

Supplement  
(To Prospectus dated  
December 8, 2000)



**Guaranteed Grantor Trust Pass-Through Certificates  
Fannie Mae Grantor Trust 2000-T7**

Class	MBS Group	Original Principal Balance(1)	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A1	1	\$ 52,785,462	PT	(3)	WAC	31358SR86	July 2030
A2	2	142,636,416	PT	(3)	WAC	31358SR94	July 2030
A3	3	5,534,426	PT	(3)	WAC	31358SS28	June 2027
A4	4	11,756,248	PT	(3)	WAC	31358SS36	October 2029
A5	5	2,208,749	PT	(3)	WAC	31358SS44	June 2024
A6	6	3,638,680	PT	(3)	WAC	31358SS51	March 2021
C1	7	58,056,944	PT	(3)	WAC	31358SS69	December 2029
C2	8	123,899,375	PT	(3)	WAC	31358SS77	November 2026
C3	9	48,213,522	PT	(3)	WAC	31358SS85	May 2030
C4	10	34,049,543	PT	(3)	WAC	31358SS93	June 2030
C5	11	13,547,717	PT	(3)	WAC	31358ST27	May 2027
C6	12	9,734,606	PT	(3)	WAC	31358ST35	November 2023
D1	13	39,377,562	PT	(3)	WAC	31358ST43	July 2030
D2	14	37,212,489	PT	(3)	WAC	31358ST50	June 2030
D3	15	3,084,559	PT	(3)	WAC	31358ST68	September 2025
E1	16	20,912,387	PT	(3)	WAC	31358ST76	July 2030
E2	17	20,598,577	PT	(3)	WAC	31358ST84	June 2030

(1) Final original principal balances of each class.

Note: All other footnotes are as stated on the cover of the Prospectus dated December 8, 2000.

**CONSIDER CAREFULLY THE RISK FACTORS STARTING ON PAGE 6 OF THE PROSPECTUS. UNLESS YOU UNDERSTAND AND ARE ABLE TO TOLERATE THESE RISKS, YOU SHOULD NOT INVEST IN THE CERTIFICATES.**

**THE CERTIFICATES, TOGETHER WITH ANY 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 SECURITIES ACT OF 1933 AND ARE "EXEMPTED SECURITIES" UNDER THE SECURITIES EXCHANGE ACT OF 1934.**

This Final Data Statement contains final Original Principal Balances for the above-referenced Trust.

THE DATE OF THIS SUPPLEMENT IS DECEMBER 18, 2000

**\$627,247,299 (Approximate)**



**Guaranteed Grantor Trust Pass-Through Certificates  
Fannie Mae Grantor Trust 2000-T7**

**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 classes 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 full principal balance of the certificates is paid no later than the final distribution date shown below.

**The Trust and Its Assets**

The trust will own seventeen groups of Fannie Mae MBS.

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

Class	MBS Group	Original Class Balance (1)	Principal Type (2)	Interest Rate	Interest Type (2)	CUSIP Number	Final Distribution Date
A1 ...	1	\$ 52,785,464	PT	(3)	WAC	31358SR86	July 2030
A2 ...	2	142,636,423	PT	(3)	WAC	31358SR94	July 2030
A3 ...	3	5,534,429	PT	(3)	WAC	31358SS28	June 2027
A4 ...	4	11,756,250	PT	(3)	WAC	31358SS36	October 2029
A5 ...	5	2,208,750	PT	(3)	WAC	31358SS44	June 2024
A6 ...	6	3,638,681	PT	(3)	WAC	31358SS51	March 2021
C1 ...	7	58,056,946	PT	(3)	WAC	31358SS69	December 2029
C2 ...	8	123,899,379	PT	(3)	WAC	31358SS77	November 2026
C3 ...	9	48,213,523	PT	(3)	WAC	31358SS85	May 2030
C4 ...	10	34,049,545	PT	(3)	WAC	31358SS93	June 2030
C5 ...	11	13,547,720	PT	(3)	WAC	31358ST27	May 2027
C6 ...	12	9,734,607	PT	(3)	WAC	31358ST35	November 2023
D1 ...	13	39,377,565	PT	(3)	WAC	31358ST43	July 2030
D2 ...	14	37,212,491	PT	(3)	WAC	31358ST50	June 2030
D3 ...	15	3,084,560	PT	(3)	WAC	31358ST68	September 2025
E1 ...	16	20,912,388	PT	(3)	WAC	31358ST76	July 2030
E2 ...	17	20,598,578	PT	(3)	WAC	31358ST84	June 2030

(1) May vary by plus or minus 5%.

(2) See “Description of the Certificates — Class Definitions and Abbreviations.”

(3) The certificates bear interest at the variable interest rates described in this prospectus.

The certificates may be offered from time to time in negotiated transactions at varying prices. We expect the settlement date to be December 19, 2000.

**December 8, 2000**

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### **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 the applicable MBS Prospectus Supplements;
- 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

Certain of the Disclosure Documents, together with the class factors, 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.

## 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 of seventeen groups of Fannie Mae MBS.
- The mortgage loans underlying the Fannie Mae MBS are first lien, single-family, adjustable-rate mortgage loans.
- Monthly principal payments on the certificates will be equal to the principal amounts paid on the related MBS.

### 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 full principal balance of the certificates is paid no later than the final distribution date specified on the cover of this prospectus.

### Assumed Characteristics of the Mortgage Loans Underlying the MBS Certificates (as of December 1, 2000)

The table in Schedule 1 of this prospectus lists certain assumed characteristics of the mortgage loans underlying each MBS Group as of December 1, 2000. However, the actual characteristics of most of the mortgage loans will differ from the weighted averages 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 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 December 19, 2000.

### Distribution Date

Beginning in February 2001, we will make payments on the certificates on the 15th day of each calendar month, or on the next business day if the 15th 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 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 the previous month on the MBS from the related MBS Group. We will pay the full principal balance of the certificates no later than the final distribution date shown on the cover of this prospectus.

# **Weighted Average Lives (years) \***

		<b>CPR Prepayment Assumption</b>					
<u>MBS Group 1 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
A1 .....	11.7	6.3	4.9	3.9	3.2	2.3	
<u>MBS Group 2 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
A2 .....	17.3	7.5	5.5	4.2	3.4	2.4	
<u>MBS Group 3 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
A3 .....	15.1	7.1	5.3	4.1	3.3	2.3	
<u>MBS Group 4 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
A4 .....	14.4	7.0	5.3	4.1	3.3	2.3	
<u>MBS Group 5 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
A5 .....	10.8	6.1	4.8	3.8	3.2	2.3	
<u>MBS Group 6 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
A6 .....	9.0	5.5	4.4	3.6	3.0	2.2	
<u>MBS Group 7 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
C1 .....	15.2	7.2	5.3	4.2	3.4	2.3	
<u>MBS Group 8 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
C2 .....	13.1	6.7	5.1	4.0	3.3	2.3	
<u>MBS Group 9 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
C3 .....	16.6	7.4	5.4	4.2	3.4	2.4	
<u>MBS Group 10 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
C4 .....	17.1	7.5	5.5	4.2	3.4	2.4	
<u>MBS Group 11 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
C5 .....	9.2	5.5	4.5	3.7	3.0	2.2	
<u>MBS Group 12 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
C6 .....	9.8	5.8	4.6	3.7	3.1	2.2	
<u>MBS Group 13 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
D1 .....	14.0	6.9	5.2	4.1	3.3	2.3	
<u>MBS Group 14 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
D2 .....	17.3	7.5	5.5	4.2	3.4	2.4	
<u>MBS Group 15 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
D3 .....	13.1	6.7	5.1	4.0	3.3	2.3	
<u>MBS Group 16 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
E1 .....	12.1	6.5	5.0	4.0	3.2	2.3	
<u>MBS Group 17 Class</u>		<u>0%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>35%</u>
E2 .....	17.0	7.5	5.5	4.2	3.4	2.4	

\* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus.

## 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 obtain legal advice in determining whether your purchase of the certificates is a legal investment for you or is subject to any investment restrictions. You should exercise particular caution if your circumstances do not permit you to hold the certificates until maturity.

### Yield Considerations

Your effective yield on the certificates will depend upon:

- the level of the applicable index of the mortgage loans underlying the related MBS;
- the level of the related MBS margins;
- the price you paid for the certificates;

- how quickly or slowly borrowers prepay the mortgage loans backing the related MBS;
- 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.

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.

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

- if the level of applicable index of the mortgage loans underlying the related MBS is lower than you expect;
- if the level of the related MBS margins is lower than you expect;
- if you bought your certificates at a premium and principal payments on the mortgage loans backing the related MBS (or any other prepayments of such MBS) are faster than you expect; or
- if you bought your certificates at a discount and principal payments on the mortgage loans backing the related MBS (or any other prepayments of such MBS) 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 until the 15th day of the second calendar month 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 may not fully offset the impact of the earlier prepayment rate on your yield.

As described in this prospectus, interest will accrue on the certificates on the basis of the applicable MBS indices and margins. The MBS margins will vary from month to month based upon the weighted average of the net mortgage margins applicable to the mortgage loans underlying the related MBS. If mortgages with relatively higher mortgage margins were to prepay or be repurchased from the pool, the MBS margins would decline. In such case, the rate at which interest accrues on the related certificates will decline correspondingly.

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 certificates.

**You must make your own decision as to the assumptions, including the principal prepayment assumptions, you will use in deciding whether to purchase the certificates.**

### **Prepayment Considerations**

The rate of principal payments on the certificates generally will depend on the rate of principal payments on the mortgage loans backing the related 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, or
- at the same rate.

Property sales by borrowers may increase the prepayment rate. The mortgage loans provide that the lender can require 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 related 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.

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 related MBS.

### **Repurchases Due to Breach of Representations and Warranties**

The financial institutions that sold 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 related MBS loans that are delinquent by at least four consecutive monthly payments. Our repurchase of mortgage loans will have the same effect on the certificate-holders 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 related certificates. 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 comparable to those available to other investors. You should purchase certificates only if you under-

stand 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 underlying the related MBS;
- 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 mortgage loans backing the related MBS. 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 December 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 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, adjustable-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described in this prospectus.

*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 no later than the Final Distribution Date specified on the cover of this prospectus, whether or not we have received sufficient payments on the related MBS Group.

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 backing the respective MBS Group. 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 February 2001, we will make payments of principal and interest on the Certificates on the 15th day of each month or, if the 15th is not a business day, on the first business day after the 15th. 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 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.

## **The MBS**

We expect the MBS to have the assumed characteristics listed on Schedule 1 of this prospectus and the general characteristics described in the MBS Prospectus. The MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans are conventional, adjustable-rate 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. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

We will pay interest on each MBS at a rate equal to the weighted average of the interest rates of the Mortgage Loans underlying that MBS, weighted on the basis of the respective Stated Principal Balances of those Mortgage Loans as of the beginning of the related Interest Accrual Period, less the applicable servicing and guaranty fees (which may vary from Mortgage Loan to Mortgage Loan).

## **Characteristics of the Mortgage Loans**

The Mortgage Loans backing the MBS contained within each MBS Group are first lien adjustable-rate residential mortgage loans. In general, the interest rate on each of these Mortgage Loans is calculated by taking a financial index and adding a mortgage margin. Each of the Mortgage Loans is expected to use one of the following five indices:

- (i) the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year (“One Year CMT”);
- (ii) the weekly average yield on United States Treasury securities adjusted to a constant maturity of three years (“Three Year CMT”);
- (iii) the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years (“Five Year CMT”);
- (iv) the monthly average yield on United States Treasury securities adjusted to a constant maturity of one year (“Monthly Average CMT”); or
- (v) the National Monthly Median Cost of Funds.

For more information on the One Year CMT, the Three Year CMT, the Five Year CMT, the Monthly Average CMT and the National Monthly Median Cost of Funds, please see the Prospectus Supplement for the related MBS.

Such interest rate calculations may be limited by the existence of periodic interest rate caps and floors, lifetime interest rate ceilings and floors, payment caps and rounding. In addition, many of the Mortgage Loans provide for a fixed period of time immediately after the origination of such Mortgage Loans where interest accrues at a fixed rate set forth in the related mortgage note. Such rate may be set without regard to existing interest rate values. Some of the Mortgage Loans include negative amortization features. Other Mortgage Loans provide that the related borrower may elect to convert the adjustable-rate feature to a fixed rate of interest, in which case such Mortgage Loan will be removed from its pool and Certificateholders will receive the principal balance of such Mortgage Loan as if such Mortgage Loan were prepaid. We will retain a certain portion of the interest paid on each Mortgage Loan as compensation for servicing and our guaranty. The amount that remains will be distributed to holders of the Certificates and shall generally be equal to the sum of the applicable index value and an amount known as the “MBS Margin.”

Schedule 1 provides certain summary information about the MBS contained within each MBS Group. You should read the MBS Prospectus, the related Prospectus Supplements for such MBS and the Final Data Statements for more information regarding the MBS.

## Final Data Statement

At the time we issue the Certificates, we will prepare a Final Data Statement containing certain information regarding the MBS contained within each MBS Group, including the Pool number, CUSIP number, issue date, latest loan maturity date, original certificate balance, current certificate balance, Pool Accrual Rate, Maximum Pool Accrual Rate, Minimum Pool Accrual Rate, MBS Margin, current weighted average coupon (“WAC”), current weighted average term to maturity (“WAM”) and the Weighted Average Months to Rate Change Date for each MBS, in each case based on the current unpaid principal balances of the Mortgage Loans 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 Pool Accrual Rates on the MBS contained in the related MBS Group. 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 February 2001.

During the initial Interest Accrual Period, we expect the Certificates to bear interest at the following approximate annual rates:

<u>Class</u>	<u>Assumed Approximate Initial Interest Rate</u>
A1 .....	8.445%
A2 .....	7.479
A3 .....	7.823
A4 .....	7.971
A5 .....	8.043
A6 .....	7.011
C1 .....	8.203
C2 .....	8.561
C3 .....	7.496
C4 .....	7.626
C5 .....	7.646
C6 .....	7.286
D1 .....	8.139
D2 .....	7.446
D3 .....	8.248
E1 .....	8.291
E2 .....	7.385

*Interest Accrual Period.* Interest to be paid on each Distribution Date will accrue on the Certificates during the calendar month which is two months before the month in which the Distribution Date occurs. For example, interest accrued on the Certificates during the month of January will be distributed in the month of March. 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 equal to the principal paid in the previous month on the MBS contained in the related MBS Group.

## 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 table below was prepared based on the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the aggregate characteristics set forth in Schedule 1 of this prospectus;
- the Mortgage Loans prepay at the CPR levels specified in the related table; and
- the settlement date for the sale of the Certificates is December 19, 2000.

*Prepayment Assumptions.* Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this prospectus is the “Constant Prepayment Rate” or “CPR” model. CPR represents an assumed *constant* rate of prepayment each month, expressed as a per annum percentage of the then outstanding principal balance of the pool of mortgage loans. *This model does not purport to be an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans. It is highly unlikely that the Mortgage Loans in the MBS Groups will prepay at any constant percentage of the Prepayment Assumption or at any other constant rate.*

### **Weighted Average Life of the Certificates**

The “weighted average life” of the 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 for borrower-elected fixed rate conversions, or the exercise of the MBS optional termination (see “Description of Certificates—Termination” in the MBS Prospectus). Each of these types of principal payments on the Mortgage Loans that are required to be paid on the related 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 various 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 percentage of CPR*.

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 percentages 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 Balances Outstanding

Date	A1 Class						A2 Class						A3 Class					
	CPR Prepayment Assumption						CPR Prepayment Assumption						CPR Prepayment Assumption					
	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2002 .....	98	88	83	78	73	64	99	89	84	79	74	64	98	89	84	79	74	64
January 2003 .....	95	77	69	61	54	40	97	79	70	62	55	41	97	78	70	62	54	41
January 2004 .....	92	67	57	47	39	25	96	70	59	49	41	26	95	69	58	49	40	26
January 2005 .....	89	59	47	37	28	16	94	62	49	39	30	17	93	61	48	38	29	17
January 2006 .....	86	51	38	28	20	10	93	55	41	30	22	11	91	54	40	30	22	11
January 2007 .....	82	44	31	22	15	6	91	48	34	24	16	7	88	47	33	23	16	7
January 2008 .....	79	38	25	16	10	4	89	43	28	19	12	4	86	41	28	18	11	4
January 2009 .....	74	32	20	12	7	2	87	37	24	15	9	3	83	36	23	14	8	3
January 2010 .....	70	27	16	9	5	1	84	33	20	11	6	2	80	31	19	11	6	2
January 2011 .....	65	23	13	7	4	1	82	29	16	9	5	1	77	27	15	8	4	1
January 2012 .....	59	19	10	5	3	1	79	25	13	7	3	1	74	23	12	6	3	1
January 2013 .....	53	15	8	4	2	*	76	22	11	5	2	*	70	20	10	5	2	*
January 2014 .....	47	12	6	3	1	*	73	19	9	4	2	*	66	17	8	4	2	*
January 2015 .....	40	9	4	2	1	*	70	16	7	3	1	*	61	14	6	3	1	*
January 2016 .....	32	7	3	1	*	*	66	14	6	2	1	*	57	12	5	2	1	*
January 2017 .....	24	4	2	1	*	*	62	12	5	2	1	*	52	10	4	1	1	*
January 2018 .....	15	3	1	*	*	*	58	10	4	1	*	*	46	8	3	1	*	*
January 2019 .....	5	1	*	*	*	*	54	8	3	1	*	*	40	6	2	1	*	*
January 2020 .....	0	0	0	0	0	0	49	7	2	1	*	*	34	5	2	*	*	*
January 2021 .....	0	0	0	0	0	0	43	5	2	1	*	*	27	3	1	*	*	*
January 2022 .....	0	0	0	0	0	0	38	4	1	*	*	*	19	2	1	*	*	*
January 2023 .....	0	0	0	0	0	0	32	3	1	*	*	*	11	1	*	*	*	*
January 2024 .....	0	0	0	0	0	0	25	2	1	*	*	*	2	*	*	*	*	*
January 2025 .....	0	0	0	0	0	0	18	1	*	*	*	*	0	0	0	0	0	0
January 2026 .....	0	0	0	0	0	0	10	1	*	*	*	*	0	0	0	0	0	0
January 2027 .....	0	0	0	0	0	0	2	*	*	*	*	*	0	0	0	0	0	0
January 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	11.7	6.3	4.9	3.9	3.2	2.3	17.3	7.5	5.5	4.2	3.4	2.4	15.1	7.1	5.3	4.1	3.3	2.3

Date	A4 Class						A5 Class						A6 Class					
	CPR Prepayment Assumption						CPR Prepayment Assumption						CPR Prepayment Assumption					
	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2002 .....	98	89	84	79	74	64	97	88	83	78	73	63	96	87	82	77	72	63
January 2003 .....	97	78	70	62	54	41	94	76	68	60	53	40	92	75	67	59	52	39
January 2004 .....	95	69	58	48	40	26	91	66	56	47	38	25	88	64	54	45	37	24
January 2005 .....	92	61	48	38	29	16	88	58	46	36	28	16	83	54	43	34	26	15
January 2006 .....	90	53	40	30	21	10	84	50	37	27	20	10	78	46	34	25	18	9
January 2007 .....	88	47	33	23	16	7	80	42	30	21	14	6	72	38	27	19	13	5
January 2008 .....	85	41	27	18	11	4	75	36	24	16	10	4	66	32	21	14	9	3
January 2009 .....	82	35	22	14	8	3	71	30	19	12	7	2	60	26	16	10	6	2
January 2010 .....	79	30	18	11	6	2	65	25	15	9	5	1	53	21	12	7	4	1
January 2011 .....	75	26	15	8	4	1	60	21	12	6	3	1	46	16	9	5	3	1
January 2012 .....	72	22	12	6	3	1	54	17	9	5	2	*	38	12	6	3	2	*
January 2013 .....	67	19	10	5	2	*	47	13	7	3	1	*	30	8	4	2	1	*
January 2014 .....	63	16	8	3	1	*	40	10	5	2	1	*	21	5	3	1	*	*
January 2015 .....	58	13	6	3	1	*	32	7	3	1	1	*	11	3	1	*	*	*
January 2016 .....	53	11	5	2	1	*	23	5	2	1	*	*	1	*	*	*	*	*
January 2017 .....	48	9	4	1	*	*	14	3	1	*	*	*	0	0	0	0	0	0
January 2018 .....	42	7	3	1	*	*	4	1	*	*	*	*	0	0	0	0	0	0
January 2019 .....	35	5	2	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2020 .....	28	4	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2021 .....	20	2	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2022 .....	12	1	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2023 .....	3	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	14.4	7.0	5.3	4.1	3.3	2.3	10.8	6.1	4.8	3.8	3.2	2.3	9.0	5.5	4.4	3.6	3.0	2.2

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

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

Date	C1 Class						C2 Class						C3 Class					
	CPR Prepayment Assumption						CPR Prepayment Assumption						CPR Prepayment Assumption					
	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2002	99	89	84	79	74	64	98	88	83	79	74	64	99	89	84	79	74	64
January 2003	97	79	70	62	55	41	96	78	69	61	54	41	97	79	70	62	55	41
January 2004	95	69	58	49	40	26	94	68	58	48	40	26	96	70	59	49	40	26
January 2005	93	61	49	38	30	17	91	60	48	37	29	16	94	62	49	38	30	17
January 2006	91	54	40	30	22	11	89	52	39	29	21	10	92	54	41	30	22	11
January 2007	89	47	34	23	16	7	86	46	32	22	15	6	90	48	34	24	16	7
January 2008	86	41	28	18	12	4	83	39	26	17	11	4	88	42	28	18	12	4
January 2009	84	36	23	14	8	3	79	34	22	13	8	3	86	37	23	14	9	3
January 2010	81	31	19	11	6	2	75	29	17	10	6	2	83	32	19	11	6	2
January 2011	78	27	15	8	4	1	71	25	14	8	4	1	80	28	16	9	5	1
January 2012	74	23	12	6	3	1	67	21	11	6	3	1	77	24	13	7	3	1
January 2013	71	20	10	5	2	*	62	17	9	4	2	*	74	21	11	5	2	*
January 2014	67	17	8	4	2	*	57	14	7	3	1	*	71	18	9	4	2	*
January 2015	62	14	6	3	1	*	51	12	5	2	1	*	67	15	7	3	1	*
January 2016	58	12	5	2	1	*	44	9	4	2	1	*	63	13	6	2	1	*
January 2017	53	10	4	1	1	*	38	7	3	1	*	*	59	11	4	2	1	*
January 2018	47	8	3	1	*	*	30	5	2	1	*	*	55	9	3	1	*	*
January 2019	41	6	2	1	*	*	22	3	1	*	*	*	50	7	3	1	*	*
January 2020	35	5	2	*	*	*	13	2	1	*	*	*	44	6	2	1	*	*
January 2021	27	3	1	*	*	*	3	*	*	*	*	*	39	5	2	*	*	*
January 2022	20	2	1	*	*	*	0	0	0	0	0	0	33	4	1	*	*	*
January 2023	11	1	*	*	*	*	0	0	0	0	0	0	26	3	1	*	*	*
January 2024	2	*	*	*	*	*	0	0	0	0	0	0	19	2	*	*	*	*
January 2025	0	0	0	0	0	0	0	0	0	0	0	0	11	1	*	*	*	*
January 2026	0	0	0	0	0	0	0	0	0	0	0	0	3	*	*	*	*	*
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.2	7.2	5.3	4.2	3.4	2.3	13.1	6.7	5.1	4.0	3.3	2.3	16.6	7.4	5.4	4.2	3.4	2.4

Date	C4 Class						C5 Class						C6 Class					
	CPR Prepayment Assumption						CPR Prepayment Assumption						CPR Prepayment Assumption					
	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2002	99	89	84	79	74	64	96	87	82	77	72	63	97	87	82	77	73	63
January 2003	97	79	70	62	55	41	93	75	67	59	52	39	93	75	67	60	52	39
January 2004	96	70	59	49	40	26	88	64	54	45	37	24	89	65	55	46	38	25
January 2005	94	62	49	39	30	17	84	55	44	34	27	15	85	56	44	35	27	15
January 2006	93	55	41	30	22	11	79	47	35	26	19	9	81	48	36	26	19	9
January 2007	91	48	34	24	16	7	74	39	28	19	13	6	76	40	29	20	13	6
January 2008	89	42	28	19	12	4	68	32	22	14	9	3	71	34	23	15	9	3
January 2009	87	37	24	15	9	3	62	27	17	10	6	2	65	28	18	11	7	2
January 2010	84	33	20	11	6	2	55	21	13	7	4	1	59	23	14	8	4	1
January 2011	82	28	16	9	5	1	48	17	9	5	3	1	53	18	10	6	3	1
January 2012	79	25	13	7	3	1	40	13	7	3	2	*	46	14	8	4	2	*
January 2013	76	21	11	5	2	*	31	9	4	2	1	*	38	11	5	3	1	*
January 2014	73	18	9	4	2	*	22	6	3	1	1	*	30	8	4	2	1	*
January 2015	69	16	7	3	1	*	12	3	1	1	*	*	22	5	2	1	*	*
January 2016	66	13	6	2	1	*	2	*	*	*	*	*	13	3	1	*	*	*
January 2017	61	11	5	2	1	*	0	0	0	0	0	0	3	*	*	*	*	*
January 2018	57	10	4	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2019	52	8	3	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2020	47	6	2	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	42	5	2	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	36	4	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	30	3	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2024	23	2	1	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2025	15	1	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	7	1	*	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.1	7.5	5.5	4.2	3.4	2.4	9.2	5.5	4.5	3.7	3.0	2.2	9.8	5.8	4.6	3.7	3.1	2.2

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

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

Date	D1 Class						D2 Class						D3 Class					
	CPR Prepayment Assumption						CPR Prepayment Assumption						CPR Prepayment Assumption					
	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2002 .....	98	88	84	79	74	64	99	89	84	79	74	64	98	88	83	78	74	64
January 2003 .....	96	78	70	62	54	41	97	79	70	62	55	41	96	78	69	61	54	41
January 2004 .....	94	69	58	48	40	26	96	70	59	49	40	26	94	68	58	48	40	26
January 2005 .....	92	60	48	38	29	16	94	62	49	39	30	17	91	60	48	37	29	16
January 2006 .....	90	53	40	29	21	10	93	55	41	30	22	11	89	52	39	29	21	10
January 2007 .....	87	46	33	23	15	7	91	48	34	24	16	7	86	45	32	22	15	6
January 2008 .....	84	40	27	18	11	4	89	42	28	19	12	4	82	39	26	17	11	4
January 2009 .....	81	35	22	14	8	3	87	37	24	15	9	3	79	34	22	13	8	3
January 2010 .....	78	30	18	10	6	2	84	33	20	11	6	2	75	29	17	10	6	2
January 2011 .....	74	26	15	8	4	1	82	29	16	9	5	1	71	25	14	8	4	1
January 2012 .....	70	22	12	6	3	1	79	25	13	7	3	1	67	21	11	6	3	1
January 2013 .....	66	19	9	5	2	*	76	22	11	5	2	*	62	17	9	4	2	*
January 2014 .....	61	16	7	3	1	*	73	19	9	4	2	*	57	14	7	3	1	*
January 2015 .....	56	13	6	2	1	*	70	16	7	3	1	*	51	12	5	2	1	*
January 2016 .....	50	10	4	2	1	*	66	14	6	2	1	*	45	9	4	2	1	*
January 2017 .....	45	8	3	1	*	*	62	12	5	2	1	*	38	7	3	1	*	*
January 2018 .....	38	6	2	1	*	*	58	10	4	1	*	*	31	5	2	1	*	*
January 2019 .....	31	5	2	1	*	*	53	8	3	1	*	*	23	3	1	*	*	*
January 2020 .....	24	3	1	*	*	*	49	7	2	1	*	*	14	2	1	*	*	*
January 2021 .....	15	2	1	*	*	*	43	5	2	*	*	*	5	1	*	*	*	*
January 2022 .....	6	1	*	*	*	*	38	4	1	*	*	*	0	0	0	0	0	0
January 2023 .....	0	0	0	0	0	0	32	3	1	*	*	*	0	0	0	0	0	0
January 2024 .....	0	0	0	0	0	0	25	2	1	*	*	*	0	0	0	0	0	0
January 2025 .....	0	0	0	0	0	0	18	1	*	*	*	*	0	0	0	0	0	0
January 2026 .....	0	0	0	0	0	0	10	1	*	*	*	*	0	0	0	0	0	0
January 2027 .....	0	0	0	0	0	0	2	*	*	*	*	*	0	0	0	0	0	0
January 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	14.0	6.9	5.2	4.1	3.3	2.3	17.3	7.5	5.5	4.2	3.4	2.4	13.1	6.7	5.1	4.0	3.3	2.3

Date	E1 Class						E2 Class					
	CPR Prepayment Assumption						CPR Prepayment Assumption					
	0%	10%	15%	20%	25%	35%	0%	10%	15%	20%	25%	35%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100
January 2002 .....	98	88	83	78	73	64	99	89	84	79	74	64
January 2003 .....	95	77	69	61	54	40	97	79	70	62	55	41
January 2004 .....	93	68	57	48	39	25	96	70	59	49	40	26
January 2005 .....	90	59	47	37	28	16	94	62	49	39	30	17
January 2006 .....	87	51	39	28	21	10	92	55	41	30	22	11
January 2007 .....	83	44	31	22	15	6	90	48	34	24	16	7
January 2008 .....	80	38	26	17	11	4	88	42	28	19	12	4
January 2009 .....	76	33	21	13	8	2	86	37	23	14	9	3
January 2010 .....	72	28	17	10	5	1	84	32	19	11	6	2
January 2011 .....	67	23	13	7	4	1	81	28	16	9	5	1
January 2012 .....	62	19	10	5	3	1	78	25	13	7	3	1
January 2013 .....	56	16	8	4	2	*	75	21	11	5	2	*
January 2014 .....	50	13	6	3	1	*	72	18	9	4	2	*
January 2015 .....	44	10	4	2	1	*	69	16	7	3	1	*
January 2016 .....	37	8	3	1	*	*	65	13	6	2	1	*
January 2017 .....	29	5	2	1	*	*	61	11	5	2	1	*
January 2018 .....	21	3	1	*	*	*	57	9	4	1	*	*
January 2019 .....	12	2	1	*	*	*	52	8	3	1	*	*
January 2020 .....	2	*	*	*	*	*	47	6	2	1	*	*
January 2021 .....	0	0	0	0	0	0	42	5	2	*	*	*
January 2022 .....	0	0	0	0	0	0	36	4	1	*	*	*
January 2023 .....	0	0	0	0	0	0	29	3	1	*	*	*
January 2024 .....	0	0	0	0	0	0	23	2	1	*	*	*
January 2025 .....	0	0	0	0	0	0	15	1	*	*	*	*
January 2026 .....	0	0	0	0	0	0	8	1	*	*	*	*
January 2027 .....	0	0	0	0	0	0	0	0	0	0	0	0
January 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	12.1	6.5	5.0	4.0	3.2	2.3	17.0	7.5	5.5	4.2	3.4	2.4

\* 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” 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 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 together equal at least 66% of the aggregate principal balance of the Certificates.

### **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 incorporates the discussion under the caption “Certain Federal Income Tax Consequences” in the MBS Prospectus. When read together, the discussions describe the material federal income tax consequences to beneficial owners of Certificates. These discussions are general and do not purport to deal with all aspects of federal taxation that may be relevant to particular investors. These discussions may not apply to your particular circumstances for one of the following, or other, reasons:

- These discussions are 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.
- These discussions address only Certificates acquired at original issuance and held as “capital assets” (generally, property held for investment).
- These discussions do 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, persons who report income using the cash receipts and disbursements method of accounting, or persons whose functional currency is not the U.S. dollar.
- These discussions do 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.

### **Taxation of Beneficial Owners of Certificates**

Our special tax counsel, Arnold & Porter, will deliver its opinion that, assuming compliance with the Trust Agreement, the Trust will be classified as a grantor trust under subpart E of part I of subchapter J of the Internal Revenue Code of 1986, as amended (the “Code”), and not as an association taxable as a corporation.

A beneficial owner of a Certificate will be considered the beneficial owner of a pro rata interest in the related MBS Group held by the Trust. In addition, a beneficial owner of a Certificate will be required to treat a sale or other disposition of a Certificate as a sale or other disposition of a pro rata portion of the related MBS Group. The material federal income tax consequences to a beneficial owner of the purchase, ownership and disposition of an interest in MBS are as described under “Certain Federal Income Tax Consequences” in the MBS Prospectus. You should therefore review that discussion (without regard to the statement preceding that discussion that it addresses only MBS acquired at original issuance) and consider the federal income tax treatment to a beneficial owner of the related MBS Group.

Certain tax attributes may apply to an investment in MBS, as described under “Certain Federal Income Tax Consequences—Special Tax Attributes” in the MBS Prospectus. The extent to which any of these tax attributes apply to an investment in a Certificate will at no time exceed the extent to which these tax attributes would apply to a direct investment in the related MBS Group.

### **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 Adminis-

tration 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

The seller of the Mortgage Loans (the “Seller”) intends 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 Seller may effect such transactions to or through dealers, who may be deemed to have received underwriting compensation.



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**Certain Assumed Characteristics of the Mortgage Loans Underlying the MBS Certificates\***  
**(As of December 1, 2000)**

MBS Group/Related Class/ Index for ARM Loans	Approximate Issue Date Unpaid Principal Balance	Weighted Average Pool Accrual Rate	Weighted Average Remaining Term to Maturity (in Months)	Weighted Average Loan Age (in Months)	Weighted Average Original Term (in Months)	Weighted Average MBS Margin	Weighted Average Life Cap	Weighted Average Life Floor	Weighted Average Interest Rate Period Cap	Weighted Average Months to Rate Change	Latest Loan Maturity Date	Weighted Average Payment Adjustment Frequency (in Months)	Weighted Average Rate Adjustment Frequency (in Months)
Group 1 MBS/Class A1 (One Year CMT/ Weekly Average)	\$ 52,785,464	8.445	222	90	315	2.413	11,759	2.413	2.000	6	July 2030	12	12
Group 2 MBS/Class A2 (One Year CMT/ Weekly Average)	142,636,423	7.479	315	31	352	2.554	12,852	2.554	2.000	39	July 2030	12	12
Group 3 MBS/Class A3 (One Year CMT/ Weekly Average)	5,534,429	7.823	279	66	357	2.495	12,758	2.495	2.000	9	June 2027	12	12
Group 4 MBS/Class A4 (One Year CMT/ Weekly Average)	11,756,250	7.971	268	77	348	2.405	10,960	2.405	1.229	6	October 2029	12	12
Group 5 MBS/Class A5 (Three & Five Year CMT/Weekly Average)	2,208,750	8.043	209	73	287	2.549	13,398	2.549	2.580	28	June 2024	43	43
Group 6 MBS/Class A6 (National Monthly Median Cost of Funds)	3,638,681	7.011	181	164	347	2.235	16,002	2.235	1.426	8	March 2021	12	12
Group 7 MBS/Class C1 (One Year CMT/ Weekly Average)	58,056,946	8.203	279	63	346	2.409	10,809	2.448	1.035	6	December 2029	12	12
Group 8 MBS/Class C2 (One Year CMT/ Weekly Average)	123,899,379	8.561	244	93	341	2.497	12,439	2.827	2.000	7	November 2026	12	12
Group 9 MBS/Class C3 (One Year CMT/ Weekly Average)	48,213,523	7.496	304	38	352	2.573	12,623	2.573	1.992	17	May 2030	12	12
Group 10 MBS/Class C4 (One Year CMT/ Weekly Average)	34,049,545	7.626	310	26	344	2.510	12,848	2.510	1.975	75	June 2030	12	12
Group 11 MBS/Class C5 (Three & Five Year CMT/Weekly Average)	13,547,720	7.646	182	97	287	2.523	12,029	7.033	1.957	60	May 2027	52	52
Group 12 MBS/Class C6 (National Monthly Median Cost of Funds)	9,734,607	7.286	195	153	351	2.593	13,863	4.091	2.000	6	November 2023	12	12
Group 13 MBS/Class D1 (One Year CMT/ Weekly Average)	39,377,565	8.139	260	89	353	2.378	11,884	2.506	1.606	6	July 2030	12	12
Group 14 MBS/Class D2 (One Year CMT/ Weekly Average)	37,212,491	7.446	315	35	357	2.500	12,706	2.500	2.000	33	June 2030	12	12
Group 15 MBS/Class D3 (Three Year CMT/ Weekly Average)	3,084,560	8.248	246	104	353	2.500	13,483	2.500	2.000	22	September 2025	36	36
Group 16 MBS/Class E1 (One Year CMT/ Weekly & Monthly Average)	20,912,388	8.291	230	107	338	2.420	13,304	2.800	1.936	6	July 2030	12	12
Group 17 MBS/Class E2 (One Year CMT/ Weekly Average)	20,598,578	7.385	311	38	356	2.501	12,684	2.501	2.000	36	June 2030	12	12

\* The assumed characteristics of the Mortgage Loans underlying the MBS Certificates has been collected and summarized by the Seller and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy and shall not be responsible therefor. See the Final Data Statement and the related MBS Prospectus Supplements for the final MBS pool characteristics.

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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.

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**\$627,247,299**  
**(Approximate)**



**Guaranteed Grantor Trust**  
**Pass-Through Certificates**  
**Fannie Mae Grantor Trust 2000-T7**

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**PROSPECTUS**

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**December 8, 2000**

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