

**Supplement
(To Prospectus dated November 15, 2000)**

\$679,772,440



**Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2000-T8**

This is a Supplement to the Prospectus dated November 15, 2000 (the "Prospectus"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Prospectus.

Notwithstanding anything set forth on the cover or elsewhere in the Prospectus, the Original Class Balance of the A Class and the Aggregate Unpaid Principal Balance of the MBS as of the Issue date will be \$679,772,440 and the initial interest rate of the Class A will be approximately 7.75346%.

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 interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

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

The date of this Supplement is November 29, 2000

\$682,111,000



**Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2000-T8**

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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 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

- Fannie Mae MBS and
- Fannie Mae SMBS.

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

Class	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A	\$682,111,000	PT	(1)	WAC	31359X6L8	December 2030

(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 7.74916%.

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

LEHMAN BROTHERS

November 15, 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”);
- our Prospectus for Stripped Mortgage-Backed Securities dated March 30, 2000 (the “SMBS 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:

Lehman Brothers Inc.
Prospectus Department
c/o ADP Services
55 Mercedes Way
Edgewood, New York 11717
(telephone 631-254-7106).

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 and Fannie Mae SMBS.
- The mortgage loans underlying the Fannie Mae MBS and Fannie Mae SMBS are first lien, single-family mortgage loans which bear interest at fixed rates.

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 (as of November 1, 2000)

<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$682,111,000	360	332	28	6.935%

The actual remaining terms to maturity, calculated loan ages and interest rates of most of the mortgage loans underlying the MBS will differ from the weighted averages shown above, perhaps significantly.

Characteristics of the SMBS

Exhibit A to this prospectus lists certain characteristics of the SMBS and the related underlying mortgage loans as of November 1, 2000. However, the actual characteristics of the individual mortgage loans underlying the SMBS will differ from the weighted averages shown in Exhibit A, 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 November 30, 2000.

Distribution Date

Beginning in December 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 7.74916%. 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 and the SMBS, 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 paid in that month on the MBS. 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 Life (years) *

Class	PSA Prepayment Assumption				
	0%	75%	150%	300%	500%
A	21.1	11.7	8.1	4.6	2.7

* Determined as specified under “Description of the Certificates—Weighted Average Life 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, the SMBS 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 or the SMBS;
- the price you paid for the certificates;
- how quickly or slowly borrowers prepay the mortgage loans backing the MBS or the SMBS;

- 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 you bought your certificates at a premium and principal payments on the mortgage loans backing the MBS or the SMBS are faster than you expect; or
- if you bought your certificates at a discount and principal payments on the mortgage loans backing the MBS or the SMBS 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 may not fully

offset the impact of the earlier prepayment rate on your yield.

We have assumed that the mortgage loans underlying the MBS and the SMBS 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.

The actual final payment on the certificates is likely to occur earlier, and could occur much earlier, than the final distribution date specified on the cover of this prospectus. If you assume that the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

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 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 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.

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 sold us the mortgage loans backing the MBS and the SMBS made 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 or the SMBS 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. 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 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 underlying the MBS and the SMBS;

- 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 MBS and interest payments on the mortgage loans backing the SMBS. 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 November 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”), and
- certain Fannie Mae Stripped Mortgage-Backed Securities (the “SMBS”).

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

The SMBS represent beneficial ownership interests in certain interest distributions on certain Fannie Mae Guaranteed Pass-Through Certificates which are indirectly backed by pools of mortgage loans (together with the pools and mortgage loans backing the MBS, the “Pools” and the “Mortgage Loans”). The SMBS are further described in Exhibit A to 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 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 and “The SMBS Certificates—Fannie Mae Obligations” in the SMBS 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 December 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 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.

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

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

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

The MBS

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

Aggregate Unpaid Principal Balance	\$682,111,000
MBS Pass-Through Rate	6.50%

Related Mortgage Loans

Range of WACs (annual percentage)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	332 months
Approximate Weighted Average CAGE	28 months

The SMBS

The SMBS represent beneficial ownership interests in certain interest distributions made in respect of certain Fannie Mae Guaranteed Pass-Through Certificates having the general characteristics set forth in the MBS Prospectus. Distributions on the SMBS will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the SMBS are described in the SMBS Prospectus. See Exhibit A to this prospectus for additional information about the SMBS.

For further information about the SMBS, telephone us at 1-800-237-8627 or 202-752-6547. You may also obtain certain information in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Final Data Statement

At the time we issue the Certificates, we will prepare a Final Data Statement containing certain information regarding the MBS, 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 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. The Final Data Statement will also contain certain information regarding the SMBS, including the notional principal balances of the SMBS 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

General. During the initial Interest Accrual Period, we expect the Certificates to bear interest at the annual rate of approximately 7.74916%. During each subsequent Interest Accrual Period, the Certificates will bear interest at an annual rate calculated on the basis of the aggregate amount of interest payable on the MBS and the SMBS on the related Distribution Date and the principal balance of the Certificates immediately prior to such Distribution Date.

We calculate interest based on an assumed 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date beginning in December 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.”

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

Principal Payments on the Certificates

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 paid on the MBS on that date.

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

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 actual characteristics of each Pool of Mortgage Loans backing the SMBS and the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the original term to maturity, remaining term to maturity, CAGE and interest rate specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus;
- the Mortgage Loans underlying the MBS prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is November 30, 2000;
- each Distribution Date occurs on the 25th day of a month; and
- the Fannie Mae repurchase option is not exercised.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is The Bond Market Association’s standard prepayment model (“PSA”). PSA represents an assumed rate at which a pool of new mortgage loans will prepay. When we refer to “100% PSA,” we mean an annual prepayment rate of 0.2% of the then unpaid principal balance of the pool in the first month after the origination of those mortgage loans and an additional 0.2% each month until the 30th month. (For example, the assumed annual prepayment rate would be 0.4% in month 2, 0.6% in month 3, and so on, and would level out at 6% at month 30 for the remaining term.) Beginning in month 30 and for all later months, “100% PSA” means a constant annual prepayment rate of 6%.

Multiples of PSA are calculated in the same way. Thus, “150% PSA” means an annual prepayment rate of 0.3% in month 1, 0.6% in month 2, 0.9% in month 3 and 9% in month 30 and afterwards. Similarly, “200% PSA” means an annual prepayment rate of 0.4% in month 1, 0.8% in month 2, 1.2% in month 3 and 12% in month 30 and afterwards.

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

It is highly unlikely that the Mortgage Loans underlying the MBS will prepay at any constant PSA rate 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 underlying the MBS. 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 underlying the MBS 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 PSA and the corresponding weighted average life of the Certificates. The table has been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth under 0% PSA, we assumed that the Mortgage Loans underlying the MBS have the original and remaining terms to maturity and bear interest at the annual rate specified below.

<u>Original Term to Maturity</u>	<u>Remaining Term to Maturity</u>	<u>Interest Rate</u>
360 months	360 months	9.0%

It is unlikely:

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

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

Percent of Original Principal Balance Outstanding

Distribution Date	A Class				
	PSA Prepayment Assumption				
	0%	75%	150%	300%	500%
Initial Percent	100	100	100	100	100
November 2001	99	94	90	81	69
November 2002	99	89	81	66	48
November 2003	98	84	72	53	33
November 2004	97	79	65	43	23
November 2005	96	74	58	34	16
November 2006	95	69	52	28	11
November 2007	94	65	46	22	7
November 2008	92	60	41	18	5
November 2009	91	56	36	14	3
November 2010	89	52	32	11	2
November 2011	88	48	28	9	2
November 2012	86	45	25	7	1
November 2013	84	41	22	6	1
November 2014	82	38	19	4	*
November 2015	79	34	17	3	*
November 2016	77	31	14	3	*
November 2017	74	28	12	2	*
November 2018	71	25	10	2	*
November 2019	67	22	9	1	*
November 2020	64	19	7	1	*
November 2021	59	16	6	1	*
November 2022	55	14	5	*	*
November 2023	50	11	4	*	*
November 2024	45	9	3	*	*
November 2025	39	6	2	*	*
November 2026	32	4	1	*	*
November 2027	25	2	*	*	*
November 2028	18	0	0	0	0
November 2029	9	0	0	0	0
November 2030	0	0	0	0	0
Weighted Average Life (years)**	21.1	11.7	8.1	4.6	2.7

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

** 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 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.

In addition, holders of the SMBS may be asked to vote on issues arising under the applicable trust agreement. If so, the Trustee will vote the SMBS as instructed by the Certificateholders. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the Certificates. In the absence of such instructions, the Trustee will vote the SMBS in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

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

General

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 discussions under the captions “Certain Federal Income Tax Consequences” in the MBS Prospectus and in the SMBS Prospectus. When read together, the three 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, 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 1 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 MBS and SMBS 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 corresponding MBS and SMBS.

A beneficial owner of a Certificate must allocate its cost to acquire a Certificate among the MBS and SMBS in proportion to the relative fair market values of the MBS and SMBS at the time the beneficial owner acquires the Certificate. When a beneficial owner sells or disposes of a Certificate, the beneficial owner must allocate the sale proceeds among the MBS and SMBS in proportion to the relative fair market values of the MBS and SMBS at the time of sale or other disposition.

The material federal income tax consequences to a beneficial owner of the purchase, ownership and disposition of an interest in the MBS are as described under “Certain Federal Income Tax Consequences” in the MBS Prospectus, and the material federal income tax consequences to a

beneficial owner of the purchase, ownership and disposition of an interest in the SMBS are as described under “Certain Federal Income Tax Consequences” in the SMBS Prospectus. You should therefore review both of those discussions (without regard to the statement preceding each of those discussions that the discussion addresses only MBS or SMBS acquired at original issuance) and consider the federal income tax treatment, in the aggregate, to a beneficial owner of the MBS and SMBS.

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

We are obligated to deliver the Certificates to Lehman Brothers Inc. (the “Dealer”) in exchange for the MBS and the SMBS. 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. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

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Exhibit A

SMBS Certificates

Underlying SMBS Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Final Distribution Date	Original Notional Principal Balance of Class	November 2000 Class Factor	Notional Principal Balance in the Trust	Approximate Weighted Average WAC (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type
272	IO	June 1996	31364HL62	7.50%	July 2026	\$ 815,000,000	0.36683689	\$55,025,533	8.041%	55	MBS
277	IO	March 1997	31364HM87	7.50%	April 2027	1,100,000,000	0.36614767	58,583,627	8.093%	48	MBS

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.

\$682,111,000



FannieMae®

Guaranteed Grantor Trust
Pass-Through Certificates
Fannie Mae Grantor Trust 2000-T8

PROSPECTUS

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LEHMAN BROTHERS

November 15, 2000
