66	11	0	0	0	100	100	70	20	1	100	74	6	0	0	100	0	0	0	0
January 2019	62	9	0	0	0	100	100	56	15	1	100	56	4	0	0	100	0	0	0	0
January 2020	58	6	0	0	0	100	100	44	11	*	100	40	2	0	0	100	0	0	0	0
January 2021	53	4	0	0	0	100	100	34	8	*	100	23	1	0	0	100	0	0	0	0
January 2022	48	2	0	0	0	100	100	25	5	*	100	8	0	0	0	33	0	0	0	0
January 2023	42	0	0	0	0	100	96	18	4	*	60	0	0	0	0	0	0	0	0	0
January 2024	35	0	0	0	0	100	68	12	2	*	0	0	0	0	0	0	0	0	0	0
January 2025	28	0	0	0	0	100	41	7	1	*	0	0	0	0	0	0	0	0	0	0
January 2026	21	0	0	0	0	100	16	2	*	*	0	0	0	0	0	0	0	0	0	0
January 2027	12	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	3	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.9	9.5	5.6	3.9	2.3	29.7	25.7	21.1	16.4	10.0	24.1	20.5	11.1	2.2	1.1	22.8	14.9	2.7	0.8	0.4

Date	T Class					U Class					V Class					QA, QB and Q Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%	0%	100%	160%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2000	99	97	95	91	88	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2001	98	90	86	73	63	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2002	96	81	73	50	34	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2003	95	73	62	32	13	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	93	65	52	17	0	100	100	100	100	80	100	100	100	100	100	100	100	100	100	96
January 2005	92	58	42	6	0	100	100	100	100	0	100	100	100	100	83	100	100	100	100	66
January 2006	90	51	34	0	0	100	100	100	59	0	100	100	100	100	57	100	100	100	92	46
January 2007	88	45	26	0	0	100	100	100	0	0	100	100	100	89	39	100	100	100	71	31
January 2008	86	39	20	0	0	100	100	100	0	0	100	100	100	69	27	100	100	100	55	22
January 2009	84	33	14	0	0	100	100	100	0	0	100	100	100	53	18	100	100	100	43	15
January 2010	81	27	8	0	0	100	100	100	0	0	100	100	100	41	13	100	100	100	33	10
January 2011	78	22	3	0	0	100	100	100	0	0	100	100	100	32	9	100	100	100	25	7
January 2012	76	18	0	0	0	100	100	80	0	0	100	100	100	24	6	100	100	96	19	5
January 2013	72	13	0	0	0	100	100	20	0	0	100	100	100	19	4	100	100	84	15	3
January 2014	69	9	0	0	0	100	100	0	0	0	100	100	92	14	3	100	100	73	11	2
January 2015	65	5	0	0	0	100	100	0	0	0	100	100	80	11	2	100	100	64	9	1
January 2016	61	1	0	0	0	100	100	0	0	0	100	100	69	8	1	100	100	55	7	1
January 2017	57	0	0	0	0	100	58	0	0	0	100	100	59	6	1	100	92	47	5	1
January 2018	52	0	0	0	0	100	7	0	0	0	100	100	51	5	1	100	81	40	4	*
January 2019	47	0	0	0	0	100	0	0	0	0	100	90	43	3	*	100	72	34	3	*
January 2020	42	0	0	0	0	100	0	0	0	0	100	78	36	2	*	100	63	29	2	*
January 2021	36	0	0	0	0	100	0	0	0	0	100	67	30	2	*	100	54	24	1	*
January 2022	29	0	0	0	0	100	0	0	0	0	100	57	24	1	*	100	46	19	1	*
January 2023	22	0	0	0	0	100	0	0	0	0	100	47	19	1	*	100	38	16	1	*
January 2024	15	0	0	0	0	100	0	0	0	0	100	38	15	1	*	100	31	12	*	*
January 2025	7	0	0	0	0	100	0	0	0	0	100	30	11	*	*	100	24	9	*	*
January 2026	0	0	0	0	0	68	0	0	0	0	100	21	8	*	*	94	17	6	*	*
January 2027	0	0	0	0	0	0	0	0	0	0	81	14	5	*	*	65	11	4	*	*
January 2028	0	0	0	0	0	0	0	0	0	0	42	6	2	*	*	34	5	2	*	*
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.8	7.8	5.7	3.2	2.5	27.1	18.2	13.5	7.1	5.2	28.8	24.0	20.0	11.3	8.2	28.5	22.8	18.7	10.5	7.6

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.
** Determined as specified under "Weighted Average Lives of the Certificates" herein.
† In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Characteristics of the R, RB and RL Classes

The R, RB and RL Classes will not have principal balances and will not bear interest. If any assets of the Trust remain after the principal balances of all Classes are reduced to zero, we will pay the Holder of the R Class the proceeds from those assets. If any assets of the first Lower Tier REMIC remain after the principal balances of the related Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. If any assets of the second Lower Tier REMIC remain after the principal balances of the related Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RB Class. Fannie Mae does not expect that any material assets will remain in any such case.

The R, RB and RL Classes will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R, RB or RL Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R, RB or RL Certificate to any person that is not a “U.S. Person” without our written consent. Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R, RB and RL Classes will constitute noneconomic residual interests under the Regulations. Any transferee of an R, RB or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. Transferors of an R, RB or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust, the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the first Lower Tier REMIC, and the Holder of the RB Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the second Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to these Holders (i) information necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the R, RB or RL Class that may be required under the Code.

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

REMIC Elections and Special Tax Attributes

We will elect to treat the Lower Tier REMICs and the Trust as REMICs for federal income tax purposes. The REMIC Certificates, other than the R, RB and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC

constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RB and RL Classes will be designated as the “residual interests” in the respective Lower Tier REMICs.

Because the Lower Tier REMICs and the Trust will qualify as REMICs, 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, “real estate assets” for real estate investment trusts, and, except for the R, RB and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes, the Principal Only Classes and the Accrual 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 “Certain 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 “Certain 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>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	204%
2	320%
3	220%
4	320%
5	205%
6	220%
7	160%

See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount—Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS or the Ginnie Mae Certificates will prepay at any of those rates or any other rate. See “Description of the Certificates—*Weighted Average Lives of the Certificates*” in this prospectus supplement and “Description of the Certificates—*Weighted Average Life and Final Distribution Date*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or either of the Lower Tier REMICs) that generally will not be treated as excess inclusions, the rate to be used is 6.12% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

As the owner of the Group 5 Underlying Redeemable Certificate, the second Lower Tier REMIC will be treated as (i) owning an undivided interest in the related MBS and (ii) writing a call option on that interest when it acquires that interest. For a discussion of the tax consequences associated with such treatment, see “Certain Federal Income Tax Consequences” in the Trust 1999-R1 Prospectus.

Taxation of Beneficial Owners of RCR Certificates

General. 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 REMIC Certificates that are exchanged for RCR Certificates (including any exchanges effective on the Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an ownership interest in those REMIC Certificates. For a general discussion of the federal income tax treatment of beneficial owners of REMIC Certificates, see “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

The RCR Classes will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. The ownership interest represented by RCR Class Certificates will be one of two types. 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 an underlying REMIC Certificate. A Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

The LA, LB, LC, LD, LE and LH Classes are Strip RCR Classes. The SH, SP and Q Classes are Combination RCR Classes.

Strip RCR Classes. The tax consequences to a beneficial owner of a Strip RCR Certificate will be determined under section 1286 of the Code, except as discussed below. Under section 1286, a beneficial owner of a Strip RCR Certificate will be treated as owning “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying REMIC Certificates. If a Strip RCR Certificate entitles the holder to payments of principal and interest on an underlying REMIC Certificate, the IRS could contend that the Strip RCR Certificate should be treated (i) as an interest in the underlying REMIC Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on the underlying REMIC Certificate, and (ii) with respect to the remainder, as an installment obligation consisting of “stripped bonds” to the extent of its share of principal payments or “stripped coupons” to the extent of its share of interest payments. For purposes of information reporting, however, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument, regardless of whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

Under section 1286, the beneficial owner of a Strip RCR Certificate must treat the Strip RCR 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 its “stated redemption price at maturity” over the price paid by the owner to acquire it. The stated redemption price at maturity for a Strip RCR Certificate is determined in the same manner as described with respect to Regular Certificates under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus.

If a Strip RCR Certificate has OID, the beneficial owner must include the OID in its ordinary income for federal income tax purposes as the OID accrues, which may be prior to the receipt of the cash attributable to that income. Although the matter is not entirely clear, a beneficial owner should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price. For a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time the Strip RCR Certificate is acquired or would be the original Prepayment Assumption for the underlying REMIC Certificates. For purposes of information reporting, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption. You should consult your own tax advisors regarding the proper method for accruing OID on a Strip RCR Certificate.

The rules of section 1286 of the Code also apply if (i) a beneficial owner of a REMIC Certificate exchanges it for Strip RCR Certificates, (ii) the beneficial owner sells some, but not all, of the Strip RCR Certificates, and (iii) the combination of retained Strip RCR Certificates cannot be exchanged for the related REMIC Certificate. As of the date of such a sale, the beneficial owner must allocate its basis in the REMIC Certificate between the part of the REMIC Certificate underlying the Strip RCR Certificates sold and the part of the REMIC Certificate underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to the retained Certificates, and the beneficial owner must then accrue any OID with respect to the retained Certificates as described above. Section 1286 does not apply, however, if a beneficial owner exchanges a REMIC Certificate for the related RCR Certificates and retains all the RCR Certificates. See “—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*.”

Upon the sale of a Strip RCR Certificate, a beneficial owner will realize gain or loss on the sale in an amount equal to the difference between the amount realized and its adjusted basis in the Certificate. The owner’s adjusted basis generally is equal to the owner’s cost of the Certificate (or portion of the cost of a REMIC Certificate allocable to the RCR Certificate), increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium. If the beneficial owner holds the Certificate as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Sales and Other Dispositions of Regular Certificates” in the REMIC Prospectus.

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under “—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*”) a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case section 1286 would not apply. If a beneficial owner acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for a REMIC Certificate, see “—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*.”

Combination RCR Classes. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. A beneficial owner of a Combination RCR Certificate must allocate its cost to acquire that Certificate among the underlying REMIC Certificates in proportion to their relative fair market values at the time of acquisition. Such owner should account for its ownership interest in each underlying REMIC Certificate as described under “—Taxation of Beneficial Owners of Regular Certificates” in this prospectus supplement and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, the owner must allocate the sale proceeds among the underlying REMIC Certificates in proportion to their relative fair market values at the time of sale.

Exchanges. If a beneficial owner exchanges one or more REMIC Certificates for the related RCR Certificate or Certificates in the manner described under “Description of the Certificates—Combination and Recombination” in this prospectus supplement, the exchange will not be taxable. Likewise, if a beneficial owner exchanges one or more RCR Certificates for the related REMIC Certificate or Certificates in the manner described in that discussion, the exchange will not be a taxable exchange. In each of these cases, the beneficial owner will be treated as continuing to own after the exchange the same combination of interests in the related REMIC Certificates (or the same interest in the related REMIC Certificate) that it owned immediately prior to the exchange.

ADDITIONAL ERISA CONSIDERATIONS RELATING TO THE GROUP 5 CLASSES

The Certificates of the Group 5 Classes would appear to qualify as “guaranteed governmental mortgage pool certificates” as defined in the Department of Labor regulation discussed under the heading “ERISA Considerations” in the REMIC Prospectus. However, the acquisition or exercise of the right to cause redemption of the Underlying Redemption Certificate (the “Redemption Right”) might be characterized under ERISA as a principal transaction between the owner of a Certificate of the Group 5 Classes and the beneficial owner of the Redemption Right. Thus, in theory, the acquisition or exercise of the Redemption Right could be characterized under certain circumstances as a prohibited transaction under ERISA between a Plan and “party in interest” (assuming that the Plan holds a Certificate of the Group 5 Classes and the “party in interest” holds the related Redemption Right, or vice versa), unless a prohibited transaction exemption under ERISA (such as PTE 84-14 for Transactions by Independent Qualified Professional Asset Managers) is available. Plan fiduciaries should consult their counsel concerning these issues.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to PaineWebber Incorporated (the “Dealer”) in exchange for the Group 1 MBS, the Group 2, 3, 4 and 6 Underlying REMIC Certificates, the Group 5 Underlying Redeemable Certificate and the Group 7 Ginnie Mae 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.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Group 1, Group 5 or Group 7 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Group 1 MBS, the Group 5 Underlying Redeemable Certificate or Group 7 Ginnie Mae Certificates in principal balance, but we expect that all these additional MBS or Certificates will have the same characteristics as described under “Description of the Certificates—The Group 1 MBS,” “—The Group 5 Underlying Redeemable Certificate” and “—The Group 7 Ginnie Mae Certificates,” as applicable. The proportion that the original principal balance of each Group 1, Group 5 or Group 7 Class bears to the aggregate original principal balance of all Group 1, Group 5 or Group 7 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

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 or Notional Balance of Class	January 1999 Class Factor	Principal Balance or Notional Balance in the related Lower Tier REMIC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
1994-22	E	February 1994	31359GRQ1	(2)	PO	January 2024	SCH	\$22,275,000	0.42520241	\$ 6,685,172	282	67	MBS	2
1996-14	SR	April 1996	31359KBj5	(3)	INV/IO	January 2024	NTL	47,069,167	0.45328312	21,335,661	282	67	MBS	2
1997-65	B	September 1997	31359QD84	(2)	PO	March 2024	SC/PT	9,803,996	1.00000000	6,569,688	287	61	MBS	3
1996-67	SM	December 1996	31359NCD1	(3)	INV/IO	March 2024	NTL	6,569,688	1.00000000	6,569,688	287	61	MBS	3
1994-22	S	February 1994	31359GRS7	(3)	INV	January 2024	NTL	48,600,000	0.95052905	7,785,783	282	67	MBS	4
1993-201	FA	October 1993	31359ESL6	(3)	FLT	October 2023	SUP	79,400,000	0.98842175	48,630,686	283	65	MBS	6
1993-201	SA	October 1993	31359ESM4	(3)	INV	October 2023	SUP	30,000,000	0.98842175	1,477,690	283	65	MBS	6
1998-64	SF	November 1998	31359U2M6	(3)	INV/IO	October 2023	NTL	2,530,218	1.00000000	2,530,218	283	65	MBS	6
1998-64	C	November 1998	31359U2L8	(3)	FIX	October 2023	SC/PT	4,003,434	1.00000000	4,003,434	283	65	MBS	6
1996-27	A	July 1996	31359KNF0	(2)	PO	October 2023	SC/PT	3,000,000	1.00000000	3,000,000	283	65	MBS	6
1993-201	SE	October 1993	31359ESN2	(3)	INV	December 2022	SUP	24,700,000	0.97684349	21,173,082	283	65	MBS	6
1996-11	SB	April 1996	31359L5P6	(3)	INV/IO	October 2023	NTL	15,775,000	1.00000000	15,775,000	283	65	MBS	6

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

(2) These Classes are Principal Only Classes and bear no interest.

(3) These Classes bear interest during their respective interest accrual periods, subject to the applicable maximum and minimum interest rates, as further described in the related Underlying REMIC Disclosure Documents.

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balance	RCR Classes	Original Principal Balance	Interest Rate	Interest Type(2)	Principal Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
M	\$ 8,737,549	SH	\$ 8,737,549	(3)	INV	SC/SEQ	31359VET6	October 2023
SM	8,737,549							
Recombination 2								
M	8,737,549	SP	8,737,549	(3)	INV	SC/SEQ	31359VEU3	October 2023
SM	7,235,512							
Recombination 3								
JC	171,524,374	LA LH	131,941,827 39,582,547	6.20% 7.50	FIX FIX	RDM/SEQ RDM/SEQ	31359VEV1 31359VFA6	May 2028 May 2028
Recombination 4								
JC	171,524,374	LB LH	137,219,500 34,304,874	6.25 7.50	FIX FIX	RDM/SEQ RDM/SEQ	31359VEW9 31359VFA6	May 2028 May 2028
Recombination 5								
JC	171,524,374	LC LH	142,936,979 28,587,395	6.30 7.50	FIX FIX	RDM/SEQ RDM/SEQ	31359VEX7 31359VFA6	May 2028 May 2028
Recombination 6								
JC	171,524,374	LD LH	149,151,630 22,372,744	6.35 7.50	FIX FIX	RDM/SEQ RDM/SEQ	31359VEY5 31359VFA6	May 2028 May 2028
Recombination 7								
JC	171,524,374	LE LH	155,931,250 15,593,124	6.40 7.50	FIX FIX	RDM/SEQ RDM/SEQ	31359VEZ2 31359VFA6	May 2028 May 2028
Recombination 8								
QA	5,000,000	Q	25,000,000	6.50	FIX	SEQ	31359VFB4	January 2029
QB	20,000,000							

(1) The principal balance and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balance of the related Classes.
(2) See "Description of the Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" herein.
(3) For a description of this interest rate, see "Description of the Certificates—Distributions of Interest" herein.

Principal Balance Schedules

<u>Distribution Date</u>	<u>BC Class Targeted Balance</u>	<u>Segment Group 1 Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>A Class Targeted Balance</u>	<u>FA Class Targeted Balance</u>	<u>CH Class Targeted Balance</u>
Initial Balance	\$281,534,635.00	\$183,701,350.00	\$13,333,333.00	\$100,000,000.00	\$6,666,666.00	\$50,000,000.00
February 1999	281,534,635.00	182,607,113.02	13,256,478.21	99,423,589.03	6,629,686.55	49,722,654.11
March 1999	281,534,635.00	181,350,858.37	13,170,344.38	98,777,585.34	6,588,406.33	49,413,052.43
April 1999	281,534,635.00	179,933,188.15	13,074,962.16	98,062,218.66	6,542,839.18	49,071,298.78
May 1999	281,534,635.00	178,354,873.57	12,970,369.19	97,277,771.39	6,493,001.96	48,697,519.60
June 1999	281,534,635.00	176,616,854.82	12,856,610.14	96,424,578.49	6,438,914.54	48,291,863.86
July 1999	281,534,635.00	174,720,240.58	12,733,736.66	95,503,027.33	6,380,599.77	47,854,503.06
August 1999	281,534,635.00	172,666,307.29	12,601,807.35	94,513,557.46	6,318,083.51	47,385,631.08
September 1999	281,534,635.00	170,456,498.13	12,460,887.73	93,456,660.34	6,251,394.59	46,885,464.08
October 1999	281,534,635.00	168,092,421.69	12,311,050.22	92,332,878.97	6,180,564.77	46,354,240.38
November 1999	281,534,635.00	165,575,850.34	12,152,374.03	91,142,807.47	6,105,628.76	45,792,220.25
December 1999	281,534,635.00	162,908,718.28	11,984,945.12	89,887,090.63	6,026,624.16	45,199,685.71
January 2000	281,534,635.00	160,093,119.41	11,808,856.14	88,566,423.30	5,943,591.45	44,576,940.35
February 2000	280,464,009.94	158,201,929.81	11,708,176.94	87,811,329.27	5,898,559.24	44,239,198.75
March 2000	279,349,774.49	156,210,540.20	11,602,463.09	87,018,475.38	5,851,298.57	43,884,743.64
April 2000	278,192,233.35	154,121,202.61	11,491,802.86	86,188,523.57	5,801,846.35	43,513,851.99
May 2000	276,991,705.84	151,936,302.36	11,376,289.64	85,322,174.41	5,750,241.67	43,126,816.85
June 2000	275,748,525.81	149,658,354.63	11,256,021.89	84,420,166.29	5,696,525.70	42,723,947.02
July 2000	274,463,041.46	147,290,000.71	11,131,103.00	83,483,274.58	5,640,741.67	42,305,566.74
August 2000	273,135,615.16	144,834,004.02	11,001,641.16	82,512,310.76	5,582,934.82	41,872,015.31
September 2000	271,766,623.36	142,293,245.87	10,867,749.25	81,508,121.42	5,523,152.35	41,423,646.76
October 2000	270,356,456.32	139,670,721.04	10,729,544.71	80,471,587.30	5,461,443.37	40,960,829.40
November 2000	268,905,518.01	136,969,533.05	10,587,149.36	79,403,622.21	5,397,858.85	40,483,945.43
December 2000	267,414,225.89	134,192,889.26	10,440,689.33	78,305,171.90	5,332,451.54	39,993,390.51
January 2001	265,883,010.69	131,344,095.79	10,290,294.80	77,177,212.95	5,265,275.91	39,489,573.31
February 2001	264,318,312.43	128,441,607.77	10,136,839.22	76,026,296.06	5,196,713.91	38,975,358.23
March 2001	262,727,358.80	125,505,457.64	9,981,279.88	74,859,601.00	5,127,184.95	38,453,891.00
April 2001	261,117,297.39	122,555,014.22	9,824,548.83	73,684,118.04	5,057,097.97	37,928,238.56
May 2001	259,488,370.07	119,591,926.87	9,666,714.06	72,500,357.24	4,986,481.66	37,398,616.16
June 2001	257,861,278.74	116,668,943.22	9,510,356.85	71,327,678.17	4,916,472.57	36,873,547.99
July 2001	256,236,035.15	113,785,758.61	9,355,470.56	70,166,030.93	4,847,068.38	36,353,016.45
August 2001	254,615,203.51	110,948,441.70	9,202,361.94	69,017,716.25	4,778,404.87	35,838,040.08
September 2001	252,998,766.74	108,156,453.72	9,051,015.20	67,882,615.67	4,710,475.88	35,328,572.64
October 2001	251,386,707.85	105,409,261.86	8,901,414.67	66,760,611.69	4,643,275.30	34,824,568.26
November 2001	249,779,009.85	102,706,339.29	8,753,544.81	65,651,587.73	4,576,797.06	34,325,981.37
December 2001	248,175,655.86	100,047,165.02	8,607,390.20	64,555,428.12	4,511,035.12	33,832,766.75
January 2002	246,576,628.98	97,431,223.88	8,462,935.54	63,472,018.12	4,445,983.49	33,344,879.52
February 2002	244,981,912.42	94,858,006.44	8,320,165.65	62,401,243.90	4,381,636.24	32,862,275.11
March 2002	243,391,489.41	92,327,008.94	8,179,065.47	61,342,992.53	4,317,987.47	32,384,909.29
April 2002	241,805,343.24	89,837,733.24	8,039,620.06	60,297,151.97	4,255,031.33	31,912,738.16
May 2002	240,223,457.22	87,389,686.78	7,901,814.61	59,263,611.07	4,192,761.99	31,445,718.11
June 2002	238,645,814.76	84,982,382.46	7,765,634.41	58,242,259.57	4,131,173.70	30,983,805.87
July 2002	237,072,399.27	82,615,338.64	7,631,064.88	57,232,988.05	4,070,260.73	30,526,958.50
August 2002	235,503,194.24	80,288,079.04	7,498,091.55	56,235,688.00	4,010,017.38	30,075,133.34
September 2002	233,938,183.19	78,000,132.72	7,366,700.05	55,250,251.73	3,950,438.01	29,628,288.07
October 2002	232,377,349.71	75,751,033.96	7,236,876.14	54,276,572.44	3,891,517.03	29,186,380.67
November 2002	230,820,677.40	73,540,322.29	7,108,605.71	53,314,544.14	3,833,248.87	28,749,369.42
December 2002	229,268,149.95	71,367,542.33	6,981,874.72	52,364,061.70	3,775,628.01	28,317,212.92
January 2003	227,719,751.06	69,232,243.84	6,856,669.27	51,425,020.82	3,718,648.97	27,889,870.05
February 2003	226,175,464.52	67,133,981.57	6,732,975.57	50,497,318.01	3,662,306.30	27,467,300.01
March 2003	224,635,274.12	65,072,315.28	6,610,779.92	49,580,850.61	3,606,594.61	27,049,462.29

<u>Distribution Date</u>	<u>BC Class Targeted Balance</u>	<u>Segment Group 1 Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>A Class Targeted Balance</u>	<u>FA Class Targeted Balance</u>	<u>CH Class Targeted Balance</u>
April 2003	\$223,099,163.73	\$ 63,046,809.64	\$ 6,490,068.74	\$ 48,675,516.79	\$3,551,508.53	\$26,636,316.67
May 2003	221,567,117.26	61,057,034.17	6,370,828.57	47,781,215.48	3,497,042.75	26,227,823.24
June 2003	220,039,118.66	59,102,563.23	6,253,046.04	46,897,846.45	3,443,191.97	25,823,942.36
July 2003	218,515,151.93	57,182,975.95	6,136,707.88	46,025,310.25	3,389,950.95	25,424,634.70
August 2003	216,995,201.11	55,297,856.13	6,021,800.94	45,163,508.21	3,337,314.49	25,029,861.19
September 2003	215,479,250.30	53,446,792.28	5,908,312.18	44,312,342.44	3,285,277.41	24,639,583.08
October 2003	213,967,283.63	51,629,377.48	5,796,228.63	43,471,715.83	3,233,834.59	24,253,761.86
November 2003	212,459,285.29	49,845,209.38	5,685,537.46	42,641,532.03	3,182,980.93	23,872,359.34
December 2003	210,955,239.52	48,093,890.14	5,576,225.92	41,821,695.46	3,132,711.37	23,495,337.59
January 2004	209,455,130.57	46,375,026.37	5,468,281.37	41,012,111.29	3,083,020.88	23,122,658.95
February 2004	207,958,942.79	44,688,229.11	5,361,691.26	40,212,685.44	3,033,904.50	22,754,286.04
March 2004	206,466,660.52	43,033,113.73	5,256,443.14	39,423,324.57	2,985,357.27	22,390,181.76
April 2004	204,978,268.19	41,409,299.94	5,152,524.68	38,643,936.07	2,937,374.28	22,030,309.27
May 2004	203,493,750.24	39,816,411.70	5,049,923.62	37,874,428.08	2,889,950.64	21,674,632.00
June 2004	202,013,091.18	38,254,077.20	4,948,627.80	37,114,709.44	2,843,081.53	21,323,113.64
July 2004	200,536,275.55	36,721,928.79	4,848,625.18	36,364,689.74	2,796,762.14	20,975,718.17
August 2004	199,063,287.94	35,219,602.96	4,749,903.78	35,624,279.25	2,750,987.70	20,632,409.79
September 2004	197,594,112.99	33,746,740.27	4,652,451.75	34,893,388.98	2,705,753.46	20,293,152.98
October 2004	196,128,735.36	32,302,985.33	4,556,257.30	34,171,930.61	2,661,054.73	19,957,912.50
November 2004	194,667,139.79	30,887,986.74	4,461,308.76	33,459,816.53	2,616,886.85	19,626,653.33
December 2004	193,209,311.03	29,501,397.03	4,367,594.53	32,756,959.83	2,573,245.17	19,299,340.72
January 2005	191,755,233.90	28,142,872.67	4,275,103.13	32,063,274.27	2,530,125.10	18,975,940.17
February 2005	190,304,893.25	26,812,073.96	4,183,823.13	31,378,674.29	2,487,522.08	18,656,417.43
March 2005	188,858,273.96	25,508,665.04	4,093,743.23	30,703,075.02	2,445,431.56	18,340,738.51
April 2005	187,415,360.98	24,232,313.81	4,004,852.20	30,036,392.24	2,403,849.05	18,028,869.64
May 2005	185,976,139.29	22,982,691.94	3,917,138.89	29,378,542.40	2,362,770.07	17,720,777.32
June 2005	184,540,593.91	21,759,474.77	3,830,592.25	28,729,442.60	2,322,190.20	17,416,428.27
July 2005	183,108,709.91	20,562,341.30	3,745,201.32	28,089,010.61	2,282,105.04	17,115,789.48
August 2005	181,680,472.40	19,390,974.14	3,660,955.22	27,457,164.83	2,242,510.19	16,818,828.14
September 2005	180,255,866.52	18,245,059.49	3,577,843.15	26,833,824.30	2,203,401.34	16,525,511.71
October 2005	178,834,877.46	17,124,287.08	3,495,854.41	26,218,908.70	2,164,774.17	16,235,807.87
November 2005	177,417,490.47	16,028,350.13	3,414,978.36	25,612,338.36	2,126,624.39	15,949,684.54
December 2005	176,003,690.82	14,956,945.32	3,335,204.48	25,014,034.21	2,088,947.77	15,667,109.87
January 2006	174,593,463.82	13,909,772.78	3,256,522.29	24,423,917.81	2,051,740.09	15,388,052.23
February 2006	173,186,794.84	12,886,535.98	3,178,921.43	23,841,911.33	2,014,997.16	15,112,480.22
March 2006	171,783,669.27	11,886,941.76	3,102,391.60	23,267,937.56	1,978,714.83	14,840,362.69
April 2006	170,384,072.56	10,910,700.27	3,026,922.58	22,701,919.89	1,942,888.96	14,571,668.68
May 2006	168,987,990.19	9,957,524.92	2,952,504.24	22,143,782.32	1,907,515.47	14,306,367.48
June 2006	167,595,407.68	9,027,132.38	2,879,126.52	21,593,449.43	1,872,590.29	14,044,428.58
July 2006	166,206,310.60	8,119,242.51	2,806,779.45	21,050,846.40	1,838,109.38	13,785,821.71
August 2006	164,820,684.54	7,233,578.32	2,735,453.13	20,515,898.99	1,804,068.73	13,530,516.80
September 2006	163,438,515.17	6,369,865.97	2,665,137.74	19,988,533.56	1,770,464.36	13,278,484.01
October 2006	162,059,788.15	5,527,834.72	2,595,823.54	19,468,677.02	1,737,292.32	13,029,693.70
November 2006	160,684,489.22	4,707,216.88	2,527,500.85	18,956,256.86	1,704,548.69	12,784,116.45
December 2006	159,312,604.14	3,907,747.80	2,460,160.09	18,451,201.16	1,672,229.57	12,541,723.05
January 2007	157,944,118.71	3,129,165.83	2,393,791.74	17,953,438.52	1,640,331.10	12,302,484.51
February 2007	156,579,018.79	2,371,212.25	2,328,386.36	17,462,898.14	1,608,849.44	12,066,372.03
March 2007	155,217,290.24	1,633,631.33	2,263,934.58	16,979,509.74	1,577,780.78	11,833,357.03
April 2007	153,858,919.01	916,170.17	2,200,427.09	16,503,203.61	1,547,121.33	11,603,411.12
May 2007	152,503,891.04	218,578.80	2,137,854.69	16,033,910.58	1,516,867.33	11,376,506.13
June 2007	151,152,192.34	0.00	2,076,208.21	15,571,562.00	1,487,015.06	11,152,614.07

<u>Distribution Date</u>	<u>BC Class Targeted Balance</u>	<u>Segment Group 1 Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>A Class Targeted Balance</u>	<u>FA Class Targeted Balance</u>	<u>CH Class Targeted Balance</u>
July 2007	\$149,803,808.95	\$ 0.00	\$ 2,015,478.59	\$ 15,116,089.79	\$1,457,560.81	\$10,931,707.18
August 2007	148,458,726.95	0.00	1,955,656.80	14,667,426.36	1,428,500.91	10,713,757.88
September 2007	147,116,932.46	0.00	1,896,733.91	14,225,504.69	1,399,831.70	10,498,738.77
October 2007	145,778,411.63	0.00	1,838,701.05	13,790,258.25	1,371,549.55	10,286,622.68
November 2007	144,443,150.65	0.00	1,781,549.43	13,361,621.03	1,343,650.88	10,077,382.60
December 2007	143,111,135.77	0.00	1,725,270.30	12,939,527.55	1,316,132.10	9,870,991.75
January 2008	141,782,353.24	0.00	1,669,855.00	12,523,912.83	1,288,989.67	9,667,423.51
February 2008	140,456,789.38	0.00	1,615,294.94	12,114,712.39	1,262,220.07	9,466,651.45
March 2008	139,134,430.53	0.00	1,561,581.59	11,711,862.25	1,235,819.79	9,268,649.34
April 2008	137,815,263.07	0.00	1,508,706.49	11,315,298.94	1,209,785.36	9,073,391.14
May 2008	136,499,273.44	0.00	1,456,661.23	10,924,959.47	1,184,113.35	8,880,850.98
June 2008	135,186,448.07	0.00	1,405,437.48	10,540,781.34	1,158,800.31	8,691,003.19
July 2008	133,876,773.48	0.00	1,355,026.97	10,162,702.54	1,133,842.85	8,503,822.25
August 2008	132,570,236.19	0.00	1,305,421.51	9,790,661.54	1,109,237.60	8,319,282.87
September 2008	131,266,822.77	0.00	1,256,612.94	9,424,597.26	1,084,981.21	8,137,359.89
October 2008	129,966,519.82	0.00	1,208,593.19	9,064,449.14	1,061,070.34	7,958,028.35
November 2008	128,669,313.99	0.00	1,161,354.24	8,710,157.05	1,037,501.69	7,781,263.48
December 2008	127,375,191.96	0.00	1,114,888.15	8,361,661.34	1,014,271.99	7,607,040.66
January 2009	126,084,140.43	0.00	1,069,187.01	8,018,902.81	991,377.96	7,435,335.45
February 2009	124,796,146.18	0.00	1,024,243.00	7,681,822.73	968,816.38	7,266,123.59
March 2009	123,511,195.96	0.00	980,048.35	7,350,362.81	946,584.04	7,099,380.98
April 2009	122,229,276.63	0.00	936,595.34	7,024,465.23	924,677.73	6,935,083.70
May 2009	120,950,375.02	0.00	893,876.32	6,704,072.58	903,094.31	6,773,208.00
June 2009	119,674,478.03	0.00	851,883.70	6,389,127.92	881,830.62	6,613,730.27
July 2009	118,401,572.60	0.00	810,609.94	6,079,574.74	860,883.53	6,456,627.11
August 2009	117,131,645.69	0.00	770,047.58	5,775,356.96	840,249.95	6,301,875.23
September 2009	115,864,684.29	0.00	730,189.17	5,476,418.94	819,926.79	6,149,451.55
October 2009	114,600,675.45	0.00	691,027.38	5,182,705.45	799,911.00	5,999,333.13
November 2009	113,339,606.23	0.00	652,554.88	4,894,161.70	780,199.55	5,851,497.19
December 2009	112,081,463.74	0.00	614,764.43	4,610,733.31	760,789.40	5,705,921.10
January 2010	110,826,235.12	0.00	577,648.83	4,332,366.31	741,677.58	5,562,582.42
February 2010	109,573,907.54	0.00	541,200.94	4,059,007.17	722,861.11	5,421,458.84
March 2010	108,324,468.20	0.00	505,413.68	3,790,602.73	704,337.02	5,282,528.19
April 2010	107,077,904.36	0.00	470,280.02	3,527,100.26	686,102.40	5,145,768.50
May 2010	105,834,203.28	0.00	435,792.98	3,268,447.44	668,154.32	5,011,157.91
June 2010	104,593,352.28	0.00	401,945.63	3,014,592.32	650,489.90	4,878,674.72
July 2010	103,355,338.70	0.00	368,731.11	2,765,483.36	633,106.26	4,748,297.41
August 2010	102,120,149.93	0.00	336,142.58	2,521,069.42	616,000.55	4,620,004.57
September 2010	100,887,773.36	0.00	304,173.29	2,281,299.74	599,169.93	4,493,774.96
October 2010	99,658,196.45	0.00	272,816.52	2,046,123.94	582,611.60	4,369,587.47
November 2010	98,431,406.67	0.00	242,065.60	1,815,492.03	566,322.76	4,247,421.16
December 2010	97,207,391.54	0.00	211,913.91	1,589,354.40	550,300.64	4,127,255.20
January 2011	95,986,138.59	0.00	182,354.90	1,367,661.81	534,542.47	4,009,068.94
February 2011	94,767,635.41	0.00	153,382.05	1,150,365.39	519,045.53	3,892,841.85
March 2011	93,551,869.61	0.00	124,988.88	937,416.65	503,807.09	3,778,553.53
April 2011	92,338,828.82	0.00	97,168.99	728,767.44	488,824.45	3,666,183.74
May 2011	91,128,500.73	0.00	69,916.00	524,370.02	474,094.94	3,555,712.38
June 2011	89,920,873.04	0.00	43,223.59	324,176.95	459,615.88	3,447,119.48
July 2011	88,715,933.49	0.00	17,085.49	128,141.20	445,384.65	3,340,385.19
August 2011	87,513,669.84	0.00	0.00	0.00	431,398.60	3,235,489.81
September 2011	86,314,069.92	0.00	0.00	0.00	417,655.13	3,132,413.78

<u>Distribution Date</u>	<u>BC Class Targeted Balance</u>	<u>Segment Group 1 Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>A Class Targeted Balance</u>	<u>FA Class Targeted Balance</u>	<u>CH Class Targeted Balance</u>
October 2011	\$ 85,117,121.55	\$ 0.00	\$ 0.00	\$ 0.00	\$ 404,151.65	\$ 3,031,137.67
November 2011	83,922,812.59	0.00	0.00	0.00	390,885.58	2,931,642.17
December 2011	82,731,130.95	0.00	0.00	0.00	377,854.38	2,833,908.11
January 2012	81,542,064.56	0.00	0.00	0.00	365,055.49	2,737,916.44
February 2012	80,355,601.38	0.00	0.00	0.00	352,486.40	2,643,648.25
March 2012	79,171,729.40	0.00	0.00	0.00	340,144.60	2,551,084.76
April 2012	77,990,436.65	0.00	0.00	0.00	328,027.61	2,460,207.29
May 2012	76,811,711.18	0.00	0.00	0.00	316,132.94	2,370,997.31
June 2012	75,635,541.07	0.00	0.00	0.00	304,458.16	2,283,436.42
July 2012	74,461,914.45	0.00	0.00	0.00	293,000.81	2,197,506.31
August 2012	73,290,819.46	0.00	0.00	0.00	281,758.48	2,113,188.83
September 2012	72,122,244.28	0.00	0.00	0.00	270,728.76	2,030,465.92
October 2012	70,956,177.12	0.00	0.00	0.00	259,909.26	1,949,319.65
November 2012	69,792,606.21	0.00	0.00	0.00	249,297.61	1,869,732.23
December 2012	68,631,519.82	0.00	0.00	0.00	238,891.44	1,791,685.95
January 2013	67,472,906.26	0.00	0.00	0.00	228,688.41	1,715,163.25
February 2013	66,316,753.85	0.00	0.00	0.00	218,686.20	1,640,146.66
March 2013	65,163,050.94	0.00	0.00	0.00	208,882.49	1,566,618.84
April 2013	64,011,785.93	0.00	0.00	0.00	199,274.99	1,494,562.57
May 2013	62,862,947.24	0.00	0.00	0.00	189,810.58	1,423,579.50
June 2013	61,716,523.30	0.00	0.00	0.00	180,294.91	1,352,211.93
July 2013	60,572,502.60	0.00	0.00	0.00	170,727.69	1,280,457.79
August 2013	59,430,873.64	0.00	0.00	0.00	161,108.65	1,208,314.98
September 2013	58,291,624.96	0.00	0.00	0.00	151,437.50	1,135,781.40
October 2013	57,154,745.11	0.00	0.00	0.00	141,713.98	1,062,854.93
November 2013	56,020,222.69	0.00	0.00	0.00	131,937.78	989,533.44
December 2013	54,888,046.32	0.00	0.00	0.00	122,108.63	915,814.79
January 2014	53,758,204.65	0.00	0.00	0.00	112,226.23	841,696.83
February 2014	52,630,686.35	0.00	0.00	0.00	102,290.31	767,177.40
March 2014	51,505,480.14	0.00	0.00	0.00	92,300.57	692,254.32
April 2014	50,382,574.74	0.00	0.00	0.00	82,256.71	616,925.41
May 2014	49,261,958.92	0.00	0.00	0.00	72,158.46	541,188.47
June 2014	48,143,621.47	0.00	0.00	0.00	62,005.50	465,041.29
July 2014	47,027,551.20	0.00	0.00	0.00	51,797.55	388,481.64
August 2014	45,913,736.96	0.00	0.00	0.00	41,534.30	311,507.29
September 2014	44,802,167.62	0.00	0.00	0.00	31,215.46	234,116.00
October 2014	43,692,832.09	0.00	0.00	0.00	20,840.73	156,305.51
November 2014	42,585,719.29	0.00	0.00	0.00	10,409.80	78,073.54
December 2014	41,480,818.18	0.00	0.00	0.00	0.00	0.00
January 2015	40,378,117.74	0.00	0.00	0.00	0.00	0.00
February 2015	39,277,606.98	0.00	0.00	0.00	0.00	0.00
March 2015	38,179,274.94	0.00	0.00	0.00	0.00	0.00
April 2015	37,083,110.67	0.00	0.00	0.00	0.00	0.00
May 2015	35,989,103.27	0.00	0.00	0.00	0.00	0.00
June 2015	34,897,241.86	0.00	0.00	0.00	0.00	0.00
July 2015	33,807,515.58	0.00	0.00	0.00	0.00	0.00
August 2015	32,719,913.60	0.00	0.00	0.00	0.00	0.00
September 2015	31,634,425.11	0.00	0.00	0.00	0.00	0.00
October 2015	30,551,039.34	0.00	0.00	0.00	0.00	0.00
November 2015	29,469,745.53	0.00	0.00	0.00	0.00	0.00
December 2015	28,390,532.96	0.00	0.00	0.00	0.00	0.00

<u>Distribution Date</u>	<u>BC Class Targeted Balance</u>	<u>Segment Group 1 Targeted Balance</u>	<u>F Class Targeted Balance</u>	<u>A Class Targeted Balance</u>	<u>FA Class Targeted Balance</u>	<u>CH Class Targeted Balance</u>
January 2016	\$ 27,313,390.92	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
February 2016	26,238,308.75	0.00	0.00	0.00	0.00	0.00
March 2016	25,165,275.80	0.00	0.00	0.00	0.00	0.00
April 2016	24,094,281.43	0.00	0.00	0.00	0.00	0.00
May 2016	23,025,315.05	0.00	0.00	0.00	0.00	0.00
June 2016	21,958,366.10	0.00	0.00	0.00	0.00	0.00
July 2016	20,893,424.01	0.00	0.00	0.00	0.00	0.00
August 2016	19,830,478.28	0.00	0.00	0.00	0.00	0.00
September 2016	18,769,518.39	0.00	0.00	0.00	0.00	0.00
October 2016	17,710,533.88	0.00	0.00	0.00	0.00	0.00
November 2016	16,653,514.31	0.00	0.00	0.00	0.00	0.00
December 2016	15,598,449.24	0.00	0.00	0.00	0.00	0.00
January 2017	14,545,328.27	0.00	0.00	0.00	0.00	0.00
February 2017	13,494,141.04	0.00	0.00	0.00	0.00	0.00
March 2017	12,444,877.19	0.00	0.00	0.00	0.00	0.00
April 2017	11,397,526.40	0.00	0.00	0.00	0.00	0.00
May 2017	10,352,078.36	0.00	0.00	0.00	0.00	0.00
June 2017	9,308,522.79	0.00	0.00	0.00	0.00	0.00
July 2017	8,266,849.45	0.00	0.00	0.00	0.00	0.00
August 2017	7,227,048.10	0.00	0.00	0.00	0.00	0.00
September 2017	6,189,108.54	0.00	0.00	0.00	0.00	0.00
October 2017	5,153,020.57	0.00	0.00	0.00	0.00	0.00
November 2017	4,118,774.05	0.00	0.00	0.00	0.00	0.00
December 2017	3,086,358.83	0.00	0.00	0.00	0.00	0.00
January 2018	2,055,764.81	0.00	0.00	0.00	0.00	0.00
February 2018	1,026,981.89	0.00	0.00	0.00	0.00	0.00
March 2018 and thereafter	0.00	0.00	0.00	0.00	0.00	0.00

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\$200,000,000



**Guaranteed Grantor Trust Redeemable/Redemption Certificates
Fannie Mae Grantor Trust 1999-R1**

Carefully consider the risk factors starting on page 5 of this prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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.

The Certificates

We, the Federal National Mortgage Association or Fannie Mae, will issue and guarantee the classes of redeemable and redemption certificates listed in the chart on this page.

Payments to Holders of Redeemable Certificates

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

- interest accrued on the balance of your redeemable certificate, and
- principal to the extent available for payment on your class.

We may pay principal at rates that vary from time to time. We may not pay principal to the redeemable class for long periods of time.

The redemption certificates will receive no payments of principal or interest.

Redemption Feature

The holder of the redemption class has the right to direct us to redeem the redeemable class on any distribution date beginning in January 2000. If the right is exercised, the holder of the redeemable class is entitled to receive a redemption price equal to

- the outstanding class balance of the redeemable class, plus
- any unpaid interest through the 24th day of the month in which the redemption occurs.

Upon redemption, the holder of the redemption class will exchange its class for the Fannie Mae Guaranteed MBS Pass-Through Certificate and other amounts described in this prospectus.

The Fannie Mae Guaranty

We will guarantee that required payments of principal and interest on the redeemable certificates are distributed to investors on time.

We will also guarantee that upon a redemption, the holder of the redemption class will receive all proceeds due to it in connection with the related exchange.

The Trust and its Assets

The trust will indirectly own Fannie Mae MBS.

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

Class	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A	\$200,000,000	Redeemable/PT	6.5%	FIX	31359Q7L2	February 2029
B	(1)	Redemption	(1)	(1)	31359Q7M0	N/A

(1) We will not pay principal or interest on the B Class. To facilitate its redemption and exchange, the B Class will have a notional principal balance that is always equal to the principal balance of the A Class.

The dealer specified below will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 29, 1999.

PaineWebber Incorporated

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AVAILABLE INFORMATION

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

- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1998 (the “MBS Prospectus”),
- our Prospectus for Guaranteed MBS Pass-Through Certificates dated October 1, 1998 (the “Mega Prospectus”), and
- our Information Statement dated March 31, 1998 and its supplements (the “Information Statement”).

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

Fannie Mae
MBS Helpline
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016
(telephone 1-800-237-8627 or 202-752-6547).

The Disclosure Documents, together with the class factors, are available on our website located at <http://www.fanniemae.com>.

You can also obtain the Disclosure Documents by writing or calling the dealer at:

PaineWebber Incorporated
Prospectus Department
1000 Harbor Boulevard
Weehawken, New Jersey 07087
(telephone 201-902-6858).

REFERENCE SHEET

This reference sheet is not a summary of the transaction and does not contain complete information about the certificates. You should purchase the certificates only after reading this prospectus and each of the additional disclosure documents listed on page 3.

Assumed Mortgage Loan Characteristics (as of January 1, 1999)

<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$200,000,000	360	332	25	7.15%

The actual remaining terms to maturity, calculated loan ages and interest rates of most of the mortgage loans will differ from the weighted averages shown above, perhaps significantly.

Interest Rates

The Redeemable Class will bear interest at the annual interest rate shown on the cover.

The Redemption Class will not bear interest.

Distributions of Principal

Principal Distribution Amount

To the A Class to zero.

We will not pay principal to the B Class.

Redemption

If you are holder of the redemption class, you will have the right to direct us to redeem all (and not less than all) of the redeemable class on any distribution date beginning in January 2000. However, we will be obligated to redeem the redemption class only if, as of the date we receive your direction, the underlying Mega Certificate has a market value that is greater than its remaining principal balance.

If redemption occurs, the price we must pay for the redeemable class will be equal to its remaining principal balance, plus interest to the date of redemption. We will not redeem the redeemable class until the holder of the redemption class has paid us the redemption amount and exchange fee. At that time, we will deliver the underlying Mega Certificate to the holder of the redemption class in exchange for the redemption class.

Weighted Average Life (years) *

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>205%</u>	<u>300%</u>	<u>500%</u>
A.....	21.1%	10.3%	6.5%	4.7%	2.8%

* Determined as specified under "Weighted Average Life" and "Decrement Table" in this prospectus, and subject to the assumptions and qualifications in those sections, including the assumption that no redemption occurs.

RISK FACTORS

The rate of principal payments on the redeemable certificates will be affected by the rate of principal payments on the underlying mortgage loans. The rate that you receive principal payments on the redeemable certificates will be sensitive to the rate of principal payments on the mortgage loans underlying the MBS, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

- at any of the prepayment rates we assumed in this prospectus, or
- at any constant prepayment rate until maturity.

Redeemable certificates are subject to redemption. In general, the redeemable certificates may be redeemed on any distribution date beginning in January 2000. In no event will you be entitled to reimbursement for any premium you may have paid or for any reduction in your effective yield. A redemption will be more likely to occur if prevailing mortgage rates have declined or the underlying MBS have a market value that is greater than their total principal balance.

The holder of a redeemable certificate or the holders of any indirect interest in the redeemable class (including any certificate that we issue from Fannie Mae REMIC Trust 1999-4) may obtain the right to exercise the redemption of the redeemable class or otherwise try to influence when the redemption right is exercised. Whether and, if so, when any such holders exercise the redemption right may depend on whether they purchased their interests at a premium or at a discount.

Yields on redeemable certificates may be lower than expected due to unexpected rate of principal payments. The actual yield on your redeemable certificates probably will be lower than you expect:

- if you bought your redeemable certificate at a premium and a redemption of your redeemable certificate occurs,

- if you bought your redeemable certificates at a premium and principal payments are faster than you expect, or
- if you bought your redeemable certificates at a discount and principal payments are slower than you expect.

You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates. In particular, investors in the redeemable certificates must make assumptions regarding the likelihood and timing of an early redemption of the redeemable certificates.

Redemption class value depends on MBS value. The value of the redemption class will depend primarily on

- the market value of the underlying MBS,
- market expectations of the likely future value of the MBS, and
- the costs associated with exercising the redemption right.

The market value of the underlying MBS, in turn, will depend on prevailing interest rates and other market and economic conditions.

In a low interest rate environment, prepayments on the underlying mortgage loans can be expected to increase, which would tend to reduce the amount of any premium for the MBS and, in turn, reduce the corresponding value of the redemption class. The right of the holder of the redemption class to cause the redemption of the redeemable class may not be exercised before January 2000.

If you purchase the redemption class, you should consider the risk that you could lose all or part of your investment.

Weighted average life and yield on the redeemable certificates are affected by actual characteristics of the underlying mortgage loans. We have assumed that the mortgage loans underlying the MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we as-

sumed. As a result, your yield could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average life of the class of redeemable certificates.

Delay classes have lower yields and market values. Since the redeemable class does not receive interest immediately following each interest accrual period, this class has a lower yield and a lower market value than it would if there were no such delay.

Reinvestment of payments on the redeemable certificates may not achieve same yields as the redeemable certificates. The rate of principal payments of the redeemable certificates is uncertain. You may be unable to reinvest the payments on the certificates at the same yields provided by such certificates.

Unpredictable timing of last payment affects yields on redeemable certificates. The actual final payment of the redeemable certificates is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page, especially if a redemption oc-

curs. If you assumed the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

Some investors may be unable to buy the certificates. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy the certificates. You should get legal advice to determine whether you may purchase the certificates.

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae Grantor Trust specified on the cover (the “Trust”) pursuant to a trust agreement dated as of January 1, 1999 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed Grantor Trust Redeemable Certificates (the “Redeemable Certificates,” “Redeemable Class” or “A Class”) and the Guaranteed Grantor Trust Redemption Certificates (the “Redemption Certificates,” “Redemption Class” or “B Class” and, together with the Redeemable Certificates, the “Certificates”) pursuant to the Trust Agreement. In general, the term “Classes” includes the Class of Redeemable Certificates and the Class of Redemption Certificates. The assets of the Trust will consist primarily of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”) held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the “Mega Certificate”).

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

Fannie Mae Guaranty. We guarantee that we will distribute to Holders of Redeemable Certificates:

- required installments of principal and interest on the Redeemable Certificates on time, and
- the principal balance of the Redeemable Certificates no later than the Final Distribution Date, whether or not we have received sufficient payments on the MBS.

We also guarantee that we will remit to the Holders of the Redemption Certificates all proceeds due to them in exchange for the Redemption Amount as described in this Prospectus.

In addition, we guarantee that we will distribute to each holder of an MBS:

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and
- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus, and “The Mega Certificates—Fannie Mae Guaranty” in the related Mega Prospectus.

Characteristics of Certificates. We will issue the Certificates of the Redeemable 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.”

A Holder is not necessarily the beneficial owner of a Redeemable Certificate. Beneficial owners ordinarily will hold Redeemable Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations.

We will issue the Redemption Certificate in fully registered, certificated form. The “Holder” or “Certificateholder” of a Redemption Certificate is its registered owner. The Redemption 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. State Street Bank and Trust Company in Boston, Massachusetts (“State Street”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the Redemption Certificate and may require payment to cover any tax or other governmental charge.

The Holder of the Redemption Certificate will receive the Mega Certificate in a redemption and exchange transaction only by presenting and surrendering the Redemption Certificate at the office of the Paying Agent. State Street will be the initial Paying Agent.

Authorized Denominations. We will issue the Redeemable Certificates in minimum denominations of \$1,000 and whole dollar increments. We will issue the Redemption Certificate as a single Certificate with no principal balance. The Redemption Class must be maintained and transferred in a denomination equal to the total notional principal balance of such Class, which will be equal at any time to the principal balance of the Redeemable Class.

Distribution Dates. We will make monthly payments on the Redeemable Class on the 25th day of each month (or, if the 25th day is not a business day, on the first business day after the 25th). We refer to each such date as a “Distribution Date.” We will make the first payments to Holders of Redeemable Certificates the month after we issue the Certificates.

Record Date. On each Distribution Date, we will make each monthly payment on the Redeemable Certificates to Holders of record on the last day of the preceding month.

Class Factors. On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for the Redeemable Class. When the factor is multiplied by the original principal balance of a Redeemable Certificate, the product will equal the current principal balance of that Certificate after taking into account payments on the Distribution Date in the same month.

Redemption. A redemption of the Redeemable Class may be effected as described in this prospectus under “—Redemption and Exchange.”

Optional Termination. We will not terminate the Trust by exercising our right to repurchase the Mortgage Loans underlying any MBS unless

- only one Mortgage Loan remains in the related Pool, or
- the principal balance of the Pool is less than one percent of its original level.

See “Description of Certificates—Termination” in the MBS Prospectus.

The MBS

The following table contains certain information about the MBS. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS are held in the form of a Mega Certificate, the general characteristics of which are described in the Mega Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, beginning in the month after we issue the MBS. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties. These Mortgage Loans will have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We except the characteristics of the MBS and the related Mortgage Loans as of January 1, 1999 (the “Issue Date”) to be as follows:

MBS Underlying the Certificates (Mega Certificate CL-323569)

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	6.50%

Related Mortgage Loans

Range of WACs (per annum percentages) (1)	6.75% to 9.00%
Range of WAMs (2)	241 months to 360 months
Approximate Weighted Average WAM	332 months
Approximate Weighted Average CAGE (3)	25 months

- (1) “WAC” is defined as the weighted average coupon of the Mortgage Loans in each Pool.
- (2) “WAM” is defined as the weighted average remaining term to maturity (in months) of the Mortgage Loans in each Pool. “Adjusted WAM” is defined as the WAM of the Mortgage Loans in each Pool at the issue date of the related MBS, less the number of months elapsed from that issue date through the Issue Date.
- (3) “CAGE” is defined as the weighted average calculated loan age of the Mortgage Loans in each Pool. The CAGE of such Mortgage Loans is determined by subtracting the original WAM for a Pool from the original term to maturity (in months) of such Mortgage Loans, and then adding the number of months elapsed since the issue date of the MBS.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the MBS. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the MBS as

of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Category of Classes

For the purpose of interest payments, the A Class will be categorized as a Fixed Rate Class. See “—Certain Definitions and Abbreviations” in this prospectus.

The B Class will bear no interest.

General. We will pay interest on the Redeemable Certificates at the applicable annual interest rate shown on the cover. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

We will not pay interest on the Redemption Class.

Interest to be paid on each Redeemable Certificate on a Distribution Date will consist of one month’s interest on the outstanding balance of the Redeemable Certificate immediately prior to such Distribution Date. In addition, if the Redeemable Class is redeemed, the final distribution on that Class will include an amount representing interest accrued and unpaid to the date of redemption. See “—Redemption and Exchange” below.

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the Redeemable Class during the calendar month preceding the month in which the Distribution Date occurs (the “Interest Accrual Period”). See “Risk Factors.”

Distributions of Principal

Categories of Classes

For the purpose of principal payments, the Classes will be categorized as follows:

<u>Principal Type*</u>	<u>Class</u>
Redeemable/Pass-Through	A
Redemption	B

* See “—Certain Definitions and Abbreviations” in this prospectus.

Principal Distribution Amount

We will pay principal monthly on the A Class in an amount equal to the aggregate payment of principal concurrently made on the MBS (the “Principal Distribution Amount”).

On each Distribution Date, the Principal Distribution Amount will be paid as } Redeemable/
principal to the A Class, until its principal balance is reduced to zero. } Pass-Through
Class

The Redemption Class

We will not pay principal or interest on the B Class. To facilitate a redemption, the B Class will have a notional principal balance that is always equal to the principal balance of the A Class. See “—Redemption and Exchange” below.

Redemption and Exchange

Beginning in January 2000, the Holder of the Redemption Class will have the right to direct Fannie Mae to redeem the Redeemable Class, in whole but not in part, on any Distribution Date.

However, we will redeem the Redeemable Class only if the market value of the Mega Certificate exceeds its outstanding principal balance as of the date we receive the notice directing us to redeem (the “redemption notice”). We will determine the market value of the Mega Certificate by referring to bid quotations we obtain as of the date we receive the redemption notice. Our determination of the market value will be final and binding in the absence of manifest error.

The price we will pay for the Redeemable Class upon redemption will be equal to its outstanding principal balance plus accrued and unpaid interest to the date of redemption, calculated as described below. We will redeem the Redeemable Class only when the Holder of the Redemption Class pays

- the Redemption Amount (as defined below) for the Redeemable Class, and
- an exchange fee (the “Exchange Fee”) equal to the greater of
 - \$5,000 or
 - the lesser of \$15,000 or $1/32$ of 1% of the outstanding principal balance of the Redeemable Class.

The Holder of the Redemption Class must notify us when it proposes to effect a redemption and exchange. We must be notified no sooner than the first business day and no later than 11:00 a.m. on the fifth business day of the month of the Distribution Date proposed for redemption. By the end of the fifth business day in the month of redemption, the Holder of the Redemption Class must deposit the Redemption Amount with us. The “Redemption Amount” shall equal the sum of

- 100% of the outstanding principal balance of the Redeemable Class based on the Class Factor (defined herein) published for the Redeemable Class for the month prior to the month of redemption, and
- an amount equal to interest on the Redeemable Class, for the period from the 1st through 24th calendar days calculated based on the Class Factor published for the Redeemable Class for the month prior to the month of redemption.

Upon delivery of the Redemption Amount and the Exchange Fee, and determination of a satisfactory market value for the Mega Certificate as described above, the redemption notice will become irrevocable. We will then redeem the Redeemable Class on the related Distribution Date.

For the Redeemable Class and the Redemption Class, the Class Factor for the month of redemption will be zero. The price we will pay for the redemption of the Redeemable Class (the “Redemption Price”) will be equal to the sum of:

- 100% of the outstanding principal balance of the Redeemable Class, **plus**
- accrued interest at the annual rate for the Redeemable Class for the related Interest Accrual Period, **plus**
- accrued interest at the applicable annual rate for the Redeemable Class for the period from the 1st through 24th calendar days of the month of redemption, calculated on the principal balance of the Redeemable Class that would have remained outstanding immediately after the Distribution Date if the redemption had not occurred.

We will pay the Redemption Price to the Holder of the Redeemable Class in lieu of paying any principal and interest that would otherwise be paid on the Distribution Date on which the redemption occurs.

On the day we receive the Redemption Amount, subject to the conditions described above, we will exchange the Mega Certificate for the Redemption Class and the Exchange Fee. On the Distribution Date in the month of redemption, we will pay the Holder of the Redemption Class

(a) the excess of

(i) the Redemption Amount paid to us by the Holder of the Redemption Class and the payments received on the MBS in the month of redemption **over**

(ii) the Redemption Price for the Redeemable Class, **and**

(b) interest on the Redemption Amount from the date the Redemption Amount is received by Fannie Mae through the 24th day of the month in which the redemption of the Redeemable Class occurs. Such interest will be calculated for each day at an annual rate equal to the prevailing daily Federal Funds rate determined as of the close of business on the date of calculation, less 25 basis points. We will provide instructions for delivery of the Redemption Class and the Exchange Fee to the dealer through which delivery will be made.

The first payment on the MBS delivered in an exchange for the Redemption Class will be made on the related distribution date in the month following the month of exchange. That payment will be made to the holder of record as of the close of business on the last day of the month of exchange.

Certain Definitions and Abbreviations

The following chart identifies and generally defines the categories specified on the cover of this Prospectus.

<u>Abbreviation</u>	<u>Category</u>	<u>Definition</u>
PRINCIPAL TYPE		
PT	Pass-Through	Is designed to receive principal payments in direct relation to actual or scheduled payments on the underlying securities.
INTEREST TYPE		
FIX	Fixed Rate	Has an interest rate that is fixed throughout the life of the Class.
OTHER TYPE		
REDEEMABLE	Redeemable	A Certificate that is redeemable by Fannie Mae at the direction of the Holder of the Redemption Class.
REDEMPTION	Redemption	A Certificate whose Holder has the right, if certain conditions are satisfied, (i) to cause Fannie Mae to redeem the Redeemable Class and (ii) after the Redemption Amount and Exchange Fee are paid, to receive the Mega Certificate underlying the Redeemable Class.

Structuring Assumptions

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

- the Mortgage Loans have the original term to maturity, remaining term to maturity, CAGE and interest rate specified under “Reference Sheet—Assumed Mortgage Loan Characteristics”;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the settlement date for the sale of the Certificates is January 29, 1999.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is The Bond Market Association's standard prepayment model ("PSA"). PSA represents an assumed rate at which a pool of new mortgage loans will prepay. When we refer to "100% PSA," we mean an annual prepayment rate of 0.2% of the then unpaid principal balance of the pool in the first month after the origination of those mortgage loans and an additional 0.2% each month until the 30th month. (For example, the assumed annual prepayment rate would be 0.4% in month 2, 0.6% in month 3, and so on, and would level out at 6% at month 30 for the remaining term.) Beginning in month 30 and for all later months, "100% PSA" means a constant annual prepayment rate of 6%.

Multiples of PSA are calculated in the same way. Thus, "150% PSA" means an annual prepayment rate of 0.3% in month 1, 0.6% in month 2, 0.9% in month 3 and 9% in month 30 and afterwards. Similarly, "200% PSA" means an annual prepayment rate of 0.4% in month 1, 0.8% in month 2, 1.2% in month 3 and 12% in month 30 and afterwards.

It is highly unlikely that prepayments will occur at any constant PSA rate or at any other constant rate.

Yield Table

The table below illustrates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the Redeemable Class to various constant percentages of PSA. 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 Redeemable Class, would cause the discounted present values of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class, and
- converting such 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 Redeemable Certificates. Accordingly, these calculations do not illustrate the return on any investment in the Redeemable Certificates when such reinvestment rates are taken into account.

We cannot assure you that

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

Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on the Redeemable Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

Finally, we do not know whether a redemption of the Redeemable Class will occur or, if it does, when it will occur.

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

- redemption of the Redeemable Class either does not occur, or occurs on the Distribution Date shown,

- we pay interest through the 24th day of the month in which a redemption occurs, and
- the aggregate purchase price of such Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
A	99.0%

* 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.

A Class (Pre-Tax Yields to Maturity)

<u>Distribution Date On Which Assumed Redemption Occurs</u>	<u>50% PSA</u>	<u>100% PSA</u>	<u>205% PSA</u>	<u>300% PSA</u>	<u>500% PSA</u>
January 2000	7.6%	7.6%	7.6%	7.6%	7.7%
No Redemption	6.7%	6.7%	6.7%	6.8%	6.8%

Weighted Average Life

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a).

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

- the timing of changes in such rate of principal payments, and
- whether a redemption of that Class occurs, and if so, when it occurs.

See “Risk Factors” in this prospectus.

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

Final Distribution Date

The Final Distribution Date for the Redeemable Class is the date by which we must pay Holders the full outstanding principal balance of such Class, assuming no prepayments on the Mortgage Loans and no redemption. We determine the Final Distribution Date based on the payments scheduled to be received on the MBS. The Redeemable Class could be retired substantially earlier than the Final Distribution Date, especially if a redemption occurs.

Decrement Table

The following table indicates the percentage of original principal balance of the Redeemable Class that would be outstanding after each date shown at various constant PSA rates and the corresponding weighted average life of such Class. The table has been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth under 0% PSA, we assumed that the underlying Mortgage Loans have original and remaining terms to maturity of 360 months and bear interest at an annual rate of 9.0%, and that no redemption is made.

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or
- that the underlying 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 table at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Finally, we do not know whether a redemption of the Redeemable Class will occur or, if it does, when it will occur.

Percent of Original Principal Balance Outstanding (Assuming No Redemption of Redeemable Certificates)

Date	A Class				
	PSA Prepayment Assumption				
	0%	100%	205%	300%	500%
Initial Percent	100	100	100	100	100
January 2000	99	93	87	82	70
January 2001	99	86	75	66	48
January 2002	98	80	65	53	33
January 2003	97	74	56	43	23
January 2004	96	68	48	35	16
January 2005	95	63	42	28	11
January 2006	94	58	36	22	7
January 2007	92	53	31	18	5
January 2008	91	49	26	14	3
January 2009	89	45	22	12	2
January 2010	88	41	19	9	2
January 2011	86	37	16	7	1
January 2012	84	34	14	6	1
January 2013	82	30	12	5	*
January 2014	79	27	10	4	*
January 2015	77	24	8	3	*
January 2016	74	22	7	2	*
January 2017	71	19	5	2	*
January 2018	67	17	4	1	*
January 2019	64	14	4	1	*
January 2020	59	12	3	1	*
January 2021	55	10	2	*	*
January 2022	50	8	2	*	*
January 2023	45	6	1	*	*
January 2024	39	4	1	*	*
January 2025	32	3	*	*	*
January 2026	25	1	*	*	*
January 2027	18	0	0	0	0
January 2028	9	0	0	0	0
January 2029	0	0	0	0	0
Weighted Average Life (years)**	21.1	10.3	6.5	4.7	2.8

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

** Determined as specified under "Weighted Average Life" herein.

THE TRUST AGREEMENT

In the sections below, we summarize certain provisions of the Trust Agreement that are not discussed elsewhere in this Prospectus. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement. These summaries are, by definition, not complete. If there is ever a conflict between what we have summarized in this Prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

Reports to Certificateholders

As soon as practicable after the 11th calendar day of each month, we will publish (in print or otherwise) the Class Factor for the Redeemable Class. The “Class Factor” is a number (carried to eight decimal places) which, when multiplied by the original principal balance of a Redeemable Certificate, will equal the amount of principal of that Certificate that will still be outstanding after the principal to be paid on the next Distribution Date has been paid.

Within a reasonable time after the end of each calendar year, we will also furnish to each person who was a Certificateholder at any time during that year a statement containing any information required by the federal income tax laws.

We, or a special agent that we engage, will make all the necessary numerical calculations.

Certain Matters Regarding Fannie Mae

The Trust Agreement provides that we may not resign from our obligations and duties unless they are no longer permissible under applicable law. Our resignation will be effective only after a successor has assumed our obligations and duties. However, no successor may succeed to our guaranty obligations, and we will continue to be responsible under our guaranty even if we are terminated or have resigned from our other duties and responsibilities under the Trust Agreement.

The Trust Agreement also provides that neither we nor any of our directors, officers, employees or agents will be under any liability to the Trust or to the Certificateholders for errors in judgment or for any action we take, or refrain from taking, in good faith pursuant to the Trust Agreement. However, neither we nor any such person will be protected against any liability due to willful misfeasance, bad faith, gross negligence or willful disregard of obligations and duties.

In addition, the Trust Agreement also provides that we are not under any obligation to appear in, prosecute or defend any legal action that is not incidental to our responsibilities under the Trust Agreement and that in our opinion may involve us in any expense or liability. However, in our discretion, we may undertake any legal action that we deem necessary or desirable in the interests of the Certificateholders. In that event, we will pay the legal expenses and costs of the action, which will not be reimbursable out of the trust fund.

Any corporation into which we are merged or consolidated, any corporation that results from a merger, conversion or consolidation to which we are a party or any corporation that succeeds to our business will be our successor under the Trust Agreement.

Events of Default

Any of the following will be considered an “Event of Default” under the Trust Agreement:

- if we fail to make a required payment to the Holders of Redeemable Certificates and our failure continues uncorrected for 15 days after we receive written notice of such failure from Holders of Redeemable Certificates who represent ownership interests totaling at least 5% of the trust fund; or
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after we receive written notice of our failure

from Holders of Redeemable Certificates who represent ownership interests totaling at least 25% of the trust fund or from the Holder of the Redemption Certificate; or

- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Rights Upon Event of Default

If one of the Events of Default listed above has occurred and continues uncorrected, a group of Holders of Redeemable Certificates who represent ownership interests totaling at least 25% of the trust fund or the Holder of the Redemption Certificate has the right to terminate, in writing, our obligations under the Trust Agreement both as Trustee and in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders that has the right to terminate us may also appoint, in writing, a successor to all of our terminated obligations. In addition, the successor that they appoint will take legal title to the Mega Certificate and any other assets of the Trust.

Amendment

We may amend the Trust Agreement for any of the following purposes without notifying the Certificateholders:

- to add to our duties;
- to evidence that another party has become our successor and has assumed our duties under the Trust Agreement in our capacity as trustee or in our corporate capacity or both;
- to eliminate any of our rights in our corporate capacity under the Trust Agreement; and
- to cure any ambiguity or correct or add to any provision in the Trust Agreement, so long as no Certificateholder is adversely affected in the case of an addition to any provision.

If the Holders of Redeemable Certificates that represent ownership interests totaling at least 66% of the trust fund and the Holder of the Redemption Certificate consent, we may amend the Trust Agreement to eliminate, change or add to the terms of the Trust Agreement or to waive our compliance with any of those terms. Nevertheless, we may not terminate or change our guaranty obligations or reduce the percentage of Certificateholders who must consent to the types of amendments listed in the previous sentence. In addition, unless each affected Certificateholder consents, no amendment may reduce or delay the funds that are required to be distributed on any Certificate.

Termination

The Trust Agreement will terminate when we have paid to the Certificateholders all amounts we are required to pay them under the Trust Agreement. In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the person named in the Trust Agreement.

CERTAIN 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 discussion describes certain U.S. federal income tax consequences to beneficial owners of Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for one of the following, or other, reasons:

- This discussion is based on federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below.

- This discussion addresses only Certificates acquired at original issuance and held as “capital assets” (generally, property held for investment).
- This discussion does not address tax consequences to persons subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.
- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, 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. If you are a thrift, real estate mortgage investment conduit, real estate investment trust or regulated investment company, you are particularly advised to consult your own tax advisors before investing in a Certificate.

The Trust

The arrangement pursuant to which the Trust will be administered by Fannie Mae and the Certificates will be issued will be classified as a grantor trust under subpart E, part I of subchapter J of the Internal Revenue Code of 1986, as amended (the “Code”), and not as an association taxable as a corporation.

The Redeemable Class

Status. A beneficial owner of an interest in the Redeemable Class will be treated as (i) owning an undivided interest in the MBS and (ii) writing a call option on that undivided interest when the beneficial owner purchases the interest in the Redeemable Class. The beneficial owner will be treated as having written the call option in exchange for an option premium in an amount equal to the fair market value of the call option.

Allocations. A beneficial owner should be considered to have purchased its interest in the Redeemable Class for an amount equal to the cost of that interest plus the option premium it is deemed to have received. Accordingly, the beneficial owner’s basis in its interest in the MBS will be greater than the amount the owner paid directly for its interest in the Redeemable Class.

When a beneficial owner sells an interest in the Redeemable Class, the owner will be deemed to have sold its interest in the MBS for a price equal to the sales price for its interest in the Redeemable Class plus an amount equal to the fair market value, at the time of the sale, of the call option, which amount the owner is deemed to have paid to be relieved from the obligation under the call option. Accordingly, the amount realized by the owner upon the sale of its interest in the MBS will be greater than the amount received directly for its interest in the Redeemable Class.

Taxation of an Interest in the MBS. The anticipated federal income tax consequences to a beneficial owner of the purchase, ownership and disposition of an interest in the MBS are as described under “Certain Federal Income Tax Consequences” in the MBS Prospectus.

Taxation of Redemption Option Premium. A beneficial owner of an interest in the Redeemable Class will not be required to include immediately in income the option premium that it is deemed to receive when it purchases that interest. Instead, the beneficial owner must account for the premium when the right to redeem the Redeemable Class lapses, is exercised or is otherwise terminated with respect to the owner. As discussed under “Allocations,” a beneficial owner’s basis in the MBS includes an amount equal to the option premium the owner is deemed to have received. A beneficial owner’s recovery of basis in the MBS may not occur at the same rate as its inclusion in income of the option premium.

A beneficial owner of an interest in the Redeemable Class will include the option premium in income as short-term capital gain when the right to redeem the Redeemable Class lapses. It is expected that the MBS will be reduced over time through principal payments prior to the expiration of the right to redeem the Redeemable Class. Under existing authorities, it is not entirely clear whether the right to redeem the Redeemable Class would thus be deemed to lapse as the MBS pay down, and if so, at what rate. Fannie Mae intends to assume that the right to redeem the Redeemable Class lapses, and the related premium is recognized by the beneficial owner proportionately as principal (including both scheduled and unscheduled payments) is paid on the MBS after the first date on which the right to redeem the Redeemable Class may be exercised. There is no assurance that the Internal Revenue Service (“IRS”) would agree with this method of determining income from the lapse of the right to redeem the Redeemable Class. You should consult your own tax advisors regarding these matters.

If the right to redeem the Redeemable Class is exercised, a beneficial owner of an interest in the Redeemable Class will include in its amount realized from the sale of the MBS an amount equal to the unamortized portion of the option premium. If a beneficial owner transfers its interest in the Redeemable Class, such transfer will be treated as a “closing transaction” with respect to the call option the owner is deemed to have written. Accordingly, the owner will recognize a short-term capital gain or loss equal to the difference between the unamortized amount of option premium and the amount the owner is deemed to pay to be relieved from the obligation under the call option.

Application of the Straddle Rules. The IRS might take the position that a beneficial owner’s interest in the MBS and call option constitute positions in a straddle. If this position were sustained, the straddle rules of section 1092 of the Code would apply. Under those rules, a beneficial owner selling its interest in the Redeemable Class would be treated as selling its interest in the MBS at a gain or loss. Such gain or loss would be short-term because the beneficial owner’s holding period would be tolled. In addition, the straddle rules might require a beneficial owner to capitalize, rather than deduct, a portion of any interest and carrying charges allocable to the owner’s interest in the Redeemable Class. Further, if the IRS were to take the position that a beneficial owner’s interest in the MBS and the call option constituted a “conversion transaction” as well as a straddle, then a portion of the gain with respect to the MBS or the call option might be characterized as ordinary income. You should consult your own tax advisors regarding these issues.

The Redemption Class

Status. The beneficial owner of the Redemption Class will be treated as having purchased a call option on all of the MBS for an option premium in an amount equal to the price paid for the Redemption Class. It would appear that if the beneficial owner of the Redemption Class acquired an interest in the Redeemable Class, the call option would be proportionately extinguished for at least as long as the owner of the Redemption Class held such interest, and the owner would be treated as holding solely its proportionate share of the MBS.

Taxation of Redemption Option Premium. Because the price paid by the beneficial owner of the Redemption Class to purchase that Class will be treated as an option premium for the right to redeem the Redeemable Class, it will be added to the purchase price of the MBS (in addition to the exchange fee, as discussed under “Description of the Certificates—Redemption and Exchange”) if the MBS are purchased upon exercise of the right to redeem the Redeemable Class, and will be treated as a loss when the right to redeem the Redeemable Class lapses. For a discussion of when the right to redeem the Redeemable Class may be deemed to lapse, see “The Redeemable Class—*Taxation of Redemption Option Premium*” above. If the MBS, if acquired, would be a capital asset in the hands of the beneficial owner of the Redemption Class, then loss recognized with respect to the lapse of the right to redeem the Redeemable Class will be a capital loss.

LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities, you may be subject to restrictions on investment in the Certificates. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority, you should review the rules, guidelines and regulations that apply to you prior to purchasing any Certificates. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any Certificate. **Investors should consult their own legal advisors in determining whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the Certificates can be used as collateral for various types of borrowings.**

LEGAL OPINION

If you purchase Certificates, we will send you, upon request, an opinion of our General Counsel (or one of our Deputy General Counsels) as to the validity of the Certificates and the Trust Agreement.

ERISA CONSIDERATIONS

On November 13, 1986, the U.S. Department of Labor issued a final regulation covering the acquisition by a Plan of a “guaranteed governmental mortgage pool certificate,” defined to include certificates which are “backed by, or evidencing an interest in, specified mortgages or participation interests therein” and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the regulation, investment by a Plan in a “guaranteed governmental mortgage pool certificate” does not cause the assets of the Plan to include the mortgages underlying the certificate or the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool.

The Redeemable Class would appear to qualify as a “guaranteed governmental mortgage pool certificate” as defined in the Department of Labor regulation discussed under the heading “ERISA Considerations” in the REMIC Prospectus. However, the acquisition or exercise of the Redemption Right by the beneficial owner of the Redemption Class might be characterized under ERISA as a principal transaction between the beneficial owner of the Redeemable Class and the beneficial owner of the Redemption Class. Thus, in theory, the acquisition or exercise of the Redemption Right could be characterized under certain circumstances as a prohibited transaction under ERISA between a Plan and a “party in interest” (assuming that the Plan holds the Redeemable Class or the Redemption Class and the “party in interest” holds the other), unless a prohibited transaction exemption under ERISA (such as PTE 84-14 for Transactions by Independent Qualified Professional Asset Managers) is available.

The Redemption Class may be deemed to be an option to acquire a “guaranteed governmental mortgage pool certificate” rather than an actual “guaranteed governmental mortgage pool certificate.”

Plan fiduciaries should consult their counsel concerning these issues.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to PaineWebber Incorporated (the “Dealer”) in exchange for the MBS. The Dealer proposes to sell the Redeemable Class to us. The Dealer proposes to offer the Redemption Class in a negotiated transaction with a single purchaser at a

price to be determined at the time of sale. The Dealer may effect such transaction to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Certificates in addition to those contemplated as of the date of this prospectus. In this event, we will increase the MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS.”

LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in this Prospectus Supplement and the additional Disclosure Documents. You must not rely on 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.

The Securities and Exchange Commission has not 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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\$968,549,927



**Guaranteed
REMIC Pass-Through
Certificates**

**Fannie Mae REMIC Trust
1999-4**

PROSPECTUS SUPPLEMENT

PaineWebber Incorporated

January 11, 1999