

**\$750,000,000**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2001-12  
(Group 1 Classes Only)**

**The Certificates**

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

**Payments to Certificateholders**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

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

Class	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
LA .....	\$401,179,184	SEQ	6.0%	FIX	31359SVY3	July 2027
LB(1) .....	65,490,826	SEQ	6.0	FIX	31359SVZ0	March 2029
LC .....	25,000,000	SEQ	6.0	FIX	31359SWA4	March 2029
LD .....	95,000,000	SEQ	6.0	FIX	31359SWB2	December 2026
LE(1) .....	22,579,990	SEQ	6.0	FIX	31359SWC0	March 2029
VL .....	36,500,000	SEQ/AD	6.0	FIX	31359SWD8	March 2010
VN .....	51,750,000	SEQ	6.0	FIX	31359SWE6	November 2017
ZL .....	52,500,000	SEQ	6.0	FIX/Z	31359SWF3	May 2031

(1) Exchangeable 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 LH Class is the RCR class, as further described in this prospectus supplement.

Only the classes listed in the chart above are offered by this prospectus supplement. Certain other classes representing interests in the REMIC Trust will be offered by one or more separate prospectus supplements.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date for the certificates offered by this prospectus supplement to be April 20, 2001.

**Carefully consider the risk factors starting on page S-6 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

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

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

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

**Salomon Smith Barney**

The date of this Prospectus Supplement is March 15, 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”):

- our Prospectus for Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”); and
- our Information Statement dated March 30, 2001 and its supplements (the “Information Statement”).

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

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

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

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

Salomon Smith Barney Inc.  
Prospectus Department  
Brooklyn Army Terminal  
140 58th Street, Suite 8-G  
Brooklyn, New York 11220  
(telephone 718-765-6732).

## REFERENCE SHEET

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

### Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of April 1, 2001)

<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 Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$750,000,000	360	329	25	6.70%

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

### Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account distributions 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 April 20, 2001.

### Distribution Dates

We will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th day 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 electronically track ownership of the certificates and payments on them.

### 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 principal and interest of the certificates exchanged to pay principal and interest on the related RCR certificates. Schedule 1 lists the available combination of the certificates eligible for exchange and the related RCR certificates.

### Interest Rates

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

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

## Distributions of Principal

### *ZL Accrual Amount*

To the VL and VN Classes, in that order, to zero, and thereafter to the ZL Class.

### *Group 1 Cash Flow Distribution Amount*

1. (a) 76.5974575298% of such amount to the LA and LB Classes, in that order, to zero,  
(b) 4.1034058268% of such amount to the LC Class to zero, and  
(c) 19.2991366434% of such amount to the LD and LE Classes, in that order, to zero.
2. To the VL and VN Classes, in that order, to zero.
3. To the ZL Class to zero.

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

## Weighted Average Lives (years) \*

Classes	PSA Prepayment Assumption				
	0%	100%	168%	300%	500%
LA .....	17.6	6.0	4.0	2.3	1.4
LB .....	27.0	15.8	11.2	6.7	3.9
LC .....	18.9	7.4	5.0	3.0	1.7
LD .....	17.1	5.6	3.7	2.2	1.3
LE .....	26.7	15.1	10.6	6.3	3.7
VL .....	4.9	4.9	4.9	4.8	3.7
VN .....	13.0	13.0	12.3	8.8	5.5
ZL .....	29.0	22.2	18.9	13.7	8.8
LH .....	26.8	15.4	10.9	6.5	3.8

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

- at any of the prepayment rates we assumed in this prospectus supplement, or
- at 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 certificates purchased at a premium, you could lose money on your investment if prepayments occur at a rapid rate.

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

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

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

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

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

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

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

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

## DESCRIPTION OF THE CERTIFICATES

The material under this heading summarizes certain features of the Certificates. You will find additional information about the Certificates in the other sections of this Prospectus Supplement, as well as in the additional Disclosure Documents and the Trust Agreement. If we use a capitalized term in this Prospectus Supplement without defining it, you will find the definition of such term in the applicable Disclosure Documents 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 April 1, 2001. We will issue the Guaranteed REMIC Pass-Through Certificates offered by this prospectus supplement (“REMIC Certificates”) pursuant to that trust agreement. We will issue the related 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 April 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 will be “regular interests” in the Trust.
- A single non-offered class will be the “residual interest” in the Trust.

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

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

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

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

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

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

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

*Characteristics of Certificates.* We will issue the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

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

*Distribution Dates.* We will make monthly payments 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



of these dates as a “Distribution Date.” We will make the first payments to Certificateholders in the month after we issue the Certificates.

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

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

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

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

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

### **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the LB and LE Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combination 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 principal balances of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. REMIC Certificates in the proportions shown on Schedule 1 may be exchanged for an equal principal amount of 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 principal balance 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 1/32 of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be exchanged. In no event, however, will our fee be less than \$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 such 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 such 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 combination listed on Schedule 1 is permitted.

## The MBS

The following table contains certain information about the MBS. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, beginning in the month after we issue the MBS. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single-family”) residential properties. These Mortgage Loans will have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the MBS and the related Mortgage Loans as of April 1, 2001 (the “Issue Date”) to be as follows:

Aggregate Unpaid Principal Balance .....	\$750,000,000
MBS Pass-Through Rate .....	6.00%
<b>Related Mortgage Loans</b>	
Range of WACs (per annum percentages) .....	6.25% to 8.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM.....	329 months
Approximate Weighted Average Loan Age (“WALA”) .....	25 months

## Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the MBS. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying 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>
Fixed Rate	LA, LB, LC, LD, LE, VL, VN and ZL
Accrual	ZL
RCR**	LH

\* See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus.  
 \*\* See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description of the RCR Class.

*General.* We will pay interest on the interest-bearing Certificates at the applicable annual interest rates shown on the cover or on Schedule 1. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Class) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

Interest 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 interest-bearing Certificates during the calendar month preceding the month in which the Distribution Date occurs (each, an “Interest Accrual Period”). See “Additional Risk Factors” in this Prospectus Supplement.

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

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
Sequential Pay	LA, LB, LC, LD, LE, VL, VN and ZL
Accretion Directed	VL and VN
RCR**	LH

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

\*\* See “Description of the Certificates—Combination and Recombination” herein and Schedule 1 for a further description of the RCR Class.

### *Group 1 Principal Distribution Amount*

On the Distribution Date in each month, we will pay principal on the Certificates in an aggregate amount (the “Group 1 Principal Distribution Amount”) equal to the principal then paid on the MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZL Class (the “ZL Accrual Amount”).

### *ZL Accrual Amount*

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

} Accretion  
Directed  
Classes  
and  
Accrual  
Class

### *Group 1 Cash Flow Distribution Amount*

On each Distribution Date, we will pay the Group 1 Cash Flow Distribution Amount as principal of the Classes specified below in the following priority:

- |   |                          |
|---|--------------------------|
| (i) (a) 76.5974575298% of such amount, sequentially, to the LA and LB Classes, in that order, until their principal balances are reduced to zero, | } Sequential Pay Classes |
| (b) 4.1034058268% of such amount to the LC Class, until its principal balance is reduced to zero, and   |                          |
| (c) 19.2991366434% of such amount, sequentially, to the LD and LE Classes, in that order, until their principal balances are reduced to zero;     |                          |
| (ii) sequentially, to the VL and VN Classes, in that order, until their principal balances are reduced to zero; and                               |                          |
| (iii) to the ZL Class, until its principal balance is reduced to zero.  |                          |

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

### **Structuring Assumptions**

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

- the Mortgage Loans underlying the MBS have the original term to maturity, remaining term to maturity, WALA and interest rate specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS”;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is April 20, 2001;
- 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”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other constant rate.

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

The weighted average life of a Certificate is determined by

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

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

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the 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 and
- the priority sequence of payments of principal of the Classes.

See “Distributions of Principal” in this Prospectus Supplement.

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

## Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity of 360 months and bear interest at the annual rate of 8.5%.

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, 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 WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

## Percent of Original Principal Balances Outstanding

Date	LA Class					LB Class					LC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	168%	300%	500%	0%	100%	168%	300%	500%	0%	100%	168%	300%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002 .....	99	90	84	73	57	100	100	100	100	100	99	91	86	77	63
April 2003 .....	98	80	70	51	26	100	100	100	100	100	98	83	74	58	36
April 2004 .....	96	71	57	33	4	100	100	100	100	100	97	75	63	42	18
April 2005 .....	95	62	45	18	0	100	100	100	100	36	96	68	53	30	5
April 2006 .....	94	54	35	6	0	100	100	100	100	0	94	61	44	19	0
April 2007 .....	92	46	26	0	0	100	100	100	78	0	93	54	36	11	0
April 2008 .....	90	39	17	0	0	100	100	100	30	0	91	48	29	4	0
April 2009 .....	88	32	10	0	0	100	100	100	0	0	90	42	23	0	0
April 2010 .....	86	26	3	0	0	100	100	100	0	0	88	36	17	0	0
April 2011 .....	84	20	0	0	0	100	100	84	0	0	86	31	12	0	0
April 2012 .....	81	14	0	0	0	100	100	52	0	0	84	26	7	0	0
April 2013 .....	78	9	0	0	0	100	100	24	0	0	81	22	3	0	0
April 2014 .....	75	4	0	0	0	100	100	0	0	0	79	18	0	0	0
April 2015 .....	72	0	0	0	0	100	96	0	0	0	76	13	0	0	0
April 2016 .....	69	0	0	0	0	100	69	0	0	0	73	10	0	0	0
April 2017 .....	65	0	0	0	0	100	43	0	0	0	70	6	0	0	0
April 2018 .....	61	0	0	0	0	100	19	0	0	0	66	3	0	0	0
April 2019 .....	56	0	0	0	0	100	0	0	0	0	62	0	0	0	0
April 2020 .....	51	0	0	0	0	100	0	0	0	0	58	0	0	0	0
April 2021 .....	46	0	0	0	0	100	0	0	0	0	53	0	0	0	0
April 2022 .....	40	0	0	0	0	100	0	0	0	0	48	0	0	0	0
April 2023 .....	33	0	0	0	0	100	0	0	0	0	43	0	0	0	0
April 2024 .....	26	0	0	0	0	100	0	0	0	0	37	0	0	0	0
April 2025 .....	19	0	0	0	0	100	0	0	0	0	30	0	0	0	0
April 2026 .....	10	0	0	0	0	100	0	0	0	0	23	0	0	0	0
April 2027 .....	1	0	0	0	0	100	0	0	0	0	15	0	0	0	0
April 2028 .....	0	0	0	0	0	49	0	0	0	0	7	0	0	0	0
April 2029 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	17.6	6.0	4.0	2.3	1.4	27.0	15.8	11.2	6.7	3.9	18.9	7.4	5.0	3.0	1.7

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

Date	LD Class					LE Class					VL Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	168%	300%	500%	0%	100%	168%	300%	500%	0%	100%	168%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	99	89	83	72	54	100	100	100	100	100	91	91	91	91	91
April 2003	98	79	68	48	21	100	100	100	100	100	82	82	82	82	82
April 2004	96	69	54	29	0	100	100	100	100	93	72	72	72	72	72
April 2005	95	60	42	13	0	100	100	100	100	26	61	61	61	61	61
April 2006	93	51	31	*	0	100	100	100	100	0	50	50	50	50	0
April 2007	91	43	21	0	0	100	100	100	57	0	38	38	38	38	0
April 2008	89	35	12	0	0	100	100	100	22	0	25	25	25	25	0
April 2009	87	28	4	0	0	100	100	100	0	0	12	12	12	0	0
April 2010	85	21	0	0	0	100	100	88	0	0	0	0	0	0	0
April 2011	83	15	0	0	0	100	100	62	0	0	0	0	0	0	0
April 2012	80	9	0	0	0	100	100	38	0	0	0	0	0	0	0
April 2013	77	3	0	0	0	100	100	17	0	0	0	0	0	0	0
April 2014	74	0	0	0	0	100	91	0	0	0	0	0	0	0	0
April 2015	70	0	0	0	0	100	70	0	0	0	0	0	0	0	0
April 2016	67	0	0	0	0	100	50	0	0	0	0	0	0	0	0
April 2017	63	0	0	0	0	100	31	0	0	0	0	0	0	0	0
April 2018	58	0	0	0	0	100	14	0	0	0	0	0	0	0	0
April 2019	53	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2020	48	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2021	42	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2022	36	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2023	29	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2024	22	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2025	14	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2026	5	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	80	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	36	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	17.1	5.6	3.7	2.2	1.3	26.7	15.1	10.6	6.3	3.7	4.9	4.9	4.9	4.8	3.7

Date	VN Class					ZL Class					LH Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	168%	300%	500%	0%	100%	168%	300%	500%	0%	100%	168%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	100	100	100	100	100	106	106	106	106	106	100	100	100	100	100
April 2003	100	100	100	100	100	113	113	113	113	113	100	100	100	100	100
April 2004	100	100	100	100	100	120	120	120	120	120	100	100	100	100	96
April 2005	100	100	100	100	100	127	127	127	127	127	100	100	100	100	30
April 2006	100	100	100	100	91	135	135	135	135	135	100	100	100	100	0
April 2007	100	100	100	100	11	143	143	143	143	143	100	100	100	66	0
April 2008	100	100	100	100	0	152	152	152	152	105	100	100	100	26	0
April 2009	100	100	100	94	0	161	161	161	161	72	100	100	100	0	0
April 2010	98	98	98	32	0	171	171	171	171	49	100	100	93	0	0
April 2011	87	87	87	0	0	182	182	182	162	33	100	100	71	0	0
April 2012	76	76	76	0	0	193	193	193	128	23	100	100	44	0	0
April 2013	64	64	64	0	0	205	205	205	102	15	100	100	20	0	0
April 2014	51	51	48	0	0	218	218	218	80	10	100	95	0	0	0
April 2015	37	37	0	0	0	231	231	228	63	7	100	81	0	0	0
April 2016	23	23	0	0	0	245	245	195	49	5	100	58	0	0	0
April 2017	8	8	0	0	0	261	261	166	38	3	100	36	0	0	0
April 2018	0	0	0	0	0	268	268	141	29	2	100	16	0	0	0
April 2019	0	0	0	0	0	268	261	118	22	1	100	0	0	0	0
April 2020	0	0	0	0	0	268	226	97	17	1	100	0	0	0	0
April 2021	0	0	0	0	0	268	193	80	13	1	100	0	0	0	0
April 2022	0	0	0	0	0	268	162	64	9	*	100	0	0	0	0
April 2023	0	0	0	0	0	268	133	50	7	*	100	0	0	0	0
April 2024	0	0	0	0	0	268	105	38	5	*	100	0	0	0	0
April 2025	0	0	0	0	0	268	79	27	3	*	100	0	0	0	0
April 2026	0	0	0	0	0	268	54	18	2	*	100	0	0	0	0
April 2027	0	0	0	0	0	268	31	10	1	*	88	0	0	0	0
April 2028	0	0	0	0	0	268	9	3	*	*	41	0	0	0	0
April 2029	0	0	0	0	0	242	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	126	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	13.0	13.0	12.3	8.8	5.5	29.0	22.2	18.9	13.7	8.8	26.8	15.4	10.9	6.5	3.8

\* 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.

## 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 REMIC Certificates will be designated as “regular interests” in the REMIC constituted by the Trust.

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

### Taxation of Beneficial Owners of Regular Certificates

The Accrual Class will be issued with original issue discount (“OID”), and certain other Classes of 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 Assumption that will be used in determining the rate of accrual of OID will be 168% PSA. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount—Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at that rate or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

### Taxation of Beneficial Owners of RCR Certificates

*General.* The RCR Class 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 Class (a “Combination RCR Class”) will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. A Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

*Combination RCR Class.* 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 Salomon Smith Barney Inc. (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

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

## LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

Available Recombination ( 1 )

REMIC Certificates		RCR Certificates						
Classes	Original Principal Balances	RCR Class	Original Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Maturity Date
Recombination 1								
LE	\$22,579,990	LH	\$38,070,816	6.00%	FIX	SEQ	31359SWH9	March 2029
LB	15,490,826							

(1) REMIC Certificates in the proportions shown above may be exchanged for an equal principal amount of the related RCR Certificates.

(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” in this prospectus supplement.

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.

**\$750,000,000**



## **Guaranteed REMIC Pass-Through Certificates**

**Fannie Mae REMIC Trust 2001-12  
(Group 1 Classes Only)**

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**Salomon Smith Barney**

**Prospectus Supplement  
March 15, 2001**