

**\$766,441,766**



**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2002-12**

**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.

**The Trust and its Assets**

The trust will own

- Fannie Mae MBS,
- Fannie Mae Stripped MBS and
- an underlying REMIC certificate backed by Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PA	1	\$ 38,071,800	PAC	6.00%	FIX	31392BM78	May 2005
PB(1)	1	76,057,200	PAC	6.00	FIX	31392BM86	July 2009
PC	1	25,131,000	PAC	6.00	FIX	31392BM94	June 2011
PT	1	20,104,800	PAC	5.75	FIX	31392BN28	June 2011
IC	1	837,700(2)	NTL	6.00	FIX/IO	31392BN36	June 2011
PD	1	98,044,200	PAC	6.00	FIX	31392BN44	October 2014
PE	1	19,940,400	PAC	6.00	FIX	31392BN51	May 2015
PG	1	73,656,000	PAC	6.00	FIX	31392BN69	March 2017
A	1	78,114,600	TAC/AD/NSJ	6.00	FIX	31392BN77	March 2017
Z	1	20,880,000	TAC/NSJ	6.00	FIX/Z	31392BN85	March 2017
AC(1)	2	133,333,334	SEQ	5.50	FIX	31392BN93	November 2029
FJ(1)	2	26,666,666	SEQ	(3)	FLT	31392BP26	November 2029
SJ(1)	2	26,666,666(2)	NTL	(3)	INV/IO	31392BP34	November 2029
VA	2	8,333,000	SEQ/AD	6.00	FIX	31392BP42	August 2009
VB	2	16,667,000	SEQ/AD	6.00	FIX	31392BP59	August 2018
ZB	2	15,000,000	SEQ	6.00	FIX/Z	31392BP67	March 2032
FB	3	46,022,922	PT	(3)	FLT	31392BP75	July 2031
SB	3	46,022,922(2)	NTL	(3)	INV/IO	31392BP83	July 2031
FH	4	70,418,844	PT	(3)	FLT	31392BP91	January 2032
R		0	NPR	0	NPR	31392BQ25	March 2032
RL		0	NPR	0	NPR	31392BQ33	March 2032

(1) Exchangeable classes.

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

(3) Based on LIBOR.

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 IB, PM, PR and AB Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be February 28, 2002.

**Carefully consider the risk factors starting on page S-8 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.

**Merrill Lynch & Co.**

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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 Fannie Mae Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”);
- our Information Statement dated March 30, 2001 and its supplements (the “Information Statement”);
- if you are purchasing any Group 3 or Group 4 Class or the R or RL Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated March 30, 2000 (the “SMBS Prospectus”); and
- if you are purchasing the Group 4 Class or the R or RL Class, the disclosure document relating to the underlying REMIC certificate (the “Underlying REMIC Disclosure Document”).

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

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

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

You also can obtain copies of the Disclosure Documents, except the Underlying REMIC Disclosure Document, by writing or calling the dealer at:

Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Prospectus Department  
44B Colonial Drive  
Piscataway, New Jersey 08854  
(telephone 732-885-2760).

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Class 313-1 SMBS Certificate Class 313-2 SMBS Certificate
4	Class 313-2 SMBS Certificate Class 2001-81-F REMIC Certificate

### Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS (as of February 1, 2002)

	<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>
Group 1 MBS	\$450,000,000	180	176	3	6.5000%
Group 2 MBS	\$200,000,000	360	342	16	6.6500%

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.

### Characteristics of the Group 3 SMBS, the Group 4 SMBS and the Group 4 Underlying REMIC Certificate

Exhibit A describes the Group 3 SMBS, the Group 4 SMBS and the Group 4 Underlying REMIC Certificate, including certain information about the related mortgage loans. To learn more about the related SMBS and the Group 4 Underlying REMIC Certificate, you should obtain from us the current class factor and the disclosure document for the SMBS and the Group 4 Underlying REMIC Certificate as described on page S-3.

### Class Factors

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

### Settlement Date

We expect to issue the certificates on February 28, 2002.

### 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 and Physical Certificates

We will issue the 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:

### Fed Book-Entry

All Classes of certificates other than the R and RL Classes

### Physical

R and RL Classes

## 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 combinations of the certificates eligible for exchange and the related RCR certificates.

## Interest Rates

During each interest accrual period, the fixed rate classes will bear interest at the applicable annual interest rates listed on the cover of this prospectus supplement or on Schedule 1.

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FJ .....	2.33%	8.50%	0.50%	LIBOR + 50 basis points
SJ .....	6.17%	8.00%	0.00%	8.00% - LIBOR
FB .....	2.51%	8.50%	0.75%	LIBOR + 75 basis points
SB .....	5.99%	7.75%	0.00%	7.75% - LIBOR
FH .....	2.88%(2)	9.00%	1.05%	LIBOR + 105 basis points

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

(2) Assumed initial interest rate. We will calculate the actual interest rate on February 21, 2002 using the formula set forth above.

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

## Notional Classes

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

<u>Class</u>	
IC .....	4.166666667% of the PT Class
IB .....	29.166666667% of the PB Class
SJ .....	100% of the FJ Class
SB .....	100% of the FB Class

## **Distributions of Principal**

### *Group 1 Principal Distribution Amount*

#### *Z Accrual Amount*

If and only if the principal balance of the Group 1 MBS is less than the Group 1 MBS Targeted Balance for that Distribution Date, to the Z and A Classes, in that order, to zero.

If and only if the principal balance of the Group 1 MBS is greater than or equal to the Group 1 MBS Targeted Balance for that Distribution Date, as follows:

1. To the A and Z Classes, in that order, to their Targeted Balances.
2. To the Z and A Classes, in that order, to zero.

#### *Group 1 Cash Flow Distribution Amount*

1. To the PA and PB Classes, in that order, to their Planned Balances.
2. To the PC and PT Classes, pro rata, to their Planned Balances.
3. To the PD, PE and PG Classes, in that order, to their Planned Balances.
4. If and only if the principal balance of the Group 1 MBS is less than the Group 1 MBS Targeted Balance for that Distribution Date, to the Z and A Classes, in that order, to zero.

If and only if the principal balance of the Group 1 MBS is greater than or equal to the Group 1 MBS Targeted Balance for that Distribution Date, as follows:

*first*, to the A and Z Classes, in that order, to their Targeted Balances; and  
*second*, to the Z and A Classes, in that order, to zero.

5. To the PA and PB Classes, in that order, to zero.
6. To the PC and PT Classes, pro rata, to zero.
7. To the PD, PE and PG Classes, in that order, to zero.

### *Group 2 Principal Distribution Amount*

#### *ZB Accrual Amount*

To the VA and VB Classes, in that order, to zero, and thereafter to the ZB Class.

#### *Group 2 Cash Flow Distribution Amount*

1. To the AC and FJ Classes, pro rata, to zero.
2. To the VA, VB and ZB Classes, in that order, to zero.

### *Group 3 Principal Distribution Amount*

To the FB Class to zero.

### *Group 4 Principal Distribution Amount*

To the FH 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) \***

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>218%</u>	<u>250%</u>	<u>500%</u>
PA .....	1.5	1.0	1.0	1.0	1.0	1.0
PB, IB, PM and PR .....	4.5	2.5	2.5	2.5	2.5	2.2
PC, PT and IC .....	7.0	4.0	4.0	4.0	4.0	2.8
PD .....	9.4	6.0	6.0	6.0	6.0	3.8
PE .....	11.1	8.0	8.0	8.0	8.0	5.0
PG .....	12.4	10.9	10.9	10.9	10.9	7.4
A .....	10.7	7.9	3.9	4.6	2.8	1.3
Z .....	14.5	13.3	12.1	0.5	0.5	0.3

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>182%</u>	<u>250%</u>	<u>500%</u>
AC, FJ, SJ and AB .....	18.8	7.5	4.8	3.6	1.9
VA .....	4.0	4.0	4.0	4.0	3.4
VB .....	12.3	12.3	11.4	9.8	5.5
ZB .....	28.9	22.7	18.4	15.5	8.9

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>275%</u>	<u>400%</u>	<u>600%</u>
FB and SB .....	20.5	11.0	5.6	4.1	2.8

<u>Group 4 Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>280%</u>	<u>400%</u>	<u>600%</u>
FH .....	20.5	11.0	5.5	4.1	2.8

\* 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 related 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 interest only certificates and 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 of the Non-Sticky Jump Classes are especially sensitive to prepayments under certain scenarios.* The weighted average lives of the A and Z Classes are sensitive in varying degrees to the rate of principal payments, including prepayments, of the related mortgage loans. This sensitivity to prepayments is not necessarily proportional to the changes in prepayment rates. In some scenarios, small changes in prepayment rates of the related mortgage loans may have a dramatic affect on

the weighted average lives of the A and Z Classes. For an illustration of this sensitivity, see the Decrement Tables for these classes on page S-25 of this prospectus supplement.

*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 Trust 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.

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

*Delay classes have lower yields and market values.* Since certain classes do not receive interest immediately following each interest accrual period, these classes 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 of this prospectus supplement. If you assume that the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

*Some investors may be unable to buy certain classes.* Investors whose investment activi-

ties are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should obtain legal advice to determine whether you may purchase the certificates.

*Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate.* We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your 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 that term in the applicable Disclosure Document or in the Trust Agreement.

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of February 1, 2002 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (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 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 REMIC 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

- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 2 MBS” and, together, the “Trust MBS”),
- certain Fannie Mae Stripped Mortgage-Backed Securities (the “Group 3 SMBS” and “Group 4 SMBS” and, together, the “SMBS”), and

- a previously issued REMIC Certificate (the “Group 4 Underlying REMIC Certificate”) evidencing a beneficial ownership interest in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A.

The SMBS represent beneficial ownership interests in certain interest and principal distributions on certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS and the Fannie Mae Guaranteed Mortgage Pass-Through Certificates underlying the Group 4 Underlying REMIC Certificate, the “MBS”). The SMBS are further described on Exhibit A.

The assets of the Underlying REMIC Trust evidence beneficial ownership interests in certain MBS.

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

*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 guaranty obligations with respect to the Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document.

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, “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus, and “Description of the Certificates—General—Fannie Mae Guaranty” in the Underlying REMIC Disclosure Document.

*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 Certificates—Denominations and Form” in the 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” below.

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 Classes, 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 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 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 any 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).

*Optional Termination.* We will not terminate the Lower Tier REMIC or 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.

*Voting the SMBS and the Group 4 Underlying REMIC Certificate.* Holders of the SMBS and the Group 4 Underlying REMIC Certificate may be asked to vote on issues arising under the related trust agreements. If so, the Trustee will vote the related SMBS or Group 4 Underlying REMIC Certificate, as applicable, as instructed by Holders of Certificates of the Classes backed by the applicable SMBS or Group 4 Underlying REMIC Certificate. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the related Classes. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

## **Combination and Recombination**

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

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. REMIC Certificates and RCR Certificates in any combination may be exchanged only in the proportions shown on Schedule 1.

*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 that distribution to the Holder of record as of the close of business on the last day of the month of the exchange.

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

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

## The Trust MBS

The following table contains certain information about the Trust MBS. The Trust MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Trust MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Trust MBS are conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 15 years in the case of the Group 1 MBS, and up to 30 years in the case of the Group 2 MBS. See "The Mortgage Pools" and "Yield Considerations" in the MBS Prospectus. We expect the characteristics of the Trust MBS and the related Mortgage Loans as of the Issue Date to be as follows:

### Group 1 MBS

Aggregate Unpaid Principal Balance .....	\$450,000,000
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	121 months to 180 months
Approximate Weighted Average WAM .....	176 months
Approximate Weighted Average WALA (Weighted Average Loan Age) .....	3 months

**Group 2 MBS**

Aggregate Unpaid Principal Balance .....	\$200,000,000
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM.....	342 months
Approximate Weighted Average WALA.....	16 months

**The SMBS and Group 4 Underlying REMIC Certificate**

The SMBS represent beneficial ownership interests in the interest and principal distributions made in respect of certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the SMBS will be passed through monthly beginning in the month after we issue the Certificates. The general characteristics of the SMBS are described in the SMBS Prospectus. See Exhibit A for additional information about the SMBS.

The Group 4 Underlying REMIC Certificate represents a beneficial ownership interest in the Underlying REMIC Trust. The assets of that trust evidence beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the Group 4 Underlying REMIC Certificate will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 4 Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document. See Exhibit A for additional information about the Group 4 Underlying REMIC Certificate.

Each MBS evidences beneficial ownership interests in a pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

For further information about the SMBS and the Group 4 Underlying REMIC Certificate, telephone us at 1-800-237-8627 or 202-752-6547. You also may obtain certain information in electronic form by calling us at 1-800-752-6440 or 202-752-6000. There may have been material changes in facts and circumstances since the date we prepared the Underlying REMIC Disclosure Document. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in that document may be limited.

**Final Data Statement**

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balance of the SMBS and the Group 4 Underlying REMIC Certificate as of the Issue Date and, with respect to the Trust MBS, the pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the Trust MBS and the SMBS, as of the Issue Date. The Final Data Statement also will 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 Trust MBS, as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

## Distributions of Interest

### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Fixed Rate	PA, PB, PC, PT, IC, PD, PE, PG, A and Z
Accrual	Z
Interest Only	IC
RCR**	IB, PM and PR
<b>Group 2 Classes</b>	
Fixed Rate	AC, VA, VB and ZB
Floating Rate	FJ
Inverse Floating Rate	SJ
Accrual	ZB
Interest Only	SJ
RCR**	AB
<b>Group 3 Classes</b>	
Floating Rate	FB
Inverse Floating Rate	SB
Interest Only	SB
<b>Group 4 Class</b>	
Floating Rate	FH
<b>No Payment Residual</b>	R and RL

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

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

*General.* We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed 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.

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All Floating Rate and Inverse Floating Rate Classes	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors—*Delay classes have lower yields and market values*” in this prospectus supplement.

*Accrual Classes.* The Z and ZB Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on the Accrual Classes will be added as principal to their respective principal balances on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

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

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

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

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

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

## Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 1.76% for the FB and SB Classes, 1.83% for the FJ and SJ Classes and will be equal to LIBOR as determined for that Interest Accrual Period for the Group 4 Underlying REMIC Certificate in the case of the FH Class.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	PA, PB, PC, PT, PD, PE and PG
TAC	A and Z
Non-Sticky Jump	A and Z
Accretion Directed	A
Notional	IC
RCR**	IB, PM and PR

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 2 Classes</b>	
Sequential Pay	AC, FJ, VA, VB and ZB
Accretion Directed	VA and VB
Notional	SJ
RCR**	AB
<b>Group 3 Classes</b>	
Pass-Through	FB
Notional	SB
<b>Group 4 Class</b>	
Pass-Through	FH
<b>No Payment Residual</b>	
	R and RL

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

*Principal Distribution Amount*

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the Z Class (the “Z Accrual Amount” and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the ZB Class (the “ZB Accrual Amount,” and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 SMBS (the “Group 3 Principal Distribution Amount”), and
- the principal then paid on the Group 4 SMBS and the Group 4 Underlying REMIC Certificate (the “Group 4 Principal Distribution Amount”).

The portion of the 2001-81-F REMIC Certificate held by the Lower Tier REMIC is set forth in Exhibit A.

*Group 1 Principal Distribution Amount*

*Z Accrual Amount*

On each Distribution Date, if and only if the principal balance of the Group 1 MBS is less than the Group 1 MBS Targeted Balance for that Distribution Date (after giving effect to distributions made on that date), we will pay the Z Accrual Amount, sequentially, to the Z and A Classes, in that order, without regard to their Targeted Balances and until their principal balances are reduced to zero.

On each Distribution Date, if and only if the principal balance of the Group 1 MBS is greater than or equal to the Group 1 MBS Targeted Balance for that Distribution Date (after giving effect to distributions made on that date), we will pay the Z Accrual Amount to the Classes specified below in the following priority:

- (i) sequentially, to the A and Z Classes, in that order, until their principal balances are reduced to their Targeted Balances for that Distribution Date; and
- (ii) sequentially, to the Z and A Classes, in that order, without regard to their Targeted Balances and until their principal balances are reduced to zero.

Non-Sticky  
Jump/TAC  
Classes and  
Accretion  
Directed  
Class 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 Group 1 Classes in the following priority:

- (i) sequentially, to the PA and PB Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date;
- (ii) concurrently, to the PC and PT Classes, pro rata (or 55.555555556% and 44.444444444%, respectively), until their principal balances are reduced to their Planned Balances for that Distribution Date;
- (iii) sequentially, to the PD, PE and PG Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date;
- (iv) (A) if and only if the principal balance of the Group 1 MBS is less than the Group 1 MBS Targeted Balance for that Distribution Date (after giving effect to distributions made on that date), sequentially, to the Z and A Classes, in that order, without regard to their Targeted Balances and until their principal balances are reduced to zero, or  
(B) if and only if the principal balance of the Group 1 MBS is greater than or equal to the Group 1 MBS Targeted Balance for that Distribution Date (after giving effect to distributions made on that date), as follows:
  - first*, sequentially, to the A and Z Classes, in that order, until their principal balances are reduced to their Targeted Balances for that Distribution Date; and
  - second*, sequentially, to the Z and A Classes, in that order, without regard to their Targeted Balances and until their principal balances are reduced to zero;
- (v) sequentially, to the PA and PB Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero;
- (vi) concurrently, to the PC and PT Classes, pro rata, without regard to their Planned Balances and until their principal balances are reduced to zero; and
- (vii) sequentially, to the PD, PE and PG Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero.

PAC Classes

Non-Sticky Jump / TAC Classes

PAC Classes

*Group 2 Principal Distribution Amount*

*ZB Accrual Amount*

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

Accretion Directed Classes and Accrual Class

*Group 2 Cash Flow Distribution Amount*

On each Distribution Date, we will pay the Group 2 Cash Flow Distribution Amount as principal of the Group 2 Classes in the following priority:

- (i) concurrently, to the AC and FJ Classes, pro rata (or 83.3333337500% and 16.6666662500%, respectively), until their principal balances are reduced to zero; and
- (ii) sequentially, to the VA, VB and ZB Classes, in that order, until their principal balances are reduced to zero.

Sequential Pay Classes

*Group 3 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount as principal of the FB Class, until its principal balance is reduced to zero.

Pass-Through Class

#### Group 4 Principal Distribution Amount

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

We will apply principal payments from exchanged REMIC certificates 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 actual characteristics of each pool of Mortgage Loans backing the SMBS and the Group 4 Underlying REMIC Certificate and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS” in this prospectus supplement;
- 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 February 28, 2002;
- 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.

*Structuring Range and Rates.* The Principal Balance Schedules are found beginning on page B-1 of this prospectus supplement. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the related Mortgage Loans will prepay at a constant PSA rate within the applicable Structuring Range or at the applicable rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Group and Classes</u>	<u>Structuring Range and Rates</u>
Planned Balances	PA, PB, PC, PT, PD, PE, PG, PM and PR	Between 100% and 250%
Targeted Balances	A and Z	160%
Group 1 MBS Targeted Balances	Group 1 MBS	160%

**We cannot assure you that the balance of any Class listed above will conform on any Distribution Date to the specified balance in the Principal Balance Schedules. As a result, we cannot assure you that payments of principal of any Class listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules.** We will distribute any excess of principal payments over the amount needed to reduce a Class to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Range, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if the prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Range or at the applicable rates specified above.

*Initial Effective Ranges.* The Effective Range for a Class is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Class to its scheduled balance on each Distribution Date. The Initial Effective Ranges shown in the table below are based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Classes</u>	<u>Initial Effective Ranges</u>
PA	Between 100% and 696%
PB	Between 100% and 304%
PC	Between 100% and 264%
PT	Between 100% and 264%
PD	Between 100% and 250%
PE	Between 95% and 250%
PG	Between 87% and 250%
PM	Between 100% and 304%
PR	Between 100% and 304%

The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics are likely to differ from the Initial Effective Ranges. As a result, the applicable Classes might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges. This is so particularly if the rate were at the lower or higher end of those ranges. In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The stability in principal payment of the PAC Classes will be supported in part by the TAC Classes. When the TAC Classes are retired, the PAC Classes, if still outstanding, may no longer have Effective Ranges and will be more sensitive to prepayments.

## **Yield Tables**

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

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

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

We cannot assure you that

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

In addition, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer

than those assumed and interest rates higher or lower than those assumed, the principal payments on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

*The Fixed Rate Interest Only Classes.* **The yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on each Fixed Rate Interest Only Class would be 0% if prepayments of the related Mortgage Loans were to occur at the constant rates shown in the table below:**

<u>Class</u>	<u>% PSA</u>
IC .....	442%
IB .....	481%

**For any Fixed Rate Interest Only Class, if the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling that level for the remaining months, the investors in the applicable Class would lose money on their initial investments.**

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Fixed Rate Interest Only Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
IC .....	17.6875%
IB .....	12.7500%

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

#### Sensitivity of the IC Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>218%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	22.5%	15.0%	15.0%	15.0%	15.0%	(5.1)%

#### Sensitivity of the IB Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>160%</u>	<u>218%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	21.9%	10.2%	10.2%	10.2%	10.2%	(1.4)%

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

**Inverse Floating Rate Classes would lose money on their initial investments under certain Index and prepayment scenarios.**

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

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

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

<u>Class</u>	<u>Price*</u>
SJ .....	20.0%
SB .....	9.5%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>182%</u>	<u>250%</u>	<u>500%</u>
0.83%.....	32.1%	27.5%	18.9%	10.8%	(24.1)%
1.83%.....	26.4%	21.7%	12.9%	4.5%	(31.5)%
3.83%.....	14.9%	10.0%	0.2%	(9.1)%	(47.7)%
5.83%.....	2.5%	(3.2)%	(14.8)%	(25.7)%	(68.1)%
8.00%.....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>275%</u>	<u>400%</u>	<u>600%</u>
0.76%.....	81.0%	78.1%	67.7%	60.0%	47.3%
1.76%.....	67.8%	64.9%	54.5%	46.9%	34.1%
3.76%.....	42.3%	39.4%	29.0%	21.3%	8.4%
5.76%.....	17.9%	14.9%	4.4%	(3.5)%	(16.8)%
7.75%.....	*	*	*	*	*

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

**Weighted Average Lives of the Certificates**

The weighted average life of a Certificate is determined by

- multiplying the amount of the reduction, if any, of the principal balance of the Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,

- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the reductions in principal balance of the Certificate referred to in clause (a).

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1 and Group 2 Classes, and
- in the case of the Group 1 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Document.

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

## Decrement Tables

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

<u>Group</u>	<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
1	MBS	180 months	180 months	8.5%
2	MBS	360 months	360 months	8.5%
3	SMBS	360 months	352 months	9.0%
4	Underlying REMIC Certificate	360 months	352 months	9.0%
	SMBS	360 months	352 months	9.0%

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 weighted average WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

## Percent of Original Principal Balances Outstanding

<u>Date</u>	<u>PA Class</u>						<u>PB, IB†, PM and PR Classes</u>						<u>PC, PT and IC† Classes</u>					
	<u>PSA Prepayment Assumption</u>						<u>PSA Prepayment Assumption</u>						<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>218%</u>	<u>250%</u>	<u>500%</u>	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>218%</u>	<u>250%</u>	<u>500%</u>	<u>0%</u>	<u>100%</u>	<u>160%</u>	<u>218%</u>	<u>250%</u>	<u>500%</u>
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2003	72	49	49	49	49	49	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	28	0	0	0	0	0	100	76	76	76	76	72	100	100	100	100	100	100
February 2005	0	0	0	0	0	0	90	20	20	20	20	0	100	100	100	100	100	5
February 2006	0	0	0	0	0	0	64	0	0	0	0	0	100	46	46	46	46	0
February 2007	0	0	0	0	0	0	35	0	0	0	0	0	100	0	0	0	0	0
February 2008	0	0	0	0	0	0	4	0	0	0	0	0	100	0	0	0	0	0
February 2009	0	0	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0	0
February 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	1.5	1.0	1.0	1.0	1.0	1.0	4.5	2.5	2.5	2.5	2.5	2.2	7.0	4.0	4.0	4.0	4.0	2.8

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

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

Date	PD Class						PE Class						PG Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	160%	218%	250%	500%	0%	100%	160%	218%	250%	500%	0%	100%	160%	218%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006	100	100	100	100	100	35	100	100	100	100	100	100	100	100	100	100	100	100
February 2007	100	83	83	83	83	0	100	100	100	100	100	49	100	100	100	100	100	100
February 2008	100	47	47	47	47	0	100	100	100	100	100	0	100	100	100	100	100	73
February 2009	100	15	15	15	15	0	100	100	100	100	100	0	100	100	100	100	100	47
February 2010	94	0	0	0	0	0	100	45	45	45	45	0	100	100	100	100	100	29
February 2011	63	0	0	0	0	0	100	0	0	0	0	0	100	84	84	84	84	18
February 2012	29	0	0	0	0	0	100	0	0	0	0	0	100	60	60	60	60	11
February 2013	0	0	0	0	0	0	61	0	0	0	0	0	100	42	42	42	42	6
February 2014	0	0	0	0	0	0	0	0	0	0	0	0	63	26	26	26	26	3
February 2015	0	0	0	0	0	0	0	0	0	0	0	0	15	15	15	15	15	1
February 2016	0	0	0	0	0	0	0	0	0	0	0	0	5	5	5	5	5	*
February 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	9.4	6.0	6.0	6.0	6.0	3.8	11.1	8.0	8.0	8.0	8.0	5.0	12.4	10.9	10.9	10.9	10.9	7.4

Date	A Class					Z Class						
	PSA Prepayment Assumption					PSA Prepayment Assumption						
	0%	100%	160%	218%	250%	500%	0%	100%	160%	218%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100
February 2003	92	88	82	100	100	74	106	106	106	16	3	0
February 2004	90	87	68	80	70	0	113	113	113	0	0	0
February 2005	88	85	52	53	37	0	120	120	120	0	0	0
February 2006	86	83	40	36	16	0	127	127	127	0	0	0
February 2007	84	81	31	25	4	0	135	135	135	0	0	0
February 2008	82	78	26	21	*	0	143	143	143	0	0	0
February 2009	80	74	21	20	*	0	152	152	152	0	0	0
February 2010	77	65	14	18	*	0	161	161	161	0	0	0
February 2011	74	51	4	15	*	0	171	171	171	0	0	0
February 2012	72	35	0	13	*	0	182	182	157	0	0	0
February 2013	69	16	0	10	*	0	193	193	124	0	0	0
February 2014	65	0	0	7	*	0	205	189	90	0	0	0
February 2015	53	0	0	4	*	0	218	120	56	0	0	0
February 2016	0	0	0	2	*	0	225	48	22	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.7	7.9	3.9	4.6	2.8	1.3	14.5	13.3	12.1	0.5	0.5	0.3

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

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

Date	AC, FJ, SJ† and AB Classes					VA Class					VB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	182%	250%	500%	0%	100%	182%	250%	500%	0%	100%	182%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2003	99	93	88	85	71	89	89	89	89	89	100	100	100	100	100
February 2004	98	84	75	67	41	77	77	77	77	77	100	100	100	100	100
February 2005	97	76	63	52	21	65	65	65	65	65	100	100	100	100	100
February 2006	96	69	52	39	6	51	51	51	51	51	100	100	100	100	100
February 2007	94	62	42	29	0	37	37	37	37	0	100	100	100	100	86
February 2008	93	55	34	20	0	22	22	22	22	0	100	100	100	100	14
February 2009	91	49	26	12	0	6	6	6	6	0	100	100	100	100	0
February 2010	90	43	20	6	0	0	0	0	0	0	95	95	95	95	0
February 2011	88	37	14	1	0	0	0	0	0	0	86	86	86	86	0
February 2012	86	32	9	0	0	0	0	0	0	0	76	76	76	42	0
February 2013	84	27	4	0	0	0	0	0	0	0	66	66	66	0	0
February 2014	81	22	*	0	0	0	0	0	0	0	55	55	55	0	0
February 2015	79	18	0	0	0	0	0	0	0	0	44	44	12	0	0
February 2016	76	14	0	0	0	0	0	0	0	0	32	32	0	0	0
February 2017	73	10	0	0	0	0	0	0	0	0	19	19	0	0	0
February 2018	69	6	0	0	0	0	0	0	0	0	6	6	0	0	0
February 2019	66	3	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	62	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	57	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2024	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2025	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2026	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2027	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2028	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	18.8	7.5	4.8	3.6	1.9	4.0	4.0	4.0	4.0	3.4	12.3	12.3	11.4	9.8	5.5

Date	ZB Class					FB and SB† Classes					FH Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	182%	250%	500%	0%	100%	275%	400%	600%	0%	100%	280%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2003	106	106	106	106	106	99	96	91	87	81	99	96	90	87	81
February 2004	113	113	113	113	113	98	90	76	67	54	98	90	76	67	54
February 2005	120	120	120	120	120	98	83	63	51	34	98	83	62	51	34
February 2006	127	127	127	127	127	97	77	52	38	22	97	77	51	38	22
February 2007	135	135	135	135	135	96	71	43	28	14	96	71	42	28	14
February 2008	143	143	143	143	143	94	66	35	21	9	94	66	34	21	9
February 2009	152	152	152	152	109	93	61	29	16	5	93	61	28	16	5
February 2010	161	161	161	161	75	92	56	23	12	3	92	56	23	12	3
February 2011	171	171	171	171	51	90	52	19	9	2	90	52	19	9	2
February 2012	182	182	182	182	35	89	47	16	7	1	89	47	15	7	1
February 2013	193	193	193	188	24	87	43	13	5	1	87	43	12	5	1
February 2014	205	205	205	155	16	85	40	10	4	1	85	40	10	4	1
February 2015	218	218	218	127	11	83	36	8	3	*	83	36	8	3	*
February 2016	231	231	198	104	7	81	33	7	2	*	81	33	6	2	*
February 2017	245	245	169	85	5	78	30	5	1	*	78	30	5	1	*
February 2018	261	261	143	69	3	75	27	4	1	*	75	27	4	1	*
February 2019	267	267	121	55	2	72	24	3	1	*	72	24	3	1	*
February 2020	267	263	101	44	1	69	21	3	1	*	69	21	3	1	*
February 2021	267	230	84	35	1	65	19	2	*	*	65	19	2	*	*
February 2022	267	199	69	27	1	61	16	2	*	*	61	16	2	*	*
February 2023	267	171	56	21	*	57	14	1	*	*	57	14	1	*	*
February 2024	267	143	45	16	*	52	12	1	*	*	52	12	1	*	*
February 2025	267	118	35	12	*	47	10	1	*	*	47	10	1	*	*
February 2026	267	93	26	9	*	41	8	1	*	*	41	8	*	*	*
February 2027	267	70	19	6	*	35	6	*	*	*	35	6	*	*	*
February 2028	267	49	12	4	*	28	5	*	*	*	28	5	*	*	*
February 2029	267	28	7	2	*	20	3	*	*	*	20	3	*	*	*
February 2030	226	9	2	1	*	12	2	*	*	*	12	2	*	*	*
February 2031	118	0	0	0	0	3	*	*	*	*	3	*	*	*	*
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.9	22.7	18.4	15.5	8.9	20.5	11.0	5.6	4.1	2.8	20.5	11.0	5.5	4.1	2.8

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

## 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 Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” 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 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 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 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 REMIC 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 REMIC Certificates and any related RCR 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 REMIC Prospectus.

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

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

*Taxation of Beneficial Owners of Regular Certificates—Regular Certificates Purchased at a Premium*” in the REMIC Prospectus.

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	218%
2	182%
3	275%
4	280%

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 any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

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

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 6.57% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

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

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

The RCR Classes will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. The ownership interest represented by RCR Certificates will be one of two types. A Certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying REMIC Certificates. 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. The AB Class is a Combination RCR Class. The remaining RCR Classes are Strip RCR Classes.

*Strip RCR Classes.* The tax consequences to a beneficial owner of a Strip RCR Certificate will be determined under section 1286 of the Code, except as discussed below. Under section 1286, a beneficial owner of a Strip RCR Certificate will be treated as owning “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying REMIC Certificates. If a Strip RCR Certificate entitles the holder to payments of principal and interest on an underlying REMIC Certificate, the IRS could contend that the Strip RCR Certificate should be treated (i) as an interest in the underlying REMIC Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on the underlying REMIC Certificate, and (ii) with respect to the remainder, as an installment obligation

consisting of “stripped bonds” to the extent of its share of principal payments or “stripped coupons” to the extent of its share of interest payments. For purposes of information reporting, however, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument, regardless of whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

Under section 1286, the beneficial owner of a Strip RCR Certificate must treat the Strip RCR Certificate as a debt instrument originally issued on the date the owner acquires it and as having OID equal to the excess, if any, of its “stated redemption price at maturity” over the price paid by the owner to acquire it. The stated redemption price at maturity for a Strip RCR Certificate is determined in the same manner as described with respect to Regular Certificates under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus.

If a Strip RCR Certificate has OID, the beneficial owner must include the OID in its ordinary income for federal income tax purposes as the OID accrues, which may be prior to the receipt of the cash attributable to that income. Although the matter is not entirely clear, a beneficial owner should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price. For a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time the Strip RCR Certificate is acquired or would be the original Prepayment Assumption for the underlying REMIC Certificates. For purposes of information reporting, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption. You should consult your own tax advisors regarding the proper method for accruing OID on a Strip RCR Certificate.

The rules of section 1286 of the Code also apply if (i) a beneficial owner of REMIC Certificates exchanges them for Strip RCR Certificates, (ii) the beneficial owner sells some, but not all, of the Strip RCR Certificates, and (iii) the combination of retained Strip RCR Certificates cannot be exchanged for the related REMIC Certificates. As of the date of such a sale, the beneficial owner must allocate its basis in the REMIC Certificates between the part of the REMIC Certificates underlying the Strip RCR Certificates sold and the part of the REMIC Certificates underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to the retained Certificates, and the beneficial owner must then accrue any OID with respect to the retained Certificates as described above. Section 1286 does not apply, however, if a beneficial owner exchanges REMIC Certificates for the related RCR Certificates and retains all the RCR Certificates, see “—*Exchanges*” below.

Upon the sale of a Strip RCR Certificate, a beneficial owner will realize gain or loss on the sale in an amount equal to the difference between the amount realized and its adjusted basis in the Certificate. The owner’s adjusted basis generally is equal to the owner’s cost of the Certificate (or portion of the cost of REMIC Certificates allocable to the RCR Certificate), increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium. If the beneficial owner holds the Certificate as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Sales and Other Dispositions of Regular Certificates” in the REMIC Prospectus.

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under “—*Taxation of Beneficial Owners of RCR Certificates—Exchanges*”) a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case

section 1286 would not apply. If a beneficial owner acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for REMIC Certificates, see “—*Exchanges*” below.

*Combination RCR Classes.* A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. Except in the case of a beneficial owner that acquires a Combination RCR Certificate in an exchange described under “—*Exchanges*” below, 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 an 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) in exchange for the Trust MBS, the SMBS and the Group 4 Underlying REMIC Certificate. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

*Increase in Certificates.* Before the Settlement Date, we and the Dealer may agree to offer Group 1 or 2 Classes in addition to those contemplated as of the date of this prospectus supplement. In that event, we will increase the related Trust MBS in principal balance, but we expect that all these additional Trust MBS will have the same characteristics as described under “*Description of the Certificates—The Trust MBS*” in this prospectus supplement. The proportion that the original principal balance of each Group 1 or 2 Class bears to the aggregate original principal balance of all Group 1 or 2 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

## LEGAL MATTERS

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Milbank, Tweed, Hadley & McCloy LLP will provide legal representation for the Dealer.

Exhibit A

Group 3 and Group 4 SMBS and Group 4 Underlying REMIC Certificate

Underlying Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	February 2002 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)	Underlying Security Type	Class Group
SMBS 313	IO2	June 2001	3136FAAB6	6.5%	IO	July 2031	NTL	\$2,200,000,000	0.92045844	\$60,183,821	7.030%	349	9	MBS	3
SMBS 313	PO1	June 2001	3136FAAA8	(3)	PO	July 2031	STP	2,200,000,000	0.92045844	46,022,922	7.030	349	9	MBS	3
SMBS 313	IO2	June 2001	3136FAAB6	6.5	IO	July 2031	NTL	2,200,000,000	0.92045844	5,416,834	7.030	349	9	MBS	4
2001-81	F	December 2001	31392BMX1	(2)	FLT	January 2032	PT	163,118,416	0.96307946	70,418,844	7.030	349	9	SMBS	4

(1) See "Description of Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus.

(2) This Class bears interest during its interest accrual period, subject to the applicable maximum and minimum interest rates, as further described in the Underlying REMIC Disclosure Document.

(3) This Class is a Principal Only Class and bears no interest.

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original or Notional Principal Balances	RCR Classes	Original or Notional Principal Balances	Interest Rate	Interest Type(2)	Principal Type (2)	CUSIP Number	Final Distribution Date
<b>Recombination 1</b>								
PB	\$ 76,057,200	IB	\$ 22,183,350 (3)	6.00%	FIX/IO	NTL	31392BQ41	July 2009
		PM	76,057,200	4.25	FIX	PAC	31392BQ58	July 2009
<b>Recombination 2</b>								
PB	76,057,200	IB	15,845,250 (3)	6.00	FIX/IO	NTL	31392BQ41	July 2009
		PR	76,057,200	4.75	FIX	PAC	31392BQ66	July 2009
<b>Recombination 3</b>								
AC	133,333,334	AB	160,000,000	6.00	FIX	SEQ	31392BQ74	November 2029
FJ	26,666,666							
SJ	26,666,666 (3)							

(1) REMIC Certificates and RCR Certificates in any Recombination may be exchanged only in the proportions shown above.

(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.

(3) Notional principal balance.

## Principal Balance Schedules

### *PA Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through June 2002 .....	\$38,071,800.00	November 2002 .....	\$26,530,524.50	May 2003 .....	\$10,268,728.29
July 2002 .....	35,916,942.28	December 2002 .....	23,997,317.71	June 2003 .....	7,319,235.57
August 2002 .....	33,684,399.20	January 2003 .....	21,391,672.87	July 2003 .....	4,304,901.19
September 2002 .....	31,375,136.11	February 2003 .....	18,714,761.83	August 2003 .....	1,227,116.42
October 2002 .....	28,990,161.15	March 2003 .....	15,967,795.36	September 2003 and thereafter .....	0.00
		April 2003 .....	13,152,022.22		

### *PB Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through August 2003 .....	\$76,057,200.00	April 2004 .....	\$50,555,165.15	January 2005 .....	\$18,965,658.61
September 2003 .....	74,144,505.56	May 2004 .....	46,974,013.96	February 2005 .....	15,543,354.43
October 2003 .....	70,944,124.89	June 2004 .....	43,410,879.04	March 2005 .....	12,138,248.68
November 2003 .....	67,684,661.53	July 2004 .....	39,865,667.65	April 2005 .....	8,750,252.82
December 2003 .....	64,367,632.28	August 2004 .....	36,338,287.49	May 2005 .....	5,379,278.74
January 2004 .....	60,994,582.46	September 2004 .....	32,828,646.77	June 2005 .....	2,025,238.81
February 2004 .....	57,567,084.72	October 2004 .....	29,336,654.15	July 2005 and thereafter .....	0.00
March 2004 .....	54,086,737.77	November 2004 .....	25,862,218.77		
		December 2004 .....	22,405,250.24		

### *PC Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through June 2005 .....	\$25,131,000.00	November 2005 .....	\$17,078,786.28	May 2006 .....	\$ 6,366,463.41
July 2005 .....	24,402,136.58	December 2005 .....	15,270,869.36	June 2006 .....	4,612,294.24
August 2005 .....	22,557,451.71	January 2006 .....	13,472,026.40	July 2006 .....	2,866,922.28
September 2005 .....	20,722,030.13	February 2006 .....	11,682,210.70	August 2006 .....	1,130,302.24
October 2005 .....	18,895,824.13	March 2006 .....	9,901,375.75	September 2006 and thereafter .....	0.00
		April 2006 .....	8,129,475.32		

### *PT Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through June 2005 .....	\$20,104,800.00	November 2005 .....	\$13,663,029.02	May 2006 .....	\$ 5,093,170.73
July 2005 .....	19,521,709.26	December 2005 .....	12,216,695.49	June 2006 .....	3,689,835.39
August 2005 .....	18,045,961.37	January 2006 .....	10,777,621.12	July 2006 .....	2,293,537.83
September 2005 .....	16,577,624.10	February 2006 .....	9,345,768.56	August 2006 .....	904,241.79
October 2005 .....	15,116,659.31	March 2006 .....	7,921,100.60	September 2006 and thereafter .....	0.00
		April 2006 .....	6,503,580.26		

### *PD Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through August 2006 .....	\$98,044,200.00	September 2006 .....	\$96,968,500.27	December 2006 .....	\$87,730,997.98
		October 2006 .....	93,873,848.13	January 2007 .....	84,682,640.63
		November 2006 .....	90,794,707.33	February 2007 .....	81,649,556.21

**PD Class (Continued)**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
March 2007 .....	\$78,631,666.09	February 2008 .....	\$46,415,605.26	January 2009 .....	\$17,269,196.20
April 2007 .....	75,628,892.02	March 2008 .....	43,574,057.21	February 2009 .....	14,870,096.52
May 2007 .....	72,641,156.15	April 2008 .....	40,746,717.10	March 2009 .....	12,510,629.43
June 2007 .....	69,668,381.04	May 2008 .....	37,962,791.56	April 2009 .....	10,190,202.11
July 2007 .....	66,710,489.66	June 2008 .....	35,224,234.79	May 2009 .....	7,908,230.22
August 2007 .....	63,767,405.35	July 2008 .....	32,530,372.28	June 2009 .....	5,664,137.73
September 2007 .....	60,839,051.86	August 2008 .....	29,880,539.11	July 2009 .....	3,457,356.87
October 2007 .....	57,925,353.34	September 2008 .....	27,274,079.82	August 2009 .....	1,287,327.96
November 2007 .....	55,026,234.30	October 2008 .....	24,710,348.29	September 2009 and thereafter .....	0.00
December 2007 .....	52,141,619.68	November 2008 .....	22,188,707.59		
January 2008 .....	49,271,434.77	December 2008 .....	19,708,529.86		

**PE Class Planned Balances**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through August 2009 .....	\$19,940,400.00	December 2009 .....	\$12,904,215.76	May 2010 .....	\$ 3,262,830.11
September 2009 .....	19,093,899.31	January 2010 .....	10,909,827.42	June 2010 .....	1,431,243.77
October 2009 .....	16,995,727.13	February 2010 .....	8,948,997.06	July 2010 and thereafter .....	0.00
November 2009 .....	14,932,675.39	March 2010 .....	7,021,218.69		
		April 2010 .....	5,125,993.57		

**PG Class Planned Balances**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through June 2010 .....	\$73,656,000.00	July 2012 .....	\$38,276,117.70	October 2014 .....	\$13,407,595.75
July 2010 .....	73,286,756.97	August 2012 .....	37,116,369.16	November 2014 .....	12,709,626.06
August 2010 .....	71,516,898.96	September 2012 .....	35,977,450.04	December 2014 .....	12,025,242.23
September 2010 .....	69,777,205.77	October 2012 .....	34,859,037.76	January 2015 .....	11,354,227.45
October 2010 .....	68,067,220.08	November 2012 .....	33,760,814.40	February 2015 .....	10,696,368.15
November 2010 .....	66,386,491.15	December 2012 .....	32,682,466.68	March 2015 .....	10,051,453.86
December 2010 .....	64,734,574.69	January 2013 .....	31,623,685.85	April 2015 .....	9,419,277.26
January 2011 .....	63,111,032.84	February 2013 .....	30,584,167.68	May 2015 .....	8,799,634.06
February 2011 .....	61,515,434.00	March 2013 .....	29,563,612.34	June 2015 .....	8,192,322.99
March 2011 .....	59,947,352.80	April 2013 .....	28,561,724.36	July 2015 .....	7,597,145.74
April 2011 .....	58,406,370.00	May 2013 .....	27,578,212.59	August 2015 .....	7,013,906.96
May 2011 .....	56,892,072.37	June 2013 .....	26,612,790.12	September 2015 .....	6,442,414.16
June 2011 .....	55,404,052.67	July 2013 .....	25,665,174.21	October 2015 .....	5,882,477.72
July 2011 .....	53,941,909.50	August 2013 .....	24,735,086.24	November 2015 .....	5,333,910.80
August 2011 .....	52,505,247.25	September 2013 .....	23,822,251.67	December 2015 .....	4,796,529.37
September 2011 .....	51,093,676.04	October 2013 .....	22,926,399.96	January 2016 .....	4,270,152.08
October 2011 .....	49,706,811.60	November 2013 .....	22,047,264.53	February 2016 .....	3,754,600.30
November 2011 .....	48,344,275.20	December 2013 .....	21,184,582.67	March 2016 .....	3,249,698.05
December 2011 .....	47,005,693.60	January 2014 .....	20,338,095.53	April 2016 .....	2,755,271.94
January 2012 .....	45,690,698.95	February 2014 .....	19,507,548.05	May 2016 .....	2,271,151.19
February 2012 .....	44,398,928.70	March 2014 .....	18,692,688.90	June 2016 .....	1,797,167.54
March 2012 .....	43,130,025.56	April 2014 .....	17,893,270.41	July 2016 .....	1,333,155.22
April 2012 .....	41,883,637.41	May 2014 .....	17,109,048.57	August 2016 .....	878,950.97
May 2012 .....	40,659,417.22	June 2014 .....	16,339,782.93	September 2016 .....	434,393.92
June 2012 .....	39,457,023.00	July 2014 .....	15,585,236.56	October 2016 and thereafter .....	0.00
		August 2014 .....	14,845,176.02		
		September 2014 .....	14,119,371.30		

### *A Class Targeted Balances*

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$78,114,600.00	May 2005 .....	\$37,851,993.16	July 2008 .....	\$18,992,090.42
March 2002 .....	75,993,746.44	June 2005 .....	37,023,911.81	August 2008 .....	18,681,281.30
April 2002 .....	73,747,237.19	July 2005 .....	36,216,810.13	September 2008 .....	18,353,855.04
May 2002 .....	71,376,395.95	August 2005 .....	35,430,436.06	October 2008 .....	18,010,211.36
June 2002 .....	68,882,654.64	September 2005 .....	34,664,539.95	November 2008 .....	17,650,742.86
July 2002 .....	68,422,409.79	October 2005 .....	33,918,874.49	December 2008 .....	17,275,835.07
August 2002 .....	67,920,133.28	November 2005 .....	33,193,194.73	January 2009 .....	16,885,866.60
September 2002 .....	67,376,607.73	December 2005 .....	32,487,258.07	February 2009 .....	16,481,209.24
October 2002 .....	66,792,674.99	January 2006 .....	31,800,824.16	March 2009 .....	16,062,228.05
November 2002 .....	66,169,234.84	February 2006 .....	31,133,654.98	April 2009 .....	15,629,281.48
December 2002 .....	65,507,243.62	March 2006 .....	30,485,514.76	May 2009 .....	15,182,721.48
January 2003 .....	64,807,712.80	April 2006 .....	29,856,169.95	June 2009 .....	14,722,893.56
February 2003 .....	64,071,707.35	May 2006 .....	29,245,389.24	July 2009 .....	14,250,136.94
March 2003 .....	63,300,344.06	June 2006 .....	28,652,943.52	August 2009 .....	13,764,784.61
April 2003 .....	62,494,789.80	July 2006 .....	28,078,605.85	September 2009 .....	13,267,163.47
May 2003 .....	61,656,259.57	August 2006 .....	27,522,151.46	October 2009 .....	12,757,594.37
June 2003 .....	60,786,014.60	September 2006 .....	26,983,357.71	November 2009 .....	12,236,392.24
July 2003 .....	59,885,360.21	October 2006 .....	26,462,004.10	December 2009 .....	11,703,866.18
August 2003 .....	58,955,643.72	November 2006 .....	25,957,872.20	January 2010 .....	11,160,319.53
September 2003 .....	57,998,252.21	December 2006 .....	25,470,745.69	February 2010 .....	10,606,050.01
October 2003 .....	57,014,610.15	January 2007 .....	25,000,410.30	March 2010 .....	10,041,349.72
November 2003 .....	56,006,177.11	February 2007 .....	24,546,653.81	April 2010 .....	9,466,505.33
December 2003 .....	54,974,445.23	March 2007 .....	24,109,266.02	May 2010 .....	8,881,798.10
January 2004 .....	53,920,936.76	April 2007 .....	23,688,038.73	June 2010 .....	8,287,503.97
February 2004 .....	52,847,201.45	May 2007 .....	23,282,765.74	July 2010 .....	7,683,893.66
March 2004 .....	51,754,813.94	June 2007 .....	22,893,242.81	August 2010 .....	7,071,232.76
April 2004 .....	50,645,371.11	July 2007 .....	22,519,267.67	September 2010 .....	6,449,781.78
May 2004 .....	49,520,489.30	August 2007 .....	22,160,639.96	October 2010 .....	5,819,796.26
June 2004 .....	48,420,091.56	September 2007 .....	21,817,161.25	November 2010 .....	5,181,526.83
July 2004 .....	47,343,892.68	October 2007 .....	21,488,635.00	December 2010 .....	4,535,219.29
August 2004 .....	46,291,610.17	November 2007 .....	21,174,866.55	January 2011 .....	3,881,114.71
September 2004 .....	45,262,964.20	December 2007 .....	20,875,663.12	February 2011 .....	3,219,449.46
October 2004 .....	44,257,677.58	January 2008 .....	20,590,833.75	March 2011 .....	2,550,455.32
November 2004 .....	43,275,475.75	February 2008 .....	20,320,189.33	April 2011 .....	1,874,359.54
December 2004 .....	42,316,086.72	March 2008 .....	20,063,542.56	May 2011 .....	1,191,384.92
January 2005 .....	41,379,241.09	April 2008 .....	19,820,707.92	June 2011 .....	501,749.87
February 2005 .....	40,464,672.00	May 2008 .....	19,562,221.85	July 2011 and thereafter .....	0.00
March 2005 .....	39,572,115.13	June 2008 .....	19,285,875.39		
April 2005 .....	38,701,308.63				

### *Z Class Targeted Balances*

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$20,880,000.00	September 2002 .....	\$21,621,853.81	April 2003 .....	\$22,390,065.23
March 2002 .....	20,984,400.00	October 2002 .....	21,729,963.08	May 2003 .....	22,502,015.56
April 2002 .....	21,089,322.00	November 2002 .....	21,838,612.89	June 2003 .....	22,614,525.64
May 2002 .....	21,194,768.61	December 2002 .....	21,947,805.96	July 2003 .....	22,727,598.27
June 2002 .....	21,300,742.45	January 2003 .....	22,057,544.99	August 2003 .....	22,841,236.26
July 2002 .....	21,407,246.17	February 2003 .....	22,167,832.71	September 2003 .....	22,955,442.44
August 2002 .....	21,514,282.40	March 2003 .....	22,278,671.88	October 2003 .....	23,070,219.65

**Z Class (Continued)**

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
November 2003 .....	\$23,185,570.75	April 2008 .....	\$30,200,842.91	August 2012 .....	\$29,402,980.04
December 2003 .....	23,301,498.60	May 2008 .....	30,351,847.12	September 2012 .....	28,832,585.56
January 2004 .....	23,418,006.10	June 2008 .....	30,503,606.36	October 2012 .....	28,259,461.25
February 2004 .....	23,535,096.13	July 2008 .....	30,656,124.39	November 2012 .....	27,683,765.73
March 2004 .....	23,652,771.61	August 2008 .....	30,809,405.01	December 2012 .....	27,105,654.38
April 2004 .....	23,771,035.47	September 2008 .....	30,963,452.04	January 2013 .....	26,525,279.36
May 2004 .....	23,889,890.64	October 2008 .....	31,118,269.30	February 2013 .....	25,942,789.71
June 2004 .....	24,009,340.10	November 2008 .....	31,273,860.64	March 2013 .....	25,358,331.35
July 2004 .....	24,129,386.80	December 2008 .....	31,430,229.95	April 2013 .....	24,772,047.17
August 2004 .....	24,250,033.73	January 2009 .....	31,587,381.10	May 2013 .....	24,184,077.08
September 2004 .....	24,371,283.90	February 2009 .....	31,745,318.00	June 2013 .....	23,594,558.01
October 2004 .....	24,493,140.32	March 2009 .....	31,904,044.59	July 2013 .....	23,003,624.03
November 2004 .....	24,615,606.02	April 2009 .....	32,063,564.81	August 2013 .....	22,411,406.35
December 2004 .....	24,738,684.05	May 2009 .....	32,223,882.64	September 2013 .....	21,818,033.37
January 2005 .....	24,862,377.47	June 2009 .....	32,385,002.05	October 2013 .....	21,223,630.76
February 2005 .....	24,986,689.36	July 2009 .....	32,546,927.06	November 2013 .....	20,628,321.45
March 2005 .....	25,111,622.81	August 2009 .....	32,709,661.70	December 2013 .....	20,032,225.74
April 2005 .....	25,237,180.92	September 2009 .....	32,873,210.01	January 2014 .....	19,435,461.29
May 2005 .....	25,363,366.82	October 2009 .....	33,037,576.06	February 2014 .....	18,838,143.21
June 2005 .....	25,490,183.66	November 2009 .....	33,202,763.94	March 2014 .....	18,240,384.05
July 2005 .....	25,617,634.58	December 2009 .....	33,368,777.76	April 2014 .....	17,642,293.89
August 2005 .....	25,745,722.75	January 2010 .....	33,535,621.64	May 2014 .....	17,043,980.36
September 2005 .....	25,874,451.36	February 2010 .....	33,703,299.75	June 2014 .....	16,445,548.68
October 2005 .....	26,003,823.62	March 2010 .....	33,871,816.25	July 2014 .....	15,847,101.72
November 2005 .....	26,133,842.74	April 2010 .....	34,041,175.33	August 2014 .....	15,248,740.01
December 2005 .....	26,264,511.95	May 2010 .....	34,211,381.21	September 2014 .....	14,650,561.80
January 2006 .....	26,395,834.51	June 2010 .....	34,382,438.12	October 2014 .....	14,052,663.09
February 2006 .....	26,527,813.68	July 2010 .....	34,554,350.31	November 2014 .....	13,455,137.67
March 2006 .....	26,660,452.75	August 2010 .....	34,727,122.06	December 2014 .....	12,858,077.19
April 2006 .....	26,793,755.02	September 2010 .....	34,900,757.67	January 2015 .....	12,261,571.11
May 2006 .....	26,927,723.79	October 2010 .....	35,075,261.46	February 2015 .....	11,665,706.85
June 2006 .....	27,062,362.41	November 2010 .....	35,250,637.76	March 2015 .....	11,070,569.73
July 2006 .....	27,197,674.22	December 2010 .....	35,426,890.95	April 2015 .....	10,476,243.05
August 2006 .....	27,333,662.59	January 2011 .....	35,604,025.41	May 2015 .....	9,882,808.15
September 2006 .....	27,470,330.91	February 2011 .....	35,782,045.53	June 2015 .....	9,290,344.36
October 2006 .....	27,607,682.56	March 2011 .....	35,960,955.76	July 2015 .....	8,698,929.14
November 2006 .....	27,745,720.97	April 2011 .....	36,140,760.54	August 2015 .....	8,108,638.03
December 2006 .....	27,884,449.58	May 2011 .....	36,321,464.34	September 2015 .....	7,519,544.72
January 2007 .....	28,023,871.83	June 2011 .....	36,503,071.66	October 2015 .....	6,931,721.07
February 2007 .....	28,163,991.19	July 2011 .....	36,491,255.50	November 2015 .....	6,345,237.16
March 2007 .....	28,304,811.14	August 2011 .....	35,972,365.55	December 2015 .....	5,760,161.29
April 2007 .....	28,446,335.20	September 2011 .....	35,448,361.92	January 2016 .....	5,176,560.06
May 2007 .....	28,588,566.87	October 2011 .....	34,919,450.74	February 2016 .....	4,594,498.33
June 2007 .....	28,731,509.71	November 2011 .....	34,385,834.14	March 2016 .....	4,014,039.32
July 2007 .....	28,875,167.26	December 2011 .....	33,847,710.28	April 2016 .....	3,435,244.59
August 2007 .....	29,019,543.09	January 2012 .....	33,305,273.41	May 2016 .....	2,858,174.11
September 2007 .....	29,164,640.81	February 2012 .....	32,758,713.97	June 2016 .....	2,282,886.23
October 2007 .....	29,310,464.01	March 2012 .....	32,208,218.61	July 2016 .....	1,709,437.78
November 2007 .....	29,457,016.33	April 2012 .....	31,653,970.30	August 2016 .....	1,137,884.05
December 2007 .....	29,604,301.41	May 2012 .....	31,096,148.34	September 2016 .....	568,278.81
January 2008 .....	29,752,322.92	June 2012 .....	30,534,928.43	October 2016 and thereafter .....	0.00
February 2008 .....	29,901,084.53	July 2012 .....	29,970,482.76		
March 2008 .....	30,050,589.96				

**Group 1 MBS Targeted Balances**

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$450,000,000.00	May 2006 .....	\$259,273,347.17	August 2010 .....	\$113,315,253.78
March 2002 .....	447,983,546.44	June 2006 .....	255,658,035.56	September 2010 .....	111,127,745.22
April 2002 .....	445,841,959.19	July 2006 .....	252,077,340.18	October 2010 .....	108,962,277.80
May 2002 .....	443,576,564.56	August 2006 .....	248,530,958.08	November 2010 .....	106,818,655.74
June 2002 .....	441,188,797.09	September 2006 .....	245,018,588.89	December 2010 .....	104,696,684.94
July 2002 .....	438,680,198.23	October 2006 .....	241,539,934.79	January 2011 .....	102,596,172.95
August 2002 .....	436,052,414.87	November 2006 .....	238,094,700.50	February 2011 .....	100,516,928.99
September 2002 .....	433,307,197.65	December 2006 .....	234,682,593.25	March 2011 .....	98,458,763.88
October 2002 .....	430,446,399.22	January 2007 .....	231,303,322.76	April 2011 .....	96,421,490.08
November 2002 .....	427,471,972.23	February 2007 .....	227,956,601.21	May 2011 .....	94,404,921.64
December 2002 .....	424,385,967.29	March 2007 .....	224,642,143.25	June 2011 .....	92,408,874.20
January 2003 .....	421,190,530.66	April 2007 .....	221,359,665.94	July 2011 .....	90,433,165.00
February 2003 .....	417,887,901.89	May 2007 .....	218,108,888.76	August 2011 .....	88,477,612.80
March 2003 .....	414,480,411.30	June 2007 .....	214,889,533.56	September 2011 .....	86,542,037.96
April 2003 .....	410,970,477.25	July 2007 .....	211,701,324.59	October 2011 .....	84,626,262.34
May 2003 .....	407,360,603.43	August 2007 .....	208,543,988.40	November 2011 .....	82,730,109.34
June 2003 .....	403,653,375.80	September 2007 .....	205,417,253.92	December 2011 .....	80,853,403.88
July 2003 .....	399,851,459.67	October 2007 .....	202,320,852.35	January 2012 .....	78,995,972.35
August 2003 .....	395,957,596.40	November 2007 .....	199,254,517.19	February 2012 .....	77,157,642.66
September 2003 .....	391,974,600.21	December 2007 .....	196,217,984.21	March 2012 .....	75,338,244.17
October 2003 .....	387,905,354.70	January 2008 .....	193,210,991.44	April 2012 .....	73,537,607.71
November 2003 .....	383,752,809.39	February 2008 .....	190,233,279.13	May 2012 .....	71,755,565.56
December 2003 .....	379,519,976.11	March 2008 .....	187,284,589.73	June 2012 .....	69,991,951.43
January 2004 .....	375,209,925.32	April 2008 .....	184,364,667.92	July 2012 .....	68,246,600.46
February 2004 .....	370,825,782.29	May 2008 .....	181,473,260.53	August 2012 .....	66,519,349.20
March 2004 .....	366,370,723.32	June 2008 .....	178,610,116.54	September 2012 .....	64,810,035.60
April 2004 .....	361,847,971.72	July 2008 .....	175,774,987.08	October 2012 .....	63,118,499.01
May 2004 .....	357,260,793.91	August 2008 .....	172,967,625.42	November 2012 .....	61,444,580.13
June 2004 .....	352,716,710.70	September 2008 .....	170,187,786.89	December 2012 .....	59,788,121.05
July 2004 .....	348,215,347.12	October 2008 .....	167,435,228.95	January 2013 .....	58,148,965.21
August 2004 .....	343,756,331.39	November 2008 .....	164,709,711.09	February 2013 .....	56,526,957.39
September 2004 .....	339,339,294.87	December 2008 .....	162,010,994.88	March 2013 .....	54,921,943.68
October 2004 .....	334,963,872.05	January 2009 .....	159,338,843.90	April 2013 .....	53,333,771.53
November 2004 .....	330,629,700.54	February 2009 .....	156,693,023.76	May 2013 .....	51,762,289.67
December 2004 .....	326,336,421.00	March 2009 .....	154,073,302.07	June 2013 .....	50,207,348.13
January 2005 .....	322,083,677.17	April 2009 .....	151,479,448.41	July 2013 .....	48,668,798.24
February 2005 .....	317,871,115.79	May 2009 .....	148,911,234.33	August 2013 .....	47,146,492.59
March 2005 .....	313,698,386.61	June 2009 .....	146,368,433.34	September 2013 .....	45,640,285.05
April 2005 .....	309,565,142.36	July 2009 .....	143,850,820.87	October 2013 .....	44,150,030.72
May 2005 .....	305,471,038.72	August 2009 .....	141,358,174.27	November 2013 .....	42,675,585.98
June 2005 .....	301,415,734.28	September 2009 .....	138,890,272.79	December 2013 .....	41,216,808.41
July 2005 .....	297,398,890.54	October 2009 .....	136,446,897.55	January 2014 .....	39,773,556.83
August 2005 .....	293,420,171.89	November 2009 .....	134,027,831.57	February 2014 .....	38,345,691.26
September 2005 .....	289,479,245.54	December 2009 .....	131,632,859.69	March 2014 .....	36,933,072.95
October 2005 .....	285,575,781.55	January 2010 .....	129,261,768.60	April 2014 .....	35,535,564.30
November 2005 .....	281,709,452.78	February 2010 .....	126,914,346.82	May 2014 .....	34,153,028.93
December 2005 .....	277,879,934.86	March 2010 .....	124,590,384.66	June 2014 .....	32,785,331.61
January 2006 .....	274,086,906.20	April 2010 .....	122,289,674.23	July 2014 .....	31,432,338.28
February 2006 .....	270,330,047.92	May 2010 .....	120,012,009.42	August 2014 .....	30,093,916.03
March 2006 .....	266,609,043.86	June 2010 .....	117,757,185.85	September 2014 .....	28,769,933.09
April 2006 .....	262,923,580.54	July 2010 .....	115,525,000.93	October 2014 .....	27,460,258.83

**Group 1 MBS Targeted Balances (Continued)**

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
November 2014 . . . . .	\$ 26,164,763.74	August 2015 . . . . .	\$ 15,122,544.99	April 2016 . . . . .	\$ 6,190,516.54
December 2014 . . . . .	24,883,319.41	September 2015 . . . . .	13,961,958.88	May 2016 . . . . .	5,129,325.30
January 2015 . . . . .	23,615,798.57	October 2015 . . . . .	12,814,198.78	June 2016 . . . . .	4,080,053.77
February 2015 . . . . .	22,362,075.00	November 2015 . . . . .	11,679,147.96	July 2016 . . . . .	3,042,593.01
March 2015 . . . . .	21,122,023.59	December 2015 . . . . .	10,556,690.66	August 2016 . . . . .	2,016,835.01
April 2015 . . . . .	19,895,520.32	January 2016 . . . . .	9,446,712.14	September 2016 . . . . .	1,002,672.73
May 2015 . . . . .	18,682,442.21	February 2016 . . . . .	8,349,098.63	October 2016 and thereafter . . . . .	0.00
June 2015 . . . . .	17,482,667.35	March 2016 . . . . .	7,263,737.37		
July 2015 . . . . .	16,296,074.88				

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

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

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**\$766,441,766**



**Guaranteed  
REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2002-12**

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**PROSPECTUS SUPPLEMENT**

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**Merrill Lynch & Co.**

**January 22, 2002**

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