

PROSPECTUS SUPPLEMENT

(To Multifamily REMIC Prospectus dated January 1, 1999)

\$206,527,432 (Approximate)



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 2001-M2**

Carefully consider the risk factors starting on page S-6 of this prospectus supplement and on page 11 of the Multifamily REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

You should read the Multifamily 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.

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 classes), 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. **We will not guarantee the payment to certificateholders of any prepayment premiums or yield maintenance charges.**

The Trust and its Assets

The trust will own Fannie Mae MBS.

The mortgage loans underlying the Fannie Mae MBS are first lien, multifamily, fixed-rate loans. In addition, the mortgage loans are either fully amortizing or provide for balloon payments at maturity.

<i>Class</i>	<i>Original Class Balance(1)</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
A	\$ 54,630,449	SEQ	6.22%(2)	WAC	313920HH6	January 2009
B	35,242,000	SEQ	6.16(2)	WAC	313920HJ 2	January 2009
C	81,654,983	SEQ/AD	6.30(2)	WAC	313920HK9	September 2015
Z1	15,000,000	SEQ/AD	6.30(2)	WAC/Z	313920HL7	April 2019
Z2	20,000,000	SEQ	6.30(2)	WAC/Z	313920HM5	June 2031
X	206,527,432 (3)	NTL	(4)	WAC/IO	313920HN3	June 2031
R	0	NPR	0	NPR	313920HP8	June 2031
RL	0	NPR	0	NPR	313920HQ6	June 2031

(1) Subject to a permitted variance of plus or minus 5%.

(2) This class will bear interest at an annual rate equal to the *lesser* of (i) the applicable rate listed above and (ii) the weighted average MBS pass-through rate.

(3) Notional balance. This class is an interest only class.

(4) Variable interest rate. During the initial interest accrual period, the X Class will bear interest at the annual rate of 0.17631%.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be June 29, 2001.

Bear, Stearns & Co. Inc.

May 18, 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 Multifamily REMIC Pass-Through Certificates dated January 1, 1999 (the “Multifamily 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 can also obtain the Disclosure Documents by writing or calling the dealer at:

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

REFERENCE SHEET

This reference sheet 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.

Certain Characteristics of the Mortgage Loans underlying the MBS (as of June 1, 2001)

Exhibit A contains certain information about the individual MBS and related mortgage loans as of June 1, 2001, including information about yield maintenance charges applicable to the mortgage loans. To learn more about the MBS and the related mortgage loans, you should obtain the final data statement from us as described on page S-9.

Prepayment Premiums

The mortgage loans provide for the payment of prepayment premiums in the form of yield maintenance charges. If any yield maintenance charges are included in the distributions received on the MBS with respect to any distribution date, we will allocate these yield maintenance charges among the classes of certificates as described in this prospectus supplement.

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 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 June 29, 2001.

Distribution Dates

We will make payments on the classes of 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 and Physical Certificates

We issue book-entry certificates through the U.S. Federal Reserve Banks, 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>Physical</u>
All classes other than the R and RL Classes	R and RL Classes

Interest Rates

The certificates will bear interest at the applicable annual interest rates specified on the cover and described in this prospectus supplement.

Notional Class

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

Class

X 100% of the MBS

Distributions of Principal

Principal Distribution Amount

Z1 Accrual Amount

To the C Class to zero, with any remaining amount to the Z1 Class.

Z2 Accrual Amount

To the C and Z1 Classes, in that order, to zero, with any remaining amount to the Z2 Class.

Cash Flow Distribution Amount

To the A, B, C, Z1 and Z2 Classes, in that order, to zero.

Weighted Average Lives (years) *

<u>Class</u>	<u>CPR Prepayment Assumption**</u>				
	<u>0%</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
A	6.0	5.9	5.9	5.8	5.7
B	7.6	7.6	7.6	7.6	7.1
C	9.1	9.1	9.1	9.1	9.1
Z1	16.4	15.3	15.0	14.9	14.7
Z2	21.2	18.1	16.7	15.9	15.0
X	12.7	11.5	11.1	10.9	10.5

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

** Assumes no prepayment during any applicable yield maintenance periods. See “Additional Risk Factors” 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.

The mortgage loans provide for the payment of prepayment premiums in the form of yield maintenance charges. Subject to any applicable yield maintenance charges, the mortgage loans may be prepaid at any time. Therefore, 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 the prepayment rates we assumed, or
- at a 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 lose money on your investment if prepayments occur at a rapid rate.

Defaults may increase the risk of prepayment. Multifamily lending is generally viewed as exposing the lender to a greater risk of loss than single family lending. Mortgage loan defaults may result in distributions of the full principal balance of the related MBS, thereby affecting prepayment rates.

Yield maintenance charges may reduce the prepayment rate of the related mortgage loans. The mortgage loans impose a yield maintenance charge in connection with prepayments occurring during certain periods. A yield maintenance charge would not be imposed, however, if a borrower defaults on its mortgage loan. Mortgage loans having yield maintenance charges

may be less likely to prepay than mortgage loans without such charges.

Allocation of yield maintenance charges to certain classes may not offset the adverse effect on yields of the corresponding prepayments. If any yield maintenance charges are included in the payments received on the MBS with respect to any distribution date, we will include these amounts in the payments to be made on certain classes, including the X Class, on that distribution date. We do not, however, guarantee that any yield maintenance charges will in fact be collected from mortgagors, or paid to holders of the MBS or the related certificateholders. Accordingly, holders of the applicable classes will receive yield maintenance charges only to the extent we receive them. Moreover, even if we pay the yield maintenance charges to the holders of these classes, the additional amounts may not offset the reductions in yield caused by the related prepayments.

You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the 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 certifi-

icates. 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 Document or in the Trust Agreement.

General

Structure. We will create the Fannie Mae Multifamily REMIC Trust specified on the cover (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement (the “Trust Agreement”) dated as of June 1, 2001 (the “Issue Date”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates” or “Classes”) pursuant to the Trust Agreement.

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

- The Certificates (except the R and RL Classes) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.
- The interests in the Lower Tier REMIC other than the RL Class (the “Lower Tier Regular Interests”) will be the “regular interests” in the Lower Tier REMIC.
- The RL Class will be the “residual interest” in the Lower Tier REMIC.

The assets of the Trust will consist of the Lower Tier Regular Interests. The assets of the Lower Tier REMIC will consist of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”).

Each MBS represents a beneficial ownership interest in one or more first lien, multifamily mortgage loans (the “Mortgage Loans”) having the characteristics described herein and in the Multifamily REMIC Prospectus and the MBS Prospectus.

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. *We will not guarantee the collection or the payment to the Certificateholders of any prepayment premiums or yield maintenance charges.* Accordingly, Certificateholders entitled to receive yield maintenance charges will receive them only to the extent actually received in respect of the MBS. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus and “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus.

Characteristics of Certificates. We will issue the Certificates (except the R and RL 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.” 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 the Certificates—Denominations and Form” in the Multifamily REMIC Prospectus.

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL 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 or RL Certificate and may require payment to cover any tax or other governmental charge. See also “Characteristics of the R and RL Classes”.

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, and the Holder of the RL Class will receive the proceeds of any remaining assets of the Lower Tier REMIC, in each case only by presenting and surrendering the related 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 and RL Certificates, in minimum denominations of \$1,000 and whole dollar increments. We will issue the R and RL Classes as single Certificates with no principal balances.

Distribution Date. We will make monthly payments 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 such date as the “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 (as well as any addition to principal in the case of the Accrual Classes).

The MBS

The following table contains certain information about the MBS. The MBS will have the aggregate unpaid principal balance and weighted average 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 multifamily residential properties, each either fully amortizing or providing for a balloon payment at maturity. 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 the Issue Date to be as follows:

Aggregate Unpaid Principal Balance	\$206,527,432
Weighted Average MBS Pass-Through Rate	6.431%
Related Mortgage Loans	
WAC (per annum percentage)	7.084%
WAM	198 months
Weighted Average Certificate Age	15 months

Exhibit A contains certain information about the individual MBS and related mortgage loans as of the Issue Date, including information about yield maintenance charges applicable to the mortgage loans.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the current unpaid principal balances of the Mortgage Loans underlying 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>
Weighted Average Coupon	A, B, C, Z1, Z2 and X
Interest Only	X
Accrual	Z1 and Z2
No Payment Residual	R and RL

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

General. We will pay interest on the interest-bearing Certificates at the applicable annual interest rates shown on the cover or described in this prospectus supplement. 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 Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

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

<u>Classes</u>	<u>Interest Accrual Period</u>
All Classes of interest-bearing Certificates (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors” in this prospectus supplement.

Accrual Classes. The Z1 and Z2 Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates listed on the cover. However, we will not pay any interest:

- in the case of the Z1 Class, until the Distribution Date following the Distribution Date on which the principal balance of the C Class is reduced to zero, and
- in the case of the Z2 Class, until the Distribution Date following the Distribution Date on which the principal balance of the Z1 Class is reduced to zero.

Interest accrued and unpaid on each Accrual Class on any Distribution Date will be added as principal to its principal balance. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

Notional Class. The Notional Class will not have a principal balance. During each Interest Accrual Period, the Notional Class will bear interest on its notional principal balance at its applicable interest rate. The notional principal balance of the Notional Class will be calculated as specified under “Reference Sheet—Notional Class.”

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 will refer also to the notional principal balance of the Notional Class.

Weighted Average Coupon Classes. The A, B, C, Z1 and Z2 Classes each will bear interest during each Interest Accrual Period at an annual rate equal to the *lesser* of

- the applicable rate listed on the cover for each Class

and

- the weighted average MBS Pass-Through Rate.

The X Class will bear interest during each Interest Accrual Period at an annual rate equal to the *excess*, if any, of

- the weighted average MBS Pass-Through Rate

over

- the weighted average of the interest rates of the A, B, C, Z1 and Z2 Classes, weighted on the basis of their principal balances (after giving effect to all payments and, if applicable, accretions of interest on those Classes during that Interest Accrual Period).

During the initial Interest Accrual Period, the X Class will bear interest at the annual rate specified on the cover.

Our determination of the rates of interest for these Classes for the related Interest Accrual Periods shall (in the absence of manifest error) be final and binding. You may obtain each such rate of interest by telephoning us at 1-800-237-8627 or 202-752-6547.

Allocation of Prepayment Premiums

The Mortgage Loans provide for the payment of prepayment premiums in the form of yield maintenance charges. On each Distribution Date, we will pay any yield maintenance charges that we have collected and passed through to the Trust during the related Interest Accrual Period to the X, A, B, C, Z1 and Z2 Classes in pro rata proportions reflecting the following amounts:

- in the case of the X Class, an amount equal to any positive result of *subtracting*

- (A) the present value (discounted at the applicable Class Discount Rate, as defined below) of the aggregate interest that would have been paid in respect of the X Class from the Distribution Date in the following month until the notional principal balance of the X Class would be reduced to zero after taking into account the related prepayment

from

- (B) the present value (discounted at the applicable Class Discount Rate) of the aggregate interest that would have been paid in respect of the X Class from the Distribution Date in the following month until the notional principal balance of the X Class would have been reduced to zero had the related prepayment not occurred, and

- in the case of each of the A, B, C, Z1 and Z2 Classes, any positive result of *subtracting*

- (A) the sum of (i) the Class Prepayment Amount (defined below) paid in respect of such Class and (ii) the present value (discounted at the applicable Class Discount Rate) of the aggregate principal and interest that would have been paid in respect of such Class from the Distribution Date in the following month until the principal balance of such Class is to be reduced to zero after taking into account receipt of the applicable Class Prepayment Amount

from

- (B) the present value (discounted at the applicable Class Discount Rate) of the aggregate principal and interest that would have been paid in respect of such Class from the Distribution Date in the following month until the principal balance of such Class would have been reduced to zero had the related prepayment not occurred.

The foregoing calculations will be made on the basis of the Pricing Assumptions except that it will be assumed that no prepayments of the Mortgage Loans occur following the end of the period in which any prepayment was received.

The “Class Prepayment Amount” for each Class and Distribution Date is the sum of all prepayments, including both principal and interest, but exclusive of any yield maintenance charges, paid in respect of that Class on that Distribution Date.

For each Class and each computation of present value, (i) the “Class Discount Rate” is the rate which, when compounded monthly, is equivalent to the Class Treasury Rate when compounded semi-annually and (ii) the “Class Treasury Rate” is the yield calculated by the linear interpolation of the yields, as reported in Federal Reserve Statistical Release H.15 — Selected Interest Rates under the heading “U.S. government securities/Treasury constant maturities” for the week ending on or before the Determination Date relating to the Distribution Date on which the yield maintenance charge will be paid, of U.S. Treasury constant maturities with a maturity date (one longer and one shorter) most nearly approximating the projected remaining weighted average life of such Class. If Release H.15 is no longer published, the Trustee will select a comparable publication to determine the Treasury Rate.

Solely for purposes of determining the Class Treasury Rate, the “Determination Date” for any Distribution Date is the date in any calendar month on which Fannie Mae calculates payments on the Certificates for such Distribution Date.

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	A, B, C, Z1 and Z2
Accretion Directed	C and Z1
Notional	X
No Payment Residual	R and RL

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

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 then paid on the MBS (the “Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the Z1 and Z2 Classes (the “Z1 Accrual Amount” and “Z2 Accrual Amount,” respectively).

Z1 Accrual Amount

On each Distribution Date, we will pay the Z1 Accrual Amount as principal of the C Class, until its principal balance is reduced to zero. On the Distribution Date on which the principal balance of the C Class is reduced to zero, we will pay any remaining Z1 Accrual Amount as principal of the Z1 Class.

Accretion
Directed
Class
and
Accrual
Class

Z2 Accrual Amount

On each Distribution Date, we will pay the Z2 Accrual Amount, sequentially, as principal of the C and Z1 Classes, in that order, until their principal balances are reduced to zero. On the Distribution Date on which the principal balances of the C and Z1 Classes are reduced to zero, we will pay any remaining Z2 Accrual Amount as principal of the Z2 Class.

Accretion
Directed
Classes
and
Accrual
Class

Cash Flow Distribution Amount

On each Distribution Date, we will pay the Cash Flow Distribution Amount, sequentially, as principal of the A, B, C, Z1 and Z2 Classes, in that order, until their principal balances are reduced to zero.

Sequential
Pay
Classes

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of the MBS (as described in Exhibit A) and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- we pay all payments (including prepayments) on the Mortgage Loans on the Distribution Date relating to the month in which we receive them;
- the Mortgage Loans underlying the MBS prepay at the percentages of CPR specified in the related tables, provided that no prepayments occur during the related yield maintenance periods;

- payments on the Certificates are always received on the 25th of the month, whether or not a business day;
- no yield maintenance charges are received on the MBS; and
- the settlement date for the sale of the Certificates is June 29, 2001.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is the “Constant Prepayment Rate” or “CPR” model. The CPR model represents an assumed constant rate of prepayment each month, expressed as an annual percentage of the then outstanding principal balance of the pool of mortgage loans.

It is highly unlikely that prepayments will occur at any particular level of CPR, or at any other *constant* rate.

Yield Table

General. The table below illustrates the sensitivity of the pre-tax corporate bond equivalent yield to maturity of the applicable Class to various constant percentages of CPR. We calculated the yields set forth in the table by

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Class, would cause the discounted present values of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class, and
- converting such 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 such 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.

Moreover, it is unlikely that

- the Mortgage Loans will prepay at a constant percentage of CPR until maturity or at any other constant rate, or
- all of such Mortgage Loans will prepay at the same rate.

***The Interest Only Class.* As indicated in the table below, the yield to investors in the X Class will be highly sensitive to the rate of principal payments (including prepayments) of the Mortgage Loans. Subject to certain restrictions, the Mortgage Loans may be prepaid prior to their stated maturities.**

The information shown in the yield table has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the X Class (expressed as a percentage of original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
X	2.0%

* The price does not include accrued interest. Accrued interest has been added to such price in calculating the yields shown in the table below.

Sensitivity of the X Class to Prepayments*

	CPR Prepayment Assumption				
	0%	25%	50%	75%	100%
Pre-Tax Yields to Maturity	7.9%	6.9%	6.5%	6.2%	6.0%

* Assumes no prepayment before any applicable yield maintenance charge end dates.

A portion of any yield maintenance charge actually received may be allocated to the X Class and will increase the yield on such Class. However, any such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

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 the Certificates—Weighted Average Lives and Final Distribution Dates” in the Multifamily REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the level of prepayments of principal of the Mortgage Loans increases. However, the weighted average lives will depend upon a variety of other factors, including

- the timing of changes in such rate of principal payments, and
- the priority sequence of payments of principal of the Certificates.

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 the constant percentages of CPR and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions.

It is unlikely that the underlying Mortgage Loans will prepay at any *constant* CPR level. We do not represent that the Mortgage Loans will prepay at the CPRs shown or at any other constant prepayment rate.

Percent of Original Principal Balances Outstanding††

Date	A Class					B Class					C Class				
	CPR Prepayment Assumption					CPR Prepayment Assumption					CPR Prepayment Assumption				
	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2002	95	95	95	95	95	100	100	100	100	100	97	97	97	97	97
June 2003	90	90	90	90	90	100	100	100	100	100	94	94	94	94	94
June 2004	84	84	84	84	84	100	100	100	100	100	91	91	91	91	91
June 2005	79	79	79	79	79	100	100	100	100	100	88	88	88	88	88
June 2006	72	72	72	72	72	100	100	100	100	100	84	84	84	84	84
June 2007	65	65	65	65	65	100	100	100	100	100	80	80	80	80	80
June 2008	58	58	58	58	58	100	100	100	100	100	76	76	76	76	76
June 2009	0	0	0	0	0	0	0	0	0	0	68	68	68	68	68
June 2010	0	0	0	0	0	0	0	0	0	0	60	60	60	60	60
June 2011	0	0	0	0	0	0	0	0	0	0	43	43	43	43	43
June 2012	0	0	0	0	0	0	0	0	0	0	34	34	34	34	34
June 2013	0	0	0	0	0	0	0	0	0	0	24	24	24	24	24
June 2014	0	0	0	0	0	0	0	0	0	0	13	13	13	13	13
June 2015	0	0	0	0	0	0	0	0	0	0	2	2	2	2	2
June 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	6.0	5.9	5.9	5.8	5.7	7.6	7.6	7.6	7.6	7.1	9.1	9.1	9.1	9.1	9.1

Date	Z1 Class					Z2 Class					X† Class				
	CPR Prepayment Assumption					CPR Prepayment Assumption					CPR Prepayment Assumption				
	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2002	106	106	106	106	106	106	106	106	106	106	99	99	99	99	99
June 2003	113	113	113	113	113	113	113	113	113	113	97	97	97	97	97
June 2004	121	121	121	121	121	121	121	121	121	121	96	96	96	96	96
June 2005	129	129	129	129	129	129	129	129	129	129	94	94	94	94	94
June 2006	137	137	137	137	137	137	137	137	137	137	93	93	93	93	93
June 2007	146	146	146	146	146	146	146	146	146	146	91	91	91	91	91
June 2008	155	155	155	155	155	155	155	155	155	155	89	89	89	89	89
June 2009	165	165	165	165	165	165	165	165	165	165	55	55	55	55	55
June 2010	176	176	176	176	176	176	176	176	176	176	54	54	54	54	54
June 2011	187	187	187	187	187	187	187	187	187	187	49	49	49	49	49
June 2012	200	200	200	200	200	200	200	200	200	200	47	47	47	47	47
June 2013	213	213	213	213	213	213	213	213	213	213	45	45	45	45	45
June 2014	226	226	226	226	226	226	226	226	226	226	44	44	44	44	44
June 2015	241	241	241	241	241	241	241	241	241	241	42	42	42	42	42
June 2016	202	167	122	56	0	257	257	257	257	18	40	37	34	29	2
June 2017	149	*	0	0	0	273	273	171	81	13	37	26	17	8	1
June 2018	92	0	0	0	0	291	195	86	29	13	35	19	8	3	1
June 2019	0	0	0	0	0	171	70	22	5	0	17	7	2	*	0
June 2020	0	0	0	0	0	159	49	10	1	0	15	5	1	*	0
June 2021	0	0	0	0	0	146	34	5	*	0	14	3	*	*	0
June 2022	0	0	0	0	0	132	23	2	*	0	13	2	*	*	0
June 2023	0	0	0	0	0	116	15	1	*	0	11	1	*	*	0
June 2024	0	0	0	0	0	100	10	*	*	0	10	1	*	*	0
June 2025	0	0	0	0	0	83	6	*	*	0	8	1	*	*	0
June 2026	0	0	0	0	0	59	3	*	*	0	6	*	*	*	0
June 2027	0	0	0	0	0	48	2	*	*	0	5	*	*	*	0
June 2028	0	0	0	0	0	36	1	*	0	0	3	*	*	0	0
June 2029	0	0	0	0	0	23	1	*	0	0	2	*	*	0	0
June 2030	0	0	0	0	0	10	*	*	0	0	1	*	*	0	0
June 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	16.4	15.3	15.0	14.9	14.7	21.2	18.1	16.7	15.9	15.0	12.7	11.5	11.1	10.9	10.5

* 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.

†† Assumes no prepayment during any applicable yield maintenance periods.

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances 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. If any assets of the Lower Tier REMIC remain after the principal balances of the Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. Fannie Mae does not expect that any material assets will remain in either case.

The R and RL Classes will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R or RL Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R or RL Certificate to any person that is not a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. Any transferee of an R or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 (or, if applicable, a Form W-8ECI) on which the transferee provides its taxpayer identification number. See “Description of the Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the Multifamily REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate 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” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. In addition, the transferee must receive an affidavit containing these same representations from any new transferee. Transferors of an R or RL 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” 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 and RL Classes will constitute noneconomic residual interests 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 noneconomic residual interests pending the finalization of the proposed amendment. Under this safe harbor, a transferor of a noneconomic 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 (in each case, at the time of the transfer and

at the close of each of the transferee's two fiscal years preceding the year of transfer), 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. The Revenue Procedure contains additional details regarding its application, and you should consult your own tax advisor regarding the application of the Revenue Procedure 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, and the Holder of the RL Class will be considered to be the holder of the "residual interest" in the REMIC constituted by the Lower Tier REMIC. See "Certain Federal Income Tax Consequences" in the Multifamily REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to these Holders (i) information necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the R or RL 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 Multifamily 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 Multifamily 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 Elections and Special Tax Attributes

We will elect to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The Certificates, other than the R and RL Classes, 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. The Lower Tier Regular Interests will be designated as the "regular interests" and the RL Class will be designated as the "residual interest" in the Lower Tier REMIC.

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the 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 and RL Classes, as "qualified mortgages" for other REMICs. See "Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*" in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Class and the Accrual Classes will be issued with original issue discount ("OID"), and certain other Classes of 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 Multifamily REMIC Prospectus. In addition, certain Classes of 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 Multifamily REMIC Prospectus.

The Prepayment Assumption that will be used in determining the rate of accrual of OID will be applied on a pool-by-pool basis. 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 Multifamily REMIC Prospectus. The Prepayment Assumption that will be used for each pool will be 0% CPR until the yield maintenance end date for each such pool and 100% CPR thereafter. The yield maintenance end dates are provided on Exhibit A. Because the yield maintenance end date for each pool is not the same, during the period beginning on the earliest yield maintenance end date of the pools and ending on the last yield maintenance end date of the pools, the effective Prepayment Assumption will increase, from 0% CPR to 100% CPR, as each pool reaches its yield maintenance end date. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at the rate reflected in the Prepayment Assumption or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of the Certificates—Weighted Average Lives and Final Distribution Dates” in the Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) 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 May 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 Multifamily REMIC Prospectus.

PLAN OF DISTRIBUTION

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

LEGAL MATTERS

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 will provide legal representation for the Dealer.

Exhibit A

The MBS and Mortgage Loans

Pool Number	City	State	Approximate Principal Balance as of Issue Date†	MBS Pass-Through Rate	Mortgage Interest Rate	Original Amortization Term (mos.)	Remaining Amortization Term (mos.)	Remaining Term to Maturity (mos.)	Remaining Term to Balloon (mos.)	Original Yield Maintenance Term (mos.)
73264	Upper Darby	PA	\$ 8,931,111	6.960%	7.550%	360	294	294	—	240
380909*	Huntington Beach	CA	5,174,574	5.895	6.575	360	330	90	90	114
381140	Dallas	TX	16,104,747	5.840	6.590	360	330	91	91	114
381237*	Manchester	NH	15,920,247	5.690	6.370	360	331	91	91	114
381252	Hill	NY	27,228,907	5.900	6.650	360	330	91	91	114
381273	Montgomery	AL	11,232,565	5.911	6.661	360	331	91	91	114
383243	Westland	MI	9,961,173	6.950	7.670	360	354	354	—	180
383247	Visalia	CA	1,246,577	7.330	7.950	360	355	355	—	180
383296	Tallahassee	FL	4,153,450	6.980	7.650	360	356	356	—	180
383301	Whitehall	OH	670,770	7.010	8.500	360	357	357	—	180
383315	Norman	OK	4,102,204	6.910	7.730	360	357	213	213	180
383407	Columbus	OH	12,730,205	6.670	7.290	360	357	357	—	180
383426	Springfield	MO	4,090,887	6.620	7.540	360	357	213	213	180
383504	Daly City	CA	53,617,747	6.670	7.040	300	298	214	214	180
383509	Redding	CA	2,945,338	6.630	7.200	360	358	358	—	180
383548	Los Angeles	CA	2,340,483	6.770	8.250	360	357	357	—	180
383574	Fremont	CA	8,680,886	6.830	7.750	300	298	298	—	180
383580	Pacifica	CA	2,553,232	7.030	7.850	360	359	215	215	180
383642	Everett	MA	420,000	7.060	7.880	360	360	124	124	118
383643*	Cambridge	MA	260,000	6.890	7.710	360	360	120	120	114
383645*	Fremont	CA	2,605,000	6.490	7.310	360	360	120	120	114
383674	Nashua	NH	797,564	7.040	7.410	180	180	180	—	174
383695	Charlestown	WV	1,099,231	6.980	7.800	360	359	215	215	180
383709*	Novi	MI	3,500,000	7.080	7.780	360	360	300	300	204
383728	Youngstown	OH	599,535	7.500	8.900	319	318	318	—	180
383779	Pittsburgh	PA	1,949,000	6.570	7.390	360	360	120	120	114
383786*	Adelphi	MD	2,615,000	6.570	7.390	360	359	120	120	114
383681	El Paso	TX	997,000	7.050	8.625	360	360	360	—	180
Total/Weighted Average			\$206,527,433	6.431%	7.084%					

(†) The principal balances of the MBS have been rounded to the nearest dollar and the sum of those balances may not equal the total.

* These Mortgage Loans bear interest on the basis of a 360-day year and actual days elapsed.

NOTE:

The information with respect to the MBS and the Mortgage Loans set forth on this Exhibit A has been collected and summarized by the Dealer and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy.

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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\$206,527,432
(Approximate)



Guaranteed REMIC
Pass-Through Certificates
Fannie Mae Multifamily
REMIC Trust 2001-M2

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

May 18, 2001

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