

Prospectus

\$145,097,859



Guaranteed Grantor Trust Pass-Through Certificates Fannie Mae Grantor Trust 2000-T2

Consider carefully the risk factors starting on page 6 of this prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

The Certificates

We, the Federal National Mortgage Association or Fannie Mae, will issue the class of certificates listed in the chart on this page. The certificates will represent ownership interests in the trust assets.

Payments to Certificateholders

You, the investor, will receive monthly payments on your certificates, including:

- interest as described in this prospectus and
- principal as described in this prospectus.

Principal payments on the certificates are likely to fluctuate from month to month and may fluctuate widely.

The Fannie Mae Guaranty

We will guarantee that the payments of monthly interest and principal described in this prospectus are paid to investors on time and that the remaining principal balance, if any, of the class of certificates is paid on the redemption date shown below.

The Trust and Its Assets

The trust will have an ownership interest in Fannie Mae MBS.

The mortgage loans underlying the Fannie Mae MBS are first lien, single-family mortgage loans having the characteristics described in this prospectus.

<i>Class</i>	<i>Original Class Balance</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>	<i>Redemption Date</i>
A	\$145,097,859	PT	(1)	WAC	31359X3D9	May 27, 2003

(1) The Certificates bear interest at the variable interest rate described in this prospectus. During the initial interest accrual period, the Certificates are expected to bear interest at the annual rate of approximately 6.875%.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be May 30, 2000.

Bear, Stearns & Co. Inc.

March 23, 2000

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Additional Information	3	The Trust Agreement	14
Reference Sheet	4	Reports to Certificateholders	14
Risk Factors	6	Certain Matters Regarding Fannie Mae	14
Description of the Certificates	8	Voting Under Any Underlying Trust	
General	8	Indenture	14
<i>Structure</i>	8	Events of Default	15
<i>Fannie Mae Guaranty</i>	9	Rights upon Event of Default	15
<i>Characteristics of Certificates</i>	9	Amendment	15
<i>Authorized Denominations</i>	9	Termination	15
<i>Distribution Dates</i>	9	Certain Federal Income Tax	
<i>Record Date</i>	9	Consequences	16
<i>Class Factors</i>	10	Characterization of the Certificates as	
<i>Redemption</i>	10	Indebtedness	16
<i>Optional Termination</i>	10	<i>Interest and Original Issue</i>	
The MBS Pools and the Related		Discount	17
Mortgage Loans	10	Market Discount	17
Final Data Statement	10	Premium	17
Interest Payments on the Certificates ..	10	Accrual Method Election	18
<i>Category</i>	10	Sales and Other Dispositions of	
<i>General</i>	10	Certificates	18
<i>Interest Accrual Period</i>	11	Tax Attributes of Certificates	18
Principal Payments on the Certificates ..	11	Information Reporting and Backup	
<i>Category</i>	11	Withholding	18
<i>Principal Distribution Amount</i>	11	Foreign Investors	19
Redemption	11	Possible Characterization of the	
Class Definitions and Abbreviations ...	11	Certificates as an Ownership Interest	20
Book-Entry Procedures	11	Legal Investment Considerations ..	20
Structuring Assumptions	12	Legal Opinion	20
<i>Pricing Assumptions</i>	12	ERISA Considerations	20
<i>Prepayment Assumptions</i>	12	Plan of Distribution and Related	
Weighted Average Life of the		Matters	21
Certificates	12	Legal Matters	21
Decrement Table	13	Index of Defined Terms	22
		Schedule 1	23

ADDITIONAL INFORMATION

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

- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”); and
- our current Information Statement dated March 30, 2000 and its supplements (the “Information Statement”).

You can obtain the Disclosure Documents by writing us at:

Fannie Mae
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016

The Disclosure Documents and the class factors for the certificates are available on our website located at <http://www.fanniemae.com>. You can also obtain them by calling the Fannie Mae Helpline at 1-800-237-8627 or 202-752-6547.

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

Bear, Stearns & Co. Inc.
Prospectus Department
One Metro Tech Center North
Brooklyn, New York 11201
(telephone 212-272-1581).

REFERENCE SHEET

This reference sheet highlights information contained elsewhere in this prospectus. As a reference sheet, it speaks in general terms without giving details or discussing any exceptions. You should purchase the certificates only after reading this prospectus and each of the other disclosure documents listed on page 3 of this prospectus.

General

- The certificates will represent ownership interests in the trust assets.
- The trust assets will consist primarily of Fannie Mae MBS.
- The mortgage loans underlying the Fannie Mae MBS are first lien, single-family mortgage loans. The mortgage loans initially will bear interest at fixed rates. Beginning in various months from and after the month of the redemption date (and, in the case of certain of the mortgage loans, beginning in various months before the month of the redemption date), the mortgage loans will bear interest at variable rates, as described in this prospectus.

Guaranty Payments

We will guarantee that the payments of monthly interest and principal described in this prospectus are paid to investors on time and that the remaining principal balance, if any, of the certificates is paid on the redemption date specified on the cover of this prospectus.

Characteristics of the MBS

The table in Schedule 1 of this prospectus lists certain characteristics of the MBS and the underlying mortgage loans as of May 1, 2000. However, the actual characteristics of the individual mortgage loans underlying the MBS will differ from the weighted averages shown in Schedule 1, perhaps significantly.

Class Factors

On or shortly after the 11th day of each month, we will publish the class factor for the class of certificates. If you multiply the class factor by the initial principal balance of a certificate, you will obtain the current principal balance of that certificate, after giving effect to the current month's payment.

Settlement Date

We expect to issue the certificates on May 30, 2000.

Distribution Date

Beginning in June 2000, we will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th is not a business day.

Book-Entry Certificates

We will issue the certificates in book-entry form through the U.S. Federal Reserve Banks, which will track ownership of the certificates and payments on the certificates electronically.

Interest Rates

During the initial interest accrual period, we expect the certificates to bear interest at the rate of approximately 6.875%. During subsequent interest accrual periods, the certificates will bear interest at

an annual rate equal to the weighted average of the interest rates on the MBS, as described under “Description of the Certificates—Interest Payments on the Certificates—*General*” in this prospectus.

Payments of Principal

We will pay monthly principal on the certificates in an amount equal to the principal, if any, paid in that month on the MBS. We will pay the remaining principal balance, if any, of the certificates on the redemption date shown on the cover of this prospectus.

Redemption

We will redeem the certificates on the redemption date shown on the cover of this prospectus.

The price we will pay for the certificates upon redemption will be equal to their outstanding principal balances plus interest accrued thereon at the applicable annual interest rate during the immediately preceding interest accrual period.

Weighted Average Life (years) *

Class	CPR Prepayment Assumption				
	0%	10%	15%	25%	35%
A	2.9	2.5	2.3	2.0	1.7

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

Maturity

The certificates do not have fixed principal redemption schedules or fixed principal distribution dates, except that the outstanding principal balance of the certificates will be paid in full on the redemption date. Subject to the effect of the redemption of the certificates on the redemption date, the timing of principal payments may vary considerably based upon a number of factors, including changes in prevailing interest rates. If prevailing interest rates decrease, principal payments on the certificates may accelerate, and any reinvestment of those payments might be at the lower prevailing interest rates. Conversely, if prevailing interest rates increase, principal payments on the certificates may slow down, thereby reducing the availability of principal payments for reinvestment at the higher prevailing interest rates. In that case, the market value of the certificates is likely to have declined.

RISK FACTORS

We describe below some of the risks associated with an investment in the certificates. Because each investor has different investment needs and a different risk tolerance, you should consult your own financial and legal advisors to determine whether the certificates are a suitable investment for you.

Suitability

The certificates are not a suitable investment for every investor.

- Before investing, you should have sufficient knowledge and experience to evaluate the merits and risks of the certificates and the information contained in the disclosure documents.
- You should thoroughly understand the terms of the certificates.
- You should thoroughly understand the summary information provided in this prospectus relating to the MBS and the related mortgage loans.
- You should be able to evaluate (either alone or with the help of a financial advisor) the economic and interest rate factors, as well as any other factors, that may affect your investment.
- You should have sufficient financial resources and liquidity to bear all risks associated with the certificates.

Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy the certificates. You should get legal advice in determining whether your purchase of the certificates is a legal investment for you or is subject to any investment restrictions.

Yield Considerations

Your effective yield on the certificates will depend upon:

- changes in the weighted average of the interest rates on the mortgage loans underlying the MBS;
- the price you paid for the certificates;
- how quickly or slowly borrowers prepay the mortgage loans backing the MBS prior to the redemption date;

- if and when such mortgage loans are liquidated due to borrower defaults, casualties or condemnations affecting the properties securing those loans;
- if and when such mortgage loans are repurchased; and
- the actual characteristics of such mortgage loans.

Your effective yield on the certificates also will be affected by the redemption feature described in this prospectus under “Description of the Certificates—Redemption.” You will not be reimbursed for any premium paid or for any reduction in your yield arising from your receipt of early payments of principal (including early payments received as a result of the redemption of your certificates). Further, the existence of the redemption feature will inhibit your ability to sell the certificates at a significant premium in the market.

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

- if you bought your certificates at a premium and principal payments on the mortgage loans backing the MBS prior to the redemption date are faster than you expect; or
- if you bought your certificates at a discount and principal payments on the mortgage loans backing the MBS prior to the redemption date are slower than you expect.

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

Because the certificates do not receive interest immediately following each interest accrual period, they have a lower yield and lower market value than they would if there were no such delay.

Even if the mortgage loans are prepaid at a rate that on average is consistent with your expectations, variations over time in the prepayment rate of such mortgage loans can affect your yield. Generally, the earlier the payment of principal, the greater the effect on the yield to maturity. As a result, if the rate of principal prepayments on the mortgage loans during any period is faster or slower than you expect, a corresponding reduction or increase in the prepayment rate during a later period prior to the redemption date may not fully offset the impact of the earlier prepayment rate on your yield.

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 life of the certificates.

You must make your own decision as to the assumptions (including the principal prepayment assumptions and the effect of the redemption of the certificates on the redemption date) you will use in deciding whether to purchase the certificates.

Prepayment Considerations

Subject to the effect of the scheduled redemption, the rate of principal payments on the certificates generally will depend on the rate of principal payments on the mortgage loans backing the MBS. Principal payments will occur as a result of scheduled amortization or prepayments.

It is highly unlikely that the mortgage loans will prepay:

- at the rates we assume in this prospectus,
- at any specified prepayment rate until redemption, or
- at the same rate.

Property sales by borrowers may increase the prepayment rate. The mortgage loans provide that the lender requires repayment in full when the borrower sells the property. In addition,

if borrowers are able to refinance their loans by obtaining new loans secured by the same properties, refinancing will affect the rate of prepayment.

In general, the rates of prepayment may be influenced by:

- the level of current interest rates relative to the rates borne by the mortgage loans backing the MBS,
- homeowner mobility,
- the general creditworthiness of the borrowers,
- borrower sophistication regarding the benefits of refinancing,
- solicitation for refinancing by lenders,
- repurchases of mortgage loans from the related mortgage loan pools, and
- general economic conditions.

In particular, the mortgage loans underlying the MBS initially will bear interest at fixed rates. However, beginning in various months from and after the month of the redemption date (and, in the case of certain of the mortgage loans, beginning in various months before the month of the redemption date), the mortgage loans will bear interest at variable rates as described herein. You should consider the effect that this feature may have on the rate of refinancings (and, thus, prepayments) of the mortgage loans prior to the redemption date under various interest rate scenarios.

The rate of principal payments is likely to vary considerably over time. Because so many factors affect the rate of prepayment of a pool of mortgage loans, we cannot estimate the prepayment experience of the mortgage loans backing the MBS.

Repurchases Due to Breach of Representations and Warranties

The financial institutions that sell us the mortgage loans backing the MBS make certain representations and warranties covering the loans. If there is a material breach of these representations and warranties, we may choose to repurchase the affected loans. Our repurchase

of mortgage loans will have the same effect on the certificateholders as borrower prepayments.

Repurchases Due to Delinquency

We may repurchase from any pool of mortgage loans backing the MBS those loans that are delinquent by at least four consecutive monthly payments. Our repurchase of mortgage loans will have the same effect on the certificateholders as borrower prepayments.

Reinvestment Risk

Generally, a borrower may prepay a mortgage loan at any time. As a result, we cannot predict the rate of principal distributions on the MBS or on the certificates prior to the redemption date. The certificates may not be an appropriate investment for you if you require a specific amount of principal on a regular basis or on a specific date. Because interest rates fluctuate, you may not be able to reinvest the principal payments on the certificates at a rate of return that is as high as your rate of return on the certificates. You may have to reinvest those funds at a much lower rate of return. You should consider this risk in light of other investments that may be available to you.

Market and Liquidity Considerations

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 compa-

rable 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.

A number of factors may affect the resale of certificates, including:

- the characteristics of the mortgage loans in the underlying pools;
- past and expected prepayment levels of the mortgage loans and comparable loans;
- the outstanding principal amount of the certificates;
- the amount of certificates offered for resale from time to time;
- any legal restrictions, regulatory requirements or tax treatment limiting demand for the certificates;
- the availability of comparable securities;
- the level, direction and volatility of interest rates generally; and
- general economic conditions.

Fannie Mae Guaranty Considerations

If we were unable to perform our guaranty obligations, certificateholders would receive only principal and interest payments and other recoveries on the underlying mortgage loans. If that happened, delinquencies and defaults on the mortgage loans could directly affect the amounts that certificateholders would receive each month.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae Grantor Trust specified on the cover of this prospectus (the “Trust”) pursuant to a trust agreement dated as of May 1, 2000 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and in our capacity as

trustee (in that capacity, the “Trustee”). We will issue the Certificates specified on the cover of this prospectus pursuant to the Trust Agreement.

The Guaranteed Grantor Trust Pass-Through Certificates offered by this prospectus (the “Certificates”) will represent beneficial ownership interests 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 mortgage loans (the “Mortgage Loans”) having the characteristics described herein.

Fannie Mae Guaranty. We guarantee that on each Distribution Date we will pay to Certificateholders:

- the amount of interest specified under “Description of the Certificates—Interest Payments on the Certificates” in this prospectus,
- the amount of principal specified under “Description of the Certificates—Principal Payments on the Certificates” in this prospectus, and
- the remaining principal balance, if any, of the Certificates on the Redemption Date specified on the cover of this prospectus, whether or not we have received sufficient payments on the MBS.

In addition, we guarantee that we will pay 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.

If we were unable to perform our guaranty obligations, Certificateholders would receive only the principal and interest payments and other recoveries on the Mortgage Loans. If that happened, delinquencies and defaults on the Mortgage Loans could directly affect the amounts that Certificateholders would receive each month. **Our guaranty is not backed by the full faith and credit of the United States.** We alone are responsible for making payments on our guaranty. See “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus.

Characteristics of Certificates. We will issue the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. We refer to entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts as “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.

Authorized Denominations. We will issue the Certificates in minimum denominations of \$1,000 and whole dollar increments.

Distribution Dates. Beginning in June 2000, we will make payments of principal and interest on the Certificates on the 25th day of each month or, if the 25th is not a business day, on the first business day after the 25th. We refer to each such date as a “Distribution Date”. A “business day” is any day other than:

- a Saturday or a Sunday, or
- any day on which either the Federal Reserve Bank of New York or the Federal Reserve Bank of Boston authorizes banking institutions in the Second or First Federal Reserve Banking District, respectively, to be closed.

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

Class Factors. On or shortly after the 11th day of each month, we will publish a class factor (carried to eight decimal places) for the Class of Certificates. When the class factor is multiplied by the original principal balance of a Certificate, the product will equal the current principal balance of that Certificate after taking into account payments on the Distribution Date in that month.

Redemption. The Trustee will redeem the Certificates as described under “—Redemption” in this Prospectus.

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 Pools and The Related Mortgage Loans

We expect the MBS to have the characteristics listed on Schedule 1 of this prospectus and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly, typically beginning in the month after we issue the MBS. The Mortgage Loans 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 30 years. The Mortgage Loans underlying each MBS Pool initially will bear interest at fixed rates; however, beginning in various months from and after the month of the Redemption Date (and, in the case of certain of the Mortgage Loans, beginning in various months before the month of the Redemption Date), the Mortgage Loans will bear interest at rates that vary in response to the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year as published by the Board of Governors of the Federal Reserve System in the Federal Reserve Statistical Release; Selected Interest Rates No. H.15(519). See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

Final Data Statement

At the time we issue the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, CUSIP number, issue date, latest loan maturity date, original certificate balance, current certificate balance, current weighted average coupon (“WAC”) and current weighted average term to maturity (“WAM”) for each of the MBS, in each case based on the Stated Principal Balances of the Mortgage Loans as of the Issue Date, along with the weighted average of all the current WACs and the weighted average of all the current WAMs as of the Issue Date. You may obtain the Final Data Statement from our website located at <http://www.fanniemae.com> or by calling us in Washington, D.C. 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.

Interest Payments on the Certificates

Category. For the purpose of interest payments, the Certificates fall into the Weighted Average Coupon category. See “—Class Definitions and Abbreviations” below.

General. We will pay interest on the Certificates at an annual interest rate equal to the weighted average of the interest rates on the MBS, weighted on the basis of their respective unpaid principal amounts.

During the initial Interest Accrual Period, we expect the Certificates to bear interest at the annual rate of approximately 6.875%. 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 June 2000.

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the Certificates during the calendar month preceding the month in which the Distribution Date occurs. We refer to each such period as an “Interest Accrual Period.”

Principal Payments on the Certificates

Category. For the purpose of principal payments, the Certificates fall into the Pass-Through category. See “—Class Definitions and Abbreviations” below.

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

Redemption

Fannie Mae will redeem the Certificates in whole, but not in part, on the Redemption Date set forth on the cover. The price that we pay for the Certificates upon redemption (the “Redemption Price”) will be equal to the outstanding principal balance of the Certificates plus interest accrued thereon at the applicable annual interest rate during the immediately preceding Interest Accrual Period, calculated as described above. In order to effect the redemption, Fannie Mae will apply the proceeds arising from a sale of the MBS and, if necessary, certain additional amounts received pursuant to a swap agreement entered into between Fannie Mae and an unaffiliated counterparty on the Settlement Date. As described under “Description of the Certificates—General—*Fannie Mae Guaranty*,” we are obligated to pay the principal balance of each Certificate in full no later than the Redemption Date.

The Class Factor for the month of the Redemption Date will be zero.

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

Class Definitions and Abbreviations

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

<u>Abbreviation</u>	<u>Category of Class</u>	<u>Definitions</u>
INTEREST TYPE		
WAC	Weighted Average Coupon	Has an interest rate that represents an effective weighted average interest rate that may change from period to period.
PRINCIPAL TYPE		
PT	Pass-Through	Is designed to receive principal payments in direct relation to actual payments on the related underlying securities.

Book-Entry Procedures

We will issue the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks.

The Federal Reserve Bank of New York will act as our fiscal agent. We have a fiscal agency agreement in effect with the Federal Reserve Bank of New York. Under this agreement, the regulations (found at 24 C.F.R. Part 81, Subpart H) that govern our use of the book-entry system and the pledging and transfer of interests apply to the book-entry Certificates. These regulations may be modified, amended, supplemented, superseded, eliminated or otherwise altered without the consent of any Certificateholder. The Federal Reserve Banks’ operating circulars and letters also apply. Book-entry Certificates will have a minimum denomination of \$1,000 with additional increments of one

dollar. The Certificates have been assigned a CUSIP number and will trade under that CUSIP number. The book-entry Certificates are freely transferable on the records of any Federal Reserve Bank but are not convertible to physical certificates.

Certificates maintained on the book-entry system of a Federal Reserve Bank can be separately traded and owned. Acting on our behalf, the Federal Reserve Bank of New York will make payments on the book-entry Certificates on each Distribution Date by crediting accounts on its records (or on the records of other Federal Reserve Banks). Only entities that are eligible to maintain book-entry accounts with a Federal Reserve Bank may hold Certificates “of record,” although these entities will not necessarily be the beneficial owners of the Certificates. We refer to holders of record as “Holders” or “Certificateholders.”

Ordinarily, beneficial owners will “hold” Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Certificateholder that is not the beneficial owner of a Certificate will establish and maintain accounts for its customers. In the same way, all the other financial intermediaries in the chain to the beneficial owner of that Certificate will be responsible for establishing and maintaining accounts for their customers. Accordingly, the beneficial owners may experience a delay in receiving payments on the Certificates.

The rights of the beneficial owner of a Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through a Certificateholder. Neither we nor the Federal Reserve Banks will have any direct obligation to the beneficial owner of a Certificate who is not also a Certificateholder according to the book-entry records maintained by the Federal Reserve Banks. In recording transfers of a Certificate, the Federal Reserve Banks will act only upon the instructions of a Certificateholder.

Structuring Assumptions

Pricing Assumptions. The information in the tables in this prospectus was prepared based on the following assumptions (collectively, the “Pricing Assumptions”):

- the MBS have the characteristics set forth in Schedule 1 of this prospectus and have a weighted average coupon of 7.489%;
- the Mortgage Loans prepay at the percentages of CPR specified in the related table; and
- the settlement date for the sale of the Certificates is May 30, 2000.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is the constant prepayment rate model (“CPR”). It represents the annual rate of prepayments relative to the then outstanding principal balance of a pool of new mortgage loans. Thus, “0% CPR” means no prepayments, “15% CPR” means an annual prepayment rate of 15%, and so forth.

This model does not predict the prepayment experience of the Mortgage Loans backing any MBS or describe the historical performance of any particular pool of mortgage loans.

It is highly unlikely that the Mortgage Loans will prepay at any particular level of CPR or at any other constant rate.

Weighted Average Life of the Certificates

The “weighted average life” of a Class of Certificates means the average length of time, weighted by principal, that will elapse from the assumed settlement date until the time you receive the full amount of outstanding principal. The weighted average life of the Certificates is determined by:

- first, calculating the amount of principal to be paid to the Certificateholders on each Distribution Date, based on the applicable prepayment assumption;

- second, multiplying each such amount by the number of years from the assumed settlement date to the related Distribution Date;
- third, summing all the results; and
- fourth, dividing the sum by the aggregate amount of principal payments that were calculated in the first step.

The weighted average life of the Certificates will be affected by the rate at which principal payments are made on the Mortgage Loans. Principal payments include scheduled principal payments, voluntary principal prepayments, liquidations due to default, casualty and condemnation, repurchases for breaches of certain representations and warranties or the exercise of the MBS clean-up calls. Each of these types of principal payments on the Mortgage Loans that are required to be paid on the MBS will be applied to payment of principal of the Certificates.

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

Decrement Table

The following table indicates the percentages of original principal balance of the Certificates that would be outstanding after each date shown at the indicated constant percentages of CPR and the corresponding weighted average life of the Certificates. The table has been prepared on the basis of the Pricing Assumptions.

It is unlikely:

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

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the table at the specified constant levels of CPR. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average calculated loan ages of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balance Outstanding A Class

Distribution Date	A Class				
	CPR Prepayment Assumption				
	0%	10%	15%	25%	35%
Initial	100	100	100	100	100
May 2001	99	89	84	74	64
May 2002	98	79	71	55	41
May 2003	0	0	0	0	0
Weighted Average Life (years)**	2.9	2.5	2.3	2.0	1.7

** Determined as specified under “—Weighted Average Life of the Certificates” above.

THE TRUST AGREEMENT

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

Reports to Certificateholders

On or shortly after the eleventh day of each month, we will publish (in print or otherwise) the class factor for the Class of Certificates. The class factor is a number (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate, will equal the amount of principal of that Certificate that will still be outstanding after the principal to be paid in the current month has been paid.

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

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

Certain Matters Regarding Fannie Mae

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

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

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

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

Voting Under Any Underlying Trust Indenture

The holders of a certain minimum percentage ownership in the MBS will have the right to terminate certain of our duties under the related indenture (the "Underlying Trust Indenture"), if there is an event of default under the Underlying Trust Indenture. Under the Trust Agreement, if there is an event of default under the Underlying Trust Indenture, the Certificateholders may vote their respective ownership shares in the MBS.

The holders of a certain minimum percentage ownership in the MBS may give their consent to an amendment or waiver of the Underlying Trust Indenture. The Trust Agreement, however, does not permit us, as trustee, to vote the MBS in favor of an amendment or waiver unless we have been

directed to do so by holders of Certificates whose principal balances (or notional principal balances) together equal at least 66% of the aggregate balances of all the Certificates of that series.

Events of Default

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

- if we fail to make a required payment to the Certificateholders and our failure continues uncorrected for 15 days after we receive written notice from Certificateholders who represent ownership interests totaling at least 5% of the Trust that they have not been paid; or
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after we receive written notice of our failure from Certificateholders who represent ownership interests totaling at least 25% of the Trust; or
- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Rights upon Event of Default

If one of the Events of Default listed above has occurred and continues uncorrected, Certificateholders who represent ownership interests totaling at least 25% of the Trust have the right to terminate, in writing, our obligations under the Trust Agreement both as Trustee and in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders also may appoint, in writing, a successor to assume to all of our terminated obligations. In addition, the successor that they appoint will take legal title to the assets of the Trust.

Amendment

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

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

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

Termination

The Trust Agreement will terminate upon the receipt by Certificateholders of all required payments as described in this prospectus. In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the person named in the Trust Agreement.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following discussion describes certain U.S. federal income tax consequences to beneficial owners of Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for one of the following, or other, reasons:

- This discussion is based on federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below.
- This discussion addresses only Certificates acquired at original issuance and held as “capital assets” (generally, property held for investment).
- This discussion does not address tax consequences to beneficial owners subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.
- This discussion does not address tax consequences to a beneficial owner of a Certificate that also is the Dealer or the counterparty to the swap agreement described under “Description of the Certificates—Redemption” above or a person related to either the Dealer or such counterparty.
- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, you should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Characterization of the Certificates as Indebtedness

Based on its analysis of existing law and assuming compliance with the Trust Agreement, our special tax counsel, Arnold & Porter, will deliver its opinion that the Certificates should be treated as indebtedness for federal income tax purposes. In addition, Arnold & Porter will deliver its opinion that the Trust will not be classified as an association taxable as a corporation, as a publicly traded partnership or as a taxable mortgage pool.

In general, whether the Certificates constitute indebtedness secured by the MBS or instead represent an ownership interest in the MBS is a question of fact, the resolution of which is based primarily upon the economic substance of the transaction. The Internal Revenue Service (IRS) and the courts have set forth various factors to be taken into account in determining, for federal income tax purposes, whether an instrument constitutes indebtedness or an ownership interest. Arnold & Porter has analyzed these factors and the economic substance of the Certificates and has concluded that the Certificates should be treated as indebtedness for federal income tax purposes. Consistent with the economic substance of the transaction, the Dealer, Fannie Mae, the counterparty to the swap agreement, and each beneficial owner of a Certificate, by its acceptance of a Certificate, express their mutual intent that the Certificates represent indebtedness secured by the MBS for all applicable tax purposes and agree to treat the Certificates as indebtedness for all tax purposes, including all tax filings, reports and returns.

Interest and Original Issue Discount

A beneficial owner of a Certificate must include in gross income the interest paid on the Certificate when the interest accrues or is received, depending on the owner's method of accounting.

In general, if the Certificates are issued with more than a *de minimis* amount of discount, the Certificates will be treated as issued with "original issue discount" within the meaning of section 1273(a). In that case, a beneficial owner of a Certificate would be required to include the original issue discount in income as it accrues, generally in advance of the receipt of cash attributable to such income. It is anticipated, however, that the Certificates will not be issued with more than a *de minimis* amount of discount and thus will not be issued with original issue discount.

Market Discount

A beneficial owner that acquires a Certificate for less than its principal amount generally has market discount in the amount of the difference between the principal amount and the beneficial owner's basis in that Certificate. In general, three consequences arise if a beneficial owner acquires a Certificate with market discount. First, the beneficial owner must treat any principal payment as ordinary income to the extent of the market discount that accrued while the beneficial owner held that Certificate. Second, the beneficial owner must treat gain on the disposition or retirement of such a Certificate as ordinary income under the circumstances discussed under "—Sales and Other Dispositions of Certificates" below. Third, a beneficial owner that incurs or continues indebtedness to acquire a Certificate at a market discount may be required to defer the deduction of all or a portion of the interest on the indebtedness until the corresponding amount of market discount is included in income. Alternatively, a beneficial owner may elect to include market discount in income on a current basis as it accrues, in which case the three consequences discussed above will not apply. If a beneficial owner makes this election, the beneficial owner must also apply the election to all debt instruments acquired by the beneficial owner on or after the beginning of the first taxable year to which the election applies. A beneficial owner may revoke the election only with the consent of the IRS.

A beneficial owner must determine the amount of accrued market discount for a period using a straight-line method, unless the beneficial owner elects to determine accrued market discount using a constant-yield method. The IRS has authority to provide regulations for determining the accrual of market discount in the case of securities, such as the Certificates, which provide for more than one principal payment, but has not yet issued such regulations. In addition, the legislative history to the Tax Reform Act of 1986 states that market discount on certain types of debt instruments may be treated as accruing in proportion to remaining accruals of original issue discount, if any, or if none, in proportion to remaining distributions of interest. You should consult your own tax advisors regarding the method a beneficial owner should use to determine accrued market discount.

Notwithstanding the above rules, market discount with respect to a Certificate generally will be considered to be zero if the discount is less than 0.25% of the principal balance of the Certificate multiplied by the number of complete years from the date the beneficial owner acquires the Certificate to the Redemption Date of the Certificate ("*de minimis* market discount"). The IRS has authority to provide regulations to adjust the computation of *de minimis* market discount in the case of securities, such as the Certificates, which provide for more than one principal payment, but has not yet issued such regulations. The IRS could assert, nonetheless, that *de minimis* market discount should be calculated using the remaining weighted average life of a Certificate rather than the Redemption Date. You should consult your own tax advisors regarding the proper method for computing *de minimis* market discount with respect to a Certificate.

Premium

If a beneficial owner acquires a Certificate for more than its principal amount, the beneficial owner generally will have premium with respect to such Certificate in the amount of such excess. In that event, the beneficial owner may elect to treat such premium as "amortizable bond premium." If

the election is made, a beneficial owner must also apply the election to all debt instruments the interest on which is not excludible from gross income (“fully taxable bonds”) held by the beneficial owner at the beginning of the first taxable year to which the election applies and to all fully taxable bonds thereafter acquired by the beneficial owner. A beneficial owner may revoke the election only with the consent of the IRS.

If a beneficial owner makes this election, the beneficial owner reduces the amount of any interest payment that must be included in the beneficial owner’s income by the portion of the premium allocable to the period based on the Certificate’s yield to maturity. Correspondingly, a beneficial owner must reduce its basis in the Certificate by the amount of premium applied to reduce any interest income.

If a beneficial owner does not elect to amortize premium, (i) the beneficial owner must include the full amount of each interest payment in income, and (ii) the premium must be allocated to the principal distributions on the Certificate and, when each principal distribution is received, a loss equal to the premium allocated to that distribution will be recognized. Any tax benefit from premium not previously recognized will be taken into account in computing gain or loss upon the sale or disposition of the Certificate. See “—Sales and Other Dispositions of Certificates” below.

Accrual Method Election

A beneficial owner may elect to include in income its entire return on a Certificate (*i.e.*, the excess of all remaining payments to be received on the Certificate over the amount of the beneficial owner’s basis in the Certificate) based on the compounding of interest at a constant yield. Such an election for a Certificate with amortizable bond premium (or market discount) will result in a deemed election to amortize premium for all the beneficial owner’s debt instruments with amortizable bond premium (or to accrue market discount currently for all the beneficial owner’s debt instruments with market discount) as discussed above.

Sales and Other Dispositions of Certificates

Upon the sale, exchange or other disposition of a Certificate, a beneficial owner generally will recognize gain or loss equal to the difference between the amount realized upon the disposition and the beneficial owner’s adjusted basis in the Certificate. The adjusted basis of a Certificate generally will equal the cost of the Certificate to the beneficial owner, increased by any amounts of original issue discount and market discount included in the beneficial owner’s gross income with respect to the Certificate, and reduced by distributions on the Certificate previously received by the beneficial owner as principal and by any premium that has reduced the beneficial owner’s interest income with respect to the Certificate. Any such gain or loss generally will be capital gain or loss, except (i) as provided in section 582(c) of the Internal Revenue Code of 1986 (the “Code”) (which generally applies to banks) or (ii) to the extent any gain represents original issue discount or accrued market discount not previously included in income (to which extent such gain would be treated as ordinary income). Any capital gain (or loss) will be long-term capital gain (or loss) if at the time of disposition the beneficial owner held the Certificate for more than one year. The ability to deduct capital losses is subject to certain limitations.

Tax Attributes of Certificates

Consistent with the characterization of the Certificates as indebtedness secured by the MBS, the Certificates will not be afforded any of the special tax attributes of the MBS, which are described under “Certain Federal Income Tax Consequences—Special Tax Attributes” in the MBS Prospectus.

Information Reporting and Backup Withholding

Within a reasonable time after the end of each calendar year, we will furnish or make available to each Holder that received a distribution during that year a statement setting forth such information as

is required by the Code or Treasury Regulations and such other information as we deem necessary or desirable to assist Holders in preparing their federal income tax returns, or to enable Holders to make such information available to beneficial owners or other financial intermediaries for which such Holders hold Certificates as nominees.

Payments of interest and principal, as well as payments of proceeds from the sale of Certificates, may be subject to the “backup withholding tax” under section 3406 of the Code at a rate of 31% if recipients of the payments fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from this tax. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the recipient’s federal income tax. Certain penalties may be imposed by the IRS on a recipient of payments required to supply information who does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner of a Certificate that is not a U.S. Person (a “Non-U.S. Person”). The term “U.S. Person” means:

- a citizen or resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia,
- an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or
- a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. Person has the authority to control all substantial decisions of the trust.

Payments on a Certificate to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner is not subject to U.S. tax as a result of a connection to the United States other than ownership of the Certificate,
- the beneficial owner signs a statement under penalties of perjury that certifies that the beneficial owner is a Non-U.S. Person, and provides the name and address of the beneficial owner, and
- the last U.S. Person in the chain of payment to the beneficial owner receives the statement from the beneficial owner or a financial institution holding on its behalf and does not have actual knowledge that the statement is false.

You should be aware that the IRS might take the position that this exemption does not apply to a beneficial owner that also owns 10% or more of the voting stock of Fannie Mae or the Dealer or a party related to the Dealer, or to a beneficial owner that is a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code.

The IRS has issued final regulations relating to withholding, backup withholding and information reporting with respect to payments made to Non-U.S. Persons. In general, the final regulations unify current certification procedures and forms and clarify certain reliance standards. The final regulations generally will be effective for payments made after December 31, 2000. You should consult your own tax advisor regarding the application of these regulations.

Possible Characterization of the Certificates as an Ownership Interest

It is possible that the IRS could assert that the Certificates constitute an ownership interest in the MBS for federal income tax purposes. In that case, a beneficial owner would be treated for tax purposes as (i) holding a beneficial ownership interest in the MBS and as (ii) having entered into the swap agreement described under “Description of the Certificates—Redemption” above. Accordingly, you should consider the tax consequences of characterizing the Certificates as an ownership interest in the MBS, and you should review the discussion under “Certain Federal Income Tax Consequences” in the MBS Prospectus. In addition, you should consult your tax advisor regarding the treatment (i) of the swap agreement generally and (ii) of the sale of the MBS and the settlement of the swap agreement in connection with the redemption of the Certificates. In general, characterizing the Certificates as an ownership interest in the MBS should not matter to you, provided that your ability to deduct allocable expenses of the Trust would not be limited by section 67 or 68 of the Code. See “Certain Federal Income Tax Consequences—Application of Revenue Ruling 84-10-Servicing Compensation” in the MBS Prospectus.

LEGAL INVESTMENT CONSIDERATIONS

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

LEGAL OPINION

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

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code impose certain requirements on employee benefit plans subject to ERISA (such as employer-sponsored retirement plans) and upon other types of benefit plans and arrangements subject to Section 4975 of the Code (such as individual retirement accounts). ERISA and Section 4975 of the Code also impose these requirements on certain entities in which the benefit plans or arrangements that are subject to ERISA and Section 4975 of the Code invest. We refer to these plans, arrangements and entities as “Plans.” Any person who is a fiduciary of a Plan also is subject to the requirements imposed by ERISA and Section 4975 of the Code. Before a Plan invests in any Certificate, the Plan fiduciary must consider whether the governing instruments for the Plan would permit the investment, whether the Certificates would be a prudent and appropriate investment for the Plan under its investment policy and whether such an investment might result in a transaction prohibited under ERISA or Section 4975 of the Code for which no exemption is available.

On November 13, 1986, the U.S. Department of Labor issued a final regulation covering the acquisition by a Plan of a “guaranteed governmental mortgage pool certificate,” defined to include

certificates which are “backed by, or evidencing an interest in specified mortgages or participation interests therein” and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the regulation, investment by a Plan in a “guaranteed governmental mortgage pool certificate” does not cause the assets of the Plan to include the mortgages underlying the certificate or the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool. Our counsel, Brown & Wood LLP, has advised us that the Certificates qualify under the definition of “guaranteed governmental mortgage pool certificates” and, as a result, the purchase and holding of Certificates by Plans will not cause the underlying Mortgage Loans or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction provisions of ERISA and the Code.

PLAN OF DISTRIBUTION AND RELATED MATTERS

We are obligated to deliver the Certificates to Bear, Stearns & Co. 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.

LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Stroock & Stroock & Lavan LLP will provide legal representation for the Dealer.

INDEX OF DEFINED TERMS

amortizable bond premium	17
business day	9
Certificateholders	9
Certificates	9
class factor	10
Code	18
CPR	12
Dealer	21
de minimis market discount	17
Disclosure Documents	3
Distribution Date	9
ERISA	20
Event of Default	15
fully taxable bonds	18
Holders	9
Information Statement	3
Interest Accrual Period	11
MBS	9
MBS Prospectus	3
Mortgage Loans	9
Non-U.S. Person	19
Pass-Through	11
Plans	20
Pool	9
Pricing Assumptions	12
Principal Distribution Amount	11
Redemption Price	11
single family	10
Trust	8
Trust Agreement	8
Trustee	9
Underlying Trust Indenture	14
U.S. Person	19
WAC	10
WAM	10
Weighted Average Coupon	11
weighted average life	12

Schedule 1

**Characteristics of the MBS and the Underlying Mortgage Loans
(As of May 1, 2000)**

Pool Number	CUSIP	Issue Date	Issue Date Unpaid Principal Balance	Pass-Through Rate	Weighted Average Maximum Mortgage Interest Rate	Weighted Average Months to Mortgage Interest Rate Adjustment	Initial Mortgage Interest Rate Change Date	Original Loan Term (in months)	Weighted Average Remaining Loan Term (in months)	Latest Loan Maturity Date	Prepayment Premium
538131	31384YY42	May 2000	\$75,070,961	6.875%	12.867%	35	December 2001	360	359	May 2030	No
538132	31384YY59	May 2000	70,026,898	6.875	12.882	35	January 2003	360	359	May 2030	No

No one is authorized to give information or to make representations in connection with this offering other than those contained in this prospectus and the other disclosure documents. You must not rely on any unauthorized information or representation. This prospectus and the other 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 and the other disclosure documents at any time, no one implies that the information contained in these documents is correct after their dates.

The Securities and Exchange Commission has not approved or disapproved the certificates or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

\$145,097,859



**Guaranteed Grantor Trust
Pass-Through Certificates
Fannie Mae Grantor Trust 2000-T2**

PROSPECTUS

TABLE OF CONTENTS

	<u>Page</u>
Additional Information	3
Reference Sheet	4
Risk Factors	6
Description of the Certificates	8
The Trust Agreement	14
Certain Federal Income Tax Consequences	16
Legal Investment Considerations	20
Legal Opinion	20
ERISA Considerations	20
Plan of Distribution and Related Matters	21
Legal Matters	21
Index of Defined Terms	22
Schedule 1	23

Bear, Stearns & Co. Inc.

March 23, 2000
