

**\$261,595,914**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2002-28  
(The Group 1, 2, 3, 5 and Residual Classes Only)**

**The Certificates**

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

**Payments to Certificateholders**

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

- interest accrued on the balance of your certificate (except in the case of the accrual 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
- underlying RCR and REMIC certificates 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
LA .....	1	\$ 9,297,397	PAC	6.0%	FIX	31392C7 J7	March 2007
LB .....	1	10,000,000	PAC	6.0	FIX	31392C7 K4	April 2010
LC .....	1	26,000,000	PAC	6.0	FIX	31392C7 L2	October 2015
LD .....	1	10,000,000	PAC	6.0	FIX	31392DAA0	May 2017
D .....	1	13,000,000	SCH/NSJ/AD	6.0	FIX	31392DAB8	May 2017
ZD .....	1	1,040,000	SUP/NSJ	6.0	FIX/Z	31392DAC6	March 2017
DA .....	1	1,393,600	SUP	6.0	FIX	31392DAD4	May 2017
DN .....	1	5,000,000	SUP	6.0	FIX	31392DAE2	May 2017
FA .....	2	50,000,000	PT	(1)	FLT	31392DAF9	April 2032
SA .....	2	50,000,000 (2)	NTL	(1)	INV/IO	31392DAG7	April 2032
VA(3) ..	3	27,951,820	SC/SEQ/AD	6.5	FIX	31392DAH5	July 2014
VB(3) ..	3	20,700,000	SC/SEQ/AD	6.5	FIX	31392DAJ1	March 2020
PA .....	3	6,000,000	SC/SEQ/AD	6.5	FIX	31392DAK8	September 2025
PL .....	3	22,300,000	SC/SEQ/AD	6.0	FIX	31392DAL6	September 2025
PM .....	3	1,715,385 (2)	NTL	6.5	FIX/IO	31392DAM4	September 2025
ZA .....	3	21,000,000	SC/SEQ	6.5	FIX/Z	31392DAN2	May 2030
FB .....	5	37,913,097	PT	(1)	FLT	31392DAP7	May 2032
SB .....	5	37,913,097 (2)	NTL	(1)	INV/IO	31392DAQ5	May 2032
SI .....	5	37,913,097 (2)	NTL	(4)	WAC/IO	31392DAR3	May 2032
R .....		0	NPR	0	NPR	31392CA20	May 2032
RL .....		0	NPR	0	NPR	31392CA38	May 2032

- (1) Based on LIBOR.  
(2) Notional balances. These classes are interest only classes.  
(3) Exchangeable classes.

- (4) The SI Class will bear interest at a variable annual rate calculated as described in this prospectus. During the initial interest accrual period, it is expected that the SI Class will bear interest at an annual rate of approximately 0.64368%.

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 VC Class is the RCR class, as further described in this prospectus supplement.

Only the classes listed in the chart above are offered by this prospectus supplement. The Group 4 Classes are offered by a separate 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 April 30, 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.

**Salomon Smith Barney**

The date of this Prospectus Supplement is March 13, 2002.

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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 (Single-Family Residential Mortgage Loans) dated March 1, 2002 (the “MBS Prospectus”);
- our Information Statement dated April 1, 2002 (the “Information Statement”);
- if you are purchasing any Group 2 Class or the R or RL Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated March 30, 2000 (the “SMBS Prospectus”);
- if you are purchasing any Group 3 Class or the R or RL Class, the disclosure documents relating to the underlying RCR and REMIC certificates (the “Underlying REMIC Disclosure Documents”); and
- if you are purchasing the R or RL Class, our Prospectus Supplement for Fannie Mae Guaranteed REMIC Pass-Through Certificates, Fannie Mae REMIC Trust 2002-28 (Group 4 Classes Only), dated March 13, 2002 (the “Related Prospectus Supplement”).

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 Documents, by writing or calling the dealer at:

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

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 SMBS
3	Class 2001-42-OD RCR Certificate Class 2002-10-VG REMIC Certificate
5	Group 5 MBS

### Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS and the SMBS (as of April 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	\$75,730,997	180	171	8	6.44000%
Group 2 SMBS*	\$50,000,000	360	357	3	6.98600%
Group 5 MBS	\$14,357,131	360	188	158	10.26337%
	23,555,966	360	190	161	10.33422%

\* The Group 2 SMBS will represent ownership of (i) payments at a pass-through rate of 6.5% on an initial notional principal amount of \$65,384,615 and (ii) principal payments on an initial principal amount of \$50,000,000 of MBS. See "Description of the Certificates—The Group 2 SMBS" in this prospectus supplement.

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 Underlying RCR and REMIC Certificates

Exhibit A describes the Group 3 underlying RCR and REMIC certificates, including certain information about the related mortgage loans. To learn more about the Group 3 underlying RCR and REMIC certificates, you should obtain from us the current class factor and the disclosure document for the Group 3 underlying RCR and REMIC certificates as described on page S-3 of this prospectus supplement.

### Class Factors

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account 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 April 30, 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:

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes of certificates other than the R and RL Classes	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 each interest accrual period, the SI Class will bear interest at an annual rate equal to the *excess*, if any, of the weighted average pass-through rate of the Group 5 MBS *over* the sum of the interest rates of the FB and SB Classes. During the initial interest accrual period, it is expected that the SI Class will bear interest at an annual rate of approximately 0.64368%.

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FA .....	2.60%	8.5%	0.7%	LIBOR + 70 basis points
SA .....	5.90%	7.8%	0.0%	7.80% – LIBOR
FB .....	2.05%	9.0%	0.2%	LIBOR + 20 basis points
SB .....	6.95%	8.8%	0.0%	8.80% – LIBOR

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

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

## Notional Classes

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

### Class

SA .....	100% of the FA Class
PM .....	7.6923076923% of the PL Class
SB .....	100% of the FB Class
SI .....	100% of the FB Class

## Distributions of Principal

### *Group 1 Principal Distribution Amount*

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

1. To the LA, LB, LC and LD Classes, in that order, to their Planned Balances.
2. 24.4695012137% of the remaining amount to the DN Class to zero.

#### *ZD Accrual Amount and Remaining Group 1 Cash Flow Distribution Amount*

1. If and only if the principal balance of the Group 1 MBS is less than the Group 1 MBS Targeted Balance, 99% of the ZD Accrual Amount and remaining Group 1 Cash Flow Distribution Amount to the ZD Class to zero.
2. To the D Class to its Scheduled Balance.
3. To the ZD and DA Classes, in that order, to zero.
4. To the D Class to zero.
5. To the LA, LB, LC and LD Classes, in that order, to zero.

### *Group 2 Principal Distribution Amount*

To the FA Class to zero.

### *Group 3 Principal Distribution Amount*

#### *ZA Accrual Amount*

1. To the VA and VB Classes, in that order, to zero.
2. To the PA and PL Classes, pro rata, to zero.
3. Thereafter to the ZA Class.

#### *Group 3 Cash Flow Distribution Amount*

The portion of the Group 3 Cash Flow Distribution Amount attributable to the Class 2002-10-VG REMIC Certificate to the VA Class to zero.

The portion of the Group 3 Cash Flow Distribution Amount attributable to the Class 2001-42-OD RCR Certificate, plus any remaining Group 3 Cash Flow Distribution Amount attributable to the Class 2002-10-VG REMIC Certificate, as follows:

1. To the PA and PL Classes, pro rata to zero.
2. To the VA, VB and ZA Classes, in that order, to zero.

*Group 5 Principal Distribution Amount*

To the FB 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>145%</u>	<u>175%</u>	<u>220%</u>	<u>250%</u>	<u>254%</u>	<u>255%</u>	<u>256%</u>	<u>500%</u>
LA .....	2.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5
LB .....	5.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.2
LC .....	9.1	6.0	6.0	6.0	6.0	6.0	5.9	5.9	5.9	3.7
LD .....	12.2	11.0	11.0	11.0	11.0	11.0	10.9	10.9	10.9	7.5
D .....	11.2	7.1	5.1	5.1	3.2	1.9	1.9	1.9	1.9	0.9
ZD .....	14.6	12.3	9.0	1.0	0.5	0.4	0.4	0.4	0.1	0.1
DA .....	14.9	13.7	12.6	3.1	1.3	1.1	1.0	1.0	1.0	0.4
DN .....	12.3	8.4	6.1	4.7	2.8	1.8	1.7	1.7	1.7	0.8

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>278%</u>	<u>500%</u>	<u>750%</u>
FA and SA .....	21.0	11.4	5.9	3.7	2.6

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>248%</u>	<u>500%</u>	<u>750%</u>
VA .....	6.8	6.2	5.8	3.7	2.6
VB .....	15.2	9.7	8.8	4.9	3.3
PA, PL and PM .....	19.7	7.6	6.8	3.6	2.4
ZA .....	23.0	11.9	11.3	6.0	4.0
VC .....	10.3	7.7	7.1	4.2	2.9

<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>300%</u>	<u>500%</u>	<u>750%</u>
FB, SB and SI .....	22.6	7.1	4.0	2.6	1.6

\* 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.

*Payments on the Group 3 Classes also will be affected by the payment priorities governing the Group 3 underlying RCR and REMIC certificates.* If you invest in any Group 3 Class, the rate at which you receive payments also will be affected by the priority sequences governing principal payments on the Group 3 underlying RCR and REMIC certificates.

As described in the related disclosure document, the Group 3 underlying RCR certificate has a principal balance schedule. As a result, the Group 3 underlying RCR certificate may receive principal payments at a rate faster or slower than would otherwise have been the case. In some cases, it may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at a rate faster or slower than the rate initially assumed. This prospectus supplement contains no information as to whether

- the Group 3 underlying RCR certificate has adhered to its principal balance schedule,
- any related Support classes remain outstanding, or
- the Group 3 underlying RCR certificate otherwise has performed as originally anticipated.

You may obtain additional information about the Group 3 underlying RCR and REMIC

certificates by reviewing their current class factors in light of other information available in the underlying disclosure document. You may obtain this document from us as described on page S-3 of this prospectus supplement.

*Weighted average life of the ZD Class is sensitive to prepayments under certain scenarios.* The weighted average life of the ZD Class, which is a Non-Sticky Jump Class, is sensitive 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. For an illustration of this sensitivity, see the decrement table for the ZD Class in this prospectus supplement.

*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 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 and the Group 2 SMBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences



between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average 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 distribu-

tion date listed on the cover page of this prospectus supplement. If you assume that the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

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

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

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of April 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 include

- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 5 MBS” and, together, the “Trust MBS”),
- certain Fannie Mae Stripped Mortgage-Backed Securities (the “Group 2 SMBS”), and
- certain previously issued RCR and REMIC Certificates (the “Group 3 Underlying REMIC Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A.

The Group 2 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 3 Underlying REMIC Certificates, the “MBS”).

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 Certificates 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 the Certificates—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).

*No Optional Termination.* We have no option to effect an early termination of the Lower Tier REMIC or the Trust. Further, we will not repurchase the Mortgage Loans underlying any MBS in a “clean-up call.” See “Description of Certificates—Termination” in the MBS Prospectus.

*Voting the Group 2 SMBS and the Group 3 Underlying REMIC Certificates.* Holders of the Group 2 SMBS and the Group 3 Underlying REMIC Certificates may be asked to vote on issues arising under the related trust agreements. If so, the Trustee will vote the Group 2 SMBS or Group 3 Underlying REMIC Certificates, as applicable, as instructed by Holders of Certificates of the Classes backed by the Group 2 SMBS or Group 3 Underlying REMIC Certificates. 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 VA and VB Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combination shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (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 proportion 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 combination listed on Schedule 1 is 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 5 MBS. See “Mortgage Loan Pools” and “Yield Considerations, Maturity and

Prepayment Assumptions” 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 .....	\$75,730,997
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.....	171 months
Approximate Weighted Average WALA (Weighted Average Loan Age) .....	8 months

**Group 5 MBS**

Aggregate Unpaid Principal Balance .....	\$37,913,097
Range of MBS Pass-Through Rates .....	9.00% to 16.00%
Range of WACs (annual percentages) .....	9.25% to 18.50%
Approximate Weighted Average WAM.....	189 months
Approximate Weighted Average WALA.....	160 months

*Additional Considerations Relating to the Group 5 MBS*

Approximately 33% of the Mortgage Loans underlying the Group 5 MBS (by aggregate unpaid principal balance as of the Issue Date) are either insured or guaranteed by the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or the Rural Housing Service (“RHS”). In particular:

- approximately 26.8% of the related Mortgage Loans were originated in accordance with FHA or VA underwriting guidelines and were subsequently included in Ginnie Mae pools. However, each such Mortgage loan was repurchased from the applicable Ginnie Mae pool following an uncured delinquency of at least 90 days. Although these Mortgage Loans are currently performing in accordance with their payment terms, the related servicers have the right to repurchase any such Mortgage Loan that again becomes 90 days or more delinquent; and
- approximately 5.0% of the related Mortgage Loans are held in the form of Fannie Mae Mega Certificates that are backed by “fully modified pass-through” mortgage-backed securities guaranteed as to timely payment of principal and interest by Ginnie Mae (“Ginnie Mae Certificates”).

**The Group 2 SMBS**

The Group 2 SMBS represent ownership of:

- interest payments at a pass-through rate of 6.50% on an initial notional principal amount of \$65,384,615, and
- principal payments on an initial principal amount of \$50,000,000 of MBS.

The Group 2 SMBS provide that certain payments on the related MBS will be passed through monthly. We expect the characteristics of the Mortgage Loans underlying the Group 2 SMBS as of the Issue Date to be as follows:

Range of WACs (annual percentages) .....	6.75% to 9.00%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM.....	357 months
Approximate Weighted Average WALA.....	3 months

The general characteristics of the Group 2 SMBS are described in the SMBS Prospectus. The general characteristics of the MBS are described in the MBS Prospectus. 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. These Mortgage Loans have



original maturities of up to 30 years. See “Mortgage Loan Pools” and “Yield Considerations, Maturity and Prepayment Assumptions” in the MBS Prospectus.

### **The Group 3 Underlying REMIC Certificates**

The Group 3 Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of those trusts evidence beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the Group 3 Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 3 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Documents. See Exhibit A for additional information about the Group 3 Underlying REMIC Certificates.

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 “Mortgage Loan Pools” and “Yield Considerations, Maturity and Prepayment Assumptions” in the MBS Prospectus.

For further information about the Group 3 Underlying REMIC Certificates, 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 dates we prepared the related Underlying REMIC Disclosure Documents. 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 balances of the Group 3 Underlying REMIC Certificates as of the Issue Date and, with respect to the Trust MBS and the Group 2 SMBS, 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 Group 2 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 and the Group 2 SMBS, 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	LA, LB, LC, LD, D, ZD, DA and DN
Accrual	ZD
<b>Group 2 Classes</b>	
Floating Rate	FA
Inverse Floating Rate	SA
Interest Only	SA



<u>Interest Type*</u>	<u>Classes</u>
<b>Group 3 Classes</b>	
Fixed Rate	VA, VB, PA, PL, PM and ZA
Accrual	ZA
Interest Only	PM
RCR**	VC
<b>Group 5 Classes</b>	
Floating Rate	FB
Inverse Floating Rate	SB
Weighted Average Coupon	SI
Interest Only	SB and SI
<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 Class.

*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 and the SI Class (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All other 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 ZD and ZA 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 Floating Rate and Inverse Floating Rate 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.

*Weighted Average Coupon Class.* During each Interest Accrual Period, the SI Class will bear interest at an annual rate equal to the *excess*, if any, of

- interest for the related Interest Accrual Period at the weighted average Pass-Through Rate of the Group 5 MBS

*over*

- the sum of the interest rates of the FB and SB Classes for the related Interest Accrual Period.

During the initial Interest Accrual Period, it is expected that the SI Class will bear interest at an annual rate of approximately 0.64368%.

Our calculation of the interest rate for the Weighted Average Coupon Class for each Interest Accrual Period will be final and binding in the absence of manifest error. You may obtain the 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 1.90% in the case of the FA and SA Classes and 1.85% in the case of the FB and SB Classes.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	LA, LB, LC and LD
Scheduled	D
Support	DA, DN and ZD
Non-Sticky Jump	D and ZD
Accretion Directed	D

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 2 Classes</b>	
Pass-Through	FA
Notional	SA
<b>Group 3 Classes</b>	
Structured Collateral/Sequential Pay	VA, VB, PA, PL and ZA
Accretion Directed	VA, VB, PA and PL
Notional	PM
RCR**	VC
<b>Group 5 Classes</b>	
Pass-Through	FB
Notional	SB and SI
<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 Class.

### *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 ZD Class (the “ZD 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 SMBS (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 Underlying REMIC Certificates (the “Group 3 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZA Class (the “ZA Accrual Amount” and, together with the Group 3 Cash Flow Distribution Amount, the “Group 3 Principal Distribution Amount”), and
- the principal then paid on the Group 5 MBS (the “Group 5 Principal Distribution Amount”).

The portions of the Class 2001-42-OD RCR Certificate and Class 2002-10-VG REMIC Certificate held by the Lower Tier REMIC are set forth in Exhibit A.

### *Group 1 Principal Distribution Amount*

#### *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 specified below in the following priority:

- (i) sequentially, to the LA, LB, LC and LD Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date; and
  - (ii) 24.4695012137% of the remaining amount to the DN Class, until its principal balance is reduced to zero.
- $\left. \begin{array}{l} \text{PAC} \\ \text{Classes} \end{array} \right\}$ 
 $\left. \begin{array}{l} \text{Support} \\ \text{Class} \end{array} \right\}$

### *ZD Accrual Amount and Remaining Group 1 Cash Flow Distribution Amount*

On each Distribution Date, we will pay the ZD Accrual Amount, together with the Group 1 Cash Flow Distribution Amount remaining after giving effect to the preceding paragraph, as principal of the Group 1 Classes in the following priority:

- (i) if and only if the principal balance of the Group 1 MBS on that Distribution Date (after giving effect to distributions made on that date) is less than the Group 1 MBS Targeted Balance for that Distribution Date, 99% of the ZD Accrual Amount and remaining Group 1 Cash Flow Distribution Amount to the ZD Class, until its principal balance is reduced to zero; } Non-Sticky Jump Class
- (ii) to the D Class, until its principal balance is reduced to its Scheduled Balance for that Distribution Date; } Non-Sticky Jump / Scheduled Class
- (iii) sequentially, to the ZD and DA Classes, in that order, until their principal balances are reduced to zero; } Support Classes
- (iv) to the D Class, without regard to its Scheduled Balance and until its principal balance is reduced to zero; and } Scheduled Class
- (v) sequentially, to the LA, LB, LC and LD Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero. } PAC Classes

#### *Group 2 Principal Distribution Amount*

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

#### *Group 3 Principal Distribution Amount*

##### *ZA Accrual Amount*

On each Distribution Date, we will pay the ZA Accrual Amount as principal of the Group 3 Classes in the following priority:

- (i) sequentially, to the VA and VB Classes, in that order, until their principal balances are reduced to zero;
- (ii) concurrently, to the PA and PL Classes, pro rata (or 21.2014134276% and 78.7985865724%, respectively), until their principal balances are reduced to zero; and
- (iii) thereafter to the ZA Class.

Accretion  
Directed  
Classes  
and Accrual  
Class

##### *Group 3 Cash Flow Distribution Amount*

On each Distribution Date, we will pay the portion of the Group 3 Cash Flow Distribution Amount attributable to the Class 2002-10-VG REMIC Certificate as principal of the VA Class, until its principal balance is reduced to zero.

On each Distribution Date, we will pay the portion of the Group 3 Cash Flow Distribution Amount attributable to the Class 2001-42-OD RCR Certificate, together with the portion of the Group 3 Cash Flow Distribution Amount attributable to the Class 2002-10-VG REMIC Certificate remaining after giving effect to the preceding paragraph, as principal of the Group 3 Classes in the following priority:

Structured  
Collateral/  
Sequential  
Pay  
Classes

- (i) concurrently, to the PA and PL Classes, pro rata, until their principal balances are reduced to zero;
- (ii) sequentially, to the VA, VB and ZA Classes, in that order, until their principal balances are reduced to zero.

### *Group 5 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount as principal of the FB 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 Group 3 Underlying REMIC Certificates, the priority sequence affecting principal payments on the Group 3 Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS and the Group 2 SMBS 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 and the Group 2 SMBS” in this prospectus supplement;
- the weighted average Pass-Through Rate of the Group 5 MBS in principal amounts of \$14,357,131 and \$23,555,966 are 9.59451% and 9.67365%, respectively;
- the SI Class bears interest at an annual rate of 0.64368%;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is April 30, 2002; and
- each Distribution Date occurs on the 25th day of a month.

*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 Ranges and Rate.* 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 rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Group</u>	<u>Structuring Ranges and Rate</u>
Planned Balances	LA, LB, LC and LD	Between 100% and 250%
Scheduled Balances	D	Between 145% and 175%
Targeted Balances	Group 1 MBS	255%

**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 Ranges, 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 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>
LA	Between 100% and 377%
LB	Between 100% and 276%
LC	Between 100% and 250%
LD	Between 72% and 250%
D	Between 143% and 175%

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 and Scheduled Classes will be supported in part by the related Support Classes. When the Support Classes are retired, the PAC and Scheduled 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 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>
SA .....	9.8125%
SB .....	10.2500%

\* 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 SA Class to Prepayments and LIBOR (Pre-Tax Yields to Maturity)

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>278%</u>	<u>500%</u>	<u>750%</u>
0.9% .....	77.0%	74.7%	66.3%	55.6%	43.2%
1.9% .....	64.3%	62.0%	53.4%	42.4%	29.7%
3.9% .....	39.8%	37.3%	28.2%	16.5%	2.7%
5.9% .....	16.2%	13.5%	3.6%	(9.3)%	(24.8)%
7.8% .....	*	*	*	*	*

\* 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>300%</u>	<u>500%</u>	<u>750%</u>
0.85% .....	82.2%	78.0%	60.6%	41.7%	15.6%
1.85% .....	70.0%	66.0%	49.2%	31.1%	6.0%
3.85% .....	46.2%	42.5%	27.0%	10.4%	(12.7)%
5.85% .....	22.9%	19.5%	5.4%	(9.9)%	(31.0)%
7.85% .....	(3.6)%	(6.7)%	(19.3)%	(32.9)%	(51.6)%
8.80% .....	*	*	*	*	*

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

*The Fixed Rate Interest Only Class.* The yield to investors in the PM Class 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 the PM Class would be 0% if prepayments of the related Mortgage Loans were to occur at the constant rate shown below:

<u>Class</u>	<u>% PSA</u>
PM .....	399%

For the PM 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 that Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
PM .....	28.25%

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

**Sensitivity of the PM Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>248%</u>	<u>500%</u>	<u>750%</u>
Pre-Tax Yields to Maturity .....	21.3%	16.2%	14.1%	(10.9)%	(38.8)%

*The Weighted Average Coupon Class.* The yield to investors in the SI Class 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. 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 table below, it is possible that investors in the SI Class would lose money on their initial investments under certain prepayment scenarios

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

<u>Class</u>	<u>Price*</u>
SI .....	1.15%

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

### Sensitivity of the SI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>300%</u>	<u>500%</u>	<u>750%</u>
Pre-Tax Yields to Maturity .....	52.4%	48.6%	32.8%	15.7%	(7.9)%

### 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,
- summing the results, and
- 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 3 Classes,
- in the case of the Group 1 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules, and
- in the case of the Group 3 Classes, the priority sequence affecting principal payments on the Group 3 Underlying REMIC Certificates.

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.

Group	<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	8.50000%
2	SMBS	360 months	359 months	9.00000%
3	Class 2001-42-OD RCR Certificate	360 months	352 months	9.00000%
	Class 2002-10-VG REMIC Certificate	360 months	358 months	9.00000%
5	MBS	360 months	360 months	(1)

(1) With respect to the Group 5 MBS, we assume that underlying Mortgage Loans with aggregate principal balances of \$14,357,131 and \$23,555,966 bear interest at the annual rates of 12.09451% and 12.17365%, respectively.

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

Date	LA Class										LB Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2003	98	94	94	94	94	94	94	94	94	94	100	100	100	100	100	100	100	100	100	100
April 2004	67	19	19	19	19	19	19	19	19	0	100	100	100	100	100	100	100	100	100	73
April 2005	34	0	0	0	0	0	0	0	0	0	100	47	47	47	47	47	47	47	47	0
April 2006	0	0	0	0	0	0	0	0	0	0	98	0	0	0	0	0	0	0	0	0
April 2007	0	0	0	0	0	0	0	0	0	0	61	0	0	0	0	0	0	0	0	0
April 2008	0	0	0	0	0	0	0	0	0	0	21	0	0	0	0	0	0	0	0	0
April 2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	2.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	5.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.2

Date	LC Class										LD Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2005	100	100	100	100	100	100	100	100	100	72	100	100	100	100	100	100	100	100	100	100
April 2006	100	92	92	92	92	92	92	92	92	34	100	100	100	100	100	100	100	100	100	100
April 2007	100	68	68	68	68	68	68	68	67	9	100	100	100	100	100	100	100	100	100	100
April 2008	100	46	46	46	46	46	44	44	44	0	100	100	100	100	100	100	100	100	100	79
April 2009	91	26	26	26	26	26	25	25	24	0	100	100	100	100	100	100	100	100	100	50
April 2010	73	10	10	10	10	10	9	9	9	0	100	100	100	100	100	100	100	100	100	31
April 2011	53	0	0	0	0	0	0	0	0	0	100	93	93	93	93	93	91	91	90	19
April 2012	32	0	0	0	0	0	0	0	0	0	100	66	66	66	66	66	65	64	64	11
April 2013	8	0	0	0	0	0	0	0	0	0	100	44	44	44	44	44	43	43	42	6
April 2014	0	0	0	0	0	0	0	0	0	0	56	27	27	27	27	27	26	26	26	3
April 2015	0	0	0	0	0	0	0	0	0	0	13	13	13	13	13	13	13	13	12	1
April 2016	0	0	0	0	0	0	0	0	0	0	2	2	2	2	2	2	2	2	2	*
April 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	9.1	6.0	6.0	6.0	6.0	6.0	5.9	5.9	5.9	3.7	12.2	11.0	11.0	11.0	11.0	11.0	10.9	10.9	10.9	7.5

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

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

Date	D Class										ZD Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2003	86	71	66	66	66	66	66	66	66	41	106	106	100	54	0	0	0	0	0	0
April 2004	85	70	57	57	53	44	43	43	43	0	113	113	100	0	0	0	0	0	0	0
April 2005	85	70	50	50	35	22	20	20	20	0	120	120	100	0	0	0	0	0	0	0
April 2006	84	69	45	45	23	8	6	6	5	0	127	127	100	0	0	0	0	0	0	0
April 2007	83	69	42	42	17	1	0	0	0	0	135	135	100	0	0	0	0	0	0	0
April 2008	83	68	40	40	15	*	0	0	0	0	143	143	100	0	0	0	0	0	0	0
April 2009	82	64	38	38	14	*	0	0	0	0	152	152	93	0	0	0	0	0	0	0
April 2010	81	57	34	34	12	*	0	0	0	0	161	161	78	0	0	0	0	0	0	0
April 2011	80	47	29	29	10	*	0	0	0	0	171	171	54	0	0	0	0	0	0	0
April 2012	80	35	24	24	8	*	0	0	0	0	182	182	25	0	0	0	0	0	0	0
April 2013	79	21	18	18	6	*	0	0	0	0	193	193	0	0	0	0	0	0	0	0
April 2014	78	12	12	12	4	*	0	0	0	0	205	127	0	0	0	0	0	0	0	0
April 2015	60	7	7	7	2	*	0	0	0	0	218	16	0	0	0	0	0	0	0	0
April 2016	19	1	1	1	*	*	0	0	0	0	231	0	0	0	0	0	0	0	0	0
April 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.2	7.1	5.1	5.1	3.2	1.9	1.9	1.9	1.9	0.9	14.6	12.3	9.0	1.0	0.5	0.4	0.4	0.4	0.1	0.1

Date	DA Class										DN Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%	0%	100%	145%	175%	220%	250%	254%	255%	256%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2003	100	100	100	100	89	55	50	49	48	0	88	76	71	68	63	60	60	60	60	35
April 2004	100	100	100	89	0	0	0	0	0	0	88	76	64	56	45	37	36	36	36	0
April 2005	100	100	100	46	0	0	0	0	0	0	88	76	58	46	29	19	17	17	16	0
April 2006	100	100	100	19	0	0	0	0	0	0	88	76	53	39	19	7	5	5	5	0
April 2007	100	100	100	4	0	0	0	0	0	0	88	76	51	35	14	1	0	0	0	0
April 2008	100	100	100	*	0	0	0	0	0	0	88	76	49	34	13	*	0	0	0	0
April 2009	100	100	100	*	0	0	0	0	0	0	88	73	47	32	12	*	0	0	0	0
April 2010	100	100	100	*	0	0	0	0	0	0	88	68	43	28	10	*	0	0	0	0
April 2011	100	100	100	*	0	0	0	0	0	0	88	60	37	24	9	*	0	0	0	0
April 2012	100	100	100	*	0	0	0	0	0	0	88	50	31	20	7	*	0	0	0	0
April 2013	100	100	94	*	0	0	0	0	0	0	88	40	24	15	5	*	0	0	0	0
April 2014	100	100	67	*	0	0	0	0	0	0	88	28	16	10	4	*	0	0	0	0
April 2015	100	100	38	*	0	0	0	0	0	0	74	16	9	6	2	*	0	0	0	0
April 2016	100	23	8	*	0	0	0	0	0	0	41	3	2	1	*	*	0	0	0	0
April 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.9	13.7	12.6	3.1	1.3	1.1	1.0	1.0	1.0	0.4	12.3	8.4	6.1	4.7	2.8	1.8	1.7	1.7	1.7	0.8

\* 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.



Date	FA and SA† Classes					VA Class					VB Class					PA, PL and PM† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	278%	500%	750%	0%	100%	248%	500%	750%	0%	100%	248%	500%	750%	0%	100%	248%	500%	750%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2003	99	97	94	89	85	94	94	94	94	94	100	100	100	100	100	100	100	100	100	100
April 2004	99	92	82	69	57	88	88	88	88	88	100	100	100	100	100	100	100	100	100	100
April 2005	98	85	67	48	31	82	82	82	82	11	100	100	100	100	100	100	100	100	100	0
April 2006	97	79	55	33	17	75	75	75	62	0	100	100	100	100	100	0	100	100	100	0
April 2007	96	73	45	23	9	67	67	67	0	0	100	100	100	100	33	0	100	100	100	0
April 2008	95	68	37	16	5	59	59	59	0	0	100	100	100	100	0	0	100	100	100	0
April 2009	94	63	30	11	3	51	51	51	0	0	100	100	100	100	0	0	100	80	34	0
April 2010	92	58	25	7	1	42	42	13	0	0	100	100	100	100	0	0	100	23	0	0
April 2011	91	53	20	5	1	32	2	0	0	0	100	100	100	32	0	0	100	0	0	0
April 2012	89	49	17	4	*	22	0	0	0	0	100	21	0	0	0	0	100	0	0	0
April 2013	88	45	13	2	*	11	0	0	0	0	100	0	0	0	0	0	100	0	0	0
April 2014	86	41	11	2	*	1	0	0	0	0	100	0	0	0	0	0	100	0	0	0
April 2015	84	37	9	1	*	0	0	0	0	0	87	0	0	0	0	0	100	0	0	0
April 2016	82	34	7	1	*	0	0	0	0	0	71	0	0	0	0	0	100	0	0	0
April 2017	79	31	6	1	*	0	0	0	0	0	54	0	0	0	0	0	100	0	0	0
April 2018	77	28	5	*	*	0	0	0	0	0	36	0	0	0	0	0	100	0	0	0
April 2019	74	25	4	*	*	0	0	0	0	0	17	0	0	0	0	0	100	0	0	0
April 2020	70	22	3	*	*	0	0	0	0	0	0	0	0	0	0	0	97	0	0	0
April 2021	67	20	2	*	*	0	0	0	0	0	0	0	0	0	0	0	81	0	0	0
April 2022	63	17	2	*	*	0	0	0	0	0	0	0	0	0	0	0	42	0	0	0
April 2023	59	15	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2024	55	13	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2025	50	11	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	44	9	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	38	7	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	32	6	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	25	4	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	17	2	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	8	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.0	11.4	5.9	3.7	2.6	6.8	6.2	5.8	3.7	2.6	15.2	9.7	8.8	4.9	3.3	19.7	7.6	6.8	3.6	2.4

Date	ZA Class					FB, SB† and SI† Classes					VC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	248%	500%	750%	0%	100%	300%	500%	750%	0%	100%	248%	500%	750%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2003	107	107	107	107	107	100	91	80	68	54	97	97	97	97	97
April 2004	114	114	114	114	114	99	83	63	46	29	93	93	93	93	93
April 2005	121	121	121	121	121	99	76	50	31	15	89	89	89	89	49
April 2006	130	130	130	130	54	98	68	40	21	8	85	85	85	78	0
April 2007	138	138	138	138	0	98	61	31	14	4	81	81	81	14	0
April 2008	148	148	148	66	0	97	54	24	9	2	77	77	77	0	0
April 2009	157	157	157	0	0	96	48	18	6	1	72	72	72	0	0
April 2010	168	168	168	0	0	96	42	14	4	1	67	67	50	0	0
April 2011	179	179	179	0	0	95	36	10	3	*	61	44	14	0	0
April 2012	191	191	148	0	0	94	30	8	2	*	55	9	0	0	0
April 2013	204	147	97	0	0	92	24	5	1	*	49	0	0	0	0
April 2014	218	87	55	0	0	91	19	4	1	*	43	0	0	0	0
April 2015	232	30	19	0	0	90	14	2	*	*	37	0	0	0	0
April 2016	248	0	0	0	0	88	9	1	*	*	30	0	0	0	0
April 2017	264	0	0	0	0	86	4	*	*	*	23	0	0	0	0
April 2018	282	0	0	0	0	84	0	0	0	0	15	0	0	0	0
April 2019	301	0	0	0	0	81	0	0	0	0	7	0	0	0	0
April 2020	321	0	0	0	0	79	0	0	0	0	0	0	0	0	0
April 2021	343	0	0	0	0	76	0	0	0	0	0	0	0	0	0
April 2022	366	0	0	0	0	72	0	0	0	0	0	0	0	0	0
April 2023	352	0	0	0	0	68	0	0	0	0	0	0	0	0	0
April 2024	276	0	0	0	0	64	0	0	0	0	0	0	0	0	0
April 2025	192	0	0	0	0	59	0	0	0	0	0	0	0	0	0
April 2026	101	0	0	0	0	53	0	0	0	0	0	0	0	0	0
April 2027	1	0	0	0	0	47	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	39	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	31	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	22	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	12	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.0	11.9	11.3	6.0	4.0	22.6	7.1	4.0	2.6	1.6	10.3	7.7	7.1	4.2	2.9

\* 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, including the Group 4 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, including the Lower Tier Regular Interests relating to the Group 4 Classes, 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. Since this prospectus supplement does not describe the Group 4 Classes, an investor in the R or RL Class should also read the Related Prospectus Supplement for information about those Classes and the related assets.

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 "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 "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.

Under the Regulations, a REMIC may issue its regular and residual interests over any ten-day period and designate any of those days as the REMIC's startup day. Fannie Mae intends to designate April 30, 2002 as the startup day for the Trust and the Lower Tier REMIC.

## 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	220%
2	278%
3	248%
5	300%

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

In addition to the Trust MBS, the Group 2 SMBS and the Group 3 Underlying REMIC Certificates described in this prospectus supplement, the assets of the Lower Tier REMIC include the MBS backing the Group 4 Classes (the “Group 4 MBS”). The Lower Tier REMIC will issue Lower Tier Regular Interests in respect of the Group 4 MBS. Likewise, the assets of the REMIC constituted by the Trust will include the Lower Tier Regular Interests in respect of the Group 4 MBS, and the REMIC constituted by the Trust will issue the Group 4 Classes, in addition to the Group 1, 2, 3 and 5 Classes described in this prospectus supplement. Therefore, in considering the tax consequences of holding a Residual Certificate, you should take into account the Group 4 MBS, Group 4 Classes, and the Lower Tier Regular Interests issued in respect of the Group 4 MBS and the Group 4 Classes. See the Related Prospectus Supplement for a description of the Group 4 MBS and the Group 4 Classes, and see the discussion under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus for a discussion of certain federal income tax consequences of holding a Residual Certificate.

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about March 20, 2002. 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 Class will be created, sold and administered pursuant to an arrangement that will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. The REMIC Certificates that are exchanged for RCR Certificates (including any exchanges effective on the

Settlement Date) will be the assets of the trust, and the RCR Certificates will represent an ownership interest in those REMIC Certificates. For a general discussion of the federal income tax treatment of beneficial owners of REMIC Certificates, see “Certain Federal Income Tax Consequences” in the REMIC Prospectus.

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

*Combination RCR Class.* A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. 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 Salomon Smith Barney Inc. (the “Dealer”) in exchange for the Trust MBS, the Group 2 SMBS and the Group 3 Underlying REMIC Certificates. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

*Increase in Certificates.* Before the Settlement Date, we and the Dealer may agree to offer Group 1, 2 or 5 Classes in addition to those contemplated as of the date of this prospectus supplement. In that event, we will increase the related Trust MBS or Group 2 SMBS, as applicable, in principal balance, but we expect that all these additional Trust MBS or Group 2 SMBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” and “—The Group 2 SMBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2 or 5 Class bears to the aggregate original principal balance of all Group 1, 2 or 5 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. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

## Group 3 Underlying REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	April 2002 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALLA (in months)	Underlying Security Type	Class Group
2002-010	VG	February 2002	31392B6E1	6.5%	FIX	April 2013	SEQ/AD	\$ 21,625,714	0.98959514	\$ 2,951,820	6.960%	353	6	MBS	3
2001-042	OD	August 2001	313920M56	6.5%	FIX	May 2030	PAC	156,900,000	1.00000000	95,000,000	7.039	348	10	MBS	3

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



## Available Recombination (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal Balances	RCR Class	Original Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
VA	\$27,951,820	VC	\$48,651,820	6.5%	FIX	SC/SEQ/AD	31392DAS1	March 2020
VB	20,700,000							

(1) REMIC and RCR Certificates in any recombination may be exchanged only in the proportions shown in this table.

(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.

## Principal Balance Schedules

### *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 .....	\$75,730,997.00	July 2006 .....	\$33,030,871.26	October 2010 .....	\$10,626,557.33
May 2002 .....	75,164,686.85	August 2006 .....	32,382,860.66	November 2010 .....	10,354,617.86
June 2002 .....	74,566,889.02	September 2006 .....	31,745,395.32	December 2010 .....	10,087,479.38
July 2002 .....	73,938,215.92	October 2006 .....	31,118,316.46	January 2011 .....	9,825,066.92
August 2002 .....	73,279,322.07	November 2006 .....	30,501,467.61	February 2011 .....	9,567,306.63
September 2002 .....	72,590,903.05	December 2006 .....	29,894,694.55	March 2011 .....	9,314,125.72
October 2002 .....	71,873,694.39	January 2007 .....	29,297,845.31	April 2011 .....	9,065,452.51
November 2002 .....	71,128,470.23	February 2007 .....	28,710,770.12	May 2011 .....	8,821,216.36
December 2002 .....	70,356,042.06	March 2007 .....	28,133,321.37	June 2011 .....	8,581,347.67
January 2003 .....	69,557,257.27	April 2007 .....	27,565,353.61	July 2011 .....	8,345,777.89
February 2003 .....	68,732,997.60	May 2007 .....	27,006,723.47	August 2011 .....	8,114,439.46
March 2003 .....	67,884,177.56	June 2007 .....	26,457,289.70	September 2011 .....	7,887,265.84
April 2003 .....	67,011,742.76	July 2007 .....	25,916,913.07	October 2011 .....	7,664,191.45
May 2003 .....	66,116,668.14	August 2007 .....	25,385,456.39	November 2011 .....	7,445,151.72
June 2003 .....	65,199,956.13	September 2007 .....	24,862,784.44	December 2011 .....	7,230,083.01
July 2003 .....	64,262,634.79	October 2007 .....	24,348,763.99	January 2012 .....	7,018,922.61
August 2003 .....	63,305,755.81	November 2007 .....	23,843,263.74	February 2012 .....	6,811,608.79
September 2003 .....	62,330,392.54	December 2007 .....	23,346,154.29	March 2012 .....	6,608,080.68
October 2003 .....	61,337,637.90	January 2008 .....	22,857,308.13	April 2012 .....	6,408,278.35
November 2003 .....	60,328,602.28	February 2008 .....	22,376,599.61	May 2012 .....	6,212,142.76
December 2003 .....	59,304,411.41	March 2008 .....	21,903,904.88	June 2012 .....	6,019,615.72
January 2004 .....	58,266,204.14	April 2008 .....	21,439,101.94	July 2012 .....	5,830,639.93
February 2004 .....	57,215,130.28	May 2008 .....	20,982,070.54	August 2012 .....	5,645,158.94
March 2004 .....	56,180,616.23	June 2008 .....	20,532,692.17	September 2012 .....	5,463,117.14
April 2004 .....	55,162,416.52	July 2008 .....	20,090,850.08	October 2012 .....	5,284,459.73
May 2004 .....	54,160,289.25	August 2008 .....	19,656,429.19	November 2012 .....	5,109,132.75
June 2004 .....	53,173,995.97	September 2008 .....	19,229,316.13	December 2012 .....	4,937,083.05
July 2004 .....	52,203,301.64	October 2008 .....	18,809,399.15	January 2013 .....	4,768,258.23
August 2004 .....	51,247,974.62	November 2008 .....	18,396,568.16	February 2013 .....	4,602,606.72
September 2004 .....	50,307,786.59	December 2008 .....	17,990,714.67	March 2013 .....	4,440,077.70
October 2004 .....	49,382,512.52	January 2009 .....	17,591,731.76	April 2013 .....	4,280,621.11
November 2004 .....	48,471,930.61	February 2009 .....	17,199,514.09	May 2013 .....	4,124,187.64
December 2004 .....	47,575,822.25	March 2009 .....	16,813,957.86	June 2013 .....	3,970,728.71
January 2005 .....	46,693,971.97	April 2009 .....	16,434,960.77	July 2013 .....	3,820,196.47
February 2005 .....	45,826,167.42	May 2009 .....	16,062,422.04	August 2013 .....	3,672,543.80
March 2005 .....	44,972,199.28	June 2009 .....	15,696,242.35	September 2013 .....	3,527,724.27
April 2005 .....	44,131,861.27	July 2009 .....	15,336,323.84	October 2013 .....	3,385,692.16
May 2005 .....	43,304,950.06	August 2009 .....	14,982,570.07	November 2013 .....	3,246,402.42
June 2005 .....	42,491,265.27	September 2009 .....	14,634,886.04	December 2013 .....	3,109,810.68
July 2005 .....	41,690,609.39	October 2009 .....	14,293,178.12	January 2014 .....	2,975,873.25
August 2005 .....	40,902,787.76	November 2009 .....	13,957,354.06	February 2014 .....	2,844,547.07
September 2005 .....	40,127,608.55	December 2009 .....	13,627,322.96	March 2014 .....	2,715,789.76
October 2005 .....	39,364,882.66	January 2010 .....	13,302,995.26	April 2014 .....	2,589,559.56
November 2005 .....	38,614,423.74	February 2010 .....	12,984,282.71	May 2014 .....	2,465,815.32
December 2005 .....	37,876,048.14	March 2010 .....	12,671,098.36	June 2014 .....	2,344,516.55
January 2006 .....	37,149,574.83	April 2010 .....	12,363,356.54	July 2014 .....	2,225,623.34
February 2006 .....	36,434,825.42	May 2010 .....	12,060,972.83	August 2014 .....	2,109,096.39
March 2006 .....	35,731,624.09	June 2010 .....	11,763,864.05	September 2014 .....	1,994,897.00
April 2006 .....	35,039,797.55	July 2010 .....	11,471,948.27	October 2014 .....	1,882,987.04
May 2006 .....	34,359,175.03	August 2010 .....	11,185,144.73	November 2014 .....	1,773,328.96
June 2006 .....	33,689,588.23	September 2010 .....	10,903,373.87	December 2014 .....	1,665,885.79

**Group 1 MBS (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>
January 2015 .....	\$ 1,560,621.10	August 2015 .....	\$ 881,820.34	March 2016 .....	\$ 296,524.55
February 2015 .....	1,457,499.04	September 2015 .....	792,736.88	April 2016 .....	219,923.09
March 2015 .....	1,356,484.26	October 2015 .....	705,527.99	May 2016 .....	144,987.14
April 2015 .....	1,257,541.98	November 2015 .....	620,162.41	June 2016 .....	71,688.66
May 2015 .....	1,160,637.93	December 2015 .....	536,609.36	July 2016 and thereafter .....	0.00
June 2015 .....	1,065,738.38	January 2016 .....	454,838.52		
July 2015 .....	972,810.09	February 2016 .....	374,820.05		

**LA 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 March 2003 .....	\$9,297,397.00	September 2003 .....	\$6,019,162.43	March 2004 .....	\$2,406,420.57
April 2003 .....	8,777,447.15	October 2003 .....	5,437,592.79	April 2004 .....	1,795,346.76
May 2003 .....	8,246,595.23	November 2003 .....	4,846,673.76	May 2004 .....	1,187,360.35
June 2003 .....	7,705,086.96	December 2003 .....	4,246,680.98	June 2004 .....	582,445.44
July 2003 .....	7,153,173.55	January 2004 .....	3,637,894.33	July 2004 and thereafter .....	0.00
August 2003 .....	6,591,111.51	February 2004 .....	3,020,597.74		

**LB 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 2004 .....	\$10,000,000.00	January 2005 .....	\$ 6,432,725.50	August 2005 .....	\$ 2,427,438.40
July 2004 .....	9,980,586.22	February 2005 .....	5,851,820.32	September 2005 .....	1,866,743.90
August 2004 .....	9,381,766.97	March 2005 .....	5,273,847.26	October 2005 .....	1,308,877.50
September 2004 .....	8,785,972.05	April 2005 .....	4,698,791.24	November 2005 .....	753,824.65
October 2004 .....	8,193,185.89	May 2005 .....	4,126,637.24	December 2005 .....	201,570.87
November 2004 .....	7,603,393.00	June 2005 .....	3,557,370.33	January 2006 and thereafter .....	0.00
December 2004 .....	7,016,577.98	July 2005 .....	2,990,975.64		

**LC 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 December 2005 .....	\$26,000,000.00	February 2007 .....	\$18,755,985.79	May 2008 .....	\$11,380,205.25
January 2006 .....	25,652,101.75	March 2007 .....	18,244,030.07	June 2008 .....	10,928,354.30
February 2006 .....	25,105,402.96	April 2007 .....	17,734,651.60	July 2008 .....	10,483,920.87
March 2006 .....	24,561,460.25	May 2007 .....	17,227,837.11	August 2008 .....	10,046,794.27
April 2006 .....	24,020,259.42	June 2007 .....	16,723,573.40	September 2008 .....	9,616,865.36
May 2006 .....	23,481,786.37	July 2007 .....	16,221,847.34	October 2008 .....	9,194,026.58
June 2006 .....	22,946,027.05	August 2007 .....	15,722,645.88	November 2008 .....	8,778,171.89
July 2006 .....	22,412,967.50	September 2007 .....	15,225,956.01	December 2008 .....	8,369,196.76
August 2006 .....	21,882,593.82	October 2007 .....	14,731,764.81	January 2009 .....	7,966,998.17
September 2006 .....	21,354,892.18	November 2007 .....	14,240,059.41	February 2009 .....	7,571,474.56
October 2006 .....	20,829,848.84	December 2007 .....	13,750,827.03	March 2009 .....	7,182,525.82
November 2006 .....	20,307,450.11	January 2008 .....	13,264,054.93	April 2009 .....	6,800,053.27
December 2006 .....	19,787,682.37	February 2008 .....	12,781,394.47	May 2009 .....	6,423,959.65
January 2007 .....	19,270,532.09	March 2008 .....	12,306,610.59	June 2009 .....	6,054,149.08
		April 2008 .....	11,839,586.04	July 2009 .....	5,690,527.06

### ***LC 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>
August 2009 .....	\$ 5,333,000.44	March 2010 .....	\$ 2,993,436.18	October 2010 .....	\$ 918,543.17
September 2009 .....	4,981,477.41	April 2010 .....	2,681,475.57	November 2010 .....	642,133.80
October 2009 .....	4,635,867.46	May 2010 .....	2,374,829.85	December 2010 .....	370,498.76
November 2009 .....	4,296,081.39	June 2010 .....	2,073,418.40	January 2011 .....	103,565.22
December 2009 .....	3,962,031.27	July 2010 .....	1,777,161.76	February 2011 and thereafter .....	0.00
January 2010 .....	3,633,630.44	August 2010 .....	1,485,981.62		
February 2010 .....	3,310,793.47	September 2010 .....	1,199,800.78		

### ***LD 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 January 2011 .....	\$10,000,000.00	November 2012 .....	\$ 5,285,616.79	October 2014 .....	\$ 1,957,971.48
February 2011 .....	9,841,261.38	December 2012 .....	5,108,953.64	November 2014 .....	1,844,185.38
March 2011 .....	9,583,516.50	January 2013 .....	4,935,527.49	December 2014 .....	1,732,642.69
April 2011 .....	9,330,260.84	February 2013 .....	4,765,287.77	January 2015 .....	1,623,307.43
May 2011 .....	9,081,425.67	March 2013 .....	4,598,184.66	February 2015 .....	1,516,144.14
June 2011 .....	8,836,943.26	April 2013 .....	4,434,169.06	March 2015 .....	1,411,117.87
July 2011 .....	8,596,746.86	May 2013 .....	4,273,192.59	April 2015 .....	1,308,194.21
August 2011 .....	8,360,770.68	June 2013 .....	4,115,207.58	May 2015 .....	1,207,339.25
September 2011 .....	8,128,949.87	July 2013 .....	3,960,167.04	June 2015 .....	1,108,519.58
October 2011 .....	7,901,220.54	August 2013 .....	3,808,024.68	July 2015 .....	1,011,702.28
November 2011 .....	7,677,519.71	September 2013 .....	3,658,734.89	August 2015 .....	916,854.93
December 2011 .....	7,457,785.32	October 2013 .....	3,512,252.72	September 2015 .....	823,945.58
January 2012 .....	7,241,956.20	November 2013 .....	3,368,533.88	October 2015 .....	732,942.76
February 2012 .....	7,029,972.07	December 2013 .....	3,227,534.73	November 2015 .....	643,815.47
March 2012 .....	6,821,773.53	January 2014 .....	3,089,212.27	December 2015 .....	556,533.16
April 2012 .....	6,617,302.04	February 2014 .....	2,953,524.13	January 2016 .....	471,065.74
May 2012 .....	6,416,499.90	March 2014 .....	2,820,428.57	February 2016 .....	387,383.58
June 2012 .....	6,219,310.26	April 2014 .....	2,689,884.45	March 2016 .....	305,457.47
July 2012 .....	6,025,677.09	May 2014 .....	2,561,851.23	April 2016 .....	225,258.65
August 2012 .....	5,835,545.18	June 2014 .....	2,436,288.99	May 2016 .....	146,758.79
September 2012 .....	5,648,860.11	July 2014 .....	2,313,158.38	June 2016 .....	69,929.97
October 2012 .....	5,465,568.26	August 2014 .....	2,192,420.63	July 2016 and thereafter .....	0.00
		September 2014 .....	2,074,037.54		

### ***D Class Scheduled Balances***

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
Initial Balance .....	\$13,000,000.00	May 2003 .....	\$ 8,476,339.41	June 2004 .....	\$ 7,267,399.21
May 2002 .....	12,669,522.20	June 2003 .....	8,392,811.65	July 2004 .....	7,179,011.43
June 2002 .....	12,325,077.91	July 2003 .....	8,306,713.01	August 2004 .....	7,092,884.94
July 2002 .....	11,966,879.81	August 2003 .....	8,218,182.11	September 2004 .....	7,008,996.10
August 2002 .....	11,595,151.40	September 2003 .....	8,127,360.68	October 2004 .....	6,927,321.48
September 2002 .....	11,210,126.80	October 2003 .....	8,034,393.30	November 2004 .....	6,847,837.88
October 2002 .....	10,812,050.51	November 2003 .....	7,939,427.20	December 2004 .....	6,770,522.28
November 2002 .....	10,401,177.14	December 2003 .....	7,842,611.99	January 2005 .....	6,695,351.88
December 2002 .....	9,977,771.17	January 2004 .....	7,744,099.45	February 2005 .....	6,622,304.07
January 2003 .....	9,542,106.67	February 2004 .....	7,644,043.29	March 2005 .....	6,551,356.45
February 2003 .....	9,094,467.00	March 2004 .....	7,546,369.78	April 2005 .....	6,482,486.81
March 2003 .....	8,635,144.52	April 2004 .....	7,451,054.22	May 2005 .....	6,415,673.15
April 2003 .....	8,557,160.97	May 2004 .....	7,358,072.12	June 2005 .....	6,350,893.66

***D Class (Continued)***

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
July 2005 .....	\$ 6,288,126.73	April 2009 .....	\$ 4,883,533.31	January 2013 .....	\$ 2,537,419.43
August 2005 .....	6,227,350.92	May 2009 .....	4,848,235.83	February 2013 .....	2,476,008.73
September 2005 .....	6,168,545.01	June 2009 .....	4,811,743.63	March 2013 .....	2,414,491.06
October 2005 .....	6,111,687.96	July 2009 .....	4,774,093.04	April 2013 .....	2,352,880.69
November 2005 .....	6,056,758.90	August 2009 .....	4,735,319.69	May 2013 .....	2,291,191.57
December 2005 .....	6,003,737.17	September 2009 .....	4,695,458.54	June 2013 .....	2,229,437.33
January 2006 .....	5,952,602.29	October 2009 .....	4,654,543.88	July 2013 .....	2,167,631.29
February 2006 .....	5,903,333.96	November 2009 .....	4,612,609.34	August 2013 .....	2,105,786.47
March 2006 .....	5,855,912.04	December 2009 .....	4,569,687.91	September 2013 .....	2,043,915.57
April 2006 .....	5,810,316.62	January 2010 .....	4,525,811.94	October 2013 .....	1,982,031.00
May 2006 .....	5,766,527.92	February 2010 .....	4,481,013.16	November 2013 .....	1,920,144.89
June 2006 .....	5,724,526.36	March 2010 .....	4,435,322.67	December 2013 .....	1,858,269.08
July 2006 .....	5,684,292.53	April 2010 .....	4,388,770.98	January 2014 .....	1,796,415.12
August 2006 .....	5,645,807.21	May 2010 .....	4,341,388.00	February 2014 .....	1,734,594.28
September 2006 .....	5,609,051.33	June 2010 .....	4,293,203.06	March 2014 .....	1,672,817.57
October 2006 .....	5,574,006.00	July 2010 .....	4,244,244.90	April 2014 .....	1,611,095.73
November 2006 .....	5,540,652.51	August 2010 .....	4,194,541.70	May 2014 .....	1,549,439.25
December 2006 .....	5,508,972.31	September 2010 .....	4,144,121.09	June 2014 .....	1,487,858.33
January 2007 .....	5,478,947.00	October 2010 .....	4,093,010.13	July 2014 .....	1,426,362.94
February 2007 .....	5,450,558.38	November 2010 .....	4,041,235.37	August 2014 .....	1,364,962.81
March 2007 .....	5,423,788.39	December 2010 .....	3,988,822.82	September 2014 .....	1,303,667.41
April 2007 .....	5,398,619.13	January 2011 .....	3,935,797.96	October 2014 .....	1,242,485.98
May 2007 .....	5,375,032.88	February 2011 .....	3,882,185.77	November 2014 .....	1,181,427.50
June 2007 .....	5,353,012.08	March 2011 .....	3,828,010.70	December 2014 .....	1,120,500.76
July 2007 .....	5,332,539.31	April 2011 .....	3,773,296.74	January 2015 .....	1,059,714.30
August 2007 .....	5,313,597.31	May 2011 .....	3,718,067.37	February 2015 .....	999,076.43
September 2007 .....	5,296,169.00	June 2011 .....	3,662,345.59	March 2015 .....	938,595.26
October 2007 .....	5,280,237.44	July 2011 .....	3,606,153.94	April 2015 .....	878,278.67
November 2007 .....	5,265,785.84	August 2011 .....	3,549,514.48	May 2015 .....	818,134.33
December 2007 .....	5,252,797.55	September 2011 .....	3,492,448.83	June 2015 .....	758,169.71
January 2008 .....	5,241,256.10	October 2011 .....	3,434,978.16	July 2015 .....	698,392.08
February 2008 .....	5,229,888.31	November 2011 .....	3,377,123.19	August 2015 .....	638,808.49
March 2008 .....	5,215,824.80	December 2011 .....	3,318,904.20	September 2015 .....	579,425.83
April 2008 .....	5,199,699.64	January 2012 .....	3,260,341.07	October 2015 .....	520,250.76
May 2008 .....	5,181,839.35	February 2012 .....	3,201,453.24	November 2015 .....	461,289.77
June 2008 .....	5,162,290.31	March 2012 .....	3,142,259.74	December 2015 .....	402,549.17
July 2008 .....	5,141,098.07	April 2012 .....	3,082,779.20	January 2016 .....	344,035.08
August 2008 .....	5,118,307.32	May 2012 .....	3,023,029.85	February 2016 .....	285,753.43
September 2008 .....	5,093,961.94	June 2012 .....	2,963,029.53	March 2016 .....	227,709.99
October 2008 .....	5,068,105.00	July 2012 .....	2,902,795.70	April 2016 .....	169,910.36
November 2008 .....	5,040,778.77	August 2012 .....	2,842,345.42	May 2016 .....	112,359.96
December 2008 .....	5,012,024.73	September 2012 .....	2,781,695.41	June 2016 .....	55,064.05
January 2009 .....	4,981,883.59	October 2012 .....	2,720,862.00	July 2016 and thereafter .....	0.00
February 2009 .....	4,950,395.29	November 2012 .....	2,659,861.18		
March 2009 .....	4,917,599.04	December 2012 .....	2,598,708.56		

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.

**\$261,595,914**



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

**Fannie Mae REMIC Trust 2002-28  
(The Group 1, 2, 3, 5 and  
Residual Classes Only)**

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**Salomon Smith Barney**

**Prospectus Supplement  
March 13, 2002**