

PROSPECTUS SUPPLEMENT
(To REMIC Prospectus dated May 1, 2002)

\$693,665,687



FannieMae®

Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2002-68

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

- Fannie Mae Stripped MBS,
- Fannie Mae MBS and
- underlying REMIC and RCR 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
AF	1	\$200,000,000	PT	(1)	FLT	31392EWX4	October 2032
AS	1	200,000,000 (2)	NTL	(1)	INV/IO	31392EWY2	October 2032
KA (3) ...	2	64,197,000	PAC	5.50%	FIX	31392EWZ9	August 2010
KG	2	64,357,000	PAC	4.75	FIX	31392EXA3	December 2014
KI	2	8,775,954 (2)	NTL	5.50	FIX/IO	31392EXB1	December 2014
KC	2	19,855,000	PAC	5.50	FIX	31392EXC9	January 2016
KD	2	36,006,000	PAC	5.50	FIX	31392EXD7	October 2017
VN	2	55,585,000	TAC/AD	5.50	FIX	31392EXE5	October 2017
ZQ	2	10,000,000	SUP	5.50	FIX/Z	31392EXF2	October 2017
TX	3	4,476,918	SC/PT	(1)	INV	31392EXG0	February 2024
FN	4	35,732,656	PT	(1)	FLT	31392EXH8	October 2032
SN	4	35,732,656 (2)	NTL	(1)	INV/IO	31392EXJ4	October 2032
FT	5	20,001,049	PT	(1)	FLT	31392EXK1	October 2032
ST	5	20,001,049 (2)	NTL	(1)	INV/IO	31392EXL9	October 2032
FB	6	68,072,340	PT	(1)	FLT	31392EXM7	October 2032
SB	6	68,072,340 (2)	NTL	(1)	INV/IO	31392EXN5	October 2032
FG	7	40,382,724	PT	(1)	FLT	31392EXP0	October 2032
SG	7	40,382,724 (2)	NTL	(1)	INV/IO	31392EXQ8	October 2032
FH	8	75,000,000	PT	(1)	FLT	31392EXR6	October 2032
SH	8	75,000,000 (2)	NTL	(1)	INV/IO	31392EXS4	October 2032
R		0	NPR	0	NPR	31392EXT2	October 2032
RL		0	NPR	0	NPR	31392EYL8	October 2032

(1) Based on LIBOR.

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

(3) Exchangeable class.

If you own certificates of the KA Class, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The KL, IK and KM Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be September 30, 2002.

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

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

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

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

Goldman, Sachs & Co.

The date of this Prospectus Supplement is August 28, 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 May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated May 1, 2002 (the “MBS Prospectus”);
- our Information Statement dated April 1, 2002 and its supplements (the “Information Statement”);
- if you are purchasing any Group 1, 6, 7 or 8 Class or the R or RL Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated May 1, 2002 (the “SMBS Prospectus”); and
- if you are purchasing any Group 3 Class or the R or RL Class, the disclosure document relating to the underlying REMIC and RCR certificates (the “Underlying REMIC Disclosure Document”).

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

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

In addition, the Disclosure Documents, together with the class factors, are available on our corporate web site at www.fanniemae.com and our business to business web site at www.efanniemae.com.

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

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

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 SMBS
2	Group 2 MBS
3	Class 1997-07-G REMIC Certificate Class 1997-07-WE RCR Certificate
4	Group 4 MBS
5	Group 5 MBS
6	Group 6 SMBS
7	Group 7 SMBS
8	Group 8 SMBS

Assumed Characteristics of the Mortgage Loans Underlying the SMBS and the Trust MBS (as of September 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 SMBS*	\$200,000,000	360	352	6	6.983%
Group 2 MBS	\$250,000,000	180	176	3	6.000%
Group 4 MBS	\$ 35,732,656	360	278	80	8.490%
Group 5 MBS	\$ 20,001,049	360	221	115	9.080%
Group 6 SMBS**	\$ 68,072,340	360	340	16	7.023%
Group 7 SMBS†	\$ 40,382,724	360	281	65	8.054%
Group 8 SMBS††	\$ 75,000,000	360	339	17	6.721%

* The Group 1 SMBS will represent ownership of (i) interest payments at a pass-through rate of 6.5% on an initial notional principal amount of \$276,923,077 and (ii) principal payments on an initial principal amount of \$200,000,000 of MBS. See “Description of the Certificates—The SMBS—*The Group 1 SMBS*” in this prospectus supplement.

** The Group 6 SMBS will represent ownership of (i) interest payments at a pass-through rate of 6.5% on an initial notional principal amount of \$89,017,676 and (ii) principal payments on an initial principal amount of \$68,072,340 of MBS. See “Description of the Certificates—The SMBS—*The Group 6 SMBS*” in this prospectus supplement.

† The Group 7 SMBS will represent ownership of (i) interest payments at a pass-through rate of 7.5% on an initial notional principal amount of \$45,767,087 and (ii) principal payments on an initial principal amount of \$40,382,724 of MBS. See “Description of the Certificates—The SMBS—*The Group 7 SMBS*” in this prospectus supplement.

†† The Group 8 SMBS will represent ownership of (i) interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$106,250,000 and (ii) principal payments on an initial principal amount of \$75,000,000 of MBS. See “Description of the Certificates—The SMBS—*The Group 8 SMBS*” in this prospectus supplement.

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

Characteristics of the Underlying REMIC and RCR Certificates

Exhibit A describes the underlying REMIC and RCR certificates, including certain information about the related mortgage loans. To learn more about the underlying REMIC and RCR certificates,

you should obtain from us the current class factors and the disclosure document that relates to them as described on page S-3.

Class Factors

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

Settlement Date

We expect to issue the certificates on September 30, 2002.

Distribution Dates

We will make payments on the Group 1, 2, 3 and 6 Classes on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day. We will make payments on the Group 4, 5, 7 and 8 Classes on the 18th day of each calendar month, or on the next business day if the 18th 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 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 the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below, except that the initial interest rate for the TX Class is an assumed rate. During subsequent interest accrual periods, the floating rate and inverse

floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
AF	2.80000%	9.00000%	1.00%	LIBOR + 100 basis points
AS	6.20000%	8.00000%	0.00%	8% – LIBOR
TX (2)	19.97404%	25.50203%	0.00%	$25.50203\% - (3.05413769 \times \text{LIBOR})$
FN	2.25000%	8.00000%	0.45%	LIBOR + 45 basis points
SN	5.75000%	7.55000%	0.00%	7.55% – LIBOR
FT	2.10000%	8.50000%	0.30%	LIBOR + 30 basis points
ST	6.40000%	8.20000%	0.00%	8.2% – LIBOR
FB	2.30000%	8.50000%	0.50%	LIBOR + 50 basis points
SB	6.20000%	8.00000%	0.00%	8% – LIBOR
FG	2.20000%	8.50000%	0.40%	LIBOR + 40 basis points
SG	6.30000%	8.10000%	0.00%	8.1% – LIBOR
FH	2.30000%	8.50000%	0.50%	LIBOR + 50 basis points
SH	6.20000%	8.00000%	0.00%	8% – LIBOR

(1) We will establish LIBOR on the basis of the “LIBO Method” in the case of the TX Class, and on the basis of the “BBA Method” in the case of all other Floating Rate and Inverse Floating Rate Classes.

(2) Assumed initial interest rate. We will calculate the actual interest rate on September 23, 2002 using the applicable formula.

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

Notional Classes

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

<u>Class</u>	
AS	100% of the AF Class
KI	13.6363636363% of the KG Class
SN	100% of the FN Class
ST	100% of the FT Class
SB	100% of the FB Class
SG	100% of the FG Class
SH	100% of the FH Class
IK	18.1818181818% of the KA Class

Distributions of Principal

Group 1 Principal Distribution Amount

To the AF Class to zero.

Group 2 Principal Distribution Amount

ZQ Accrual Amount

To the VN Class to its Targeted Balance, and thereafter to the ZQ Class.

Group 2 Cash Flow Distribution Amount

1. To the KA, KG, KC and KD Classes, in that order, to their Planned Balances.

2. To the VN Class to its Targeted Balance.
3. To the ZQ Class to zero.
4. To the VN Class to zero.
5. To the KA, KG, KC and KD Classes, in that order, to zero.

Group 3 Principal Distribution Amount

To the TX Class to zero.

Group 4 Principal Distribution Amount

To the FN Class to zero.

Group 5 Principal Distribution Amount

To the FT Class to zero.

Group 6 Principal Distribution Amount

To the FB Class to zero.

Group 7 Principal Distribution Amount

To the FG Class to zero.

Group 8 Principal Distribution Amount

To the FH Class to zero.

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

Weighted Average Lives (years) *

		PSA Prepayment Assumption					
<u>Group 1 Classes</u>		<u>0%</u>	<u>250%</u>	<u>689%</u>	<u>1000%</u>	<u>1300%</u>	
AF and AS	21.1	6.2	2.6	1.9	1.5		
		PSA Prepayment Assumption					
<u>Group 2 Classes</u>		<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>215%</u>	<u>250%</u>	<u>500%</u>
KA, KL, IK and KM	4.0	2.5	2.5	2.5	2.5	2.1	
KG and KI	8.5	5.5	5.5	5.5	5.5	3.6	
KC	10.8	8.0	8.0	8.0	8.0	5.0	
KD	12.3	11.1	11.1	11.1	11.1	7.7	
VN	10.2	6.8	4.0	3.6	2.2	1.1	
ZQ	14.6	13.5	12.7	1.5	1.1	0.5	
		PSA Prepayment Assumption					
<u>Group 3 Class</u>		<u>0%</u>	<u>250%</u>	<u>625%</u>	<u>1000%</u>	<u>1300%</u>	
TX	19.2	6.4	0.9	0.4	0.2		
		PSA Prepayment Assumption					
<u>Group 4 Classes</u>		<u>0%</u>	<u>250%</u>	<u>563%</u>	<u>900%</u>	<u>1200%</u>	
FN and SN	21.8	5.2	2.3	1.3	0.8		
		PSA Prepayment Assumption					
<u>Group 5 Classes</u>		<u>0%</u>	<u>250%</u>	<u>536%</u>	<u>900%</u>	<u>1200%</u>	
FT and ST	22.0	4.8	2.4	1.3	0.8		

<u>Group 6 Classes</u>		<u>PSA Prepayment Assumption</u>				
		<u>0%</u>	<u>250%</u>	<u>750%</u>	<u>1000%</u>	<u>1300%</u>
FB and SB	21.1		5.7	1.9	1.4	1.0
<u>Group 7 Classes</u>		<u>PSA Prepayment Assumption</u>				
		<u>0%</u>	<u>250%</u>	<u>645%</u>	<u>1000%</u>	<u>1300%</u>
FG and SG	21.6		5.2	2.0	1.1	0.7
<u>Group 8 Classes</u>		<u>PSA Prepayment Assumption</u>				
		<u>0%</u>	<u>250%</u>	<u>500%</u>	<u>900%</u>	<u>1200%</u>
FH and SH	20.8		5.6	2.9	1.5	1.0

* 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 TX Class also will be affected by the payment priorities governing the Group 3 Underlying REMIC and RCR Certificates. If you invest in the TX Class, the rate at which you receive payments also will be affected by the priority sequences governing principal payments on the Group 3 Underlying REMIC and RCR Certificates.

As described in the Underlying Disclosure Document, the Group 3 Underlying REMIC Certificate is backed by an underlying REMIC certificate that is a Support class and the Group 3 Underlying RCR Certificate is backed by an underlying REMIC certificate the notional principal balance of which is calculated with reference to a Support class. A Support class is entitled to receive principal payments on any distribution date only if scheduled payments have been made on other securities in the related underlying REMIC trust. Accordingly, a Support class may receive no principal payments for extended periods or may receive principal payments that vary widely from period to period.

You may obtain additional information about the Group 3 Underlying REMIC and RCR Certificates by reviewing their current class factors in light of other information available in the Underlying REMIC Disclosure Document. You may obtain this document from us as described on page S-3.

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 SMBS and the Trust MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

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

Some investors may be unable to buy certain classes. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authori-

ties, 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 September 1, 2002 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

The assets of the Trust will consist of the Lower Tier Regular Interests.

The assets of the Lower Tier REMIC will consist of

- four groups of Fannie Mae Stripped Mortgage-Backed Securities (the “Group 1 SMBS,” “Group 6 SMBS,” “Group 7 SMBS,” and “Group 8 SMBS,” and together, the “SMBS”),
- three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 2 MBS,” “Group 4 MBS” and “Group 5 MBS” and, together, the “Trust MBS”), and
- certain previously issued REMIC and RCR Certificates (the “Group 3 Underlying REMIC and RCR Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A.

The assets of the Underlying REMIC Trust evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS and the Fannie Mae Guaranteed Mortgage Pass-Through Certificates underlying the SMBS, the “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 Group 3 Underlying REMIC and RCR 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 the 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 Group 1, Group 2, Group 3 and Group 6 Classes 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 will make payments on the Group 4, Group 5, Group 7 and Group 8 Classes on the 18th day of each month (or, if the 18th is not a business day, on the first business day after the 18th). 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 applicable class 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 Class).

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 the Certificates—Termination” in the MBS Prospectus.

Voting the Group 3 Underlying REMIC and RCR Certificates. Holders of the Group 3 Underlying REMIC and RCR Certificates may be asked to vote on issues arising under the related trust agreement. If so, the Trustee will vote the Group 3 Underlying REMIC and RCR Certificates, as instructed by Holders of Certificates of the Group 3 Classes. 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 KA Class of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

Procedures. If a Certificateholder wishes to exchange Certificates, the Certificateholder must notify our Structured Transactions Department through one of our “REMIC Dealer Group” dealers in writing or by telefax no later than two business days before the proposed exchange date. The exchange date can be any business day other than the first or last business day of the month subject to our

approval. The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. After receiving the Holder's notice, we will telephone the dealer with delivery and wire payment instructions. Notice becomes irrevocable on the second business day before the proposed exchange date.

In connection with each exchange, the Holder must pay us a fee equal to 1/32 of 1% of the outstanding principal balance (exclusive of any notional principal balance) of the Certificates to be exchanged. In no event, however, will our fee be less than \$2,000.

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

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

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

The SMBS

The general characteristics of the SMBS are described in the SMBS Prospectus. The SMBS provide that certain principal and interest payments on the related MBS are passed through monthly. The general characteristics of the MBS are described in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully amortizing mortgage loans secured by first mortgages or deed of trust on single-family residential properties, as described under "Mortgage Loan Pools" and "Yield Considerations, Maturity and Prepayment Assumptions" in the MBS Prospectus.

The Group 1 SMBS

The Group 1 SMBS represent ownership of

- interest payments at a pass-through rate of 6.5% on an initial notional principal amount of \$276,923,077, and
- principal payments on an initial principal amount of \$200,000,000 of MBS.

We expect the characteristics of the Mortgage Loans underlying the Group 1 SMBS as of the Issue Date to be as follows:

Range of WACs (annual percentages)	6.75% to 9.00%
Approximate Weighted Average WAM	352 months
Approximate Weighted Average WALA (weighted average loan age)	6 months

The Group 6 SMBS

The Group 6 SMBS represent ownership of

- interest payments at a pass-through rate of 6.5% on an initial notional principal amount of \$89,017,676, and
- principal payments on an initial principal amount of \$68,072,340 of MBS.

We expect the characteristics of the Mortgage Loans underlying the Group 6 SMBS as of the Issue Date to be as follows:

Range of WACs (annual percentages)	6.75% to 9.00%
Approximate Weighted Average WAM	340 months
Approximate Weighted Average WALA	16 months

The Group 7 SMBS

The Group 7 SMBS represent ownership of

- interest payments at a pass-through rate of 7.5% on an initial notional principal amount of \$45,767,087, and
- principal payments on an initial principal amount of \$40,382,724 of MBS.

We expect the characteristics of the Mortgage Loans underlying the Group 7 SMBS as of the Issue Date to be as follows:

Range of WACs (annual percentages)	7.75% to 10.00%
Approximate Weighted Average WAM	281 months
Approximate Weighted Average WALA	65 months

The Group 8 SMBS

The Group 8 SMBS represent ownership of

- interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$106,250,000, and
- principal payments on an initial principal amount of \$75,000,000 of MBS.

We expect the characteristics of the Mortgage Loans underlying the Group 8 SMBS as of the Issue Date to be as follows:

Range of WACs (annual percentages)	6.25% to 8.50%
Approximate Weighted Average WAM	339 months
Approximate Weighted Average WALA	17 months

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, fixed-rate, fully amortizing 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 2 MBS and up to 30 years in the case of the Group 4 and 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 2 MBS

Aggregate Unpaid Principal Balance	\$250,000,000
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM.....	176 months
Approximate Weighted Average WALA (weighted average loan age)	3 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$35,732,656
MBS Pass-Through Rate	8.00%
Range of WACs (annual percentages)	8.25% to 10.50%
Approximate Weighted Average WAM.....	278 months
Approximate Weighted Average WALA.....	80 months

Group 5 MBS

Aggregate Unpaid Principal Balance	\$20,001,049
MBS Pass-Through Rate	8.50%
Range of WACs (annual percentages)	8.75% to 11.00%
Approximate Weighted Average WAM.....	221 months
Approximate Weighted Average WALA.....	115 months

The Group 3 Underlying REMIC and RCR Certificates

The Group 3 Underlying REMIC and RCR Certificates represent beneficial ownership interests in the Underlying REMIC Trust. The assets of that trust evidence direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the Group 3 Underlying REMIC and RCR Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 3 Underlying REMIC and RCR Certificates are described in the Underlying REMIC Disclosure Document. See Exhibit A for additional information about the Group 3 Underlying REMIC and RCR Certificates.

Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully amortizing 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 and RCR 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 Underlying REMIC Disclosure Document. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in those documents may be limited.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances (or notional principal balances) of the Group 3 Underlying REMIC and RCR Certificates as of the Issue Date and, with respect to the SMBS and the Trust MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the

Mortgage Loans underlying each of the SMBS and the Trust MBS 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 SMBS and the Trust MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Floating Rate	AF
Inverse Floating Rate	AS
Interest Only	AS
Group 2 Classes	
Fixed Rate	KA, KG, KI, KC, KD, VN and ZQ
Accrual	ZQ
Interest Only	KI
RCR**	KL, IK and KM
Group 3 Class	
Inverse Floating Rate	TX
Group 4 Classes	
Floating Rate	FN
Inverse Floating Rate	SN
Interest Only	SN
Group 5 Classes	
Floating Rate	FT
Inverse Floating Rate	ST
Interest Only	ST
Group 6 Classes	
Floating Rate	FB
Inverse Floating Rate	SB
Interest Only	SB
Group 7 Classes	
Floating Rate	FG
Inverse Floating Rate	SG
Interest Only	SG
Group 8 Classes	
Floating Rate	FH
Inverse Floating Rate	SH
Interest Only	SH
No Payment Residual	R and RL

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

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

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

360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Class) 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 Class) 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 Class, see “—*Accrual Class*” below.

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The AF, AS, TX, FB and SB Classes	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs
The FN, SN, FT, ST, FG, SG, FH and SH Classes	One-month period beginning on the 18th 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 Class. The ZQ Class is the Accrual Class. Interest will accrue on the Accrual Class at the annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

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

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

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

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

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

Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of the “LIBO Method” in the case of the TX Class, and on the basis of the “BBA Method” in the case of all other Floating Rate and Inverse Floating Rate Classes, 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 1.80% in the case of the AF, AS, FN, SN, FT, ST, FB, SB, FG, SG, FH and SH Classes, and will be equal to LIBOR as determined for that Interest Accrual Period for the Group 3 Underlying RCR Certificate in the case of the TX Class.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Pass-Through	AF
Notional	AS
Group 2 Classes	
PAC	KA, KG, KC and KD
TAC	VN
Support	ZQ
Accretion Directed	VN
Notional	KI
RCR**	KL, IK and KM
Group 3 Class	
Structured Collateral/Pass-Through	TX
Group 4 Classes	
Pass-Through	FN
Notional	SN
Group 5 Classes	
Pass-Through	FT
Notional	ST
Group 6 Classes	
Pass-Through	FB
Notional	SB
Group 7 Classes	
Pass-Through	FG
Notional	SG
Group 8 Classes	
Pass-Through	FH
Notional	SH
No Payment Residual	R and RL

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

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 SMBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZQ Class (the “ZQ Accrual Amount” and, together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 Underlying REMIC and RCR Certificates (the “Group 3 Principal Distribution Amount”),
- the principal to be paid on the Group 4 MBS in the month of that Distribution Date (the “Group 4 Principal Distribution Amount”),
- the principal to be paid on the Group 5 MBS in the month of that Distribution Date (the “Group 5 Principal Distribution Amount”),
- the principal then paid on the Group 6 SMBS (the “Group 6 Principal Distribution Amount”),
- the principal to be paid on the Group 7 SMBS in the month of that Distribution Date (the “Group 7 Principal Distribution Amount”), and
- the principal to be paid on the Group 8 SMBS in the month of that Distribution Date (the “Group 8 Principal Distribution Amount”).

The portion of each Class of Group 3 Underlying REMIC and RCR Certificates held by the Lower Tier REMIC is set forth in Exhibit A.

Group 1 Principal Distribution Amount

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

Group 2 Principal Distribution Amount

ZQ Accrual Amount

On each Distribution Date, we will pay the ZQ Accrual Amount as principal of the VN Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the ZQ Accrual Amount as principal of the ZQ Class. } Accretion Directed Class and Accrual Class

Group 2 Cash Flow Distribution Amount

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

- (i) sequentially, to the KA, KG, KC and KD Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date; } PAC Classes

- (ii) to the VN Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } TAC Class
- (iii) to the ZQ Class, until its principal balance is reduced to zero; } Support Class
- (iv) to the VN Class, without regard to its Targeted Balance and until its principal balance is reduced to zero; and } TAC Class
- (v) sequentially, to the KA, KG, KC and KD Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero. } PAC Classes

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount as principal of the TX Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

Group 4 Principal Distribution Amount

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

Group 5 Principal Distribution Amount

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

Group 6 Principal Distribution Amount

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

Group 7 Principal Distribution Amount

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

Group 8 Principal Distribution Amount

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

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

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each pool of Mortgage Loans backing the Group 3 Underlying REMIC and RCR Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the SMBS and the Trust MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the SMBS and the Trust MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;

- the settlement date for the sale of the Certificates is September 30, 2002; and
- each Distribution Date occurs on the 25th day of a month in the case of the Group 1, Group 2, Group 3 and Group 6 Classes and on the 18th day of a month in the case of the Group 4, Group 5, Group 7 and Group 8 Classes.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this prospectus supplement is The Bond Market Association's standard prepayment model ("PSA"). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under "Description of Certificates—Prepayment Models" in the REMIC Prospectus.

It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other constant rate.

Structuring Range and 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 Structuring Range or at the rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range and Rate</u>
Planned Balances	KA, KG, KC and KD	Between 100% and 250% PSA
Targeted Balances	VN	150% PSA

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 Structuring Range, principal distributions may be insufficient to reduce the applicable Classes to their scheduled balances if the prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Classes specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the Structuring Range or at the rate 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>
KA	Between 100% and 281% PSA
KG	Between 100% and 250% PSA
KC	Between 96% and 250% PSA
KD	Between 79% and 250% PSA

The actual Effective Ranges at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Ranges calculated on the basis of the actual characteristics are likely to differ from the Initial Effective Ranges. As a result, the applicable Classes might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within

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

Yield Tables

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

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

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

We cannot assure you that

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

In addition, it is unlikely that the Index will correspond to the levels shown here. Furthermore, because some of the Mortgage Loans are likely to have remaining terms to maturity shorter or longer than those assumed and interest rates higher or lower than those assumed, the principal payments on the Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

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

<u>Class</u>	<u>% PSA</u>
KI	825%
IK	641%

For either Fixed Rate Interest Only Class, if the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling

that level for the remaining months, the investors in the applicable Class would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
KI	13.5000%
IK	9.9375%

* 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 KI Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>215%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	37.9%	34.8%	34.8%	34.8%	34.8%	20.7%

Sensitivity of the IK Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>215%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	30.8%	22.5%	22.5%	22.5%	22.5%	10.1%

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 AS, SN, ST, SB, SG and SH 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>
AS	9.2500%
TX	110.0000%
SN	8.4375%
ST	10.3750%
SB	9.3125%
SG	9.0000%
SH	10.6250%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>689%</u>	<u>1000%</u>	<u>1300%</u>
0.8%	86.6%	76.0%	51.4%	32.6%	13.1%
1.8%	72.9%	62.2%	37.4%	18.3%	(1.5)%
3.8%	46.5%	35.6%	9.8%	(10.1)%	(31.0)%
5.8%	21.3%	9.8%	(17.5)%	(39.1)%	(62.3)%
7.8%	(9.0)%	(20.5)%	(49.0)%	(74.8)%	*
8.0%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>625%</u>	<u>1000%</u>	<u>1300%</u>
0.81%	21.7%	20.5%	11.2%	(3.9)%	(20.6)%
1.81%	18.7%	17.6%	8.5%	(6.1)%	(22.4)%
3.81%	12.8%	11.7%	3.2%	(10.6)%	(25.9)%
5.81%	6.9%	6.0%	(2.1)%	(15.0)%	(29.4)%
7.81%	1.0%	0.3%	(7.3)%	(19.3)%	(32.8)%
8.35%	(0.5)%	(1.3)	(8.6)%	(20.5)%	(33.7)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>563%</u>	<u>900%</u>	<u>1200%</u>
0.80%	87.4%	69.7%	39.2%	0.8%	(41.8)%
1.80%	72.3%	55.5%	26.4%	(10.1)%	(50.6)%
3.80%	43.5%	28.3%	2.1%	(30.8)%	(67.3)%
5.80%	16.0%	2.4%	(21.1)%	(50.6)%	(83.7)%
7.55%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>536%</u>	<u>900%</u>	<u>1200%</u>
0.8%	74.8%	57.9%	31.3%	(8.3)%	(49.1)%
1.8%	62.8%	46.5%	21.0%	(16.9)%	(56.0)%
3.8%	39.7%	24.7%	1.2%	(33.6)%	(69.5)%
5.8%	17.0%	3.3%	(18.1)%	(49.8)%	(82.8)%
7.8%	(12.3)%	(24.2)%	(42.9)%	(70.8)%	*
8.2%	*	*	*	*	*

* 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>250%</u>	<u>750%</u>	<u>1000%</u>	<u>1300%</u>
0.80%	84.9%	70.2%	29.2%	5.3%	(28.4)%
1.80%	71.4%	57.1%	17.0%	(6.5)%	(39.6)%
3.80%	45.4%	31.8%	(6.7)%	(29.3)%	(61.7)%
5.80%	20.6%	7.6%	(29.3)%	(51.3)%	(83.3)%
8.00%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>645%</u>	<u>1000%</u>	<u>1300%</u>
0.8%	88.9%	71.1%	31.7%	(11.2)%	(58.3)%
1.8%	74.7%	57.7%	20.1%	(20.9)%	(65.7)%
3.8%	47.5%	32.0%	(2.2)%	(39.3)%	(80.0)%
5.8%	21.6%	7.6%	(23.3)%	(56.9)%	(94.0)%
7.8%	(9.3)%	(21.4)%	(48.2)%	(79.6)%	*
8.1%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	250%	500%	900%	1200%
0.8%	72.3%	57.5%	37.6%	1.5%	(31.1)%
1.8%	60.6%	46.2%	26.8%	(8.5)%	(40.6)%
3.8%	38.3%	24.5%	6.0%	(27.8)%	(58.8)%
5.8%	16.8%	3.7%	(13.9)%	(46.4)%	(76.6)%
8.0%	*	*	*	*	*

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

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequence of payments of principal of the Group 2 Classes,
- in the case of the Group 2 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules, and
- in the case of the Group 3 Class, the priority sequence affecting principal payments on the Group 3 Underlying REMIC Certificate.

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

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

Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 SMBS	360 months	360 months	9.0%
Group 2 MBS	180 months	180 months	8.0%
Group 3 Underlying REMIC and RCR Certificates	360 months	257 months	9.5%
Group 4 MBS	360 months	360 months	10.5%
Group 5 MBS	360 months	360 months	11.0%
Group 6 SMBS	360 months	360 months	9.0%
Group 7 SMBS	360 months	360 months	10.0%
Group 8 SMBS	360 months	360 months	8.5%

It is unlikely

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

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

Percent of Original Principal Balances Outstanding

Date	AF and AS† Classes					KA, KL, IK† and KM Classes						KG and KI† Classes					
	PSA Prepayment Assumption					PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	250%	689%	1000%	1300%	0%	100%	150%	215%	250%	500%	0%	100%	150%	215%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2003	99	93	82	74	66	100	100	100	100	100	100	100	100	100	100	100	100
September 2004	99	80	53	37	23	85	67	67	67	67	64	100	100	100	100	100	100
September 2005	98	67	31	15	5	68	30	30	30	30	0	100	100	100	100	100	80
September 2006	97	57	18	6	1	51	0	0	0	0	0	100	96	96	96	96	23
September 2007	96	47	10	2	*	31	0	0	0	0	0	100	63	63	63	63	0
September 2008	95	40	6	1	*	10	0	0	0	0	0	100	33	33	33	33	0
September 2009	94	33	3	*	*	0	0	0	0	0	0	88	6	6	6	6	0
September 2010	92	28	2	*	*	0	0	0	0	0	0	63	0	0	0	0	0
September 2011	91	23	1	*	*	0	0	0	0	0	0	37	0	0	0	0	0
September 2012	89	19	1	*	*	0	0	0	0	0	0	8	0	0	0	0	0
September 2013	88	16	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
September 2014	86	13	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
September 2015	84	11	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
September 2016	82	9	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0
September 2017	79	7	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2018	77	6	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2019	74	5	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2020	71	4	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2021	67	3	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2022	64	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2023	59	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2024	55	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2025	50	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2026	45	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2027	39	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2028	32	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2029	25	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2030	18	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2031	9	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.1	6.2	2.6	1.9	1.5	4.0	2.5	2.5	2.5	2.5	2.1	8.5	5.5	5.5	5.5	5.5	3.6

Date	KC Class					KD Class					VN Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%	0%	100%	150%	215%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2003	100	100	100	100	100	100	100	100	100	100	83	71	67	67	57
September 2004	100	100	100	100	100	100	100	100	100	100	82	70	58	58	0
September 2005	100	100	100	100	100	100	100	100	100	100	81	69	47	42	0
September 2006	100	100	100	100	100	100	100	100	100	100	79	68	40	29	0
September 2007	100	100	100	100	100	100	100	100	100	100	78	66	34	21	0
September 2008	100	100	100	100	100	100	100	100	100	82	77	65	31	18	0
September 2009	100	100	100	100	100	100	100	100	100	52	75	62	27	17	0
September 2010	100	46	46	46	46	100	100	100	100	33	74	55	22	15	0
September 2011	100	0	0	0	0	100	93	93	93	20	72	45	14	13	0
September 2012	100	0	0	0	0	100	67	67	67	12	71	33	6	11	0
September 2013	27	0	0	0	0	100	46	46	46	7	69	19	0	8	0
September 2014	0	0	0	0	0	55	29	29	29	4	67	4	0	6	0
September 2015	0	0	0	0	0	16	16	16	16	2	48	0	0	4	0
September 2016	0	0	0	0	0	6	6	6	6	*	7	0	0	1	0
September 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.8	8.0	8.0	8.0	8.0	12.3	11.1	11.1	11.1	7.7	10.2	6.8	4.0	3.6	1.1

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

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

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

Date	ZQ Class						TX Class					FN and SN† Classes				
	PSA Prepayment Assumption						PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	150%	215%	250%	500%	0%	250%	625%	1000%	1300%	0%	250%	563%	900%	1200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2003	106	106	106	76	60	0	100	91	39	0	0	99	84	65	45	28
September 2004	112	112	112	24	0	0	100	81	7	0	0	99	70	43	21	8
September 2005	118	118	118	0	0	0	100	71	0	0	0	98	59	28	9	2
September 2006	125	125	125	0	0	0	100	62	0	0	0	98	49	18	4	1
September 2007	132	132	132	0	0	0	100	54	0	0	0	97	41	12	2	*
September 2008	139	139	139	0	0	0	100	46	0	0	0	96	34	8	1	*
September 2009	147	147	147	0	0	0	100	39	0	0	0	95	28	5	*	*
September 2010	155	155	155	0	0	0	100	32	0	0	0	94	23	3	*	*
September 2011	164	164	164	0	0	0	100	27	0	0	0	93	19	2	*	*
September 2012	173	173	173	0	0	0	100	22	0	0	0	92	15	1	*	*
September 2013	183	183	162	0	0	0	100	18	0	0	0	90	13	1	*	*
September 2014	193	193	118	0	0	0	100	14	0	0	0	89	10	1	*	*
September 2015	204	135	73	0	0	0	100	11	0	0	0	87	8	*	*	*
September 2016	216	55	29	0	0	0	100	8	0	0	0	85	6	*	*	*
September 2017	0	0	0	0	0	0	100	6	0	0	0	83	5	*	*	*
September 2018	0	0	0	0	0	0	100	4	0	0	0	80	4	*	*	0
September 2019	0	0	0	0	0	0	91	3	0	0	0	78	3	*	*	0
September 2020	0	0	0	0	0	0	74	2	0	0	0	75	2	*	*	0
September 2021	0	0	0	0	0	0	55	1	0	0	0	71	2	*	*	0
September 2022	0	0	0	0	0	0	34	*	0	0	0	68	1	*	*	0
September 2023	0	0	0	0	0	0	10	0	0	0	0	64	1	*	*	0
September 2024	0	0	0	0	0	0	0	0	0	0	0	59	*	*	0	0
September 2025	0	0	0	0	0	0	0	0	0	0	0	54	*	*	0	0
September 2026	0	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0
September 2027	0	0	0	0	0	0	0	0	0	0	0	43	0	0	0	0
September 2028	0	0	0	0	0	0	0	0	0	0	0	36	0	0	0	0
September 2029	0	0	0	0	0	0	0	0	0	0	0	28	0	0	0	0
September 2030	0	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0
September 2031	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0
September 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.6	13.5	12.7	1.5	1.1	0.5	19.2	6.4	0.9	0.4	0.2	21.8	5.2	2.3	1.3	0.8

Date	FT and ST† Classes					FB and SB† Classes					FG and SG† Classes					FH and SH† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	250%	536%	900%	1200%	0%	250%	750%	1000%	1300%	0%	250%	645%	1000%	1300%	0%	250%	500%	900%	1200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 2003	100	83	66	45	27	99	88	65	54	40	99	84	60	39	22	99	87	75	57	42
September 2004	99	69	44	20	7	99	74	36	21	9	99	70	36	15	5	98	73	52	26	12
September 2005	98	57	29	9	2	98	62	19	8	2	98	58	22	6	1	98	61	36	12	3
September 2006	98	47	19	4	1	97	52	10	3	*	97	49	13	2	*	97	51	25	5	1
September 2007	97	38	12	2	*	96	43	6	1	*	97	40	8	1	*	95	43	17	2	*
September 2008	96	31	8	1	*	95	36	3	1	*	96	34	5	*	*	94	36	12	1	*
September 2009	96	25	5	*	*	94	30	2	*	*	95	28	3	*	*	93	30	8	*	*
September 2010	95	21	3	*	*	92	25	1	*	*	94	23	2	*	*	92	25	6	*	*
September 2011	93	16	2	*	*	91	21	*	*	*	92	19	1	*	*	90	21	4	*	*
September 2012	92	13	1	*	*	89	17	*	*	*	91	15	1	*	*	89	17	3	*	*
September 2013	91	10	1	*	*	88	14	*	*	*	89	12	*	*	*	87	14	2	*	*
September 2014	89	8	1	*	*	86	12	*	*	*	88	10	*	*	*	85	12	1	*	*
September 2015	88	6	*	*	*	84	10	*	*	*	86	8	*	*	0	83	9	1	*	*
September 2016	86	4	*	*	*	82	8	*	*	*	84	6	*	*	0	81	8	1	*	*
September 2017	84	3	*	*	0	79	6	*	*	0	82	5	*	*	0	78	6	*	*	*
September 2018	81	2	*	*	0	77	5	*	*	0	79	4	*	*	0	75	5	*	*	0
September 2019	79	1	*	*	0	74	4	*	*	0	76	3	*	*	0	72	4	*	*	0
September 2020	76	*	*	*	0	71	3	*	*	0	73	2	*	*	0	69	3	*	*	0
September 2021	73	0	0	0	0	67	3	*	*	0	70	2	*	*	0	66	3	*	*	0
September 2022	69	0	0	0	0	64	2	*	*	0	66	1	*	*	0	62	2	*	*	0
September 2023	65	0	0	0	0	59	2	*	*	0	62	1	*	0	0	58	2	*	*	0
September 2024	61	0	0	0	0	55	1	*	0	0	58	*	*	0	0	53	1	*	*	0
September 2025	56	0	0	0	0	50	1	*	0	0	53	*	*	0	0	49	1	*	*	0
September 2026	50	0	0	0	0	45	1	*	0	0	47	0	0	0	0	43	1	*	*	0
September 2027	44	0	0	0	0	39	*	*	0	0	41	0	0	0	0	37	*	*	0	0
September 2028	37	0	0	0	0	32	*	*	0	0	35	0	0	0	0	31	*	*	0	0
September 2029	29	0	0	0	0	25	*	*	0	0	27	0	0	0	0	24	*	*	0	0
September 2030	20	0	0	0	0	18	*	*	0	0	19	0	0	0	0	17	*	*	0	0
September 2031	11	0	0	0	0	9	0	0	0	0	10	0	0	0	0	9	0	0	0	0
September 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)**	22.0	4.8	2.4	1.3	0.8	21.1	5.7	1.9	1.4	1.0	21.6	5.2	2.0	1.1	0.7	20.8	5.6	2.9	1.5	1.0

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

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

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

Characteristics of the R and RL Classes

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

A Residual Certificate will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of a Residual Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of a Residual 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 a Residual 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 a Residual 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 amended the Regulations to provide additional requirements that a transferor must satisfy to avail itself of the safe harbor regarding the presumed lack of improper knowledge. For transfers occurring on or after August 19, 2002, a transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the REMIC Prospectus, both (i) the transferee represents that it will not cause income from the Residual Certificate to be attributed to a foreign permanent establishment or fixed base of the transferee or another taxpayer and (ii) the transfer satisfies either the “asset test” or the “formula test.” The representation described in (i) will be included in the affidavit discussed above. 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.

A transfer satisfies the asset test if (i) 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), (ii) the transferee is an “eligible corporation” and the transferee agrees in writing that any subsequent transfer of the Residual Certificate will be to an eligible corporation and will comply with the safe harbor and satisfy the asset test, and (iii) the facts and circumstances known to the transferor do not reasonably indicate that the

taxes associated with the Residual Certificate will not be paid. A transfer satisfies the formula test 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 Regulations contain additional details regarding their application and you should consult your own tax adviser regarding the application of the Regulations to a transfer of a Residual Certificate.

The Holder of the R Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Trust, and the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the Lower Tier REMIC. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to these Holders (i) information necessary to enable them to prepare their federal income tax returns and (ii) any reports regarding the R or RL Class that may be required under the Code.

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

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

quences—*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>Group</u>	<u>Prepayment Assumption</u>
1	689% PSA
2	215% PSA
3	625% PSA
4	563% PSA
5	536% PSA
6	750% PSA
7	645% PSA
8	500% PSA

See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount—*Daily Portions of Original Issue Discount*” in the REMIC Prospectus. No representation is made as to whether the Mortgage Loans underlying the MBS will prepay at any of those rates or any other rate. See “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement and “Description of Certificates—Weighted Average Life and Final Distribution Date” in the REMIC Prospectus.

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 6.14% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes (each, a “Strip RCR Class”) will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. Each Certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on one or more underlying REMIC Certificates.

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

whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

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

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

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

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

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under “—*Taxation of Beneficial Owners of RCR Certificates—Exchanges*”) a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case section 1286 would not apply. If a beneficial owner acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors

regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for REMIC Certificates, see “—*Exchanges*” below.

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

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Goldman, Sachs & Co. (the “Dealer”) in exchange for the SMBS, the Trust MBS and the Group 3 Underlying REMIC and RCR 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, 4, 5, 6, 7 or 8 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related SMBS or Trust MBS, as applicable, in principal balance, but we expect that all these additional SMBS or Trust MBS, as applicable, will have the same characteristics as described under “Description of the Certificates—The SMBS” and “—The Trust MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2, 4, 5, 6, 7 or 8 Class bears to the aggregate original principal balance of all Group 1, 2, 4, 5, 6, 7 or 8 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 and RCR Certificates

Underlying Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal Balance or Notional Principal Balance of Class	September 2002 Class Factor	Principal Balance or Notional Principal Balance in the Trust	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)	Underlying Security Type	Class Group
1997-007	WE	February 1997	31359NZU8	(2)	INV/IO	February 2024	NTL	\$25,995,529	0.47338195	\$12,305,812	7.476	238	104	MBS	3
1997-007	G	February 1997	31359NYU9	(3)	PO	February 2024	SC/PT	9,457,308	0.47338195	4,476,918	7.476	238	104	MBS	3

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

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

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

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal Balance	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1								
KA	\$64,197,000	KL IK	\$64,197,000 11,672,181 (3)	4.5% 5.5	FIX FIX/IO	PAC NTL	31392EXU9 31392EXV7	August 2010 August 2010
Recombination 2								
KA	64,197,000	KM IK	64,197,000 5,836,090 (3)	5.0 5.5	FIX FIX/IO	PAC NTL	31392EXW5 31392EXV7	August 2010 August 2010

(1) REMIC Certificates and RCR Certificates in any recombination may be exchanged only in the proportions shown above.
(2) See "Description of Certificates—Class Definitions and Abbreviations" in the REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" in this prospectus supplement.
(3) Notional principal balance.

Principal Balance Schedules

KA 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 September 2003.....	\$64,197,000.00	September 2004.....	\$43,175,059.79	October 2005	\$17,645,840.19
October 2003	62,638,680.96	October 2004	41,215,902.14	November 2005	15,744,706.65
November 2003	61,042,599.91	November 2004	39,228,924.17	December 2005	13,853,508.35
December 2003	59,409,488.27	December 2004	37,215,052.17	January 2006	11,972,194.18
January 2004	57,740,097.12	January 2005	35,211,695.53	February 2006	10,100,713.27
February 2004	56,035,196.63	February 2005	33,218,800.13	March 2006	8,239,015.02
March 2004	54,295,575.51	March 2005	31,236,312.15	April 2006.....	6,387,049.10
April 2004.....	52,522,040.36	April 2005.....	29,264,178.04	May 2006	4,544,765.42
May 2004	50,715,415.08	May 2005	27,302,344.52	June 2006	2,712,114.16
June 2004	48,876,540.23	June 2005	25,350,758.59	July 2006	889,045.76
July 2004	47,006,272.36	July 2005	23,409,367.52	August 2006 and thereafter	0.00
August 2004	45,105,483.36	August 2005	21,478,118.84		
		September 2005.....	19,556,960.37		

KG 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 July 2006	\$64,357,000.00	September 2007.....	\$40,702,129.60	December 2008	\$16,363,457.80
August 2006	63,432,510.91	October 2007	39,017,026.36	January 2009	14,847,882.13
September 2006.....	61,628,460.54	November 2007	37,340,746.71	February 2009	13,357,328.39
October 2006	59,833,845.85	December 2007	35,673,245.24	March 2009	11,891,420.50
November 2006	58,048,618.29	January 2008	34,014,476.78	April 2009.....	10,449,787.77
December 2006	56,272,729.55	February 2008	32,364,396.39	May 2009	9,032,064.85
January 2007	54,506,131.58	March 2008	30,722,959.36	June 2009	7,637,891.62
February 2007	52,748,776.56	April 2008.....	29,090,121.21	July 2009	6,266,913.14
March 2007	51,000,616.94	May 2008	27,465,837.69	August 2009	4,918,779.57
April 2007.....	49,261,605.39	June 2008	25,850,064.78	September 2009.....	3,593,146.09
May 2007	47,531,694.84	July 2008	24,242,758.68	October 2009	2,289,672.84
June 2007	45,810,838.46	August 2008	22,643,875.82	November 2009	1,008,024.86
July 2007	44,098,989.66	September 2008.....	21,053,372.85	December 2009 and thereafter	0.00
August 2007	42,396,102.08	October 2008	19,471,206.65		
		November 2008	17,904,436.94		

KC 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 November 2009	\$19,855,000.00	June 2010	\$12,475,454.48	February 2011	\$ 4,043,746.35
December 2009	19,602,872.00	July 2010	11,356,914.22	March 2011	3,069,481.25
January 2010	18,363,888.86	August 2010	10,257,393.51	April 2011.....	2,112,032.07
February 2010	17,145,754.73	September 2010.....	9,176,602.64	May 2011	1,171,141.00
March 2010	15,948,153.52	October 2010	8,114,256.11	June 2011	246,553.97
April 2010.....	14,770,773.70	November 2010	7,070,072.53	July 2011 and thereafter	0.00
May 2010	13,613,308.22	December 2010	6,043,774.59		
		January 2011	5,035,088.98		

KD 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 2011	\$36,006,000.00	June 2013	\$18,353,761.52	July 2015	\$ 6,505,281.38
July 2011	35,344,020.58	July 2013	17,764,123.55	August 2015	6,141,026.64
August 2011	34,451,294.07	August 2013	17,185,337.16	September 2015	5,784,029.39
September 2011	33,574,131.26	September 2013	16,617,231.51	October 2015	5,434,171.91
October 2011	32,712,292.51	October 2013	16,059,638.25	November 2015	5,091,338.25
November 2011	31,865,541.66	November 2013	15,512,391.52	December 2015	4,755,414.18
December 2011	31,033,645.97	December 2013	14,975,327.89	January 2016	4,426,287.18
January 2012	30,216,376.09	January 2014	14,448,286.35	February 2016	4,103,846.40
February 2012	29,413,506.02	February 2014	13,931,108.24	March 2016	3,787,982.66
March 2012	28,624,813.03	March 2014	13,423,637.25	April 2016	3,478,588.41
April 2012	27,850,077.64	April 2014	12,925,719.38	May 2016	3,175,557.70
May 2012	27,089,083.58	May 2014	12,437,202.88	June 2016	2,878,786.17
June 2012	26,341,617.71	June 2014	11,957,938.26	July 2016	2,588,171.03
July 2012	25,607,470.02	July 2014	11,487,778.23	August 2016	2,303,611.03
August 2012	24,886,433.55	August 2014	11,026,577.67	September 2016	2,025,006.43
September 2012	24,178,304.36	September 2014	10,574,193.62	October 2016	1,752,258.99
October 2012	23,482,881.50	October 2014	10,130,485.22	November 2016	1,485,271.96
November 2012	22,799,966.94	November 2014	9,695,313.70	December 2016	1,223,950.03
December 2012	22,129,365.56	December 2014	9,268,542.34	January 2017	968,199.32
January 2013	21,470,885.09	January 2015	8,850,036.45	February 2017	717,927.38
February 2013	20,824,336.07	February 2015	8,439,663.34	March 2017	473,043.14
March 2013	20,189,531.81	March 2015	8,037,292.28	April 2017	233,456.91
April 2013	19,566,288.36	April 2015	7,642,794.49	May 2017 and thereafter	0.00
May 2013	18,954,424.46	May 2015	7,256,043.09		
		June 2015	6,876,913.10		

VN Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$55,585,000.00	June 2004	\$33,527,337.25	March 2006	\$24,079,276.34
October 2002	54,399,387.41	July 2004	33,053,910.09	April 2006	23,727,794.83
November 2002	53,148,397.57	August 2004	32,570,408.64	May 2006	23,385,654.31
December 2002	51,832,744.89	September 2004	32,077,537.20	June 2006	23,052,745.45
January 2003	50,453,196.72	October 2004	31,576,011.06	July 2006	22,728,959.91
February 2003	49,010,572.61	November 2004	31,066,555.34	August 2006	22,414,190.35
March 2003	47,505,743.60	December 2004	30,549,903.73	September 2006	22,108,330.44
April 2003	45,939,631.33	January 2005	30,044,484.92	October 2006	21,811,274.76
May 2003	44,313,207.16	February 2005	29,550,172.43	November 2006	21,522,918.89
June 2003	42,627,491.19	March 2005	29,066,840.94	December 2006	21,243,159.35
July 2003	40,883,551.20	April 2005	28,594,366.23	January 2007	20,971,893.61
August 2003	39,082,501.56	May 2005	28,132,625.23	February 2007	20,709,020.08
September 2003	37,225,501.98	June 2005	27,681,495.97	March 2007	20,454,438.07
October 2003	36,872,075.42	July 2005	27,240,857.59	April 2007	20,208,047.87
November 2003	36,502,911.55	August 2005	26,810,590.34	May 2007	19,969,750.61
December 2003	36,118,567.14	September 2005	26,390,575.54	June 2007	19,739,448.38
January 2004	35,719,619.35	October 2005	25,980,695.57	July 2007	19,517,044.14
February 2004	35,306,664.78	November 2005	25,580,833.89	August 2007	19,302,441.75
March 2004	34,880,318.52	December 2005	25,190,875.05	September 2007	19,095,545.95
April 2004	34,441,213.20	January 2006	24,810,704.59	October 2007	18,896,262.33
May 2004	33,989,997.92	February 2006	24,440,209.14	November 2007	18,704,497.39

VN Class (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
December 2007	\$18,520,158.46	November 2009	\$14,763,501.32	September 2011.....	\$ 7,876,994.78
January 2008	18,343,153.73	December 2009	14,521,987.75	October 2011	7,500,318.51
February 2008	18,173,392.21	January 2010	14,272,387.87	November 2011	7,119,355.56
March 2008	18,010,783.78	February 2010	14,014,909.86	December 2011	6,734,244.01
April 2008.....	17,855,239.13	March 2010	13,749,758.18	January 2012	6,345,119.27
May 2008	17,706,669.78	April 2010.....	13,477,133.61	February 2012	5,952,114.13
June 2008	17,564,988.05	May 2010	13,197,233.32	March 2012	5,555,358.85
July 2008	17,430,107.09	June 2010	12,910,250.87	April 2012.....	5,154,981.15
August 2008	17,301,940.82	July 2010	12,616,376.34	May 2012	4,751,106.27
September 2008.....	17,180,403.99	August 2010	12,315,796.34	June 2012	4,343,857.02
October 2008	17,065,412.11	September 2010.....	12,008,694.09	July 2012	3,933,353.78
November 2008	16,949,778.84	October 2010	11,695,249.44	August 2012	3,519,714.57
December 2008	16,822,984.50	November 2010	11,375,638.93	September 2012.....	3,103,055.11
January 2009	16,685,291.55	December 2010	11,050,035.87	October 2012	2,683,488.79
February 2009	16,536,957.90	January 2011	10,718,610.37	November 2012	2,261,126.77
March 2009	16,378,236.93	February 2011	10,381,529.40	December 2012	1,836,077.99
April 2009.....	16,209,377.62	March 2011	10,038,956.80	January 2013	1,408,449.18
May 2009	16,030,624.55	April 2011.....	9,691,053.39	February 2013	978,344.95
June 2009	15,842,218.04	May 2011	9,337,976.98	March 2013	545,867.78
July 2009	15,644,394.13	June 2011	8,979,882.39	April 2013.....	111,118.10
August 2009	15,437,384.72	July 2011	8,616,921.58	May 2013 and thereafter	0.00
September 2009.....	15,221,417.61	August 2011	8,249,243.63		
October 2009	14,996,716.55				

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.

\$693,665,687



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2002-68**

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PROSPECTUS SUPPLEMENT

Goldman, Sachs & Co.

August 28, 2002
