

Supplement to Prospectus Supplement dated July 26, 1999

\$589,095,039



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1999-46**

This is a supplement to the prospectus supplement dated July 26, 1999 (the “Prospectus Supplement”). If we use a capitalized term in this supplement without defining it, you will find the definition of that term in the Prospectus Supplement.

Notwithstanding anything set forth on page S-26 of the Prospectus Supplement, the “Group 2 Specified Percentage” for any Distribution Date will be calculated by dividing (x) the sum of the outstanding principal balance of the AN Class immediately prior to that Distribution Date plus \$13,000,000 by (y) the aggregate outstanding principal balance of all the Group 2 Classes immediately prior to that Distribution Date (in no event to exceed 100%).

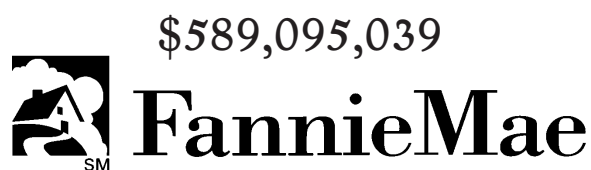
Carefully consider the risk factors starting on page S-9 of the Prospectus Supplement and on page 10 of the REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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.

LEHMAN BROTHERS EDWARD D. JONES & Co., L.P.

The date of this supplement is August 25, 1999.



Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1999-46

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 an accrual class) 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,
- an underlying REMIC certificate backed directly or indirectly by Fannie Mae MBS and
- a separate non-interest bearing cash deposit of \$999.99.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PA	1	\$ 42,697,000	PAC	6.500%	FIX	31359WVW8	July 2020
PC	1	26,025,000	PAC	6.500	FIX	31359WVX6	March 2015
PD	1	20,500,000	PAC	6.500	FIX	31359WVY4	March 2020
PE	1	1,666,000	PAC	6.500	FIX	31359WVZ1	July 2020
PB	1	140,000,000	PAC	6.500	FIX	31359WWA5	September 2029
F	1	35,000,000	SUP	(1)	FLT	31359WWB3	August 2026
FC	1	30,780,000	TAC	(1)	FLT	31359WWC1	July 2026
FB	1	3,771,667	SUP	(1)	FLT	31359WWD9	August 2026
S	1	26,750,641	SUP	(1)	INV	31359WWE7	August 2026
FA	1	7,500,000	SUP	(1)	FLT	31359WWF4	August 2026
SA	1	2,307,692	SUP	(1)	INV	31359WWG2	August 2026
Z	1	16,002,000	SUP	6.500	FIX/Z	31359WWH0	September 2029
A	2	95,000,000	TAC	6.000	FIX	31359W WJ6	March 2028
AZ	2	11,700,000	SUP	6.000	FIX/Z	31359WWK3	November 2028
AN	2	32,500,000	SEQ	6.000	FIX	31359WWL1	April 2026
LL(2)	2	14,481,000(3)	RTL/SEQ	7.375	FIX	31359WWM9	September 2029
LP	2	3,319,000	SEQ	(4)	PO	31359WWN7	September 2029
TF	3	52,730,026	SC/PT	(1)	FLT	31359WWP2	March 2026
TS	3	26,365,013	SC/PT	(1)	INV	31359WWQ0	March 2026
R		0	NPR	0	NPR	31359WWR8	September 2029

(1) Based on LIBOR.

(2) The LL Class is a retail class

(3) The retail certificates are offered in \$1,000 increments.

(4) Principal only class.

The dealers will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be August 27, 1999 for the Group 2 Classes and August 30, 1999 for the remaining classes.

Carefully consider the risk factors starting on page S-9 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

Prospective investors in the LL Class and all other classes should consider carefully whether such an investment is appropriate for their investment objectives.

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.

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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”):

- 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”);
- our Information Statement dated March 31, 1999 and its supplements (the “Information Statement”); and
- the disclosure document relating to the underlying REMIC certificate (the “Underlying REMIC Disclosure Document”).

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 by writing or calling the dealers at:

Lehman Brothers Inc.
Prospectus Department
536 Broadhollow Road
Melville, New York 11747
(telephone 516-254-7106).

or

Edward D. Jones & Co., L.P.
201 Progress Parkway
Maryland Heights, Missouri 63043
(telephone 314-515-2000).

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.

The Retail Certificates (LL Class)

Description

The retail certificates represent an indirect interest in the mortgage loans underlying the MBS. The retail certificates are guaranteed by us but are not guaranteed by, and are not a debt or obligation of, the United States.

Timing of Principal Payments

It is possible that no principal will be available for payment to holders of the retail certificates for a substantial period. Thereafter, the amount of principal available for payment to such holders is likely to fluctuate, and may vary widely from period to period. See “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” in this prospectus supplement.

Investment Objective

We have structured the retail certificates to provide monthly payments to individual investors for the long-term portion of their investment portfolios. You should determine, after consulting with your investment advisor, whether or not the retail certificates satisfy your individual investment objectives.

Liquidity

If you sell a retail certificate before its maturity, you may receive sales proceeds that, after taking into account transaction costs, are less than the amount originally invested. Edward D. Jones, L.P. intends to make a market for the purchase and sale of the retail certificates after their initial issuance, but is not obligated to do so. We cannot be sure that a market for resale of the retail certificates will develop or, if it develops, that it will continue.

Federal Income Taxes

Interest on the retail certificates will be taxed in the year it is earned, which may not be the year it is paid. Annually, relevant federal income tax information for the preceding calendar year will be mailed to investors who owned retail certificates during that year, as required by the Internal Revenue Service. You should be aware, however, that this information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a retail certificate.

Maturity

Unlike many other fixed income securities, the retail certificates do not have fixed principal redemption schedules or fixed principal distribution dates. The timing of principal payments may vary considerably based upon a number of factors, including changes in prevailing interest rates. If prevailing interest rates decrease, principal payments on the retail certificates may accelerate due to increased mortgage loan prepayments, and any reinvestment of those payments might be at such lower prevailing interest rates. Conversely, if prevailing interest rates increase, principal payments on the retail certificates may slow down due to decreased mortgage loan prepayments, and you might not be able to reinvest your principal at such higher prevailing interest rates. In such case, the market value of your retail certificates is likely to have declined.

Assets underlying each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Class 1999-25-A REMIC Certificate

Assumed Characteristics of the Mortgage Loans underlying the Group 1 and Group 2 MBS (as of August 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>
Group 1 MBS	\$353,000,000	360	342	16	7.08%
Group 2 MBS	157,000,000	360	353	7	6.80%

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 Underlying REMIC Certificate

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

Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a class, can be used to calculate the current principal balance of that class (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 Group 2 Classes on August 27, 1999 and the remaining classes on August 30, 1999.

Distribution Dates

We will make payments on the Group 1 and Group 3 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 distributions on the Group 2 Classes on the 18th day of each calendar month, or on the next business day if the 18th is not a business day.

Retail Class Units

The LL Class consists of retail certificates. We will issue the retail certificates in units having \$1,000 denominations. Since these units cannot be divided into smaller denominations, you can purchase one or more retail class units in whole but not in part. On each distribution date, principal on the retail certificates may be paid to owners of retail class units, but only in increments of \$1,000. Accordingly, certain retail class units will be paid in full on a particular distribution date, while the remaining retail class units will receive no principal payments on that date. The investors in retail class units who receive principal payments on a particular distribution date will first be selected from

those investors who request them. If on any distribution date the amount of principal payable on the retail certificates exceeds the total amount of principal requested by retail investors, then remaining retail investors will be selected randomly to receive principal payments on that date in the amount of the excess.

Book-Entry and Physical Certificates

We issue 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 classes other than the LL and R Classes	LL Class	R Class

Interest Payments

We will make the first interest payment in September 1999 in an amount equal to approximately \$6.15 with respect to each retail class unit. We will continue to pay interest in that approximate amount on each monthly distribution date on each retail class unit until it is retired.

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. 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	5.680%	9.000%	0.50%	LIBOR + 50 basis points
FC	5.680%	9.000%	0.50%	LIBOR + 50 basis points
FB	5.680%	9.000%	0.50%	LIBOR + 50 basis points
S	8.632%	22.100%	0.00%	$22.1\% - (2.6 \times \text{LIBOR})$
FA	5.780%	8.500%	0.60%	LIBOR + 60 basis points
SA	8.840%	25.675%	0.00%	$25.675\% - (3.25 \times \text{LIBOR})$
TF	5.630%	9.000%	0.45%	LIBOR + 45 basis points
TS	6.740%	17.100%	0.00%	$17.1\% - (2 \times \text{LIBOR})$

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

Payments of Principal

Group 1 Principal Distribution Amount

Z Accrual Amount

- (a) 67.4378786165% of such amount to the F, S, FA and SA Classes, pro rata, to zero, and
(b) 32.5621213835% of such amount as follows:
first, to the FC Class to its Targeted Balance;
second, to the FB Class to zero; and
third, to the FC Class to zero.
- Thereafter to the Z Class.

Group 1 Cash Flow Distribution Amount

1. (a) 46.9775988029% of such amount to the PA Class to its Planned Balance, and
(b) 53.0224011971% of such amount to the PC, PD and PE Classes, in that order, to their Planned Balances.
2. To the PB Class to its Planned Balance.
3. (a) 67.4378786165% of the remaining amount to the F, S, FA and SA Classes, pro rata, to zero, and
(b) 32.5621213835% of such remaining amount as follows:
first, to the FC Class to its Targeted Balance;
second, to the FB Class to zero; and
third, to the FC Class to zero.
4. To the Z Class to zero.
5. (a) 46.9775988029% of the remaining amount to the PA Class to zero, and
(b) 53.0224011971% of such remaining amount to the PC, PD and PE Classes, in that order, to zero.
6. To the PB Class to zero.

Group 2 Principal Distribution Amount

- A. Commencing in September 2002, on each Distribution Date to the LL and LP Classes, pro rata, an amount up to, but not more than, \$17,800.
- B. Commencing in September 2004, on each Distribution Date to the AN Class, the amount specified in this prospectus supplement under “Description of the Certificates—Distributions of Principal.”
- C. Commencing in September 1999, on each Distribution Date, all amounts remaining after giving effect to A. and B. above to the Classes below as follows:
first, to the A Class to its Targeted Balance;
second, to the AZ Class to zero;
third, to the A Class to zero;
fourth, to the LL and LP Classes, pro rata, to zero; and
fifth, to the AN Class to zero.

Group 3 Principal Distribution Amount

To the TF and TS Classes, pro rata, to zero.

Weighted Average Lives (years) *

Group 1 Classes		PSA Prepayment Assumption				
		0%	100%	145%	250%	500%
PA		10.9	2.9	2.9	2.9	2.0
PC		7.5	2.0	2.0	2.0	1.7
PD		14.7	4.0	4.0	4.0	2.4
PE		16.9	5.0	5.0	5.0	2.8
PB		22.0	10.6	10.6	10.6	5.5
F, S, FA and SA		19.3	11.0	6.0	1.6	0.7
FC		18.4	10.1	5.0	1.8	0.8
FB		26.7	18.2	14.2	0.4	0.1
Z		28.6	23.5	21.0	5.3	1.5
Group 2 Classes		PSA Prepayment Assumption				
		0%	100%	225%	265%	350%
A	15.0	5.7	3.0	3.0	2.7	2.1
AZ	26.9	18.9	8.7	5.2	1.2	0.6
AN	18.9	12.4	9.7	9.2	9.6	7.7
LL** and LP	25.3	23.3	17.7	15.4	8.2	4.4
Group 3 Classes		PSA Prepayment Assumption				
		0%	100%	130%	300%	500%
TF and TS	17.8	6.8	5.7	2.9	1.8	

* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement. Prepayments will not occur at any assumed rate shown or any other constant rate, and the actual weighted average lives of the certificates are likely to differ from those shown, perhaps significantly.

** The weighted average lives shown in the table apply to the entire retail class as a whole and are not likely to reflect the experience of any particular investor in the class of retail certificates. Because investors will receive principal payments subject to the distribution priorities and allocations as described under “Description of the Certificates—Characteristics of the Retail Certificates—*Retail Principal Payments*” in this prospectus supplement, the weighted average lives of retail class units will vary among individual investors. See “Description of the Certificates—Characteristics of the Retail Certificates—*Certain Principal Payment Considerations*” in this prospectus supplement.

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, 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.

The rate of prepayment of relocation mortgage loans may be higher than that of non-relocation mortgage loans. The mortgage loans underlying the Group 2 MBS are relocation mortgage loans made to borrowers whose employers frequently relocate their employees. Accordingly, the rate of prepayment of these mortgage loans will be influenced by:

- the circumstances of individual employees and employers,
- the characteristics of the relocation programs and
- the occurrence and timing of the relocations of the borrowers.

It is possible that borrowers under relocation mortgage loans are more likely than other borrowers to be transferred by their employers. If so, relocation mortgage loans would experience a higher rate of prepayment than non-relocation mortgage loans. Because many unpredictable factors affect the prepayment rate of relocation mortgage loans, we cannot estimate the prepayment experience of such mortgage loans. We are unaware of any conclusive data on the prepayment rate of relocation mortgage loans.

Payments on certain classes will also be affected by the payment priority governing the underlying REMIC certificate. If you invest in any Group 3 Class, the rate that you receive payments will also be affected by the priority

sequence governing principal payments on the underlying REMIC certificate.

You may obtain additional information about the underlying REMIC certificate 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.

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 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.

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 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.

Delay classes have lower yields and market values. Since certain classes do not receive interest immediately following each interest accrual period, 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.

Additional Risk Factors Affecting the Retail Certificates

Unpredictable timing of honoring requests for principal payments on the retail certificates. Owners of retail certificates may request payments of principal, but several factors affect the timing of honoring these requests.

- Principal payments on the class of retail certificates will be affected by the timing of principal distributions on the Group 2 MBS.
- Principal payments on the retail certificates will also be affected by the payment priorities governing the Group 2 Classes, including the class of retail certificates. As a result, the class of retail certificates is likely to receive no principal payments for an extended period and thereafter may receive principal payments that vary widely from period to period.
- Other owners of retail certificates might be entitled to earlier principal payments because they submitted earlier requests.
- Requests submitted on behalf of deceased owners of retail certificates are honored in substantially greater amounts than requests submitted by living owners.

We cannot provide any assurance about whether or when any request for principal payment will be honored.

Retail certificates may not be appropriate for all investors. If you require a principal payment on a specific date or a predictable stream of principal payments, the retail certificates would not be an appropriate investment for you.

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”) pursuant to a trust agreement dated as of August 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 “Certificates”), which includes the LL Class (the “LL Class,” “Retail Class” or “Retail Certificates”), pursuant to the Trust Agreement.

The Trust 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 Class) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.

The assets of the Trust will consist of

- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 2 MBS” and, together, the “Trust MBS”),
- a previously issued REMIC certificate (the “Underlying REMIC Certificate”) evidencing a beneficial ownership interest in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A, and
- a non-interest bearing cash deposit of \$999.99 relating to the Retail Class (the “Retail Cash Deposit”).

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

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

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.

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 Certificate are described in the Underlying REMIC Disclosure Document. 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 REMIC Prospectus, “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus, and

“Description of the Certificates—General—Fannie Mae Guaranty” in the Underlying REMIC Disclosure Document.

Characteristics of Certificates. We will issue the Certificates (except the LL and R 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 LL Class will be represented by one certificate (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 DTC 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 Certificates—Denominations, Certificate Form” in the REMIC Prospectus.

We will issue the R Certificate in fully registered, certificated form. The “Holder” or “Certificateholder” of the R Certificate is its registered owner. The R 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 Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R Class.”

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust only by presenting and surrendering such 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 LL and R Classes, in minimum denominations of \$1,000 and whole dollar increments. We will issue the Class of Retail Certificates in an integral number of units (the “Retail Class Units”), each of which will be issued in a denomination of \$1,000. We will issue the R Class as a single Certificate with no principal balance.

Distribution Dates. We will make monthly payments on the Group 1 and Group 3 Classes on the 25th day of each month (or, if the 25th is not a business day, on the first business day after the 25th). We will make monthly payments on the Group 2 Classes on the 18th day of each month (or, if the 18th is not a business day, on the first business day after the 18th). 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 applicable class factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of any Class other than the Retail 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 the Accrual Classes).
- When the applicable class factor is multiplied by the original aggregate principal balance of the Retail Class, the product will equal the current aggregate principal balance of the Retail Class after taking into account payments on the Distribution Date in the same month. As a result, the

factor for the Retail Class will reflect the reduction in aggregate principal balance of the Class taken as a whole, and will not reflect the reduction in principal balance of the Retail Certificates owned by any particular investor. For purposes of determining the factor for the Retail Class, we will disregard any rounding of the principal payment on the Retail Class.

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.

Voting the Underlying REMIC Certificate. Holders of certificates of the Underlying REMIC Trust may be asked to vote on issues arising under the applicable trust agreement. If so, the Trustee will vote the Underlying REMIC Certificate as instructed by Holders of Certificates of the Classes backed by the Underlying REMIC 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.

Characteristics of the Retail Certificates

General

The LL Class will consist of Retail Certificates. The Class of Retail Certificates will be represented by one certificate to be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor or depository selected or approved by us (the “Depository”). We refer to the nominee of the Depository as the “Holder” or “Certificateholder” of the Retail Certificates. The Depository will maintain the Class of Retail Certificates in even \$1,000 increments through its book-entry facilities. For purposes of calculating principal payments, each Retail Class Unit will have the initial principal balance shown below:

<u>Class</u>	<u>Initial Principal Balance Per Unit</u>	<u>Number of Retail Class Units</u>
LL	\$1,000	14,481

Under its normal procedures, the Depository will record the amount of Retail Certificates held by each firm which participates in the book-entry system of the Depository (each, a “Depository Participant”), whether held for its own account or on behalf of another person. Initially, State Street will act as paying agent for the Retail Certificates. State Street will also perform certain administrative functions in connection with the Retail Certificates.

A “beneficial owner” or an “investor” is anyone who acquires a beneficial ownership interest in the Retail 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 Retail Class Units will be recorded by the Depository. If the intermediary is not a Depository Participant, the record ownership of the intermediary will be recorded by a Depository Participant acting on its behalf. Therefore, you must rely on these various arrangements to record your ownership of the Retail Certificates and to relay the distributions to your account. You may transfer your beneficial ownership interest in the Retail Certificates only under the procedures of your financial intermediary and of Depository Participants. In general, ownership of Retail Certificates will be subject to the prevailing rules, regulations and procedures governing the Depository and Depository Participants.

Method of Payment

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

Retail Interest Payments

We will pay interest on the Retail Certificates on each Distribution Date equal in an amount to one month's interest at the annual interest rate of 7.375% accrued on their outstanding principal balances immediately before that Distribution Date. See "—Distributions of Interest" below.

Retail Principal Payments

General. We will pay principal on the Retail Class on any Distribution Date (each, a "Retail Principal Payment") in increments of \$1,000, based on the priorities and limitations described in this prospectus supplement. Either State Street or the Depository will determine the portion of the Retail Principal Payment to be paid to particular Retail Class Units held for the account of Depository Participants. Financial intermediaries and Depository Participants will in turn determine the portion of the Retail Principal Payment to be paid to particular Retail Class Units held for the account of each investor that they represent.

Rounding of Retail Principal Payments. On each Distribution Date when principal is to be paid on the Retail Certificates (as described below under "—Distributions of Principal"), the payment amount will be rounded to the nearest \$1,000 increment. When we first make a Retail Principal Payment, we will round that payment upward to the nearest \$1,000 by withdrawing from the Retail Cash Deposit the necessary amount. After the initial Retail Principal Payment, we will apply the amount available as principal of the Retail Class, first, to replenish the Retail Cash Deposit and, second, as a Retail Principal Payment (rounded to the nearest \$1,000).

We will repeat this procedure on each Distribution Date until the principal balance of the Retail Class is reduced to zero. On any Distribution Date, the Retail Principal Payment may be slightly more or less than it would be in the absence of rounding, but any such difference will never exceed \$999.99. The total amount of all Retail Principal Payments made through any Distribution Date will never be less than it would have been in the absence of rounding.

Retail Principal Payment Requests. As an investor, you may request that principal of your Retail Class Unit or Units be paid to you in increments of \$1,000 on the earliest possible Distribution Date (each, a "Retail Principal Payment Request"). You must submit a Retail Principal Payment Request to the financial intermediary that maintains the account reflecting your interest in the Retail Class. If the financial intermediary is not a Depository Participant, it must notify the related Depository Participant of the request. The Depository Participant must then make the request to the Depository in writing, on a form that the Depository requires.

The Depository will establish procedures for determining the order in which it receives requests. When the Depository receives a request, it will date and time stamp the request and forward it to State Street. State Street will not be liable for any delay in delivery to it of Retail Principal Payment Requests or for the withdrawal of such requests.

State Street will maintain a list of Depository Participants representing investors that have submitted Retail Principal Payment Requests. The list will include the order of receipt and the amounts of such requests. State Street will notify the Depository and the applicable Depository Participants as to which requests to honor on each Distribution Date. The Depository will honor Retail Principal Payment Requests according to the procedures, and subject to the priorities and

limitations, described below. Either State Street or the Depository will establish the procedures for determining such priorities and limitations. The decisions of State Street and the Depository concerning such matters will be final and binding on all affected persons.

Withdrawing a Retail Principal Payment Request. To withdraw a Retail Principal Payment Request, you must notify the financial intermediary that maintains the account reflecting your interest in the Retail Certificates. If the financial intermediary is not a Depository Participant, it must notify the related Depository Participant, which will forward the withdrawal to State Street, on a form that the Depository requires. A Retail Principal Payment Request will be considered withdrawn upon the transfer of beneficial ownership of the related Retail Certificate, but only if State Street receives notification of the withdrawal on the proper form.

The Depository can honor a Retail Principal Payment Request on any Distribution Date only if it receives the request and forwards it to State Street by the last day of the month before the month in which that Distribution Date occurs (the “Record Date”). The Depository can honor the withdrawal of a request on any Distribution Date only if the Depository Participant receives the withdrawal and forwards it to State Street by the Record Date. Priority will be given to investors on whose behalf Retail Principal Payment Requests have been duly received and not withdrawn. The Depository will honor requests in the following order of priority:

(i) the Depository will honor requests on behalf of Deceased Owners (as defined below) in the order it receives them, until it has honored each such request in an initial amount up to \$100,000 of original principal balance per Deceased Owner; and

(ii) the Depository will honor requests on behalf of Living Owners (as defined below) in the order it receives them, until it has honored each such request in an initial amount up to \$10,000 of original principal balance per Living Owner.

After that, the Depository will honor requests on behalf of

- Deceased Owners, as provided in clause (i), up to an additional \$100,000 of original principal balance; and
- Living Owners as provided in clause (ii), up to an additional \$10,000 of original principal balance.

The Depository will repeat this sequence of priorities until it has honored all Retail Principal Payment Requests.

If a Retail Principal Payment Request is submitted on behalf of a Living Owner who becomes a Deceased Owner, that request takes on the priority of a newly-submitted request on behalf of a Deceased Owner. The Depository must receive appropriate evidence of death and any required tax waivers and forward these items to State Street on or before the related Record Date.

On any Distribution Date, if the Retail Principal Payment Requests exceed the aggregate amount of principal available for payment on the Retail Class, those requests will automatically be honored on later Distribution Dates, without the investor making any additional Retail Principal Payment Requests, all in accordance with State Street’s procedures.

Excess Retail Principal Payment by Random Lot. On any Distribution Date, if a Retail Principal Payment exceeds the amount evidenced by the related Retail Principal Payment Requests received by State Street, the Retail Certificates in respect of which principal payments are to be made (in increments of \$1,000) will be determined under the random lot procedures of the Depository and the established procedures of the Depository Participants and financial intermediaries. Accordingly, a Depository Participant or financial intermediary may choose to allot the excess portion of the Retail Principal Payment to the accounts of some investors (which could include that Depository Participant or financial intermediary) without allotting such distributions to the accounts of other investors.

Beneficial Owners. A “Deceased Owner” is a beneficial owner of Retail Certificates who was living when that interest was acquired and whose authorized representative provides the Depository with evidence of death satisfactory to State Street and any tax waivers requested by State Street. A “Living Owner” is any beneficial owner of Retail Certificates other than a Deceased Owner.

- Retail Certificates beneficially owned by tenants by the entirety, joint tenants or tenants in common (“Tenants”) are considered beneficially owned by a single owner. The death of an individual Tenant will be considered the death of the beneficial owner. In the event of such a death, the Retail Certificates beneficially owned by the Tenants will be eligible for the priority in principal payment described above.
- Retail Certificates beneficially owned by a trust will be considered beneficially owned by each beneficiary of the trust. However, a trust’s beneficiaries as a group will not be considered to own more than the principal amount of Retail Certificates owned by the related trust.
- The death of a beneficiary of a trust will be considered the death of a beneficial owner of a share of the related Retail Certificates which corresponds to that beneficiary’s interest in the trust.
- The death of a Tenant in a tenancy which is the beneficiary of a trust will be considered the death of the beneficiary of the trust.
- The death of a person who had been entitled to substantially all of the beneficial ownership interests in any Retail Certificates will be considered the death of the beneficial owner of those Retail Certificates, regardless of the owner identified in the relevant records, if that beneficial interest can be established to State Street’s satisfaction. Beneficial interests are considered to exist in the case of street name or nominee ownership, ownership by a trustee, ownership under the Uniform Gifts to Minors Act and community property or other joint ownership arrangements between spouses.

Beneficial interest will include the power to sell, transfer or otherwise dispose of Retail Certificates and the right to receive the related proceeds, as well as interest and principal payments on the Retail Certificates.

Tax Information. As required by federal law, we will provide to Depository Participants and financial intermediaries information that will allow beneficial owners of the Retail Certificates to calculate properly the taxable income attributable to the Retail Certificates. Financial intermediaries, in turn, will be obligated to supply such information to individuals and other beneficial owners who are not “exempt recipients.” Beneficial owners should be aware, however, that such information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a Retail Certificate. The Retail Certificates may be issued with “original issue discount” or at a premium for federal income tax purposes. **You should be aware that the beneficial owners of Retail Certificates must include in gross income original issue discount, if any, as it accrues under a method that generally results in recognition of some taxable income in advance of receipt of the cash attributable to such income.** You also should be aware that beneficial owners of Retail Certificates should treat any premium, any original issue discount and any market discount with respect to such Certificates in the same manner as beneficial owners of other “regular interests” in a REMIC. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. Because the Retail Certificates will not receive payments of principal on a pro rata basis, however, a payment in full of a Retail Certificate may be treated as a prepayment for purposes of the premium, original issue discount and market discount rules. Additional tax consequences affecting beneficial owners of the Retail Certificates are discussed under “Certain Additional Federal Income Tax Consequences—*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.

Certain Principal Payment Considerations

The Retail Class may receive no principal at all for a significant period. Thereafter, the rate of principal payments may vary widely so that the Retail Class may receive little or no principal on any particular Distribution Date. Accordingly, **we cannot assure you that a Retail Principal Payment Request will be honored, either in whole or in part, within any particular period after it is submitted.** In addition, the timing for honoring a Retail Principal Payment Request will also be affected by the aggregate principal balance of the Retail Certificates beneficially owned by persons having priority to right of payment, either:

- due to their status as Deceased Owners, or
- because they submitted their Retail Principal Payment Requests earlier.

By contrast, the amount of principal available for payment to the Retail Class on any Distribution Date may exceed the amount necessary to satisfy the Retail Principal Payment Requests. In that event, you may receive principal payments under the random lot procedures referred to in this prospectus supplement even if you did not request a payment.

If prevailing interest rates are higher than the interest rate on the Retail Certificates, more investors are likely to submit Retail Principal Payment Requests. Under those circumstances, however, there may be a slower rate of prepayments on the Mortgage Loans. That slower rate would reduce the funds available for the Retail Principal Payments. By contrast, Retail Principal Payments may be greater when prevailing interest rates decline relative to the interest rates on the Mortgage Loans. In that event, investors are less likely to submit Retail Principal Payment Requests, but mortgagors are more likely to prepay the Mortgage Loans. If your Retail Certificates are selected for payment under those conditions, you may be unable to reinvest the amounts you receive at effective interest rates equal to the interest rate on the Retail Certificates.

The rate of Retail Principal Payments depends on the rate of principal payments (including prepayments) on the Mortgage Loans. Accordingly, we cannot predict:

- the rate at which the payments will continue after they begin, or
- the date on which the principal balance of the Retail Class will be paid in full.

In addition, it is possible that you might not receive Retail Principal Payments until the Final Distribution Date for the Retail Class.

The actual yield on your Retail Certificates probably will be lower than you expect:

- if you buy your Retail Certificates at a premium and principal payments are faster than you expect, or
- if you buy your Retail Certificates at a discount and principal payments are slower than you expect.

See “Risk Factors—Yield Considerations” in the REMIC Prospectus and “Additional Risk Factors” in this prospectus supplement. Also see “—*Weighted Average Lives of the Retail Certificates*” and “—Distributions of Principal” below.

Weighted Average Lives of the Retail Certificates

To illustrate the effect of prepayments on principal payments to the Retail Class, the following table shows the approximate aggregate principal payments to the Retail Class during the periods specified. The following table shows the amounts that would be available for principal payments at various constant percentages of PSA (as defined below under “—Structuring Assumptions—*Prepayment Assumptions*”) based on the principal allocations described under “—Distributions of Principal.” The amounts shown have been calculated on the basis of the Pricing Assumptions (as defined in this prospectus supplement) and on the assumption that principal payments on the Retail Certificates are not rounded to integral multiples of \$1,000 and are made on the Distribution Date of each month in which those payments are required to be made. The amounts in the table:

- are hypothetical numbers only,
- apply to the Retail Class taken as a whole, and
- are presented solely to show the relationship between prepayments and principal payments on the Retail Class in order to assist investors in analyzing that relationship.

Because of the payment allocations described above and because investors in the Retail Certificates will receive principal payments in increments of \$1,000, we cannot assure that you will receive a principal payment on any particular Distribution Date. You are urged to consult your own financial advisors as to the significance of prepayments in terms of your financial and investment objectives.

**Aggregate Retail Principal Payments on the Retail Certificates
(for illustrative purposes only)**

(Amounts in thousands)

Distribution Date	PSA Prepayment Assumption					
	0%	100%	225%	265%	350%	500%
August 2000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
August 2001	0	0	0	0	0	0
August 2002	0	0	0	0	0	0
August 2003	174	174	174	174	174	2,594
August 2004	174	174	174	174	174	11,887
August 2005	174	174	174	174	3,412	0
August 2006	174	174	174	174	4,255	0
August 2007	174	174	174	174	2,198	0
August 2008	174	174	174	421	850	0
August 2009	174	174	174	1,162	657	0
August 2010	174	174	174	852	506	0
August 2011	174	174	174	609	389	0
August 2012	174	174	174	456	298	0
August 2013	174	174	445	475	228	0
August 2014	174	174	658	1,841	182	0
August 2015	174	174	1,997	1,517	177	0
August 2016	174	174	1,696	1,248	176	0
August 2017	174	174	1,438	1,025	175	0
August 2018	174	174	1,217	839	175	0
August 2019	174	174	1,027	686	174	0
August 2020	174	174	865	558	174	0
August 2021	174	174	727	453	107	0
August 2022	174	174	609	366	0	0
August 2023	174	247	508	295	0	0
August 2024	174	2,244	423	236	0	0
August 2025	174	2,119	350	188	0	0
August 2026	174	2,001	288	148	0	0
August 2027	174	1,891	235	116	0	0
August 2028	174	1,787	191	90	0	0
August 2029	9,963	716	68	31	0	0
Total*	<u>\$14,481</u>	<u>\$14,481</u>	<u>\$14,481</u>	<u>\$14,481</u>	<u>\$14,481</u>	<u>\$14,481</u>

* Total principal payments may not equal the sums of the respective columns due to rounding.

The table above was prepared on the basis of assumptions, which are likely to differ from actual experience. We cannot assure you that:

- the Mortgage Loans will have the assumed characteristics,
- the Mortgage Loans will prepay at any of the constant rates shown in the table or at any other particular rate, or
- the amounts available for principal payments on the Retail Certificates will correspond to any of the amounts shown in this prospectus supplement.

The rates of the Retail Principal Payments will depend, in part, on the actual amortization and prepayments of the related Mortgage Loans, which will likely include Mortgage Loans that have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed. As a result, the amounts available for principal payments on the Retail Class are likely to differ from those shown in the table above even if all the Mortgage Loans prepay at the indicated constant percentages of PSA. In particular, the diverse remaining terms to maturity of the Mortgage Loans could produce lower yields than those produced by Mortgage Loans having the assumed characteristics. In addition, it is extremely unlikely that the Mortgage Loans will prepay at a constant level of PSA until maturity or that all of such Mortgage Loans will prepay at the same rate. The timing of changes in the prepayment rates may significantly affect the amount of principal payments and yield to maturity, even if the average prepayment rate is consistent with an investor's expectation. In general, the earlier the distribution of principal of the Mortgage Loans, the greater the effect on an investor's yield to maturity. As a result, the effect on your yield of principal prepayments at a rate slower (or faster) than the rate you expect during the period immediately following the issuance of the Retail Certificates will not be offset completely by a subsequent like increase (or decrease) in the prepayment rate. You are urged to consult your own financial advisors as to the appropriate prepayment assumption to be used in deciding whether to purchase any Retail Certificates.

Principal payments on the Retail Certificates will also be affected by the payment priorities governing the Group 2 Classes, including the Retail Class. As a result, the Class of Retail Certificates is likely to receive no principal payments for an extended period and thereafter may receive principal payments that vary widely from period to period.

The weighted average life of the Retail Class shown in the applicable table under “—Decrement Tables” below relates to the Class taken as a whole. As a result of the payment priorities and allocations described above, the weighted average lives of the Retail Certificates beneficially owned by individual investors may vary significantly from the weighted average life of the Retail Class as a whole. Although we guarantee payments of principal and interest on the Retail Certificates as described in this prospectus supplement, we can give no assurance as to:

- any particular principal payment scenario,
- any particular weighted average life for the Retail Certificates, or
- the date or dates on which any particular investor will receive payments of principal.

In addition, the procedures of the financial intermediaries or the Depository may change. You should understand that you are assuming all risks and benefits associated with the rate of principal payments on your Retail Certificates, whether such rate is rapid or slow, and variations in that rate from time to time. You should also consider that the effective yields to Holders of the Retail Certificates will be lower than the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until on or after the 18th day following the end of the related Interest Accrual Period and will not bear interest during that delay.

Investment Determination

The Retail Certificates may not be an appropriate investment for you if you require a particular payment of principal on a specified date or an otherwise predictable stream of principal payments. We cannot assure you that any investor in the Retail Certificates will receive a principal payment (in integral multiples of \$1,000) on any particular Distribution Date. In addition, although Edward D. Jones & Co., L.P. intends to make a secondary market in the Retail Certificates, it is not obligated to do so. Any market making by Edward D. Jones & Co., L.P. may be discontinued at any time. We cannot assure you that such a secondary market will develop, that any secondary market will continue, or that information on any secondary market will be as readily available as information regarding certain other types of investments. The price of the Retail Certificates in any secondary market will be

affected by various factors. Furthermore, the volatility of the price may differ from the volatility associated with other types of investments. Finally, we cannot assure you that the price at which you may be able to sell a Retail Certificate will be the same as or higher than the price at which you purchased that Retail Certificate.

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 that 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 that 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 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.

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 those 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 Trust MBS

The following table contains certain information about the Trust MBS. The Trust MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Trust 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 Trust MBS. The Mortgage Loans underlying the Trust

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. In addition, the Mortgage Loans underlying the Group 2 MBS will be relocation mortgage loans. This type of loan is originated pursuant to agreements between lenders and employers in connection with relocation programs maintained by employers that frequently relocate their employees (“relocation mortgage loans”), as opposed to being originated in connection with the nonrecurring relocation of an employer’s place of business. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the Group 1 MBS and Group 2 MBS and the related Mortgage Loans as of August 1, 1999 (the “Issue Date”) to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$353,000,000
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	342 months
Approximate Weighted Average CAGE	16 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$157,000,000
MBS Pass-Through Rate	6.00%

Related Mortgage Loans

Range of WACs (per annum percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	353 months
Approximate Weighted Average CAGE	7 months

The Underlying REMIC Certificate

The Underlying REMIC Certificate represents a beneficial ownership interest in the Underlying REMIC Trust. The assets of this trust evidence direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. 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. Distributions on the Underlying REMIC Certificate will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document.

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

For further information about the Underlying REMIC Certificate, 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 date we prepared the Underlying REMIC Disclosure Document. 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 document may be limited.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balance of the Underlying REMIC Certificate as of the Issue Date and with respect to the Trust MBS, 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 Trust 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 each of the Trust 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

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	PA, PC, PD, PE, PB and Z
Floating Rate	F, FC, FB and FA
Inverse Floating Rate	S and SA
Accrual	Z
Group 2 Classes	
Fixed Rate	A, AZ, AN and LL
Accrual	AZ
Principal Only	LP
Group 3 Classes	
Floating Rate	TF
Inverse Floating Rate	TS
No Payment Residual	R

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

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 an Accrual Class) 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 an Accrual Class) 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.”

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>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All Floating Rate and Inverse Floating Rate Classes	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors.”

We will treat the LP Class as a Delay Class for the sole purpose of facilitating trading.

Accrual Classes. The Z and AZ Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rate 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.

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 the specified interest rate index (the “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 Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the 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” as described in the REMIC Prospectus under “Description of 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 5.18%.

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	
PAC	PA, PC, PD, PE and PB
TAC	FC
Support	F, S, FA, SA, FB and Z
Accretion Directed	F, S, FA, SA, FC and FB
Group 2 Classes	
Sequential Pay	LL, LP and AN
TAC	A
Support	AZ
Retail	LL
Group 3 Classes	
Structured Collateral/Pass-Through	TF and TS
No Payment Residual	R

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

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 to be paid on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the Z Class (the “Z Accrual Amount,” and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal to be paid on the Group 2 MBS in the month of such Distribution Date (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the AZ Class (together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”), and
- the principal then paid on the Underlying REMIC Certificate (the “Group 3 Principal Distribution Amount”).

The portion of the class of Underlying REMIC Certificate held by the Trust is set forth in Exhibit A.

Group 1 Principal Distribution Amount

Z Accrual Amount

On each Distribution Date, we will pay the Z Accrual Amount as principal of the Classes specified below in the following priority:

(i) (a) 67.4378786165% of such amount to the F, S, FA and SA Classes, pro rata (or 48.9111449816%, 37.3829851514%, 10.4809596389% and 3.2249102281%, respectively), until their principal balances are reduced to zero, and

(b) 32.5621213835% of such amount as follows:

first, to the FC Class, until its principal balance is reduced to its Targeted Balance for such Distribution Date;

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

third, to the FC Class, without regard to its Targeted Balance and until its principal balance is reduced to zero; and

(ii) thereafter as principal of the Z 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) (a) 46.9775988029% of such amount to the PA Class, until its principal balance is reduced to its Planned Balance for such Distribution Date, and

(b) 53.0224011971% of such amount to the PC, PD and PE Classes, in that order, until their principal balances are reduced to their Planned Balances for such Distribution Date;

(ii) to the PB Class, until its principal balance is reduced to its Planned Balance for such Distribution Date;

(iii) (a) 67.4378786165% of the remaining amount to the F, S, FA and SA Classes, pro rata, until their principal balances are reduced to zero, and

(b) 32.5621213835% of such remaining amount as follows:

first, to the FC Class, until its principal balance is reduced to its Targeted Balance for such Distribution Date;

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

third, to the FC Class, without regard to its Targeted Balance and until its principal balance is reduced to zero;

(iv) to the Z Class, until its principal balance is reduced to zero;

PAC
Classes

Support
Classes

TAC
Class

Support
Class

TAC
Class

Support
Class

- (v) (a) 46.9775988029% of the remaining amount to the PA Class, without regard to its Planned Balance and until its principal balance is reduced to zero, and
- (b) 53.0224011971% of such remaining amount to the PC, PD and PE Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero; and
- (vi) to the PB Class, without regard to its Planned Balance and until its principal balance is reduced to zero.
- } PAC
Classes

Group 2 Principal Distribution Amount

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount as principal of the Group 2 Classes in the priority set forth below.

- A. Commencing in September 2002, we will pay, concurrently, to the LL and LP Classes, pro rata (or 81.3539325843% and 18.6460674157%, respectively), an amount up to, but not more than, \$17,800, until their principal balances are reduced to zero.
- B. Commencing in September 2004, we will pay the Group 2 Specified Percentage (described below) of the Group 2 Basic Principal Amount (described below) as principal of the AN Class, until its principal balance is reduced to zero; provided, that the amount so payable on any Distribution Date will in no event exceed 99.5% of the Group 2 Principal Distribution Amount for such date remaining after giving effect to A. above.
- } Sequential
Pay
Classes

C. Commencing in September 1999, we will pay the Group 2 Principal Distribution Amount remaining after giving effect to A. and B. above as principal of the Group 2 Classes as follows:

- first*, to the A Class, until its principal balance is reduced to its Targeted Balance for such Distribution Date;
- } TAC
Class
- second*, to the AZ Class, until its principal balance is reduced to zero;
- } Support
Class
- third*, to the A Class, without regard to its Targeted Balance and until its principal balance is reduced to zero;
- } TAC
Class
- fourth*, concurrently, to the LL and LP Classes, pro rata, until their principal balances are reduced to zero; and
- } Sequential
Pay
Classes
- fifth*, to the AN Class, until its principal balance is reduced to zero.

The “Group 2 Specified Percentage” for any Distribution Date will be calculated by dividing (x) the sum of the outstanding principal balance of the AN Class plus \$13,000,000 by (y) the aggregate outstanding principal balance of all the Group 2 Classes, in each case immediately prior to that Distribution Date.

The “Group 2 Basic Principal Amount” for any Distribution Date is the sum of:

- the portion of the Group 2 Cash Flow Distribution Amount consisting of scheduled payments of principal assumed to be received on the underlying Mortgage Loans during the calendar month prior to the month of that Distribution Date, plus
- the Group 2 Prepayment Percentage (described below) of the remaining portion of the Group 2 Cash Flow Distribution Amount.

For this purpose, we will calculate the scheduled payments of principal assumed to be received on the underlying Mortgage Loans during any calendar month on the basis of the interest rates and

remaining terms to maturity of such Mortgage Loans. Our calculations shall be final and binding, absent manifest error. The “Group 2 Prepayment Percentage” for any Distribution Date in the periods specified below will be as follows:

<u>Distribution Date</u>	<u>Group 2 Prepayment Percentage</u>
September 2004 through August 2005	30%
September 2005 through August 2006	40%
September 2006 through August 2007	60%
September 2007 and thereafter	80%

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Cash Flow Distribution Amount, concurrently, as principal of the TF and TS Classes, pro rata (or 66.6666666667% and 33.3333333333%, respectively), until their principal balances are reduced to zero. } Structured Collateral / Pass-Through Classes

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 Underlying REMIC Certificate, the priority sequence affecting the principal payments on the Underlying REMIC Certificate and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 and Group 2 MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the Group 1 and Group 2 MBS”;
- 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 August 27, 1999 for the Group 2 Classes and August 30, 1999 for all other Classes.

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 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 Range and 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 Mortgage Loans will prepay at a constant PSA rate within the Structuring Range or at the applicable rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range and Rates</u>
Planned Balances	PA, PC, PD, PE and PB	Between 100% and 250%
Targeted Balances	FC	145%
Targeted Balances	A	225%

We cannot assure you that the balance of any Class 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 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 to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the Structuring Range, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the Structuring Range or at the rates specified above.

Initial Effective Ranges. The Effective Range for a Class is the range of prepayment rates (measured by *constant* PSA rates) that would reduce such Class to its scheduled balance on each Distribution Date. The Initial Effective Ranges shown in the table below are based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Classes</u>	<u>Initial Effective Ranges</u>
PA	Between 100% and 271%
PC	Between 100% and 339%
PD	Between 100% and 274%
PE	Between 100% and 271%
PB	Between 100% and 250%

The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics are likely to differ from the Initial Effective Ranges. As a result, the applicable Classes might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within their Initial Effective Ranges. This is so particularly if such rate were at the lower or higher end of such ranges. In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The stability in principal payment of the PAC Classes will be supported in part by the related TAC and Support Classes. When such related TAC and Support Classes are retired, the PAC Classes, if still outstanding, may no longer have Effective Ranges and will be more sensitive to prepayments.

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. 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, 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 Index will remain constant.

The Inverse Floating Rate Classes. The yields on the Inverse Floating Rate Classes will be sensitive in varying degrees to the rate of principal payments, including prepayments, of the related Mortgage Loans and to the level of the Index. The related 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.

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

The information shown in the 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 Payments” and for each following Interest Accrual Period will be based on the specified level of the 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	86.5%
SA	86.5%
TS	87.0%

* 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
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>145%</u>	<u>250%</u>	<u>500%</u>
3.18%	17.1%	17.5%	19.1%	25.8%	39.1%
5.18%	10.9%	11.3%	12.8%	19.8%	33.2%
7.18%	4.9%	5.3%	6.7%	13.8%	27.5%
8.50%	1.0%	1.4%	2.7%	10.0%	23.7%

**Sensitivity of the SA Class to Prepayments
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>145%</u>	<u>250%</u>	<u>500%</u>
3.18%	19.0%	19.4%	21.0%	27.6%	40.9%
5.18%	11.1%	11.5%	13.1%	20.0%	33.5%
7.18%	3.6%	4.0%	5.4%	12.6%	26.3%
7.90%	1.0%	1.4%	2.7%	10.0%	23.7%

**Sensitivity of the TS Class to Prepayments
(Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>130%</u>	<u>300%</u>	<u>500%</u>
3.18%	13.8%	14.4%	14.9%	17.4%	20.4%
5.18%	9.1%	9.8%	10.3%	12.8%	15.8%
7.18%	4.6%	5.3%	5.7%	8.3%	11.4%
8.55%	1.5%	2.2%	2.7%	5.3%	8.3%

The Principal Only Class. **The LP Class 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 yields to investors in the LP Class.**

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

<u>Class</u>	<u>Price</u>
LP	32%

Sensitivity of the LP Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>225%</u>	<u>265%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	5.0%	5.3%	6.9%	8.1%	15.8%	27.9%

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 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 and Group 2 Classes,
- in the case of the applicable Group 1 and Group 2 Classes, the payment of principal of such Classes in accordance with the Principal Balance Schedules, and
- in the case of the Group 3 Classes, the priority sequence affecting distributions on the Underlying REMIC Certificate.

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

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. 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>	<u>Related Groups</u>
Group 1 MBS	360 months	360 months	9.0%	Group 1
Group 2 MBS	360 months	360 months	8.5%	Group 2
Underlying REMIC Certificate	360 months	357 months	8.5%	Group 3

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 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 of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	PA Class					PC Class					PD Class					PE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	145%	250%	500%	0%	100%	145%	250%	500%	0%	100%	145%	250%	500%	0%	100%	145%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2000	100	98	98	98	98	100	96	96	96	96	100	100	100	100	100	100	100	100	100	100
August 2001	97	72	72	72	52	94	48	48	48	11	100	100	100	100	100	100	100	100	100	100
August 2002	94	47	47	47	0	88	2	2	2	0	100	100	100	100	0	100	100	100	100	0
August 2003	90	24	24	24	0	82	0	0	0	0	100	48	48	48	0	100	100	100	100	0
August 2004	86	2	2	2	0	75	0	0	0	0	100	0	0	0	0	100	54	54	54	0
August 2005	82	0	0	0	0	67	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2006	78	0	0	0	0	59	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2007	73	0	0	0	0	50	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2008	67	0	0	0	0	39	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2009	61	0	0	0	0	28	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2010	55	0	0	0	0	16	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2011	48	0	0	0	0	3	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2012	40	0	0	0	0	0	0	0	0	0	86	0	0	0	0	100	0	0	0	0
August 2013	31	0	0	0	0	0	0	0	0	0	66	0	0	0	0	100	0	0	0	0
August 2014	22	0	0	0	0	0	0	0	0	0	44	0	0	0	0	100	0	0	0	0
August 2015	12	0	0	0	0	0	0	0	0	0	20	0	0	0	0	100	0	0	0	0
August 2016	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24	0	0	0	0
August 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 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)**	10.9	2.9	2.9	2.9	2.0	7.5	2.0	2.0	2.0	1.7	14.7	4.0	4.0	4.0	2.4	16.9	5.0	5.0	5.0	2.8

Date	PB Class					F, S, FA and SA Classes					FC Class					FB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	145%	250%	500%	0%	100%	145%	250%	500%	0%	100%	145%	250%	500%	0%	100%	145%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2000	100	100	100	100	100	97	82	76	60	23	97	80	73	67	26	100	100	100	0	0
August 2001	100	100	100	100	100	96	81	67	35	0	95	79	63	39	0	100	100	100	0	0
August 2002	100	100	100	100	92	95	80	59	15	0	94	78	54	17	0	100	100	100	0	0
August 2003	100	100	100	100	64	93	79	53	*	0	93	76	47	*	0	100	100	100	0	0
August 2004	100	100	100	100	44	92	77	48	0	0	91	75	41	0	0	100	100	100	0	0
August 2005	100	88	88	88	30	91	76	43	0	0	90	73	36	0	0	100	100	100	0	0
August 2006	100	75	75	75	21	89	75	39	0	0	88	71	32	0	0	100	100	100	0	0
August 2007	100	63	63	63	14	88	73	36	0	0	86	70	28	0	0	100	100	100	0	0
August 2008	100	53	53	53	10	86	71	33	0	0	84	67	25	0	0	100	100	100	0	0
August 2009	100	44	44	44	7	84	67	29	0	0	82	63	20	0	0	100	100	100	0	0
August 2010	100	36	36	36	5	82	62	24	0	0	80	57	15	0	0	100	100	100	0	0
August 2011	100	30	30	30	3	80	56	19	0	0	78	50	9	0	0	100	100	100	0	0
August 2012	100	24	24	24	2	78	49	13	0	0	75	43	2	0	0	100	100	100	0	0
August 2013	100	20	20	20	1	76	41	7	0	0	73	34	0	0	0	100	100	61	0	0
August 2014	100	16	16	16	1	73	33	*	0	0	70	25	0	0	0	100	100	3	0	0
August 2015	100	13	13	13	1	70	25	0	0	0	67	16	0	0	0	100	100	0	0	0
August 2016	100	11	11	11	*	68	16	0	0	0	64	6	0	0	0	100	100	0	0	0
August 2017	93	9	9	9	*	65	7	0	0	0	60	0	0	0	0	100	67	0	0	0
August 2018	84	7	7	7	*	61	0	0	0	0	57	0	0	0	0	100	0	0	0	0
August 2019	75	5	5	5	*	58	0	0	0	0	53	0	0	0	0	100	0	0	0	0
August 2020	64	4	4	4	*	54	0	0	0	0	49	0	0	0	0	100	0	0	0	0
August 2021	53	3	3	3	*	50	0	0	0	0	44	0	0	0	0	100	0	0	0	0
August 2022	40	2	2	2	*	46	0	0	0	0	39	0	0	0	0	100	0	0	0	0
August 2023	27	2	2	2	*	42	0	0	0	0	34	0	0	0	0	100	0	0	0	0
August 2024	12	1	1	1	*	37	0	0	0	0	29	0	0	0	0	100	0	0	0	0
August 2025	1	1	1	1	*	25	0	0	0	0	16	0	0	0	0	100	0	0	0	0
August 2026	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2027	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 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)**	22.0	10.6	10.6	10.6	5.5	19.3	11.0	6.0	1.6	0.7	18.4	10.1	5.0	1.8	0.8	26.7	18.2	14.2	0.4	0.1

* 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	Z Class					A Class						AZ Class					
	PSA Prepayment Assumption					PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	145%	250%	500%	0%	100%	225%	265%	350%	500%	0%	100%	225%	265%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2000	107	107	107	107	107	98	93	87	87	87	87	106	106	106	92	61	7
August 2001	114	114	114	114	0	96	82	67	67	67	51	113	113	113	75	0	0
August 2002	121	121	121	121	0	93	71	47	47	41	19	120	120	120	63	0	0
August 2003	130	130	130	130	0	91	60	29	29	20	0	127	127	127	58	0	0
August 2004	138	138	138	70	0	89	50	14	14	4	0	135	135	135	59	0	0
August 2005	148	148	148	30	0	87	41	4	4	0	0	143	143	143	62	0	0
August 2006	157	157	157	8	0	84	34	0	0	0	0	152	152	116	43	0	0
August 2007	168	168	168	*	0	82	28	0	0	0	0	161	161	77	12	0	0
August 2008	179	179	179	*	0	79	22	0	0	0	0	171	171	55	0	0	0
August 2009	191	191	191	*	0	76	17	0	0	0	0	182	182	37	0	0	0
August 2010	204	204	204	*	0	73	12	0	0	0	0	193	193	23	0	0	0
August 2011	218	218	218	*	0	69	7	0	0	0	0	205	205	12	0	0	0
August 2012	232	232	232	*	0	66	2	0	0	0	0	218	218	3	0	0	0
August 2013	248	248	248	*	0	62	0	0	0	0	0	231	208	0	0	0	0
August 2014	264	264	264	*	0	57	0	0	0	0	0	245	185	0	0	0	0
August 2015	282	282	241	*	0	53	0	0	0	0	0	261	165	0	0	0	0
August 2016	301	301	215	*	0	47	0	0	0	0	0	277	145	0	0	0	0
August 2017	321	321	191	*	0	42	0	0	0	0	0	294	128	0	0	0	0
August 2018	343	331	167	*	0	36	0	0	0	0	0	312	112	0	0	0	0
August 2019	366	292	144	*	0	29	0	0	0	0	0	331	97	0	0	0	0
August 2020	390	254	122	*	0	22	0	0	0	0	0	351	73	0	0	0	0
August 2021	416	217	102	*	0	15	0	0	0	0	0	373	47	0	0	0	0
August 2022	444	180	83	*	0	7	0	0	0	0	0	396	22	0	0	0	0
August 2023	474	145	65	*	0	0	0	0	0	0	0	402	0	0	0	0	0
August 2024	506	111	49	*	0	0	0	0	0	0	0	349	0	0	0	0	0
August 2025	539	77	33	*	0	0	0	0	0	0	0	293	0	0	0	0	0
August 2026	555	46	19	*	0	0	0	0	0	0	0	219	0	0	0	0	0
August 2027	388	15	6	*	0	0	0	0	0	0	0	120	0	0	0	0	0
August 2028	203	0	0	0	0	0	0	0	0	0	0	14	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.6	23.5	21.0	5.3	1.5	15.0	5.7	3.0	3.0	2.7	2.1	26.9	18.9	8.7	5.2	1.2	0.6

Date	AN Class						LL†† and LP Classes						TF and TS Classes				
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	225%	265%	350%	500%	0%	100%	225%	265%	350%	500%	0%	100%	130%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2000	100	100	100	100	100	100	100	100	100	100	100	100	99	93	92	83	72
August 2001	100	100	100	100	100	100	100	100	100	100	100	100	98	84	81	61	40
August 2002	100	100	100	100	100	100	100	100	100	100	100	100	97	75	70	42	17
August 2003	100	100	100	100	100	100	99	99	99	99	99	82	95	67	60	27	*
August 2004	100	100	100	100	100	100	98	98	98	98	98	0	94	59	51	15	0
August 2005	98	95	92	91	88	69	96	96	96	96	74	0	92	52	43	5	0
August 2006	96	89	82	80	76	47	95	95	95	95	45	0	90	45	35	0	0
August 2007	94	82	70	66	61	32	94	94	94	94	29	0	88	38	28	0	0
August 2008	92	74	56	50	47	22	93	93	93	91	24	0	86	32	22	0	0
August 2009	90	66	43	37	36	15	92	92	92	83	19	0	84	26	16	0	0
August 2010	87	58	32	25	27	10	90	90	90	77	16	0	82	21	10	0	0
August 2011	85	51	23	15	20	7	89	89	89	73	13	0	79	16	5	0	0
August 2012	81	44	14	7	15	5	88	88	88	70	11	0	76	11	1	0	0
August 2013	78	37	6	0	11	3	87	87	85	67	9	0	73	6	0	0	0
August 2014	74	30	0	0	8	2	86	86	80	54	8	0	69	2	0	0	0
August 2015	71	24	0	0	5	1	84	84	67	43	7	0	66	0	0	0	0
August 2016	66	18	0	0	4	1	83	83	55	35	6	0	62	0	0	0	0
August 2017	62	12	0	0	3	1	82	82	45	28	4	0	57	0	0	0	0
August 2018	56	7	0	0	2	*	81	81	37	22	3	0	52	0	0	0	0
August 2019	51	2	0	0	2	*	80	80	29	17	2	0	47	0	0	0	0
August 2020	45	0	0	0	2	*	78	78	23	13	1	0	41	0	0	0	0
August 2021	38	0	0	0	1	*	77	77	18	10	0	0	35	0	0	0	0
August 2022	31	0	0	0	1	*	76	76	14	8	0	0	28	0	0	0	0
August 2023	23	0	0	0	1	*	75	74	11	6	0	0	21	0	0	0	0
August 2024	15	0	0	0	*	*	74	59	8	4	0	0	13	0	0	0	0
August 2025	6	0	0	0	*	*	72	44	5	3	0	0	4	0	0	0	0
August 2026	0	0	0	0	*	*	71	30	3	2	0	0	0	0	0	0	0
August 2027	0	0	0	0	*	*	70	17	2	1	0	0	0	0	0	0	0
August 2028	0	0	0	0	*	*	69	5	*	*	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.9	12.4	9.7	9.2	9.6	7.7	25.3	23.3	17.7	15.4	8.2	4.4	17.8	6.8	5.7	2.9	1.8

* 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.

†† The weighted average lives shown in the table apply to the entire LL Class and are not likely to reflect the experience of any particular investor in the Retail Certificates. Because investors will receive principal payments subject to the payment priorities and allocations as described under “—Characteristics of the Retail Certificates—*Retail Principal Payments*” above, the weighted average lives of retail class units will vary among different individual investors. See “—Characteristics of the Retail Certificates—*Certain Principal Payment Considerations*” above.

Characteristics of the R Class

The R Class will not have a principal balance 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. Fannie Mae does not expect that any material assets will remain in such case.

The R Class will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R 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 Class will constitute a noneconomic residual interest under the Regulations. Any transferee of an R 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 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 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. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to such Holder (i) information necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the R 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 Election and Special Tax Attributes

We will elect to treat the Trust as a REMIC for federal income tax purposes. The Certificates, other than the R Class, 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.

Because the Trust will qualify as a REMIC, the 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 Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Under the Regulations, a REMIC may issue its regular and residual interests over any ten-day period and designate any of those ten days as the REMIC's startup day. Fannie Mae intends to designate August 27, 1999, the settlement date for the Group 2 Classes, as the startup day for the REMIC constituted by the Trust.

Taxation of Beneficial Owners of Regular Certificates

The Accrual Classes, the Principal Only Class, the S Class, the SA Class and the TS Class will be issued with original issue discount ("OID"), and certain other Classes of Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See "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 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>Class Group</u>	<u>PSA Prepayment Assumption</u>
1	145%
2	265%
3	130%

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 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 Certificates—Weighted Average Life and Final Distribution Date" in the REMIC Prospectus.

Additional tax consequences affecting beneficial owners of Retail Certificates are discussed under "Description of the Certificates—Characteristics of the Retail Certificates—*Retail Principal Payments—Tax Information*" in this prospectus supplement.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 7.30% (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.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Lehman Brothers Inc. and Edward D. Jones & Co., L.P. (the "Dealers") in exchange for the Group 1 and Group 2 MBS and the Underlying REMIC Certificate. The Dealers propose 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 Dealers may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealers may agree to offer Group 1 and Group 2 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related 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 Trust MBS.” The proportion that the original principal balance of each Group 1 and Group 2 Class bears to the aggregate original principal balance of all Group 1 or Group 2 Classes, respectively, will remain the same.

LEGAL MATTERS

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

Exhibit A

Underlying REMIC Certificate

<u>Underlying REMIC Trust</u>	<u>Class</u>	<u>Date of Issue</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Interest Type (1)</u>	<u>Final Distribution Date</u>	<u>Principal Type (1)</u>	<u>Original Principal Balance of Class</u>	<u>August 1999 Class Factor</u>	<u>Principal Balance in the Trust</u>	<u>Approximate Weighted Average WAC</u>	<u>Approximate Weighted Average WAM (in months)</u>	<u>Approximate Weighted Average CAGE (in months)</u>	<u>Underlying Security Type</u>	<u>Class Group</u>
1999-25	A	May 1999	31359VT52	6.0%	FIX	March 2026	SEQ	\$235,772,000	0.97923836	\$79,095,041	6.608	342	15	MBS	3

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

Principal Balance Schedules

PA Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through July 2000	\$42,697,000.00	December 2001	\$27,030,182.72	June 2003	\$11,757,413.26
August 2000	41,788,612.52	January 2002	26,144,979.87	July 2003	10,948,707.60
September 2000	40,856,899.54	February 2002	25,264,216.40	August 2003	10,144,046.39
October 2000	39,902,274.40	March 2002	24,387,869.39	September 2003	9,343,408.76
November 2000	38,952,446.90	April 2002	23,515,916.04	October 2003	8,546,773.93
December 2000	38,007,392.29	May 2002	22,648,333.68	November 2003	7,754,121.23
January 2001	37,067,085.93	June 2002	21,785,099.74	December 2003	6,965,430.09
February 2001	36,131,503.33	July 2002	20,926,191.78	January 2004	6,180,680.05
March 2001	35,200,620.11	August 2002	20,071,587.46	February 2004	5,399,850.77
April 2001	34,274,412.02	September 2002	19,221,264.58	March 2004	4,622,922.00
May 2001	33,352,854.94	October 2002	18,375,201.02	April 2004	3,849,873.59
June 2001	32,435,924.85	November 2002	17,533,374.79	May 2004	3,080,685.49
July 2001	31,523,597.89	December 2002	16,695,764.03	June 2004	2,315,337.78
August 2001	30,615,850.29	January 2003	15,862,346.97	July 2004	1,553,810.62
September 2001	29,712,658.43	February 2003	15,033,101.96	August 2004	796,084.27
October 2001	28,813,998.79	March 2003	14,208,007.46	September 2004	42,139.10
November 2001	27,919,847.97	April 2003	13,387,042.03	October 2004 and thereafter	0.00
		May 2003	12,570,184.37		

PC Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through July 2000	\$26,025,000.00	April 2001	\$16,518,642.71	February 2002	\$ 6,349,067.86
August 2000	24,999,726.53	May 2001	15,478,505.05	March 2002	5,359,957.65
September 2000	23,948,126.18	June 2001	14,443,589.77	April 2002	4,375,806.45
October 2000	22,870,665.47	July 2001	13,413,869.92	May 2002	3,396,588.67
November 2000	21,798,619.73	August 2001	12,389,318.67	June 2002	2,422,278.84
December 2000	20,731,961.02	September 2001	11,369,909.37	July 2002	1,452,851.63
January 2001	19,670,661.55	October 2001	10,355,615.46	August 2002	488,281.83
February 2001	18,614,693.66	November 2001	9,346,410.56	September 2002 and thereafter	0.00
March 2001	17,564,029.84	December 2001	8,342,268.39		
		January 2002	7,343,162.82		

PD Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through August 2002	\$20,500,000.00	April 2003	\$13,443,608.23	January 2004	\$ 5,309,973.78
September 2002	20,028,544.38	May 2003	12,521,642.11	February 2004	4,428,671.96
October 2002	19,073,614.31	June 2003	11,604,288.36	March 2004	3,551,772.54
November 2002	18,123,466.82	July 2003	10,691,523.19	April 2004	2,679,252.78
December 2002	17,178,077.21	August 2003	9,783,322.90	May 2004	1,811,090.07
January 2003	16,237,420.92	September 2003	8,879,663.90	June 2004	947,261.89
February 2003	15,301,473.51	October 2003	7,980,522.77	July 2004	87,745.87
March 2003	14,370,210.68	November 2003	7,085,876.15	August 2004 and thereafter	0.00
		December 2003	6,195,700.85		

PE Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through July 2004	\$1,666,000.00	September 2004.....	\$ 47,561.32
August 2004	898,519.73	October 2004 and thereafter	0.00

PB Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through September 2004.....	\$140,000,000.00	March 2008	\$ 79,625,075.82	October 2011	\$ 40,319,301.74
October 2004	138,492,804.17	April 2008	78,403,444.41	November 2011	39,668,648.94
November 2004	136,903,873.89	May 2008	77,199,394.89	December 2011	39,027,574.90
December 2004	135,322,868.43	June 2008	76,012,681.98	January 2012	38,395,944.48
January 2005	133,749,746.86	July 2008	74,843,063.76	February 2012	37,773,624.37
February 2005	132,184,468.44	August 2008	73,690,301.66	March 2012	37,160,483.12
March 2005	130,626,992.67	September 2008.....	72,554,160.35	April 2012	36,556,391.11
April 2005	129,077,279.22	October 2008	71,434,407.76	May 2012	35,961,220.48
May 2005	127,535,288.01	November 2008	70,330,814.98	June 2012	35,374,845.16
June 2005	126,000,979.13	December 2008	69,243,156.27	July 2012	34,797,140.81
July 2005	124,474,312.90	January 2009	68,171,208.97	August 2012	34,227,984.82
August 2005	122,955,249.82	February 2009	67,114,753.50	September 2012.....	33,667,256.26
September 2005.....	121,443,750.62	March 2009	66,073,573.27	October 2012	33,114,835.87
October 2005	119,939,776.20	April 2009	65,047,454.68	November 2012	32,570,606.07
November 2005	118,443,287.70	May 2009	64,036,187.07	December 2012	32,034,450.88
December 2005	116,954,246.43	June 2009	63,039,562.67	January 2013	31,506,255.92
January 2006	115,472,613.90	July 2009	62,057,376.57	February 2013	30,985,908.40
February 2006	113,998,351.84	August 2009	61,089,426.67	March 2013	30,473,297.11
March 2006	112,531,422.15	September 2009.....	60,135,513.64	April 2013	29,968,312.35
April 2006	111,071,786.94	October 2009	59,195,440.92	May 2013	29,470,845.94
May 2006	109,619,408.52	November 2009	58,269,014.63	June 2013	28,980,791.23
June 2006	108,174,249.39	December 2009	57,356,043.56	July 2013	28,498,043.02
July 2006	106,736,272.22	January 2010	56,456,339.14	August 2013	28,022,497.56
August 2006	105,305,439.91	February 2010	55,569,715.38	September 2013.....	27,554,052.55
September 2006.....	103,881,715.52	March 2010	54,695,988.86	October 2013	27,092,607.13
October 2006	102,465,062.31	April 2010	53,834,978.68	November 2013	26,638,061.79
November 2006	101,055,443.75	May 2010	52,986,506.43	December 2013	26,190,318.43
December 2006	99,652,823.45	June 2010	52,150,396.17	January 2014	25,749,280.31
January 2007	98,257,165.26	July 2010	51,326,474.35	February 2014	25,314,852.02
February 2007	96,868,433.18	August 2010	50,514,569.85	March 2014	24,886,939.48
March 2007	95,486,591.40	September 2010.....	49,714,513.87	April 2014	24,465,449.92
April 2007	94,111,604.31	October 2010	48,926,139.96	May 2014	24,050,291.83
May 2007	92,743,436.47	November 2010	48,149,283.95	June 2014	23,641,375.02
June 2007	91,382,052.62	December 2010	47,383,783.94	July 2014	23,238,610.50
July 2007	90,027,417.70	January 2011	46,629,480.26	August 2014	22,841,910.54
August 2007	88,679,496.80	February 2011	45,886,215.43	September 2014.....	22,451,188.63
September 2007.....	87,338,255.21	March 2011	45,153,834.15	October 2014	22,066,359.46
October 2007	86,005,787.28	April 2011	44,432,183.27	November 2014	21,687,338.89
November 2007	84,692,446.22	May 2011	43,721,111.73	December 2014	21,314,043.98
December 2007	83,397,965.56	June 2011	43,020,470.57	January 2015	20,946,392.90
January 2008	82,122,082.49	July 2011	42,330,112.88	February 2015	20,584,305.00
February 2008	80,864,537.79	August 2011	41,649,893.77	March 2015	20,227,700.73
		September 2011.....	40,979,670.36	April 2015.....	19,876,501.63

PB Class (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
May 2015	\$ 19,530,630.37	September 2019	\$ 7,289,420.33	January 2024	\$ 2,014,321.23
June 2015	19,190,010.66	October 2019	7,139,058.71	February 2024	1,952,101.76
July 2015	18,854,567.29	November 2019	6,991,118.80	March 2024	1,890,987.20
August 2015	18,524,226.10	December 2019	6,845,564.98	April 2024	1,830,960.64
September 2015	18,198,913.94	January 2020	6,702,362.14	May 2024	1,772,005.41
October 2015	17,878,558.71	February 2020	6,561,475.64	June 2024	1,714,105.10
November 2015	17,563,089.28	March 2020	6,422,871.35	July 2024	1,657,243.52
December 2015	17,252,435.54	April 2020	6,286,515.63	August 2024	1,601,404.70
January 2016	16,946,528.34	May 2020	6,152,375.28	September 2024	1,546,572.93
February 2016	16,645,299.50	June 2020	6,020,417.61	October 2024	1,492,732.70
March 2016	16,348,681.79	July 2020	5,890,610.36	November 2024	1,439,868.73
April 2016	16,056,608.91	August 2020	5,762,921.74	December 2024	1,387,965.98
May 2016	15,769,015.49	September 2020	5,637,320.42	January 2025	1,337,009.60
June 2016	15,485,837.08	October 2020	5,513,775.48	February 2025	1,286,984.97
July 2016	15,207,010.10	November 2020	5,392,256.47	March 2025	1,237,877.67
August 2016	14,932,471.90	December 2020	5,272,733.36	April 2025	1,189,673.49
September 2016	14,662,160.68	January 2021	5,155,176.55	May 2025	1,142,358.45
October 2016	14,396,015.49	February 2021	5,039,556.84	June 2025	1,095,918.75
November 2016	14,133,976.25	March 2021	4,925,845.46	July 2025	1,050,340.77
December 2016	13,875,983.72	April 2021	4,814,014.06	August 2025	1,005,611.13
January 2017	13,621,979.48	May 2021	4,704,034.66	September 2025	961,716.62
February 2017	13,371,905.93	June 2021	4,595,879.70	October 2025	918,644.21
March 2017	13,125,706.28	July 2021	4,489,522.01	November 2025	876,381.10
April 2017	12,883,324.51	August 2021	4,384,934.80	December 2025	834,914.62
May 2017	12,644,705.41	September 2021	4,282,091.65	January 2026	794,232.34
June 2017	12,409,794.53	October 2021	4,180,966.54	February 2026	754,321.96
July 2017	12,178,538.18	November 2021	4,081,533.79	March 2026	715,171.39
August 2017	11,950,883.44	December 2021	3,983,768.11	April 2026	676,768.72
September 2017	11,726,778.11	January 2022	3,887,644.56	May 2026	639,102.19
October 2017	11,506,170.72	February 2022	3,793,138.56	June 2026	602,160.21
November 2017	11,289,010.54	March 2022	3,700,225.86	July 2026	565,931.40
December 2017	11,075,247.52	April 2022	3,608,882.59	August 2026	530,404.49
January 2018	10,864,832.35	May 2022	3,519,085.18	September 2026	495,568.41
February 2018	10,657,716.37	June 2022	3,430,810.42	October 2026	461,412.25
March 2018	10,453,851.64	July 2022	3,344,035.43	November 2026	427,925.24
April 2018	10,253,190.87	August 2022	3,258,737.65	December 2026	395,096.78
May 2018	10,055,687.44	September 2022	3,174,894.85	January 2027	362,916.43
June 2018	9,861,295.37	October 2022	3,092,485.10	February 2027	331,373.89
July 2018	9,669,969.35	November 2022	3,011,486.79	March 2027	300,459.02
August 2018	9,481,664.69	December 2022	2,931,878.64	April 2027	270,161.82
September 2018	9,296,337.33	January 2023	2,853,639.65	May 2027	240,472.45
October 2018	9,113,943.82	February 2023	2,776,749.11	June 2027	211,381.19
November 2018	8,934,441.35	March 2023	2,701,186.64	July 2027	182,878.49
December 2018	8,757,787.68	April 2023	2,626,932.13	August 2027	154,954.93
January 2019	8,583,941.17	May 2023	2,553,965.76	September 2027	127,601.22
February 2019	8,412,860.77	June 2023	2,482,267.99	October 2027	100,808.20
March 2019	8,244,506.02	July 2023	2,411,819.56	November 2027	74,566.88
April 2019	8,078,837.01	August 2023	2,342,601.50	December 2027	48,868.37
May 2019	7,915,814.40	September 2023	2,274,595.10	January 2028	23,703.91
June 2019	7,755,399.40	October 2023	2,207,781.92	February 2028 and thereafter	0.00
July 2019	7,597,553.77	November 2023	2,142,143.78		
August 2019	7,442,239.81	December 2023	2,077,662.77		

FC Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$30,780,000.00	November 2003	\$14,031,947.97	February 2008	\$ 8,264,728.81
September 1999	30,164,267.81	December 2003	13,872,418.55	March 2008	8,171,682.70
October 1999	29,521,717.44	January 2004	13,715,177.29	April 2008	8,076,100.18
November 1999	28,852,717.02	February 2004	13,560,197.46	May 2008	7,978,033.84
December 1999	28,157,654.23	March 2004	13,407,452.57	June 2008	7,877,535.33
January 2000	27,436,935.86	April 2004	13,256,916.35	July 2008	7,774,655.41
February 2000	26,690,987.43	May 2004	13,108,562.73	August 2008	7,669,443.94
March 2000	25,920,252.78	June 2004	12,962,365.88	September 2008	7,561,949.92
April 2000	25,125,193.56	July 2004	12,818,300.17	October 2008	7,452,221.48
May 2000	24,306,288.85	August 2004	12,676,340.18	November 2008	7,340,305.91
June 2000	23,464,034.58	September 2004	12,536,460.72	December 2008	7,226,249.64
July 2000	22,598,943.06	October 2004	12,398,636.78	January 2009	7,110,098.30
August 2000	22,341,183.43	November 2004	12,262,843.59	February 2009	6,991,896.70
September 2000	22,077,825.95	December 2004	12,129,056.55	March 2009	6,871,688.86
October 2000	21,809,142.20	January 2005	11,997,251.31	April 2009	6,749,517.98
November 2000	21,543,947.37	February 2005	11,867,403.67	May 2009	6,625,426.53
December 2000	21,282,204.72	March 2005	11,739,489.66	June 2009	6,499,456.18
January 2001	21,023,877.80	April 2005	11,613,485.51	July 2009	6,371,647.86
February 2001	20,768,930.44	May 2005	11,489,367.64	August 2009	6,242,041.76
March 2001	20,517,326.81	June 2005	11,367,112.65	September 2009	6,110,677.33
April 2001	20,269,031.37	July 2005	11,246,697.37	October 2009	5,977,593.31
May 2001	20,024,008.87	August 2005	11,128,098.78	November 2009	5,842,827.72
June 2001	19,782,224.36	September 2005	11,011,294.07	December 2009	5,706,417.89
July 2001	19,543,643.19	October 2005	10,896,260.63	January 2010	5,568,400.46
August 2001	19,308,230.98	November 2005	10,782,976.02	February 2010	5,428,811.39
September 2001	19,075,953.66	December 2005	10,671,417.98	March 2010	5,287,685.97
October 2001	18,846,777.43	January 2006	10,561,564.44	April 2010	5,145,058.85
November 2001	18,620,668.79	February 2006	10,453,393.53	May 2010	5,000,963.99
December 2001	18,397,594.50	March 2006	10,346,883.52	June 2010	4,855,434.77
January 2002	18,177,521.62	April 2006	10,242,012.89	July 2010	4,708,503.88
February 2002	17,960,417.46	May 2006	10,138,760.29	August 2010	4,560,203.44
March 2002	17,746,249.63	June 2006	10,037,104.54	September 2010	4,410,564.93
April 2002	17,534,986.00	July 2006	9,937,024.64	October 2010	4,259,619.25
May 2002	17,326,594.70	August 2006	9,838,499.75	November 2010	4,107,396.68
June 2002	17,121,044.13	September 2006	9,741,509.21	December 2010	3,953,926.95
July 2002	16,918,302.98	October 2006	9,646,032.54	January 2011	3,799,239.20
August 2002	16,718,340.16	November 2006	9,552,049.40	February 2011	3,643,362.00
September 2002	16,521,124.87	December 2006	9,459,539.63	March 2011	3,486,323.36
October 2002	16,326,626.56	January 2007	9,368,483.25	April 2011	3,328,150.76
November 2002	16,134,814.93	February 2007	9,278,860.41	May 2011	3,168,871.12
December 2002	15,945,659.94	March 2007	9,190,651.46	June 2011	3,008,510.84
January 2003	15,759,131.80	April 2007	9,103,836.87	July 2011	2,847,095.79
February 2003	15,575,200.96	May 2007	9,018,397.29	August 2011	2,684,651.33
March 2003	15,393,838.13	June 2007	8,934,313.54	September 2011	2,521,202.29
April 2003	15,215,014.26	July 2007	8,851,566.56	October 2011	2,356,773.04
May 2003	15,038,700.53	August 2007	8,770,137.48	November 2011	2,191,387.42
June 2003	14,864,868.38	September 2007	8,690,007.57	December 2011	2,025,068.79
July 2003	14,693,489.48	October 2007	8,610,465.03	January 2012	1,857,840.04
August 2003	14,524,535.73	November 2007	8,528,109.02	February 2012	1,689,723.60
September 2003	14,357,979.28	December 2007	8,442,996.89	March 2012	1,520,741.41
October 2003	14,193,792.49	January 2008	8,355,185.02	April 2012	1,350,914.96

FC Class (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
May 2012	\$ 1,180,265.31	August 2012	\$ 663,580.93	November 2012	\$ 140,203.49
June 2012	1,008,813.05	September 2012.....	489,840.13	December 2012 and thereafter	0.00
July 2012	836,578.34	October 2012	315,374.82		

A Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$95,000,000.00	November 2001	\$58,956,095.26	February 2004	\$20,453,992.76
September 1999.....	94,322,865.21	December 2001	57,286,576.46	March 2004	19,256,432.36
October 1999	93,586,239.21	January 2002	55,636,803.87	April 2004.....	18,072,866.04
November 1999	92,790,621.57	February 2002	54,006,529.28	May 2004	16,903,114.73
December 1999	91,936,580.66	March 2002	52,395,507.44	June 2004	15,747,001.48
January 2000	91,024,753.12	April 2002.....	50,803,496.08	July 2004	14,604,351.45
February 2000	90,055,843.13	May 2002	49,230,255.83	August 2004	13,474,991.93
March 2000	89,030,621.64	June 2002	47,675,550.20	September 2004.....	12,583,367.37
April 2000.....	87,949,925.37	July 2002	46,139,145.56	October 2004	11,704,008.42
May 2000	86,814,655.73	August 2002	44,620,811.08	November 2004	10,836,751.21
June 2000	85,625,777.63	September 2002.....	43,138,118.69	December 2004	9,981,433.85
July 2000	84,384,318.07	October 2002	41,673,043.10	January 2005	9,137,896.43
August 2000	83,091,364.74	November 2002	40,225,361.70	February 2005	8,305,980.95
September 2000.....	81,748,064.39	December 2002	38,794,854.55	March 2005	7,485,531.36
October 2000	80,355,621.08	January 2003	37,381,304.39	April 2005.....	6,676,393.46
November 2000	78,915,294.39	February 2003	35,984,496.55	May 2005	5,878,414.94
December 2000	77,428,397.48	March 2003	34,604,218.92	June 2005	5,091,445.34
January 2001	75,896,294.95	April 2003.....	33,240,261.98	July 2005	4,315,336.01
February 2001	74,320,400.78	May 2003	31,892,418.71	August 2005	3,549,940.10
March 2001	72,702,175.99	June 2003	30,560,484.55	September 2005.....	2,846,511.36
April 2001.....	71,043,126.31	July 2003	29,244,257.44	October 2005	2,152,925.40
May 2001	69,344,799.71	August 2003	27,943,537.73	November 2005	1,469,044.00
June 2001	67,608,783.87	September 2003.....	26,658,128.16	December 2005	794,730.64
July 2001	65,836,703.57	October 2003	25,387,833.85	January 2006	129,850.48
August 2001	64,085,656.69	November 2003	24,132,462.25	February 2006 and thereafter	0.00
September 2001.....	62,355,379.52	December 2003	22,891,823.13		
October 2001	60,645,611.51	January 2004	21,665,728.53		

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.

\$589,095,039



FannieMae

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**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 1999-46**

PROSPECTUS SUPPLEMENT

**LEHMAN BROTHERS
EDWARD D. JONES & Co., L.P.**

July 26, 1999