

PROSPECTUS SUPPLEMENT
(TO REMIC PROSPECTUS DATED SEPTEMBER 18, 1998)

\$200,000,000



FannieMae

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2000-1**

Carefully consider the risk factors starting on page S-6 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.

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

Class	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A	\$82,458,500	SEQ	7.0%	FIX	31359XRD3	April 2028
B	65,550,000	SEQ	7.0	FIX	31359XRE1	January 2026
C	10,110,000	SEQ	7.0	FIX	31359XRF8	May 2027
D	6,798,500	SEQ	7.0	FIX	31359XRG6	April 2028
VA	12,535,000	SEQ	7.0	FIX	31359XRH4	August 2010
VB	10,929,000	SEQ	7.0	FIX	31359XRJ0	December 2015
Z	11,619,000	SEQ	7.0	FIX/Z	31359XRK7	February 2030
R	0	NPR	0	NPR	31359XRL5	February 2030

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 28, 2000.

First Union Securities, Inc.

The date of this Prospectus Supplement is December 1, 1999

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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”); and
- our Information Statement dated March 31, 1999 and its supplements (the “Information Statement”).

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

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

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

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

Prospectus Department
First Union Securities, Inc.
8739 Research Drive
Charlotte, NC 28262-06775
(704) 593-7372

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.

Assumed Characteristics of the Mortgage Loans underlying the MBS (as of January 1, 2000)

<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$200,000,000	360	330	30	7.65%

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.

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 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 January 28, 2000.

Distribution Dates

We will make payments on the classes of certificates on the 18th day of each calendar month, or on the next business day if the 18th day is not a business day.

Book-Entry and Physical Certificates

We issue book-entry certificates through the U.S. Federal Reserve Banks, 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>Physical</u>
All classes other than the R Class	R Class

Interest Rates

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

Distributions of Principal

Principal Distribution Amount

Z Accrual Amount

To the VA and VB Classes, in that order, to zero, and thereafter to the Z Class.

Cash Flow Distribution Amount

1. (a) 50% of such amount to the A Class to zero, and
(b) 50% of such amount to the B, C and D Classes, in that order, to zero.
2. To the VA, VB and Z Classes, in that order, to zero.

Weighted Average Lives (years) *

Class	PSA Prepayment Assumption				
	0%	100%	165%	250%	500%
A	19.7	7.7	5.2	3.6	1.7
B	17.8	5.7	3.7	2.5	1.2
C	26.6	14.5	10.1	6.9	3.3
D	27.7	17.4	12.6	8.8	4.3
VA	5.9	5.9	5.9	5.9	4.1
VB	13.3	13.3	13.0	10.6	5.9
Z	29.1	22.8	19.4	15.8	9.1

* 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 MBS, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

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

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

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

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

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

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

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

Delay classes have lower yields and market values. Since the classes do not receive interest immediately following each interest accrual period, the classes have lower yields and lower market values than they would if there were no such delay.

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

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

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

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover (the “Trust”) pursuant to a trust agreement dated as of January 1, 2000 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates” or “Classes”) pursuant to the Trust Agreement.

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

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

The assets of the Trust will consist primarily of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”).

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

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

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

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

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

Our 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 and “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus.

Characteristics of Certificates. We will issue the Certificates (except the R Class) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a 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 Certificate in fully registered, certificated form. The “Holder” or “Certificateholder” of the R Certificate is its registered owner. The R Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. State Street Bank and Trust Company in Boston, Massachusetts (“State Street”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the

R Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R Class” in this Prospectus Supplement.

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust 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 Certificate, in minimum denominations of \$1,000 and whole dollar increments. We will issue the R Class as a single Certificate with no principal balance.

Distribution Dates. We will make monthly payments on the 18th day of each month (or, if the 18th is not a business day, on the first business day after the 18th). We refer to such date as the “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 of a Certificate of that Class, the product will equal the current principal balance of that Certificate after taking into account payments on the Distribution Date in the same month (as well as any addition to principal in the case of the Accrual Class).

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

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

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

The MBS

The following table contains certain information about the MBS. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, beginning in the month after we issue the MBS. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties. These Mortgage Loans will have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the MBS and the related Mortgage Loans as of January 1, 2000 (the “Issue Date”) to be as follows:

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	7.00%
Related Mortgage Loans	
Range of WACs (per annum percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	330 months
Approximate Weighted Average CAGE	30 months

Final Data Statement

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

WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Fixed Rate	A, B, C, D, VA, VB and Z
Accrual	Z
No Payment Residual	R

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

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

Interest to be paid (or added to principal, in the case of the Accrual Class) on each Certificate on a Distribution Date will consist of one month’s interest on the outstanding balance of that Certificate immediately prior to such Distribution Date. For a description of the Accrual Class, see “—*Accrual Class*” below.

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All Classes of interest-bearing Certificates	Calendar month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors” in this Prospectus Supplement.

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

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Sequential Pay	A, B, C, D, VA, VB and Z
Accretion Directed	VA and VB
No Payment Residual	R

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

Principal Distribution Amount

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

month of that Distribution Date (the “Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the Z Class (the “Z Accrual Amount”).

Z Accrual Amount

On each Distribution Date, we will pay the Z Accrual Amount, sequentially, as principal of the VA and VB Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the Z Accrual Amount as principal of the Z Class.

Accretion
Directed
Classes
and
Accrual
Class

Cash Flow Distribution Amount

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

- (i) (a) 50% of such amount to the A Class, until its principal balance is reduced to zero, and
- (b) 50% of such amount, sequentially, to the B, C and D Classes, in that order, until their principal balances are reduced to zero; and
- (ii) sequentially, to the VA, VB and Z Classes, in that order, until their principal balances are reduced to zero.

Sequential
Pay
Classes

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this Prospectus Supplement has been prepared based on the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the original term to maturity, remaining term to maturity, CAGE and interest rate specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the MBS”;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related tables; and
- the settlement date for the sale of the Certificates is January 28, 2000.

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.

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 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, and
- the priority sequence of distributions of principal of the Certificates.

See “—Distributions of Principal” in this Prospectus Supplement.

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 original and remaining terms to maturity of 360 months and bear interest at an annual rate of 9.50%.

It is unlikely that

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

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

Percent of Original Principal Balances Outstanding

Date	A Class					B Class					C Class					D Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2001	99	91	87	81	63	99	89	83	76	53	100	100	100	100	100	100	100	100	100	100
January 2002	98	83	75	64	37	98	79	68	55	20	100	100	100	100	100	100	100	100	100	100
January 2003	98	76	64	51	19	97	70	55	38	0	100	100	100	100	86	100	100	100	100	100
January 2004	97	69	55	39	6	96	61	43	23	0	100	100	100	100	0	100	100	100	100	78
January 2005	95	62	46	29	0	94	52	32	11	0	100	100	100	100	0	100	100	100	100	0
January 2006	94	56	38	21	0	93	44	22	*	0	100	100	100	100	0	100	100	100	100	0
January 2007	93	50	31	14	0	91	37	14	0	0	100	100	100	45	0	100	100	100	100	0
January 2008	91	44	25	8	0	89	29	6	0	0	100	100	100	0	0	100	100	100	96	0
January 2009	90	39	20	3	0	87	23	0	0	0	100	100	93	0	0	100	100	100	36	0
January 2010	88	34	15	0	0	85	16	0	0	0	100	100	52	0	0	100	100	100	0	0
January 2011	86	29	10	0	0	83	10	0	0	0	100	100	16	0	0	100	100	100	0	0
January 2012	84	24	6	0	0	80	5	0	0	0	100	100	0	0	0	100	100	75	0	0
January 2013	82	20	3	0	0	77	0	0	0	0	100	97	0	0	0	100	100	31	0	0
January 2014	79	16	0	0	0	74	0	0	0	0	100	64	0	0	0	100	100	0	0	0
January 2015	76	12	0	0	0	70	0	0	0	0	100	33	0	0	0	100	100	0	0	0
January 2016	73	9	0	0	0	66	0	0	0	0	100	4	0	0	0	100	100	0	0	0
January 2017	70	5	0	0	0	62	0	0	0	0	100	0	0	0	0	100	65	0	0	0
January 2018	66	2	0	0	0	57	0	0	0	0	100	0	0	0	0	100	26	0	0	0
January 2019	62	0	0	0	0	52	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2020	58	0	0	0	0	47	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2021	53	0	0	0	0	40	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2022	47	0	0	0	0	33	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2023	41	0	0	0	0	26	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2024	35	0	0	0	0	18	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2025	27	0	0	0	0	9	0	0	0	0	100	0	0	0	0	100	0	0	0	0
January 2026	19	0	0	0	0	0	0	0	0	0	90	0	0	0	0	100	0	0	0	0
January 2027	11	0	0	0	0	0	0	0	0	0	19	0	0	0	0	100	0	0	0	0
January 2028	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.7	7.7	5.2	3.6	1.7	17.8	5.7	3.7	2.5	1.2	26.6	14.5	10.1	6.9	3.3	27.7	17.4	12.6	8.8	4.3

Date	VA Class					VB Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%	0%	100%	165%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2001	93	93	93	93	93	100	100	100	100	100	107	107	107	107	107
January 2002	86	86	86	86	86	100	100	100	100	100	115	115	115	115	115
January 2003	78	78	78	78	78	100	100	100	100	100	123	123	123	123	123
January 2004	70	70	70	70	70	100	100	100	100	100	132	132	132	132	132
January 2005	61	61	61	61	32	100	100	100	100	100	142	142	142	142	142
January 2006	52	52	52	52	0	100	100	100	100	36	152	152	152	152	152
January 2007	42	42	42	42	0	100	100	100	100	0	163	163	163	163	128
January 2008	31	31	31	31	0	100	100	100	100	0	175	175	175	175	88
January 2009	19	19	19	19	0	100	100	100	100	0	187	187	187	187	60
January 2010	6	6	6	0	0	100	100	100	89	0	201	201	201	201	41
January 2011	0	0	0	0	0	92	92	92	21	0	215	215	215	215	28
January 2012	0	0	0	0	0	75	75	75	0	0	231	231	231	194	19
January 2013	0	0	0	0	0	58	58	58	0	0	248	248	248	159	13
January 2014	0	0	0	0	0	39	39	29	0	0	266	266	266	130	9
January 2015	0	0	0	0	0	18	18	0	0	0	285	285	252	105	6
January 2016	0	0	0	0	0	0	0	0	0	0	302	302	216	85	4
January 2017	0	0	0	0	0	0	0	0	0	0	302	302	184	68	3
January 2018	0	0	0	0	0	0	0	0	0	0	302	302	155	54	2
January 2019	0	0	0	0	0	0	0	0	0	0	302	289	129	43	1
January 2020	0	0	0	0	0	0	0	0	0	0	302	248	106	33	1
January 2021	0	0	0	0	0	0	0	0	0	0	302	209	86	25	*
January 2022	0	0	0	0	0	0	0	0	0	0	302	172	68	19	*
January 2023	0	0	0	0	0	0	0	0	0	0	302	137	52	14	*
January 2024	0	0	0	0	0	0	0	0	0	0	302	104	38	9	*
January 2025	0	0	0	0	0	0	0	0	0	0	302	73	25	6	*
January 2026	0	0	0	0	0	0	0	0	0	0	302	42	14	3	*
January 2027	0	0	0	0	0	0	0	0	0	0	302	14	4	1	*
January 2028	0	0	0	0	0	0	0	0	0	0	302	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	165	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.9	5.9	5.9	5.9	4.1	13.3	13.3	13.0	10.6	5.9	29.1	22.8	19.4	15.8	9.1

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

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

Characteristics of the R Class

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

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Election and Special Tax Attributes

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

Because the Trust will qualify as a REMIC, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the R Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Accrual Class will be issued with original issue discount (“OID”), and certain other Classes of Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash

attributable to that income. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount*” in the REMIC Prospectus. In addition, certain Classes of Certificates may be treated as having been issued at a premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Regular Certificates Purchased at a Premium*” in the REMIC Prospectus.

The Prepayment Assumption that will be used in determining the rate of accrual of OID will be 165% PSA. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount—Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate 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 that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about December 20, 1999. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to First Union Securities, Inc. (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

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

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.

\$200,000,000



Guaranteed REMIC Pass-Through Certificates

Fannie Mae REMIC Trust 2000-1

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First Union Securities, Inc.

**Prospectus Supplement
December 1, 1999**