

Supplement to Prospectus Supplement dated January 19, 2001

**\$264,614,080**



**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2001-8**

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This is a supplement to the prospectus supplement dated January 19, 2001 (the "Prospectus Supplement"). If we use a capitalized term in this supplement without defining it, you will find the definition of that term in the Prospectus Supplement.

Notwithstanding anything set forth in the Prospectus Supplement, the Mortgage Loans backing the Group 7 MBS are cooperative share loans. Each cooperative share loan is secured by the pledge of the borrower's shares or other ownership interest in a cooperative corporation and assignment of the borrower's right to occupy a particular dwelling unit in the cooperative housing project.

**Carefully consider the risk factors starting on page S-9 of the Prospectus Supplement and on page 10 of the REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the Certificates.**

**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 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 February 22, 2001

**\$264,614,080**



**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2001-8**

**The Certificates**

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

**Payments to Certificateholders**

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

- interest accrued on the balance of your certificate, and
- principal to the extent available for payment on your class.

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will own

- Fannie Mae MBS, and
- Ginnie Mae certificates.

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
FD	1	\$60,173,928	PT	(1)	FLT	31359SAA8	March 2031
SF(2)	1	60,173,928(3)	NTL	(1)	INV/IO	31359SAB6	March 2031
SI(2)	1	60,173,928(3)	NTL	(1)	INV/IO	31359SAC4	March 2031
FB	2	10,493,183	PT	(1)	FLT	31359SAD2	February 2031
SB	2	10,493,183(3)	NTL	(1)	INV/IO	31359SAE0	February 2031
FG	3	32,000,000	PT	(1)	FLT	31359SAF7	February 2031
SX(2)	3	32,000,000(3)	NTL	(1)	INV/IO	31359SAG5	February 2031
SY(2)	3	32,000,000(3)	NTL	(1)	INV/IO	31359SAH3	February 2031
FE	3	16,000,000	PT	(1)	FLT	31359SAJ9	February 2031
SE	3	16,000,000(3)	NTL	(1)	INV/IO	31359SAK6	February 2031
FJ	4	17,595,494	PT	(1)	FLT	31359SAL4	March 2031
SJ	4	17,595,494(3)	NTL	(1)	INV/IO	31359SAM2	March 2031
FK	5	17,401,297	PT	(1)	FLT	31359SAN0	March 2031
SK	5	17,401,297(3)	NTL	(1)	INV/IO	31359SAP5	March 2031
FH	6	55,163,614	PT	(1)	FLT	31359SAQ3	February 2031
SH	6	55,163,614(3)	NTL	(1)	INV/IO	31359SAR1	February 2031
FT	7	21,366,904	PT	(1)	FLT	31359SAS9	March 2031
SU(2)	7	21,366,904(3)	NTL	(1)	INV/IO	31359SAT7	March 2031
SC(2)	7	21,366,904(3)	NTL	(1)	INV/IO	31359SAU4	March 2031
FO	8	24,137,382	PT	(1)	FLT	31359SAV2	February 2031
SO	8	24,137,382(3)	NTL	(1)	INV/IO	31359SAW0	February 2031
FV	9	10,282,278	PT	(1)	FLT	31359SAX8	February 2031
SV	9	10,282,278(3)	NTL	(1)	INV/IO	31359SAY6	February 2031
R	—	0	NPR	0	NPR	31359SAZ3	February 2031

(1) Based on LIBOR.

(2) Exchangeable classes.

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The SD, SG and ST Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be February 23, 2001.

**Carefully consider the risk factors starting on page S-9 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

You should read the REMIC prospectus as well as this prospectus supplement.

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

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

**Goldman, Sachs & Co.**

The date of this Prospectus Supplement is January 19, 2001

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## AVAILABLE INFORMATION

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

- the Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- the Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”); and
- our Information Statement dated March 30, 2000 and its supplements (the “Information Statement”).

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

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

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

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

Goldman, Sachs & Co.  
Prospectus Department  
85 Broad Street, SC Level  
New York, New York 10004  
(telephone 212-902-1171).

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

Group	Assets
1	Group 1 MBS
2	Group 2 Ginnie Mae Certificates
3	Group 3 Ginnie Mae Certificates
4	Group 4 MBS
5	Group 5 MBS
6	Group 6 Ginnie Mae Certificates
7	Group 7 MBS
8	Group 8 Ginnie Mae Certificates
9	Group 9 Ginnie Mae Certificates

### Assumed Characteristics of the Mortgage Loans Underlying the MBS and the Ginnie Mae Certificates (as of February 1, 2001)

	Approximate Principal Balance	Original Term to Maturity (in months)	Approximate Weighted Average Remaining Term to Maturity or WARM (in months)	Approximate Calculated Loan Age or WALA (in months)	Approximate Weighted Average Coupon
Group 1 MBS	\$60,173,928	360	176	172	9.63%
Group 2 Ginnie Mae Certificates	\$10,493,183	360	198	150	9.50%
Group 3 Ginnie Mae Certificates	\$48,000,000	360	183	167	9.50%
Group 4 MBS	\$17,595,494	360	190	165	10.60%
Group 5 MBS	\$17,401,297	360	211	149	9.59%
Group 6 Ginnie Mae Certificates	\$55,163,614	360	182	167	8.50%
Group 7 MBS	\$21,366,904	360	213	130	10.94%
Group 8 Ginnie Mae Certificates	\$24,137,382	360	198	153	10.61%
Group 9 Ginnie Mae Certificates	\$10,282,278	360	205	145	9.00%

The actual remaining terms to maturity, calculated loan ages and, except in the case of the Group 2, Group 3, Group 6 and Group 9 Ginnie Mae Certificates, interest rates of most of the mortgage loans will differ from the weighted averages shown above, perhaps significantly.

### Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account principal payments in the same month). We publish the class factors on or shortly after the 11th day of each month.

### Settlement Date

We expect to issue the certificates on February 23, 2001.

## **Distribution Dates**

We will make payments on the Group 1, Group 2, Group 4, Group 5 and Group 7 Classes on the 18th day of each calendar month, or on the next business day if the 18th day is not a business day. We will make payments on the Group 3, Group 6 and Group 9 Classes on the 17th day of each calendar month, or on the next business day if the 17th day is not a business day. We will make payments on the Group 8 Classes on the first business day following the 20th day of each calendar month, or on the 20th day if the 19th and 20th are both business days.

## **Book-Entry and Physical Certificates**

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

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

<u>Fed Book-Entry</u>	<u>DTC Book-Entry</u>	<u>Physical</u>
All Group 1, 4, 5 and 7 Classes and the related RCR classes	All Group 2, 3, 6, 8 and 9 Classes and the related RCR class	R Class

## **Exchanging Certificates Through Combination and Recombination**

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

## **Interest Payments**

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, the floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate(1)</u>
FD .....	6.05%	9.00%	0.25%	LIBOR + 25 basis points
SF .....	1.25%	1.25%	0.00%	8.75% – LIBOR
SI .....	1.70%	7.50%	0.00%	7.50% – LIBOR
FB .....	6.05%	9.00%	0.25%	LIBOR + 25 basis points
SB .....	2.95%	8.75%	0.00%	8.75% – LIBOR
FG .....	6.05%	9.00%	0.25%	LIBOR + 25 basis points
SX .....	1.25%	1.25%	0.00%	8.75% – LIBOR
SY .....	1.70%	7.50%	0.00%	7.50% – LIBOR
FE .....	6.15%	9.00%	0.40%	LIBOR + 40 basis points
SE .....	2.85%	8.60%	0.00%	8.60% – LIBOR
FJ .....	5.95%	10.00%	0.20%	LIBOR + 20 basis points
SJ .....	4.05%	9.80%	0.00%	9.80% – LIBOR
FK .....	6.05%	9.00%	0.25%	LIBOR + 25 basis points
SK .....	2.95%	8.75%	0.00%	8.75% – LIBOR
FH .....	5.91%	8.00%	0.35%	LIBOR + 35 basis points
SH .....	2.09%	7.65%	0.00%	7.65% – LIBOR
FT .....	5.81%	9.50%	0.25%	LIBOR + 25 basis points
SU .....	1.25%	1.25%	0.00%	9.25% – LIBOR
SC .....	2.44%	8.00%	0.00%	8.00% – LIBOR
FO .....	5.76%	10.00%	0.20%	LIBOR + 20 basis points
SO .....	4.24%	9.80%	0.00%	9.80% – LIBOR
FV .....	5.86%	8.50%	0.30%	LIBOR + 30 basis points
SV .....	2.64%	8.20%	0.00%	8.20% – LIBOR
SD .....	2.95%	8.75%	0.00%	8.75% – LIBOR
SG .....	2.95%	8.75%	0.00%	8.75% – LIBOR
ST .....	3.69%	9.25%	0.00%	9.25% – LIBOR

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

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

**Notional Classes**

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

<u>Class</u>	
SF .....	100% of the FD Class
SI .....	100% of the FD Class
SD .....	100% of the FD Class
SB .....	100% of the FB Class
SX .....	100% of the FG Class
SY .....	100% of the FG Class
SG .....	100% of the FG Class
SE .....	100% of the FE Class
SJ .....	100% of the FJ Class
SK .....	100% of the FK Class
SH .....	100% of the FH Class
SU .....	100% of the FT Class
SC .....	100% of the FT Class
ST .....	100% of the FT Class
SO .....	100% of the FO Class
SV .....	100% of the FV Class

**Distributions of Principal**

*Group 1 Principal Distribution Amount*

To the FD Class to zero.

*Group 2 Principal Distribution Amount*

To the FB Class to zero.

*Group 3 Principal Distribution Amount*

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

*Group 4 Principal Distribution Amount*

To the FJ Class to zero.

*Group 5 Principal Distribution Amount*

To the FK Class to zero.

*Group 6 Principal Distribution Amount*

To the FH Class to zero.

*Group 7 Principal Distribution Amount*

To the FT Class to zero.

*Group 8 Principal Distribution Amount*

To the FO Class to zero.

*Group 9 Principal Distribution Amount*

To the FV Class to zero.

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

		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>370%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 1 Classes</u></b>						
FD, SF, SI and SD .....	22.3	6.6	3.3	2.8	2.1	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 2 Classes</u></b>						
FB and SB .....	21.3	7.3	3.7	2.9	2.1	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 3 Classes</u></b>						
FG, SX, SY, FE, SE and SG .....	21.3	6.8	3.6	2.8	2.1	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>375%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 4 Classes</u></b>						
FJ and SJ .....	22.7	7.2	3.4	2.8	2.1	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>370%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 5 Classes</u></b>						
FK and SK .....	22.3	7.7	3.5	2.9	2.1	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>269%</u>	<u>350%</u>	<u>500%</u>
<b><u>Group 6 Classes</u></b>						
FH and SH .....	20.8	6.7	4.2	3.4	2.5	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>396%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 7 Classes</u></b>						
FT, SU, SC and ST .....	22.5	7.9	3.3	2.9	2.1	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>278%</u>	<u>350%</u>	<u>500%</u>
<b><u>Group 8 Classes</u></b>						
FO and SO .....	22.3	7.4	4.4	3.6	2.6	
		<b>PSA Prepayment Assumption</b>				
		<u>0%</u>	<u>100%</u>	<u>311%</u>	<u>450%</u>	<u>600%</u>
<b><u>Group 9 Classes</u></b>						
FV and SV .....	21.1	7.4	4.0	2.9	2.1	

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

## ADDITIONAL RISK FACTORS

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

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

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

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

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

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

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

tion, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

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

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

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover (the “Trust”) pursuant to a trust agreement dated as of February 1, 2001. We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of February 1, 2001 (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

The assets of the Trust will consist of

- four groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 4 MBS,” “Group 5 MBS” and “Group 7 MBS” and, together, the “MBS”), and
- five groups of “fully modified pass-through” mortgage-backed securities guaranteed as to timely payment of principal and interest by Ginnie Mae (the “Group 2 Ginnie Mae Certificates,” “Group 3 Ginnie Mae Certificates,” “Group 6 Ginnie Mae Certificates,” “Group 8 Ginnie Mae Certificates” and “Group 9 Ginnie Mae Certificates” and, together, the “Ginnie Mae Certificates”).

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 supplement.

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

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

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

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

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

Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus and “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus.

*Characteristics of Certificates.* We will issue the Certificates of the Group 1, Group 4, Group 5 and Group 7 Classes in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.”

The Group 2, Group 3, Group 6, Group 8 and Group 9 Classes will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a New York-chartered limited purpose trust company, or any successor or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the DTC Certificates. DTC will maintain the DTC Certificates through its book-entry facilities.

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

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

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust only by presenting and surrendering the R Certificate at the office of the Paying Agent. State Street will be the initial Paying Agent.

*Authorized Denominations.* We will issue the Certificates, other than the R Certificate, in minimum denominations of \$1,000 and whole dollar increments. We will issue the R Class as a single Certificate with no principal balance.

*Distribution Dates.* We will make monthly payments on the Group 1, Group 2, Group 4, Group 5 and Group 7 Classes on the 18th day of each month (or, if the 18th day is not a business day, on the first business day after the 18th). We will make monthly payments on the Group 3, Group 6 and Group 9 Classes on the 17th day of each month (or, if the 17th day is not a business day, on the first business day after the 17th). We will make monthly payments on the Group 8 Classes on the first business day following the 20th day of each month (or, if the 19th and 20th are both business days, on the 20th day). We refer to each of these dates as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

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

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

*Optional Termination.* We will not terminate the 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.

### **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the SF, SI, SX, SY, SU and SC Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding notional principal balances of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. REMIC Certificates of like percentage interests may be exchanged for the same percentage interest in the related RCR Certificates.

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

In connection with each exchange, the Holder must pay us a fee equal to \$2,000.

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

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

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

## **Book-Entry Procedures**

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

The DTC Certificates will be registered at all times in the name of the nominee of DTC. Under its normal procedures, DTC will record the amount of DTC Certificates held by each firm which participates in the book-entry system of DTC (each, a "DTC Participant"), whether held for its own account or on behalf of another person.

A "beneficial owner" or an "investor" is anyone who acquires a beneficial ownership interest in the DTC Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains an account for you. In turn, the record ownership of the financial intermediary that holds your DTC Certificates will be recorded by DTC. If the intermediary is not a DTC Participant, the record ownership of the intermediary will be recorded by a DTC Participant acting on its behalf. Therefore, you must rely on these various arrangements to record your ownership of the DTC Certificates and to relay the payments to your account. You may transfer your beneficial ownership interest in the DTC Certificates only under the procedures of your financial intermediary and of DTC Participants. In general, ownership of DTC Certificates will be subject to the prevailing rules, regulations and procedures governing the DTC and DTC Participants.

*Method of Payment.* Our fiscal agent for the Fed Book-Entry Certificates is the Federal Reserve Bank of New York. On each applicable Distribution Date, the Federal Reserve Banks will make payments on such Certificates on our behalf by crediting Holders' accounts at the Federal Reserve Banks.

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

## **The MBS**

The following table contains certain information about the MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below 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 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 in each specified Group as of February 1, 2001 (the “Issue Date”) to be as follows:

**Group 1 MBS**

Aggregate Unpaid Principal Balance .....	\$60,173,928
MBS Pass-Through Rate .....	9.00%

**Related Mortgage Loans**

Range of WACs (annual percentages) .....	9.25% to 11.50%
Range of WAMs .....	79 months to 360 months
Approximate Weighted Average WAM .....	176 months
Approximate Weighted Average CAGE .....	172 months

**Group 4 MBS**

Aggregate Unpaid Principal Balance .....	\$17,595,494
MBS Pass-Through Rate .....	10.00%

**Related Mortgage Loans**

Range of WACs (annual percentages) .....	10.25% to 12.50%
Range of WAMs .....	87 months to 360 months
Approximate Weighted Average WAM .....	190 months
Approximate Weighted Average CAGE .....	165 months

**Group 5 MBS**

Aggregate Unpaid Principal Balance .....	\$17,401,297
MBS Pass-Through Rate .....	9.00%

**Related Mortgage Loans**

Range of WACs (annual percentages) .....	9.25% to 11.50%
Range of WAMs .....	50 months to 360 months
Approximate Weighted Average WAM .....	211 months
Approximate Weighted Average CAGE .....	149 months

**Group 7 MBS**

Aggregate Unpaid Principal Balance .....	\$21,366,904
MBS Pass-Through Rate .....	9.50%

**Related Mortgage Loans**

Range of WACs (annual percentages) .....	9.75% to 12.00%
Range of WAMs .....	213 months to 360 months
Approximate Weighted Average WAM .....	213 months
Approximate Weighted Average CAGE .....	130 months

**The Ginnie Mae Certificates**

The Ginnie Mae Certificates included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the REMIC Prospectus. The Group 2, Group 3, Group 6 and Group 9 Ginnie Mae Certificates are Ginnie Mae I Certificates and the Group 8 Ginnie Mae Certificates are Ginnie Mae II Certificates. See “Ginnie Mae and the Ginnie Mae Programs” in the REMIC Prospectus. We expect the characteristics

of the Ginnie Mae Certificates and the related Mortgage Loans in each specified Group as of the Issue Date to be as follows:

<b>Group 2 Ginnie Mae Certificates</b>	
Aggregate Unpaid Principal Balance .....	\$10,493,183
Ginnie Mae Pass-Through Rate .....	9.00%
<b>Related Mortgage Loans</b>	
WAC .....	9.50%
Approximate Weighted Average WARM .....	198 months
Approximate Weighted Average WALA .....	150 months
<b>Group 3 Ginnie Mae Certificates</b>	
Aggregate Unpaid Principal Balance .....	\$48,000,000
Ginnie Mae Pass-Through Rate .....	9.00%
<b>Related Mortgage Loans</b>	
WAC .....	9.50%
Approximate Weighted Average WARM .....	183 months
Approximate Weighted Average WALA .....	167 months
<b>Group 6 Ginnie Mae Certificates</b>	
Aggregate Unpaid Principal Balance .....	\$55,163,614
Ginnie Mae Pass-Through Rate .....	8.00%
<b>Related Mortgage Loans</b>	
WAC .....	8.50%
Approximate Weighted Average WARM .....	182 months
Approximate Weighted Average WALA .....	167 months
<b>Group 8 Ginnie Mae Certificates</b>	
Aggregate Unpaid Principal Balance .....	\$24,137,382
Ginnie Mae Pass-Through Rate .....	10.00%
<b>Related Mortgage Loans</b>	
Range of WACs .....	10.50% to 11.50%
Approximate Weighted Average WARM .....	198 months
Approximate Weighted Average WALA .....	153 months
<b>Group 9 Ginnie Mae Certificates</b>	
Aggregate Unpaid Principal Balance .....	\$10,282,278
Ginnie Mae Pass-Through Rate .....	8.50%
<b>Related Mortgage Loans</b>	
WAC .....	9.00%
Approximate Weighted Average WARM .....	205 months
Approximate Weighted Average WALA .....	145 months

### Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information as of the Issue Date and (a) with respect to the MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the MBS, and (b) with respect to each Ginnie Mae Certificate, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturity Mortgage Loan underlying that Ginnie Mae Certificate as of the Issue Date. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data

Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

## Distributions of Interest

### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Floating Rate	FD
Inverse Floating Rate	SF and SI
Interest Only	SF and SI
RCR**	SD
<b>Group 2 Classes</b>	
Floating Rate	FB
Inverse Floating Rate	SB
Interest Only	SB
<b>Group 3 Classes</b>	
Floating Rate	FG and FE
Inverse Floating Rate	SX, SY and SE
Interest Only	SX, SY and SE
RCR**	SG
<b>Group 4 Classes</b>	
Floating Rate	FJ
Inverse Floating Rate	SJ
Interest Only	SJ
<b>Group 5 Classes</b>	
Floating Rate	FK
Inverse Floating Rate	SK
Interest Only	SK
<b>Group 6 Classes</b>	
Floating Rate	FH
Inverse Floating Rate	SH
Interest Only	SH
<b>Group 7 Classes</b>	
Floating Rate	FT
Inverse Floating Rate	SU and SC
Interest Only	SU and SC
RCR**	ST
<b>Group 8 Classes</b>	
Floating Rate	FO
Inverse Floating Rate	SO
Interest Only	SO

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 9 Classes</b>	
Floating Rate	FV
Inverse Floating Rate	SV
Interest Only	SV
<b>No Payment Residual</b>	R

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

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

*General.* We will pay interest on the Certificates at the applicable annual interest rates described in this prospectus supplement. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

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

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All Floating Rate and Inverse Floating Rate Classes	One-month period ending on the day immediately preceding the Distribution Date

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

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

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

Changes in the specified interest rate index (the “Index”) will affect the yields with respect to the related Classes. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of the Index occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of the Index occurs.

Our establishment of each Index value and our determination of the interest rate for each applicable Class for the related Interest Accrual Period will be final and binding in the absence of manifest error. You may obtain each such interest rate by telephoning us at 1-800-237-8627 or 202-752-6547.

## Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of the “BBA Method,” as described in the REMIC Prospectus under “Description of Certificates—Indexes for Floating Rate Classes and Inverse Floating Rate Classes—LIBOR.”

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.8% in the case of the FD, SF, SI, SD, FB, SB, FG, SX, SY, SG, FK and SK Classes, 5.75% in the case of the FE, SE, FJ and SJ Classes, and 5.56% in the case of the FH, SH, FT, SU, SC, ST, FO, SO, FV and SV Classes.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Pass-Through	FD
Notional	SF and SI
RCR**	SD
<b>Group 2 Classes</b>	
Pass-Through	FB
Notional	SB
<b>Group 3 Classes</b>	
Pass-Through	FG and FE
Notional	SX, SY and SE
RCR**	SG
<b>Group 4 Classes</b>	
Pass-Through	FJ
Notional	SJ
<b>Group 5 Classes</b>	
Pass-Through	FK
Notional	SK
<b>Group 6 Classes</b>	
Pass-Through	FH
Notional	SH
<b>Group 7 Classes</b>	
Pass-Through	FT
Notional	SU and SC
RCR**	ST
<b>Group 8 Classes</b>	
Pass-Through	FO
Notional	SO
<b>Group 9 Classes</b>	
Pass-Through	FV
Notional	SV
<b>No Payment Residual</b>	R

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

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

*Principal Distribution Amount*

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

- the principal to be paid on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”),
- the principal payable on the Group 2 Ginnie Mae Certificates, calculated as described below (the “Group 2 Principal Distribution Amount”),
- the principal payable on the Group 3 Ginnie Mae Certificates, calculated as described below (the “Group 3 Principal Distribution Amount”),
- the principal to be paid on the Group 4 MBS in the month of such Distribution Date (the “Group 4 Principal Distribution Amount”),
- the principal to be paid on the Group 5 MBS in the month of such Distribution Date (the “Group 5 Principal Distribution Amount”),
- the principal payable on the Group 6 Ginnie Mae Certificates, calculated as described below (the “Group 6 Principal Distribution Amount”),
- the principal to be paid on the Group 7 MBS in the month of such Distribution Date (the “Group 7 Principal Distribution Amount”),
- the principal payable on the Group 8 Ginnie Mae Certificates, calculated as described below (the “Group 8 Principal Distribution Amount”), and
- the principal payable on the Group 9 Ginnie Mae Certificates, calculated as described below (the “Group 9 Principal Distribution Amount”).

*Certain Calculations Relating to the Ginnie Mae Certificates*

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

For any Ginnie Mae Certificate for which a factor is not then available, we will calculate the amount of scheduled principal payments distributable in respect of that Certificate during that month based on the assumed amortization schedules of the related Mortgage Loans. The amortization schedules will be prepared on the assumptions that:

- each Mortgage Loan underlying a Ginnie Mae Certificate amortizes on a level installment basis, had an original term to maturity of 360 months, and has a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying that Ginnie Mae Certificate at its origination, adjusted to the Issue Date; and
- each Mortgage Loan underlying the specified group of Ginnie Mae Certificates bears the following annual interest rate:

<u>Group</u>	<u>Assumed Annual Interest Rate</u>
2	9.50%
3	9.50%
6	8.50%
8	11.50%
9	9.00%

All such amounts (whether reported in Ginnie Mae factors or calculated by us) will be reflected in the class factors for the Distribution Date in that month. We will pay those amounts to Holders of Certificates of the Group 2, Group 3, Group 6, Group 8 or Group 9 Classes, as applicable, on that Distribution Date, whether or not we receive them. The class factors will also reflect (and we will also pay) the excess of

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

over

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

*Group 1 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount as principal of the FD Class, until its principal balance is reduced to zero. } Pass-Through Class

*Group 2 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount as principal of the FB Class, until its principal balance is reduced to zero. } Pass-Through Class

*Group 3 Principal Distribution Amount*

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

*Group 4 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount as principal of the FJ Class, until its principal balance is reduced to zero. } Pass-Through Class

*Group 5 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount as principal of the FK Class, until its principal balance is reduced to zero. } Pass-Through Class

*Group 6 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 6 Principal Distribution Amount as principal of the FH Class, until its principal balance is reduced to zero. } Pass-Through Class

*Group 7 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 7 Principal Distribution Amount as principal of the FT Class, until its principal balance is reduced to zero. } Pass-Through Class

*Group 8 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 8 Principal Distribution Amount as principal of the FO Class, until its principal balance is reduced to zero. } Pass-Through Class

### Group 9 Principal Distribution Amount

On each Distribution Date, we will pay the Group 9 Principal Distribution Amount as principal of the FV Class, until its principal balance is reduced to zero. } Pass-Through Class

### Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS and the Ginnie Mae Certificates, as applicable, have the original terms to maturity, remaining terms to maturity or WARMs, CAGEs or WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS and the Ginnie Mae Certificates”;
- we pay all payments (including prepayments) on the Mortgage Loans underlying the Ginnie Mae Certificates in the month we receive them;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the settlement date for the sale of the Certificates is February 23, 2001.

*Prepayment Assumptions.* Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other constant rate.

### Yield Tables

*General.* The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA and, where specified, to changes in the Index. We calculated the yields set forth in the tables by

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

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

We cannot assure you that

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

In addition, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on

the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

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

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” above and for each following Interest Accrual Period will be based on the specified level of the Index, and
- the aggregate purchase prices of those Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SF .....	3.0000%
SI .....	4.3750%
SB .....	7.2500%
SX .....	3.0000%
SY .....	4.7500%
SE .....	7.1875%
SJ .....	9.9375%
SK .....	7.3750%
SH .....	5.5000%
SU .....	3.0000%
SC .....	5.3750%
SO .....	10.0000%
SV .....	6.7500%
SD .....	7.3750%
SG .....	7.7500%
ST .....	8.3750%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>370%</u>	<u>450%</u>	<u>600%</u>
7.50% and below ...	36.4%	32.8%	12.4%	6.0%	(6.8)%
7.75% .....	26.6%	23.1%	3.5%	(2.7)%	(15.0)%
8.25% .....	5.7%	2.6%	(15.4)%	(21.1)%	(32.3)%
8.75% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>370%</u>	<u>450%</u>	<u>600%</u>
3.8% .....	88.1%	83.8%	59.5%	51.8%	36.6%
5.8% .....	33.0%	29.5%	9.3%	3.0%	(9.6)%
6.8% .....	4.8%	1.6%	(16.3)%	(22.0)%	(33.1)%
7.5% and above.....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
3.80% .....	69.1%	65.1%	45.2%	34.9%	20.6%
5.80% .....	36.4%	32.8%	15.1%	5.9%	(6.8)%
7.80% .....	2.6%	(0.5)%	(15.9)%	(23.9)%	(34.9)%
8.75% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
7.50% and below ...	36.8%	33.2%	15.4%	6.3%	(6.5)%
7.75% .....	27.0%	23.5%	6.4%	(2.4)%	(14.7)%
8.25% .....	6.3%	3.2%	(12.5)%	(20.6)%	(31.9)%
8.75% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
3.8% .....	80.0%	75.8%	55.2%	44.5%	29.7%
5.8% .....	29.7%	26.2%	8.9%	0.0%	(12.4)%
6.8% .....	3.6%	0.4%	(15.1)%	(23.1)%	(34.2)%
7.5% and above.....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
3.75% .....	67.4%	63.4%	43.6%	33.4%	19.2%
5.75% .....	34.4%	30.8%	13.2%	4.1%	(8.5)%
7.75% .....	(0.7)%	(3.8)%	(19.0)%	(26.8)%	(37.7)%
8.60% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>375%</u>	<u>450%</u>	<u>600%</u>
3.75% .....	60.2%	56.3%	33.6%	27.0%	13.2%
5.75% .....	36.5%	32.9%	12.0%	6.0%	(6.8)%
7.75% .....	12.4%	9.2%	(9.7)%	(15.2)%	(26.8)%
9.75% .....	(34.0)%	(36.6)%	(51.5)%	(55.9)%	(65.0)%
9.80% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>370%</u>	<u>450%</u>	<u>600%</u>
3.80% .....	68.2%	64.2%	41.4%	34.1%	19.9%
5.80% .....	36.2%	32.6%	12.2%	5.7%	(7.0)%
7.80% .....	3.3%	0.2%	(17.6)%	(23.3)%	(34.4)%
8.75% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>269%</u>	<u>350%</u>	<u>500%</u>
3.56% .....	75.3%	71.2%	56.8%	49.6%	35.6%
5.56% .....	32.0%	28.4%	16.1%	9.9%	(2.1)%
7.56% .....	(26.3)%	(29.0)%	(38.4)%	(43.1)%	(52.3)%
7.65% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>396%</u>	<u>450%</u>	<u>600%</u>
8.00% and below ...	38.7%	35.0%	12.3%	7.9%	(5.0)%
8.50% .....	19.2%	15.9%	(5.2)%	(9.3)%	(21.2)%
9.00% .....	(3.1)%	(6.2)%	(25.3)%	(29.0)%	(39.7)%
9.25% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>396%</u>	<u>450%</u>	<u>600%</u>
3.56% .....	88.2%	83.9%	57.1%	51.9%	36.7%
5.56% .....	43.1%	39.5%	16.4%	11.9%	(1.2)%
7.56% .....	(3.4)%	(6.4)%	(25.4)%	(29.2)%	(39.9)%
8.00% and above ...	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>278%</u>	<u>350%</u>	<u>500%</u>
3.56% .....	62.4%	58.5%	44.0%	37.9%	24.6%
5.56% .....	38.8%	35.2%	21.9%	16.3%	4.0%
7.56% .....	15.3%	12.0%	(0.2)%	(5.3)%	(16.5)%
9.56% .....	(19.3)%	(22.1)%	(32.4)%	(36.8)%	(46.3)%
9.80% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>311%</u>	<u>450%</u>	<u>600%</u>
3.56% .....	69.7%	65.7%	47.9%	35.4%	21.1%
5.56% .....	34.7%	31.1%	15.4%	4.4%	(8.3)%
7.56% .....	(2.5)%	(5.6)%	(19.0)%	(28.4)%	(39.2)%
8.20% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>370%</u>	<u>450%</u>	<u>600%</u>
3.80% .....	66.6%	62.6%	39.9%	32.8%	18.6%
5.80% .....	34.4%	30.9%	10.6%	4.2%	(8.4)%
7.80% .....	0.2%	(2.8)%	(20.4)%	(25.9)%	(36.9)%
8.75% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>336%</u>	<u>450%</u>	<u>600%</u>
3.80% .....	63.0%	59.0%	39.5%	29.4%	15.4%
5.80% .....	32.5%	28.9%	11.4%	2.4%	(10.1)%
7.80% .....	(0.1)%	(3.1)%	(18.4)%	(26.2)%	(37.2)%
8.75% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>396%</u>	<u>450%</u>	<u>600%</u>
3.56% .....	69.9%	65.9%	40.6%	35.6%	21.3%
5.56% .....	41.5%	37.9%	14.9%	10.4%	(2.6)%
7.56% .....	13.5%	10.2%	(10.4)%	(14.4)%	(26.0)%
9.25% .....	*	*	*	*	*

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

## **Weighted Average Lives of the Certificates**

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of the Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the reductions in principal balance of the Certificate referred to in clause (a).

For a description of the factors which may influence the weighted average life of a Certificate, see “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the related Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including the timing of changes in the rate of principal payments. See “—Distributions of Principal” above.

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their original principal balances, variability in the weighted average lives of those Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various constant prepayment rates, see the Decrement Tables below.

## Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	11.5%
Group 2 Ginnie Mae Certificates	360 months	360 months	9.5%
Group 3 Ginnie Mae Certificates	360 months	360 months	9.5%
Group 4 MBS	360 months	360 months	12.5%
Group 5 MBS	360 months	360 months	11.5%
Group 6 Ginnie Mae Certificates	360 months	360 months	8.5%
Group 7 MBS	360 months	360 months	12.0%
Group 8 Ginnie Mae Certificates	360 months	360 months	11.5%
Group 9 Ginnie Mae Certificates	360 months	360 months	9.0%

It is unlikely

- that all of the Mortgage Loans underlying the MBS or the Group 8 Ginnie Mae Certificates will have the interest rates assumed,
- that all of the Mortgage Loans underlying the MBS or Ginnie Mae Certificates will have the CAGEs or WALAs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA level.

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

## Percent of Original Principal Balances Outstanding

Date	FD, SF†, SI† and SD† Classes					FB and SB† Classes					FG, SX†, SY†, FE, SE† and SG† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	370%	450%	600%	0%	100%	336%	450%	600%	0%	100%	336%	450%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2002	100	91	75	71	62	99	92	78	71	62	99	91	77	71	62
February 2003	99	82	56	50	38	99	83	60	50	39	99	83	60	50	38
February 2004	99	74	42	35	23	98	76	46	36	24	98	75	46	35	24
February 2005	98	66	31	24	14	97	69	36	25	15	97	67	35	24	14
February 2006	97	59	23	17	9	96	62	27	17	9	96	60	26	17	9
February 2007	97	52	17	11	5	95	55	21	12	5	95	53	20	12	5
February 2008	96	45	12	8	3	94	49	16	8	3	94	46	15	8	3
February 2009	95	38	8	5	2	93	43	12	6	2	93	40	11	5	2
February 2010	94	32	6	3	1	92	37	8	4	1	92	33	8	3	1
February 2011	93	26	4	2	1	90	31	6	2	1	90	28	5	2	1
February 2012	92	20	2	1	*	89	26	4	2	*	89	22	4	1	*
February 2013	90	14	1	1	*	87	21	3	1	*	87	16	2	1	*
February 2014	89	9	1	*	*	85	16	2	1	*	85	11	1	*	*
February 2015	87	3	*	*	*	83	11	1	*	*	83	6	1	*	*
February 2016	85	0	0	0	0	81	7	1	*	*	81	1	*	*	*
February 2017	83	0	0	0	0	78	2	*	*	*	78	0	0	0	0
February 2018	80	0	0	0	0	75	0	0	0	0	75	0	0	0	0
February 2019	77	0	0	0	0	72	0	0	0	0	72	0	0	0	0
February 2020	74	0	0	0	0	69	0	0	0	0	69	0	0	0	0
February 2021	70	0	0	0	0	65	0	0	0	0	65	0	0	0	0
February 2022	66	0	0	0	0	61	0	0	0	0	61	0	0	0	0
February 2023	62	0	0	0	0	56	0	0	0	0	56	0	0	0	0
February 2024	57	0	0	0	0	51	0	0	0	0	51	0	0	0	0
February 2025	51	0	0	0	0	46	0	0	0	0	46	0	0	0	0
February 2026	45	0	0	0	0	40	0	0	0	0	40	0	0	0	0
February 2027	38	0	0	0	0	33	0	0	0	0	33	0	0	0	0
February 2028	30	0	0	0	0	26	0	0	0	0	26	0	0	0	0
February 2029	21	0	0	0	0	18	0	0	0	0	18	0	0	0	0
February 2030	11	0	0	0	0	10	0	0	0	0	10	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	22.3	6.6	3.3	2.8	2.1	21.3	7.3	3.7	2.9	2.1	21.3	6.8	3.6	2.8	2.1

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

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

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

Date	FJ and SJ† Classes					FK and SK† Classes					FH and SH† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	375%	450%	600%	0%	100%	370%	450%	600%	0%	100%	269%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2002	100	92	76	71	62	100	92	76	71	63	99	91	81	76	68
February 2003	99	84	57	50	39	99	84	58	51	39	98	82	65	58	46
February 2004	99	76	43	36	24	99	77	44	36	24	98	74	52	44	31
February 2005	98	69	32	25	15	98	70	33	25	15	97	66	42	33	20
February 2006	98	62	23	17	9	97	63	25	18	9	95	59	33	25	13
February 2007	97	55	17	12	5	97	57	18	12	6	94	52	26	18	9
February 2008	97	48	13	8	3	96	51	13	9	3	93	45	20	13	6
February 2009	96	42	9	6	2	95	45	10	6	2	92	38	15	10	4
February 2010	95	36	6	4	1	94	39	7	4	1	90	32	12	7	2
February 2011	94	30	4	2	1	93	34	5	3	1	89	26	8	5	1
February 2012	93	25	3	2	*	92	29	4	2	*	87	21	6	3	1
February 2013	92	20	2	1	*	90	24	2	1	*	85	15	4	2	*
February 2014	90	14	1	1	*	89	19	2	1	*	83	10	2	1	*
February 2015	88	9	1	*	*	87	15	1	*	*	81	5	1	*	*
February 2016	87	4	*	*	*	85	11	1	*	*	78	1	*	*	*
February 2017	84	0	0	0	0	83	6	*	*	*	75	0	0	0	0
February 2018	82	0	0	0	0	80	2	*	*	*	72	0	0	0	0
February 2019	79	0	0	0	0	77	0	0	0	0	69	0	0	0	0
February 2020	76	0	0	0	0	74	0	0	0	0	66	0	0	0	0
February 2021	73	0	0	0	0	70	0	0	0	0	62	0	0	0	0
February 2022	69	0	0	0	0	66	0	0	0	0	58	0	0	0	0
February 2023	65	0	0	0	0	62	0	0	0	0	53	0	0	0	0
February 2024	60	0	0	0	0	57	0	0	0	0	49	0	0	0	0
February 2025	54	0	0	0	0	51	0	0	0	0	43	0	0	0	0
February 2026	47	0	0	0	0	45	0	0	0	0	37	0	0	0	0
February 2027	40	0	0	0	0	38	0	0	0	0	31	0	0	0	0
February 2028	32	0	0	0	0	30	0	0	0	0	24	0	0	0	0
February 2029	23	0	0	0	0	21	0	0	0	0	17	0	0	0	0
February 2030	12	0	0	0	0	11	0	0	0	0	9	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	22.7	7.2	3.4	2.8	2.1	22.3	7.7	3.5	2.9	2.1	20.8	6.7	4.2	3.4	2.5

Date	FT, SU†, SC† and ST† Classes					FO and SO† Classes					FV and SV† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	396%	450%	600%	0%	100%	278%	350%	500%	0%	100%	311%	450%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2002	100	92	75	72	63	100	92	81	77	68	99	92	79	71	62
February 2003	99	85	56	51	39	99	84	66	59	47	99	84	63	50	39
February 2004	99	78	41	36	25	99	76	53	45	32	98	76	49	36	24
February 2005	98	71	31	26	15	98	69	43	35	21	97	69	39	25	15
February 2006	98	64	23	18	9	97	63	34	26	14	96	62	30	17	9
February 2007	97	58	17	13	6	97	56	27	20	10	95	55	23	12	6
February 2008	96	52	12	9	4	96	50	21	15	6	94	49	18	8	3
February 2009	95	47	9	6	2	95	44	17	11	4	92	43	14	6	2
February 2010	94	41	6	4	1	94	38	13	8	3	91	38	10	4	1
February 2011	93	36	4	3	1	93	32	10	6	2	89	32	8	3	1
February 2012	92	31	3	2	*	92	27	7	4	1	88	27	6	2	*
February 2013	91	26	2	1	*	90	22	5	3	1	86	22	4	1	*
February 2014	89	21	1	1	*	89	17	3	2	*	84	17	3	1	*
February 2015	88	16	1	*	*	87	12	2	1	*	82	13	2	*	*
February 2016	86	12	1	*	*	85	7	1	1	*	79	9	1	*	*
February 2017	84	8	*	*	*	83	2	*	*	*	77	4	*	*	*
February 2018	81	3	*	*	*	80	0	0	0	0	74	*	*	*	*
February 2019	78	0	0	0	0	77	0	0	0	0	71	0	0	0	0
February 2020	75	0	0	0	0	74	0	0	0	0	67	0	0	0	0
February 2021	72	0	0	0	0	70	0	0	0	0	64	0	0	0	0
February 2022	68	0	0	0	0	66	0	0	0	0	59	0	0	0	0
February 2023	63	0	0	0	0	62	0	0	0	0	55	0	0	0	0
February 2024	58	0	0	0	0	57	0	0	0	0	50	0	0	0	0
February 2025	53	0	0	0	0	51	0	0	0	0	45	0	0	0	0
February 2026	46	0	0	0	0	45	0	0	0	0	39	0	0	0	0
February 2027	39	0	0	0	0	38	0	0	0	0	32	0	0	0	0
February 2028	31	0	0	0	0	30	0	0	0	0	25	0	0	0	0
February 2029	22	0	0	0	0	21	0	0	0	0	18	0	0	0	0
February 2030	12	0	0	0	0	11	0	0	0	0	9	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	22.5	7.9	3.3	2.9	2.1	22.3	7.4	4.4	3.6	2.6	21.1	7.4	4.0	2.9	2.1

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

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

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

## Characteristics of the R Class

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

The R Class will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of the R Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of the R Certificate to any person that is not a “U.S. Person.” Any transferee of the R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” and that, if the transferee is a partnership for U.S. federal income tax purposes, each person or entity that holds an interest (directly, or indirectly through a pass-through entity) in the partnership is a “U.S. Person.” In addition, the transferee must receive an affidavit containing these same representations from any new transferee. Transferors of the R Certificate should consult with their own tax advisors for further information regarding such transfers.

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R Class will constitute a noneconomic residual interest under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”).

As discussed under the caption “Special Characteristics of Residual Certificates” in the REMIC Prospectus, the Regulations presume that a transferor does not have improper knowledge if two conditions are met. The Treasury Department has proposed an amendment to the Regulations that would add a third condition, effective February 4, 2000. According to the proposed amendment, a transferor of a Residual Certificate would be presumed not to have improper knowledge only if the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The application of the proposed amendment to an actual transfer is uncertain, and you should consult your own tax advisor regarding its effect on the transfer of a Residual Certificate.

The IRS has since issued a Revenue Procedure creating a safe harbor that may be used for transfers of non-economic residual interests pending the finalization of the proposed amendment. Under this safe harbor, a transferor of a non-economic residual interest will be presumed not to have improper knowledge if, in addition to meeting the two conditions contained in the Regulations, either (i) the terms of the proposed amendment are complied with or (ii) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million, the transferee is an “eligible corporation” as defined in section 860L(a)(2) of the Code, the transferee agrees in writing that any subsequent transfer of the residual interest will be to an eligible corporation and will comply with the safe harbor, and the facts and circumstances known to the transferor do not reasonably indicate that the taxes associated with the residual interest will not be paid. You should consult your own tax advisor regarding the application of this safe harbor to an actual transfer of a Residual Certificate.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to this Holder

(i) information necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the R Class that may be required under the Code.

## **CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES**

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

### **REMIC Election and Special Tax Attributes**

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

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

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

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

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	370%
2	336%
3	336%
4	375%
5	370%
6	269%
7	396%
8	278%
9	311%

See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount—Daily Portions of Original Issue Discount*” in the

REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS or the Ginnie Mae Certificates will prepay at any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

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

For purposes of determining the portion of the taxable income of the Trust that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about January 20, 2001. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

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

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

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

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

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

## **PLAN OF DISTRIBUTION**

*General.* We are obligated to deliver the Certificates to Goldman, Sachs & Co. (the “Dealer”) in exchange for the MBS and the Ginnie Mae Certificates. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

*Increase in Certificates.* Before the Settlement Date, we and the Dealer may agree to offer Group 1, Group 2, Group 3, Group 4, Group 5, Group 6, Group 7, Group 8 or Group 9 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS or Ginnie Mae Certificates in principal balance, but we expect that all these additional MBS or Ginnie Mae Certificates will have the same characteristics as described under “Description of the Certificates—The MBS” and “—The Ginnie Mae Certificates.” The proportion that the original principal balance of each Group 1, Group 2, Group 3, Group 4, Group 5, Group 6, Group 7, Group 8 or Group 9 Class bears to the aggregate original principal balance of all Group 1, Group 2, Group 3, Group 4, Group 5, Group 6, Group 7, Group 8 or Group 9 Classes, respectively, will remain the same.

#### **LEGAL MATTERS**

Brown & Wood LLP will provide legal representation for Fannie Mae. Cadwalader, Wickersham & Taft will provide legal representation for the Dealer.

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Notional Principal Balances	RCR Class	Original Notional Principal Balances	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
<b>Recombination 1</b>								
SF	\$60,173,928(3)	SD	\$60,173,928(3)	(4)	INV/IO	NTL	31359SBA7	March 2031
SI	60,173,928(3)							
<b>Recombination 2</b>								
SX	32,000,000(3)	SG	32,000,000(3)	(4)	INV/IO	NTL	31359SBB5	February 2031
SY	32,000,000(3)							
<b>Recombination 3</b>								
SU	21,366,904(3)	ST	21,366,904(3)	(4)	INV/IO	NTL	31359SBC3	March 2031
SC	21,366,904(3)							

(1) The notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same proportionate relationship as that borne by the original notional principal balances of the related Classes.  
(2) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal”.  
(3) Notional Principal Balance.  
(4) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.

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No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in this Prospectus Supplement and the additional Disclosure Documents. You must not rely on any unauthorized information or representation. This Prospectus Supplement and the additional Disclosure Documents do not constitute an offer or solicitation with regard to the Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this Prospectus Supplement and the additional Disclosure Documents at any time, no one implies that the information contained herein or therein is correct after the date hereof or thereof.

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

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**\$264,614,080**



**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 2001-8**

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## PROSPECTUS SUPPLEMENT

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**Goldman, Sachs & Co.**

**January 19, 2001**

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