



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1999-55**

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, 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
- Ginnie Mae certificates and
- underlying REMIC certificates backed directly or indirectly by Fannie Mae MBS.

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
AP(1)	1	\$312,344,000	PAC	6.75%	FIX	31359XAA7	June 2013
PB(1)	1	66,395,000	PAC	7.00	FIX	31359XAB5	November 2014
PI	1	25,249,266(2)	NTL	7.50	FIX/IO	31359XAC3	November 2014
PJ(1)	1	10,411,466(2)	NTL	7.50	FIX/IO	31359XAD1	June 2013
F	1	106,995,000	SUP	(3)	FLT	31359XAE9	November 2014
S(1)	1	14,266,000	SUP	(3)	INV	31359XAF6	November 2014
SA(1)	1	35,665,000(2)	NTL	(3)	INV/IO	31359XAG4	November 2014
LL(4)	2	22,200,000	RTL	7.00	FIX	31359W7B1	October 2029
AN	2	10,000,000	SEQ	7.00	FIX	31359XAK5	October 2029
A	2	17,800,000	SEQ	7.00	FIX	31359XAJ8	September 2025
FE(1)	3	81,904,932	SC/PT	(3)	FLT	31359XAL3	July 2026
SE(1)	3	40,952,466	SC/PT	(3)	INV	31359XAM1	July 2026
FP(1)	4	34,877,849	SC/PT	(3)	FLT	31359XAN9	June 2029
SP(1)	4	17,438,924	SC/PT	(3)	INV	31359XAP4	June 2029
R		0	NPR	0	NPR	31359XAQ2	October 2029
RL		0	NPR	0	NPR	31359XAR0	October 2029

(1) Exchangeable classes.

(2) Notional balances. These classes are interest only classes.

(3) Based on LIBOR.

(4) The LL Class, with an original principal balance of \$22,200,000, is being offered by means of the retail class supplement and is not offered hereby.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The PA, BP, AS, BS, MP and T Classes are the RCR classes, as further described in this prospectus supplement.

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

Carefully consider the risk factors starting on page S-8 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.

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

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AVAILABLE INFORMATION

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

- our Prospectus for Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”);
- our Information Statement dated March 31, 1999 and its supplements (the “Information Statement”); and
- the disclosure documents relating to the underlying REMIC certificates (the “Underlying REMIC Disclosure Documents”).

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

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

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

You also can obtain the Disclosure Documents, except the Underlying REMIC Disclosure Documents, by writing or calling the dealer at:

Lehman Brothers Inc.
Prospectus Department
ADP Services
55 Mercedes Way
Edgewood, New York 11717
(telephone 516-254-7106).

REFERENCE SHEET

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

Assets underlying each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 Ginnie Mae Certificates
3	Class 1999-33-AF REMIC Certificate Class 1999-33-AS REMIC Certificate
4	Class 1999-25-GP REMIC Certificate

Assumed Characteristics of the Mortgage Loans underlying the Group 1 MBS and the Group 2 Ginnie Mae Certificates (as of October 1, 1999)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity or WARM (in months)</u>	<u>Approximate Calculated Loan Age or WALA (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$500,000,000	180	133	45	8.04%
Group 2 Ginnie Mae Certificates	\$ 50,000,000	360	356	4	7.75%

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 Certificates

Exhibit A describes the underlying REMIC certificates, including certain information about the related mortgage loans. To learn more about the underlying REMIC certificates, you should obtain the current class factors and disclosure documents for the underlying REMIC certificates 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 certificate, can be used to calculate the current principal balance of that certificate (after taking into account principal payments in the same month). We publish the class factors on or shortly after the 11th day of each month.

Settlement Date

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

Distribution Dates

We will make payments on the Group 1 Classes on the 18th day of each calendar month, or on the next business day if the 18th day is not a business day. We will make payments on the Group 2 Classes on the first business day following the 20th day of each calendar month, or on the 20th day, if the 19th and 20th days are both business days. We will make payments on the Group 3 and Group 4 Classes on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day.

Book-Entry and Physical Certificates

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

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

<u>Fed Book-Entry</u>	<u>DTC Book-Entry</u>	<u>Physical</u>
All Group 1, 3 and 4 Classes and the RCR Classes	All Group 2 Classes	R and RL Classes

Exchanging Certificates Through Combination and Recombination

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

Interest Payments

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

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	5.8750%	8.5%	0.50%	LIBOR + 50 basis points
S	13.1250%	40.0%	0.00%	40% - (5 × LIBOR)
SA	2.6250%	8.0%	0.00%	8% - LIBOR
FE	6.1000%	9.0%	0.70%	LIBOR + 70 basis points
SE	5.8000%	16.6%	0.00%	16.6% - (2 × LIBOR)
AS	14.4375%	44.0%	0.00%	44% - (5.5 × LIBOR)
BS	15.7500%	48.0%	0.00%	48% - (6 × LIBOR)
FP	5.9500%	9.0%	0.55%	LIBOR + 55 basis points
SP	6.1000%	16.9%	0.00%	16.9% - (2 × LIBOR)

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

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

Notional Classes

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

Class

PI	6.666666667% of the AP Class
	6.666666667% of the PB Class
PJ	3.333333333% of the AP Class
SA	250.000000000% of the S Class

Distributions of Principal

Group 1 Principal Distribution Amount

1. To the AP and PB Classes, in that order, to their Planned Balances.
2. To the F and S Classes, pro rata, to zero.
3. To the AP and PB Classes, in that order, to zero.

Group 2 Principal Distribution Amount

- A. Beginning in November 2002, on each Distribution Date to the LL Class, an amount up to \$22,200.
- B. Beginning in November 2004, after giving effect to A. above, on each Distribution Date to the AN Class, the amount specified in this prospectus supplement under “Description of the Certificates—Distributions of Principal.”
- C. Beginning in November 1999, on each Distribution Date, all amounts remaining after giving effect to A. and B. above, to the A, LL and AN Classes, in that order, to zero.

Group 3 Principal Distribution Amount

To the FE and SE Classes, pro rata, to zero.

Group 4 Principal Distribution Amount

To the FP and SP Classes, pro rata, to zero.

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

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
AP, PJ and PA	6.9	3.0	3.0	3.0	2.1
PB	12.3	8.5	8.5	8.5	6.4
PI and BP	7.8	3.9	3.9	3.9	2.8
F, S, SA, AS and BS	14.0	8.5	4.8	1.3	0.5
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>70%</u>	<u>135%</u>	<u>300%</u>	<u>500%</u>
LL	24.3	20.6	15.6	7.3	3.5
A	19.4	6.0	3.0	1.8	1.3
AN	15.3	10.5	8.9	8.3	8.0
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>250%</u>	<u>500%</u>
FE, SE and MP	24.3	11.8	8.5	2.7	0.9
<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>250%</u>	<u>500%</u>
FP, SP and T	25.0	9.4	1.4	1.4	0.9

* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” herein.

ADDITIONAL RISK FACTORS

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

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

Principal payments on the Group 3 and Group 4 Classes will also be affected by payment priorities governing the underlying REMIC certificates. If you invest in the Group 3 or Group 4 Classes, the rate at which you receive principal payments also will be affected by the priority sequences governing principal payments on the related underlying REMIC certificates.

As described in the related disclosure documents, the underlying REMIC certificates are subsequent in payment priority to certain other classes issued from the related underlying REMIC trusts.

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

In addition, one of the underlying REMIC certificates is part of a group that has a principal balance schedule and, as a result, may receive principal payments at rates faster or slower than would otherwise have been the case. In some cases, that group may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at a

rate faster or slower than the rate initially assumed. This prospectus supplement contains no information as to whether

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

You may obtain additional information about the underlying REMIC certificates by reviewing their 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 buy your certificates at a premium and principal payments are faster than you expect, or
- if you buy your certificates at a discount and principal payments are slower than you expect.

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

You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates.

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

mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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 of this pro-

spectus supplement. If you assume that 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 obtain legal advice to determine whether you may purchase the certificates.

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

DESCRIPTION OF THE CERTIFICATES

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

General

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

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

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

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

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

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

Each Group 2 Ginnie Mae Certificate is based on and backed by a pool of mortgage loans (together with the pools and mortgage loans underlying the MBS, the “Pools” and “Mortgage Loans”) which are either insured or guaranteed by the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or the Rural Housing Service (“FmHA”).

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

- required installments of principal and interest on the Certificates on time, and
- the principal balance of each Class of Certificates no later than its Final Distribution Date, whether or not we have received sufficient payments on the MBS or the Group 2 Ginnie Mae Certificates.

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

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

Our guaranty obligations with respect to the Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Documents. Our 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 related Underlying REMIC Disclosure Documents.

Characteristics of Certificates. We will issue the Certificates of the Group 1, Group 3 and Group 4 Classes and the RCR Classes in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.”

The Group 2 Classes will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a

New York-chartered limited purpose trust company, or any successor or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the Certificates. DTC will maintain the DTC Certificates through its book-entry facilities.

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

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

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

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

Distribution Dates. We will make monthly payments on the Group 1 Classes on the 18th day of each month (or, if the 18th day is not a business day, on the first business day after the 18th). We will make monthly payments on the Group 2 Classes on the first business day following the 20th day of each month (or, if the 19th and 20th days are both business days, on the 20th day). We will make monthly payments on the Group 3 and Group 4 Classes on the 25th day of each month (or, if the 25th day is not a business day, on the first business day after the 25th). We refer to each such date as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

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

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

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

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

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

Voting the Group 3 and Group 4 Underlying REMIC Certificates. Holders of the Underlying REMIC Certificates may be asked to vote on issues arising under the applicable trust agreement. If so, the Trustee will vote the related Underlying REMIC Certificates as instructed by Holders of Certificates of the Classes backed by such Underlying REMIC Certificates. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of all such Classes outstanding. In the absence of such instructions, the

Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Combination and Recombination

General. You are permitted to exchange all or a portion of the AP, PB, PJ, S, SA, FE, SE, FP and SP Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combination shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balances of the related Classes.

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

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

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

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

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

Book-Entry Procedures

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

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

The Group 1 MBS

The following table contains certain information about the Group 1 MBS. The Group 1 MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Group 1 MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Group 1 MBS are 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 have original maturities of up to 15 years. See "The Mortgage Pools" and "Yield Considerations" in

the MBS Prospectus. We expect the characteristics of the Group 1 MBS and the related Mortgage Loans as of October 1, 1999 (the “Issue Date”) to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$500,000,000
MBS Pass-Through Rate	7.50%

Related Mortgage Loans

Range of WACs (per annum percentages)	7.75% to 10.00%
Range of WAMs	100 months to 180 months
Approximate Weighted Average WAM	133 months
Approximate Weighted Average CAGE	45 months

The Group 2 Ginnie Mae Certificates

The Group 2 Ginnie Mae Certificates will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the REMIC Prospectus. All of the Group 2 Ginnie Mae Certificates are Ginnie Mae II Certificates. See “Ginnie Mae and the Ginnie Mae Programs” in the REMIC Prospectus. We expect the characteristics of the Group 2 Ginnie Mae Certificates and the related Mortgage Loans as of the Issue Date to be as follows:

Group 2 Ginnie Mae Certificates

Aggregate Unpaid Principal Balance	\$50,000,000
Ginnie Mae Pass-Through Rate	7.00%

Related Mortgage Loans

Range of WACs (per annum percentages)	7.50% to 8.50%
Range of WARMs	241 months to 360 months
Approximate Weighted Average WARM	356 months
Approximate Weighted Average WALA	4 months

The Group 3 and Group 4 Underlying REMIC Certificates

The Group 3 and Group 4 Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of these trusts 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 Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying REMIC Certificates are described in the related Underlying REMIC Disclosure Documents.

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

For further information about the Underlying REMIC Certificates, telephone us at 1-800-237-8627 or 202-752-6547. You also may obtain certain information in electronic form by calling us at 1-800-752-6440 or 202-752-6000. There may have been material changes in facts and circumstances since the dates we prepared the Underlying REMIC Disclosure Documents. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in those documents may be limited.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Group 3 and Group 4 Underlying REMIC Certificates as of the Issue Date and (a) with respect to the Group 1 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 Group 1 MBS, and (b) with respect to each Group 2 Ginnie Mae Certificate, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturity Mortgage Loan underlying that Group 2 Ginnie Mae Certificate as of the Issue Date. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Group 1 MBS 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	AP, PB, PI and PJ
Floating Rate	F
Inverse Floating Rate	S and SA
Interest Only	PI, PJ and SA
RCR**	PA, BP, AS and BS
Group 2 Classes	
Fixed Rate	LL, A and AN
Group 3 Classes	
Floating Rate	FE
Inverse Floating Rate	SE
RCR**	MP
Group 4 Classes	
Floating Rate	FP
Inverse Floating Rate	SP
RCR**	T
No Payment Residual	R and RL

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

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

General. We will pay interest on the interest-bearing Certificates at the applicable annual interest rates specified 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 on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to such Distribution Date.

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes and the PA, BP, MP and T Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The F, S, SA, AS and BS Classes	One-month period beginning on the 18th day of the month preceding the month in which the Distribution Date occurs
The FE, SE, FP and SP 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” in this prospectus supplement.

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

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

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

Changes in 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 5.375% in the case of the F, S, SA, AS and BS Classes and 5.4% in the case of the FE, SE, FP and SP Classes.

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	AP and PB
Support	F and S
Notional	PI, PJ and SA
RCR**	PA, BP, AS and BS
Group 2 Classes	
Sequential Pay	LL, A and AN
Retail	LL
Group 3 Classes	
Structured Collateral/Pass-Through	FE and SE
RCR**	MP
Group 4 Classes	
Structured Collateral/Pass-Through	FP and SP
RCR**	T
No Payment Residual	R and RL

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

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

Principal Distribution Amount

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

- the principal to be paid on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”),
- the principal payable on the Group 2 Ginnie Mae Certificates, calculated as described below (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 Underlying REMIC Certificates (the “Group 3 Principal Distribution Amount”), and
- the principal then paid on the Group 4 Underlying REMIC Certificate (the “Group 4 Principal Distribution Amount”).

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

Certain Calculations Relating to the Group 2 Ginnie Mae Certificates

On or about the eighth business day of each month, we will aggregate the amount of principal reported to be payable on the Group 2 Ginnie Mae Certificates that month based on published Ginnie Mae factors applicable to the Group 2 Ginnie Mae Certificates.

For any Group 2 Ginnie Mae Certificate for which a factor is not then available, we will calculate the amount of scheduled principal payments distributable in respect of that Certificate during that

month based on the assumed amortization schedules of the related Mortgage Loans. The amortization schedules will be prepared on the assumptions that:

- each Mortgage Loan underlying a Group 2 Ginnie Mae Certificate amortizes on a level installment basis, had an original term to maturity of 360 months, and a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying that Group 2 Ginnie Mae Certificate at its origination, adjusted to the Issue Date; and
- each Mortgage Loan underlying a Group 2 Ginnie Mae Certificate bears an annual interest rate of 8.50%.

All such amounts (whether reported in Ginnie Mae factors or calculated by us) will be reflected in the class factors for the Distribution Date in that month. We will pay those amounts to Holders of Certificates of the Group 2 Classes on that Distribution Date, whether or not we receive them. The class factors will also reflect (and we will also pay) the excess of

- (a) the distributions of principal of the Group 2 Ginnie Mae Certificates that we receive during the month prior to the month of that Distribution Date

over

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

Group 1 Principal Distribution Amount

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

- (i) sequentially, to the AP and PB Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date; } PAC Classes
- (ii) concurrently, to the F and S Classes, pro rata (or 88.2352941176% and 11.7647058824%, respectively), until their principal balances are reduced to zero; and } Support Classes
- (iii) sequentially, to the AP and PB Classes, in that order, without regard to their Planned Balances and until their principal balances are 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. Beginning in November 2002, we will pay to the LL Class an amount up to \$22,200, until its principal balance is reduced to zero.
 - B. Beginning in November 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 never exceed 99.5% of the Group 2 Principal Distribution Amount for such date remaining after giving effect to A. above.
 - C. Beginning in November 1999, we will pay the Group 2 Principal Distribution Amount remaining after giving effect to A. and B. above, sequentially, as principal of the A, LL and AN Classes, in that order, until their principal balances are reduced to zero.
- }
- Sequential Pay Classes

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 \$13,500,000 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%).

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

- the portion of the Group 2 Principal 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 Principal 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 those 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>
November 2004 through October 2005	30%
November 2005 through October 2006	40%
November 2006 through October 2007	60%
November 2007 and thereafter	80%

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, concurrently, as principal of the FE and SE Classes, pro rata (or 66.666666667% and 33.333333333%, respectively), until their principal balances are reduced to zero. } Structured Collateral / Pass-Through Classes

Group 4 Principal Distribution Amount

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount, concurrently, as principal of the FP and SP Classes, pro rata (or 66.6666673038% and 33.3333326962%, respectively), until their principal balances are reduced to zero. } Structured Collateral / Pass-Through Classes

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

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each Pool of Mortgage Loans underlying the Group 3 and Group 4 Underlying REMIC Certificates, the priority sequences affecting the principal payments on the Group 3 and Group 4 Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 MBS and the Group 2 Ginnie Mae Certificates have the original terms to maturity, remaining terms to maturity or WARMS, CAGEs or WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the Group 1 MBS and the Group 2 Ginnie Mae Certificates;

- we pay all payments (including prepayments) on the Mortgage Loans underlying the Group 2 Ginnie Mae Certificates in the month we receive them;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the settlement date for the sale of the Certificates is October 29, 1999.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of 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. The Principal Balance Schedules are found beginning on page B-1. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at a constant PSA rate within the Structuring Range set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range</u>
Planned Balances	AP, PB, PA and BP	Between 100% and 300%

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 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>
AP	Between 100% and 300%
PB	Between 71% and 300%
PA	Between 100% and 300%
BP	Between 100% and 300%

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 the 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 Support Classes. When the related 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 and, where specified, to changes in the Index. We calculated the yields set forth in the tables by

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

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

We cannot assure you that

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

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

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

The PI and PJ Classes. **The yields to investors in the PI and PJ Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yields to maturity on the PI and PJ Classes would be 0% if prepayments of the related Mortgage Loans were to occur at constant rates of 455% PSA and 395% PSA, respectively. If the actual prepayment rates of the related Mortgage Loans were to exceed either of the levels specified for as little as one month while equaling such level for the remaining months, investors in the PI and PJ Classes, as applicable, would lose money on their initial investments.**

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the PI and PJ Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
PI	22.625000%
PJ	18.578125%

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

Sensitivity of the PI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	14.0%	9.5%	9.5%	9.5%	(3.3)%

Sensitivity of the PJ Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	16.5%	8.5%	8.5%	8.5%	(12.8)%

The Inverse Floating Rate Classes. The yields on the Inverse Floating Rate Classes will be sensitive in varying degrees to the rate of principal payments, including prepayments, of the related Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time without penalty. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool. As illustrated in the applicable table below, it is possible that investors in the SA Class would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” and for each following Interest Accrual Period will be based on the specified level of the 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	97.000%
SA	3.750%
AS	98.875%
BS	100.750%
SE	76.000%
SP	73.375%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
3.375%	25.0%	25.0%	25.5%	27.0%	30.4%
5.375%	14.1%	14.1%	14.6%	16.3%	20.3%
7.375%	3.6%	3.6%	4.0%	6.1%	10.6%
8.000%	0.4%	0.4%	0.8%	2.9%	7.6%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
3.375%	154.5%	154.5%	119.5%	55.7%	(88.2)%
5.375%	80.8%	80.4%	54.9%	(8.2)%	*
7.375%	11.3%	9.3%	(4.9)%	(74.3)%	*
8.000%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
3.375%	27.0%	27.0%	27.1%	27.4%	28.2%
5.375%	15.1%	15.1%	15.3%	15.9%	17.4%
7.375%	3.7%	3.7%	3.9%	4.9%	7.0%
8.000%	0.2%	0.2%	0.4%	1.5%	3.8%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>190%</u>	<u>300%</u>	<u>500%</u>
3.375%	28.9%	28.9%	28.7%	27.9%	26.1%
5.375%	16.1%	16.1%	16.0%	15.6%	14.6%
7.375%	3.8%	3.8%	3.8%	3.7%	3.5%
8.000%	0.0%	0.0%	0.0%	0.1%	0.2%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>250%</u>	<u>500%</u>
3.4%	13.8%	14.4%	15.7%	24.0%	46.4%
5.4%	8.7%	9.4%	10.5%	18.7%	41.2%
7.4%	3.8%	4.5%	5.6%	13.6%	36.1%
8.3%	1.7%	2.4%	3.4%	11.3%	33.8%

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	160%	250%	500%
3.40%	16.3%	19.3%	40.6%	40.7%	52.1%
5.40%	10.4%	12.9%	35.0%	35.1%	46.8%
7.40%	4.8%	6.8%	29.5%	29.6%	41.5%
8.45%	2.1%	3.9%	26.6%	26.7%	38.8%

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 Group 3 and Group 4 Classes, the priority sequences affecting distributions on the Group 3 and Group 4 Underlying REMIC Certificates, and
- in the case of certain Group 1 Classes, the payment of principal of such Classes in accordance with the Principal Balance Schedules.

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

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their original principal balances, variability in the weighted average lives of 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>
Group 1 MBS	180 months	180 months	10.0%
Group 2 Ginnie Mae Certificates	360 months	360 months	8.5%
Group 3 Underlying REMIC Certificates	360 months	356 months	8.5%
Group 4 Underlying REMIC Certificate	360 months	355 months	8.5%

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, CAGEs or WALAs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs or WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	AP, PJ† and PA Classes					PB Class					PI† and BP Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	190%	300%	500%	0%	100%	190%	300%	500%	0%	100%	190%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2000	95	82	82	82	82	100	100	100	100	100	96	85	85	85	85
October 2001	90	64	64	64	48	100	100	100	100	100	92	70	70	70	57
October 2002	84	48	48	48	23	100	100	100	100	100	87	57	57	57	37
October 2003	77	32	32	32	7	100	100	100	100	100	81	44	44	44	23
October 2004	70	18	18	18	0	100	100	100	100	83	75	32	32	32	15
October 2005	62	6	6	6	0	100	100	100	100	50	69	23	23	23	9
October 2006	53	0	0	0	0	100	89	89	89	29	61	16	16	16	5
October 2007	44	0	0	0	0	100	57	57	57	16	53	10	10	10	3
October 2008	33	0	0	0	0	100	33	33	33	8	45	6	6	6	1
October 2009	21	0	0	0	0	100	15	15	15	3	35	3	3	3	1
October 2010	8	0	0	0	0	100	1	1	1	*	24	*	*	*	*
October 2011	0	0	0	0	0	68	0	0	0	0	12	0	0	0	0
October 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.9	3.0	3.0	3.0	2.1	12.3	8.5	8.5	8.5	6.4	7.8	3.9	3.9	3.9	2.8

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

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

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

Date	F, S, SA†, AS and BS Classes					LL Class					A Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	190%	300%	500%	0%	70%	135%	300%	500%	0%	70%	135%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2000	100	100	79	53	7	100	100	100	100	100	98	93	90	80	68
October 2001	100	100	64	23	0	100	100	100	100	100	96	82	71	42	10
October 2002	100	100	55	7	0	100	100	100	100	61	93	68	48	*	0
October 2003	100	100	50	*	0	99	99	99	73	28	92	57	28	0	0
October 2004	100	98	47	*	0	98	98	98	50	6	90	45	11	0	0
October 2005	100	90	42	*	0	96	96	96	38	0	90	38	0	0	0
October 2006	100	78	35	*	0	95	95	88	30	0	90	32	0	0	0
October 2007	100	62	27	*	0	94	94	82	26	0	89	27	0	0	0
October 2008	100	44	18	*	0	93	93	79	24	0	89	23	0	0	0
October 2009	100	23	9	*	0	92	92	76	22	0	88	20	0	0	0
October 2010	100	2	1	*	0	90	90	73	21	0	87	17	0	0	0
October 2011	100	0	0	0	0	89	89	71	20	0	86	14	0	0	0
October 2012	96	0	0	0	0	88	88	65	17	0	84	11	0	0	0
October 2013	50	0	0	0	0	87	87	58	13	0	82	9	0	0	0
October 2014	0	0	0	0	0	86	86	52	10	0	80	7	0	0	0
October 2015	0	0	0	0	0	84	84	46	8	0	78	1	0	0	0
October 2016	0	0	0	0	0	83	78	40	6	0	75	0	0	0	0
October 2017	0	0	0	0	0	82	71	35	5	0	72	0	0	0	0
October 2018	0	0	0	0	0	81	65	31	4	0	69	0	0	0	0
October 2019	0	0	0	0	0	80	58	26	3	0	65	0	0	0	0
October 2020	0	0	0	0	0	78	52	22	2	0	61	0	0	0	0
October 2021	0	0	0	0	0	77	45	19	2	0	54	0	0	0	0
October 2022	0	0	0	0	0	76	39	16	1	0	42	0	0	0	0
October 2023	0	0	0	0	0	75	33	13	1	0	28	0	0	0	0
October 2024	0	0	0	0	0	74	27	10	1	0	13	0	0	0	0
October 2025	0	0	0	0	0	70	21	7	*	0	0	0	0	0	0
October 2026	0	0	0	0	0	55	15	5	*	0	0	0	0	0	0
October 2027	0	0	0	0	0	38	9	3	*	0	0	0	0	0	0
October 2028	0	0	0	0	0	20	4	1	*	0	0	0	0	0	0
October 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.0	8.5	4.8	1.3	0.5	24.3	20.6	15.6	7.3	3.5	19.4	6.0	3.0	1.8	1.3

Date	AN Class					FE, SE and MP Classes					FP, SP and T Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	70%	135%	300%	500%	0%	100%	135%	250%	500%	0%	100%	160%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2000	100	100	100	100	100	100	100	97	80	45	94	60	49	49	49
October 2001	100	100	100	100	100	100	100	91	56	0	93	56	25	25	0
October 2002	100	100	100	100	100	100	100	86	37	0	93	56	11	11	0
October 2003	100	100	100	100	100	100	100	82	23	0	93	56	0	0	0
October 2004	100	100	100	100	100	100	100	78	13	0	93	56	0	0	0
October 2005	97	94	91	86	78	100	100	76	7	0	93	56	0	0	0
October 2006	94	86	80	71	54	100	100	74	3	0	93	56	0	0	0
October 2007	91	77	66	54	37	100	100	71	1	0	93	56	0	0	0
October 2008	87	66	49	37	25	100	85	55	0	0	93	56	0	0	0
October 2009	83	55	34	22	17	100	71	40	0	0	93	56	0	0	0
October 2010	79	45	19	11	12	100	57	27	0	0	93	56	0	0	0
October 2011	74	34	6	2	8	100	45	15	0	0	93	56	0	0	0
October 2012	69	24	0	0	6	100	33	3	0	0	93	56	0	0	0
October 2013	63	14	0	0	4	100	21	0	0	0	93	56	0	0	0
October 2014	57	4	0	0	3	100	11	0	0	0	93	47	0	0	0
October 2015	51	0	0	0	2	100	1	0	0	0	93	33	0	0	0
October 2016	43	0	0	0	1	100	0	0	0	0	93	19	0	0	0
October 2017	35	0	0	0	1	100	0	0	0	0	93	5	0	0	0
October 2018	27	0	0	0	1	100	0	0	0	0	93	0	0	0	0
October 2019	18	0	0	0	*	100	0	0	0	0	93	0	0	0	0
October 2020	7	0	0	0	*	100	0	0	0	0	93	0	0	0	0
October 2021	0	0	0	0	*	92	0	0	0	0	93	0	0	0	0
October 2022	0	0	0	0	*	75	0	0	0	0	93	0	0	0	0
October 2023	0	0	0	0	*	56	0	0	0	0	93	0	0	0	0
October 2024	0	0	0	0	*	36	0	0	0	0	93	0	0	0	0
October 2025	0	0	0	0	*	14	0	0	0	0	91	0	0	0	0
October 2026	0	0	0	0	*	0	0	0	0	0	35	0	0	0	0
October 2027	0	0	0	0	*	0	0	0	0	0	0	0	0	0	0
October 2028	0	0	0	0	*	0	0	0	0	0	0	0	0	0	0
October 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.3	10.5	8.9	8.3	8.0	24.3	11.8	8.5	2.7	0.9	25.0	9.4	1.4	1.4	0.9

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

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

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

Characteristics of the R and RL Classes

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

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

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a

REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	190%
2	135%
3	135%
4	160%

See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount—*Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS or the Group 2 Ginnie Mae Certificates will prepay at any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 7.38% (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.

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes (each, a “Combination RCR Class”) will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. Each Certificate of a Combination RCR

Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

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

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

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Lehman Brothers Inc. (the “Dealer”) in exchange for the Group 1 MBS, the Group 2 Ginnie Mae Certificates and the Group 3 and Group 4 Underlying REMIC Certificates. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Group 1 or Group 2 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Group 1 MBS or Group 2 Ginnie Mae Certificates in principal balance, but we expect that all these additional Group 1 MBS or Group 2 Ginnie Mae Certificates will have the same characteristics as described under “Description of the Certificates—The Group 1 MBS” and “—The Group 2 Ginnie Mae Certificates.” The proportion that the original principal balance of each Group 1 or 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 Dealer.

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Exhibit A

Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	October 1999 Class Factor	Principal Balance in the Lower Tier REMIC as of Issue Date	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
1999-33	AF	June 1999	31359WKC4	(2)	FLT	July 2026	SUP	\$95,349,129	0.97996142	\$86,722,827.52	6.629%	342	15	MBS	3
1999-33	AS	June 1999	31359WKD2	(2)	INV	July 2026	SUP	39,728,871	0.97996142	36,134,572.14	6.629	342	15	MBS	3
1999-25	GP	May 1999	31359VW82	6.0%	FIX	June 2029	SEG(TAC)/SUP	60,265,000	0.88649959	52,316,773.30	6.746	344	13	MBS	4

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

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

Schedule 1

Available Recombination (1)

REMIC Certificates		RCR Certificates						
<u>Classes</u>	<u>Original Principal or Notional Principal Balance</u>	<u>RCR Class</u>	<u>Original Principal Balance</u>	<u>Interest Rate</u>	<u>Interest Type (2)</u>	<u>Principal Type (2)</u>	<u>CUSIP Number</u>	<u>Final Distribution Date</u>
Recombination 1								
AP	\$312,344,000	PA	\$312,344,000	7.0%	FIX	PAC	31359XAS8	June 2013
PJ	10,411,466 (3)							
Recombination 2								
AP	312,344,000	BP	378,739,000	7.0%	FIX	PAC	31359XAT6	November 2014
PB	66,395,000							
PJ	10,411,466 (3)							
Recombination 3								
S	14,266,000	AS	14,266,000	(4)	INV	SUP	31359XAU3	November 2014
SA	7,133,000 (3)							
Recombination 4								
S	14,266,000	BS	14,266,000	(4)	INV	SUP	31359XAV1	November 2014
SA	14,266,000 (3)							
Recombination 5								
FE	81,904,932	MP	122,857,398	6.0%	FIX	SC/PT	31359XAW9	July 2026
SE	40,952,466							
Recombination 6								
FP	34,877,849	T	52,316,773	6.0%	FIX	SC/PT	31359XAX7	June 2029
SP	17,438,924							

(1) The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as the borne by the original principal balances and/or original notional principal balances of the related Classes.

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

(3) Interest only classes.

(4) For a description of this interest rate, see “Description of the Certificates—Distributions of Interest” herein.

Principal Balance Schedules

AP 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	\$312,344,000.00	February 2002	\$182,927,645.37	June 2004	\$ 68,871,515.45
November 1999	307,442,822.21	March 2002	178,590,673.23	July 2004	65,326,839.87
December 1999	302,563,304.26	April 2002	174,272,304.84	August 2004	61,853,312.90
January 2000	297,705,329.33	May 2002	169,972,438.89	September 2004	58,449,639.93
February 2000	292,868,781.23	June 2002	165,690,974.57	October 2004	55,114,548.86
March 2000	288,053,544.34	July 2002	161,427,811.59	November 2004	51,846,789.67
April 2000	283,259,503.63	August 2002	157,182,850.17	December 2004	48,645,134.09
May 2000	278,486,544.66	September 2002	152,955,991.02	January 2005	45,508,375.20
June 2000	273,734,553.56	October 2002	148,747,135.37	February 2005	42,435,327.08
July 2000	269,003,417.04	November 2002	144,556,184.94	March 2005	39,424,824.45
August 2000	264,293,022.40	December 2002	140,383,041.94	April 2005	36,475,722.34
September 2000	259,603,257.47	January 2003	136,227,609.09	May 2005	33,586,895.70
October 2000	254,934,010.71	February 2003	132,089,789.59	June 2005	30,757,239.12
November 2000	250,285,171.09	March 2003	127,969,487.13	July 2005	27,985,666.44
December 2000	245,656,628.16	April 2003	123,866,605.89	August 2005	25,271,110.47
January 2001	241,048,272.05	May 2003	119,781,050.54	September 2005	22,612,522.65
February 2001	236,459,993.43	June 2003	115,712,726.21	October 2005	20,008,872.70
March 2001	231,891,683.51	July 2003	111,661,538.54	November 2005	17,459,148.37
April 2001	227,343,234.08	August 2003	107,627,393.63	December 2005	14,962,355.09
May 2001	222,814,537.46	September 2003	103,610,198.04	January 2006	12,517,515.69
June 2001	218,305,486.51	October 2003	99,609,858.82	February 2006	10,123,670.09
July 2001	213,815,974.65	November 2003	95,626,283.50	March 2006	7,779,875.03
August 2001	209,345,895.84	December 2003	91,659,380.05	April 2006	5,485,203.74
September 2001	204,895,144.55	January 2004	87,709,056.92	May 2006	3,238,745.72
October 2001	200,463,615.81	February 2004	83,788,404.78	June 2006	1,039,606.43
November 2001	196,051,205.18	March 2004	79,945,725.33	July 2006 and thereafter	0.00
December 2001	191,657,808.73	April 2004	76,179,605.61		
January 2002	187,283,323.09	May 2004	72,488,657.12		

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 June 2006	\$66,395,000.00	November 2007	\$36,494,225.68	May 2009	\$14,360,349.37
July 2006	65,281,906.98	December 2007	35,010,513.57	June 2009	13,383,602.08
August 2006	63,174,783.97	January 2008	33,559,820.71	July 2009	12,430,146.81
September 2006	61,112,389.09	February 2008	32,141,520.35	August 2009	11,499,530.20
October 2006	59,093,888.98	March 2008	30,754,996.82	September 2009	10,591,307.01
November 2006	57,118,464.92	April 2008	29,399,645.39	October 2009	9,705,039.98
December 2006	55,185,312.56	May 2008	28,074,872.07	November 2009	8,840,299.75
January 2007	53,293,641.74	June 2008	26,780,093.43	December 2009	7,996,664.65
February 2007	51,442,676.18	July 2008	25,514,736.39	January 2010	7,173,720.60
March 2007	49,631,653.29	August 2008	24,278,238.09	February 2010	6,371,061.00
April 2007	47,859,823.92	September 2008	23,070,045.68	March 2010	5,588,286.55
May 2007	46,126,452.12	October 2008	21,889,616.16	April 2010	4,825,005.17
June 2007	44,430,814.92	November 2008	20,736,416.20	May 2010	4,080,831.85
July 2007	42,772,202.14	December 2008	19,609,922.00	June 2010	3,355,388.55
August 2007	41,149,916.11	January 2009	18,509,619.08	July 2010	2,648,304.05
September 2007	39,563,271.51	February 2009	17,435,002.18	August 2010	1,959,213.85
October 2007	38,011,595.13	March 2009	16,385,575.06	September 2010	1,287,760.05
		April 2009	15,360,850.33		

PB Class (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>
October 2010	\$ 633,591.23
November 2010 and thereafter	0.00

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	\$312,344,000.00	February 2002	\$182,927,645.37	June 2004	\$ 68,871,515.45
November 1999	307,442,822.21	March 2002	178,590,673.23	July 2004	65,326,839.87
December 1999	302,563,304.26	April 2002	174,272,304.84	August 2004	61,853,312.90
January 2000	297,705,329.33	May 2002	169,972,438.89	September 2004	58,449,639.93
February 2000	292,868,781.23	June 2002	165,690,974.57	October 2004	55,114,548.86
March 2000	288,053,544.34	July 2002	161,427,811.59	November 2004	51,846,789.67
April 2000	283,259,503.63	August 2002	157,182,850.17	December 2004	48,645,134.09
May 2000	278,486,544.66	September 2002	152,955,991.02	January 2005	45,508,375.20
June 2000	273,734,553.56	October 2002	148,747,135.37	February 2005	42,435,327.08
July 2000	269,003,417.04	November 2002	144,556,184.94	March 2005	39,424,824.45
August 2000	264,293,022.40	December 2002	140,383,041.94	April 2005	36,475,722.34
September 2000	259,603,257.47	January 2003	136,227,609.09	May 2005	33,586,895.70
October 2000	254,934,010.71	February 2003	132,089,789.59	June 2005	30,757,239.12
November 2000	250,285,171.09	March 2003	127,969,487.13	July 2005	27,985,666.44
December 2000	245,656,628.16	April 2003	123,866,605.89	August 2005	25,271,110.47
January 2001	241,048,272.05	May 2003	119,781,050.54	September 2005	22,612,522.65
February 2001	236,459,993.43	June 2003	115,712,726.21	October 2005	20,008,872.70
March 2001	231,891,683.51	July 2003	111,661,538.54	November 2005	17,459,148.37
April 2001	227,343,234.08	August 2003	107,627,393.63	December 2005	14,962,355.09
May 2001	222,814,537.46	September 2003	103,610,198.04	January 2006	12,517,515.69
June 2001	218,305,486.51	October 2003	99,609,858.82	February 2006	10,123,670.09
July 2001	213,815,974.65	November 2003	95,626,283.50	March 2006	7,779,875.03
August 2001	209,345,895.84	December 2003	91,659,380.05	April 2006	5,485,203.74
September 2001	204,895,144.55	January 2004	87,709,056.92	May 2006	3,238,745.72
October 2001	200,463,615.81	February 2004	83,788,404.78	June 2006	1,039,606.43
November 2001	196,051,205.18	March 2004	79,945,725.33	July 2006 and thereafter	0.00
December 2001	191,657,808.73	April 2004	76,179,605.61		
January 2002	187,283,323.09	May 2004	72,488,657.12		

BP 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	\$378,739,000.00	October 2000	\$321,329,010.71	October 2001	\$266,858,615.81
November 1999	373,837,822.21	November 2000	316,680,171.09	November 2001	262,446,205.18
December 1999	368,958,304.26	December 2000	312,051,628.16	December 2001	258,052,808.73
January 2000	364,100,329.33	January 2001	307,443,272.05	January 2002	253,678,323.09
February 2000	359,263,781.23	February 2001	302,854,993.43	February 2002	249,322,645.37
March 2000	354,448,544.34	March 2001	298,286,683.51	March 2002	244,985,673.23
April 2000	349,654,503.63	April 2001	293,738,234.08	April 2002	240,667,304.84
May 2000	344,881,544.66	May 2001	289,209,537.46	May 2002	236,367,438.89
June 2000	340,129,553.56	June 2001	284,700,486.51	June 2002	232,085,974.57
July 2000	335,398,417.04	July 2001	280,210,974.65	July 2002	227,822,811.59
August 2000	330,688,022.40	August 2001	275,740,895.84	August 2002	223,577,850.17
September 2000	325,998,257.47	September 2001	271,290,144.55	September 2002	219,350,991.02

BP 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>
October 2002	\$215,142,135.37	July 2005	\$ 94,380,666.44	April 2008	\$ 29,399,645.39
November 2002	210,951,184.94	August 2005	91,666,110.47	May 2008	28,074,872.07
December 2002	206,778,041.94	September 2005	89,007,522.65	June 2008	26,780,093.43
January 2003	202,622,609.09	October 2005	86,403,872.70	July 2008	25,514,736.39
February 2003	198,484,789.59	November 2005	83,854,148.37	August 2008	24,278,238.09
March 2003	194,364,487.13	December 2005	81,357,355.09	September 2008	23,070,045.68
April 2003	190,261,605.89	January 2006	78,912,515.69	October 2008	21,889,616.16
May 2003	186,176,050.54	February 2006	76,518,670.09	November 2008	20,736,416.20
June 2003	182,107,726.21	March 2006	74,174,875.03	December 2008	19,609,922.00
July 2003	178,056,538.54	April 2006	71,880,203.74	January 2009	18,509,619.08
August 2003	174,022,393.63	May 2006	69,633,745.72	February 2009	17,435,002.18
September 2003	170,005,198.04	June 2006	67,434,606.43	March 2009	16,385,575.06
October 2003	166,004,858.82	July 2006	65,281,906.98	April 2009	15,360,850.33
November 2003	162,021,283.50	August 2006	63,174,783.97	May 2009	14,360,349.37
December 2003	158,054,380.05	September 2006	61,112,389.09	June 2009	13,383,602.08
January 2004	154,104,056.92	October 2006	59,093,888.98	July 2009	12,430,146.81
February 2004	150,183,404.78	November 2006	57,118,464.92	August 2009	11,499,530.20
March 2004	146,340,725.33	December 2006	55,185,312.56	September 2009	10,591,307.01
April 2004	142,574,605.61	January 2007	53,293,641.74	October 2009	9,705,039.98
May 2004	138,883,657.12	February 2007	51,442,676.18	November 2009	8,840,299.75
June 2004	135,266,515.45	March 2007	49,631,653.29	December 2009	7,996,664.65
July 2004	131,721,839.87	April 2007	47,859,823.92	January 2010	7,173,720.60
August 2004	128,248,312.90	May 2007	46,126,452.12	February 2010	6,371,061.00
September 2004	124,844,639.93	June 2007	44,430,814.92	March 2010	5,588,286.55
October 2004	121,509,548.86	July 2007	42,772,202.14	April 2010	4,825,005.17
November 2004	118,241,789.67	August 2007	41,149,916.11	May 2010	4,080,831.85
December 2004	115,040,134.09	September 2007	39,563,271.51	June 2010	3,355,388.55
January 2005	111,903,375.20	October 2007	38,011,595.13	July 2010	2,648,304.05
February 2005	108,830,327.08	November 2007	36,494,225.68	August 2010	1,959,213.85
March 2005	105,819,824.45	December 2007	35,010,513.57	September 2010	1,287,760.05
April 2005	102,870,722.34	January 2008	33,559,820.71	October 2010	633,591.23
May 2005	99,981,895.70	February 2008	32,141,520.35	November 2010 and thereafter	0.00
June 2005	97,152,239.12	March 2008	30,754,996.82		

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.

\$725,174,171



FannieMae

**Guaranteed
REMIC Pass-Through
Certificates**

**Fannie Mae REMIC Trust
1999-55**

PROSPECTUS SUPPLEMENT

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LEHMAN BROTHERS

September 21, 1999
