

\$1,176,994,759



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2002-78**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

- Fannie Mae MBS, and
- Fannie Mae Stripped 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
AT	1	\$ 50,000,000	SEQ	4.90%	FIX	31392FZU4	June 2030
AU	1	50,000,000	SEQ	5.00	FIX	31392FZV2	June 2030
AX	1	45,454,546	SEQ	4.95	FIX	31392FZW0	August 2018
C	1	309,545,454	SEQ	5.50	FIX	31392FZX8	June 2030
CY	1	25,000,000	SEQ	7.00	FIX	31392FZY6	June 2030
E	1	24,000,000	SEQ	5.50	FIX	31392FZZ3	July 2031
IT	1	7,727,272(1)	NTL	5.50	FIX/IO	31392FA23	June 2030
V	1	6,028,000	SEQ/AD	5.50	FIX	31392FA31	June 2010
VA	1	10,046,000	SEQ/AD	5.50	FIX	31392FA49	June 2010
VB	1	29,954,000	SEQ/AD	5.50	FIX	31392FA56	January 2023
VE	1	17,972,000	SEQ/AD	5.50	FIX	31392FA64	January 2023
Z	1	20,000,000	SEQ	5.50	FIX/Z	31392FA72	December 2032
ZG	1	12,000,000	SEQ	5.50	FIX/Z	31392FA80	December 2032
AB	2	160,000,000	SEQ	5.00	FIX	31392FA98	August 2015
AC	2	25,000,000	SEQ	5.00	FIX	31392FB22	September 2016
AD	2	35,000,000	SEQ	5.00	FIX	31392FB30	December 2017
AH	2	30,000,000	SEQ	4.50	FIX	31392FB48	August 2015
IA	2	3,000,000(1)	NTL	5.00	FIX/IO	31392FB55	August 2015
D	3	25,000,000	SEG/TAC/AD	5.50	FIX	31392FB63	December 2017
DA	3	28,902,057	SEG/TAC/AD	5.50	FIX	31392FB71	December 2017
QA	3	18,327,000	PAC	5.50	FIX	31392FB89	December 2005
QB	3	20,000,000	PAC	5.50	FIX	31392FB97	July 2010
QC	3	20,812,000	PAC	5.50	FIX	31392FC21	May 2012
QD	3	56,214,000	PAC	5.50	FIX	31392FC39	December 2015
QE	3	6,036,000	PAC	5.50	FIX	31392FC47	April 2016
QG	3	33,441,579	PAC	5.50	FIX	31392FC54	December 2017
QL	3	17,225,000	PAC	4.50	FIX	31392FC62	July 2010
QW	3	10,000,000	PAC	5.50	FIX	31392FC70	May 2012
UB	3	3,131,818(1)	NTL	5.50	FIX/IO	31392FC88	July 2010
ZD	3	1,985,880	SEG/SUP	5.50	FIX/Z	31392FC96	December 2017
ZE	3	12,056,484	SEG/SUP	5.50	FIX/Z	31392FD20	December 2017
F	4	76,994,759	PT	(2)	FLT	31392FD38	September 2032
S	4	76,994,759(1)	NTL	(2)	INV/IO	31392FD46	September 2032
ST	4	12,832,459(1)	NTL	(2)	INV/IO	31392FD53	September 2032
R		0	NPR	0	NPR	31392FD61	December 2032
RL		0	NPR	0	NPR	31392FD79	December 2032

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

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be November 29, 2002.

Carefully consider the risk factors starting on page S-8 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

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

Merrill Lynch & Co.

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AVAILABLE INFORMATION

You should purchase the certificates only if you have read and understood this prospectus supplement and the following documents (the “Disclosure Documents”):

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated 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”); and
- if you are purchasing any Group 4 Class or the R or RL Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated May 1, 2002 (the “SMBS Prospectus”).

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 by writing or calling the dealer at:

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

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Class 327-IO SMBS Certificate Class 327-PO SMBS Certificate

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

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$600,000,000	360	359	1	6.15%
Group 2 MBS	\$250,000,000	180	178	2	5.62%
Group 3 MBS	\$250,000,000	180	177	2	6.00%

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 Group 4 SMBS

Exhibit A describes the Group 4 SMBS, including certain information about the related mortgage loans. To learn more about the Group 4 SMBS, you should obtain from us the current class factors and the disclosure document relating to the Group 4 SMBS 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 November 29, 2002.

Distribution Dates

We will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day.

Book-Entry and Physical Certificates

We will issue the book-entry certificates through the U.S. Federal Reserve Banks, which will electronically track ownership of the certificates and payments on them. We will issue physical certificates in registered, certificated form.

We will issue the classes of certificates in the following forms:

<u>Fed Book-Entry</u>	<u>Physical</u>
All classes of certificates other than R and RL Classes	R and RL Classes

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.

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
F	2.31%	8.50%	0.50%	LIBOR + 50 basis points
S	5.19%	7.00%	0.00%	7% - LIBOR
ST	6.00%	6.00%	0.00%	48% - (6 × LIBOR)

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

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>	
IT	1.5340904942% of the AT Class
	9.0909090909% of the AU Class
	5.3124997926% of the AX Class
IA	10% of the AH Class
UB	18.1818181818% of the QL Class
S	100% of the F Class
ST	16.6666666667% of the F Class

Distributions of Principal

Group 1 Principal Distribution Amount

Z Accrual Amount

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

ZG Accrual Amount

To the V and VE Classes, in that order, to zero, and thereafter to the ZG Class.

Group 1 Cash Flow Distribution Amount

1. (a) 5.2083333333% of such amount to the CY Class to zero,
(b) 30.3030304167% of such amount as follows:
first, to the AX Class to zero; and
second, to the AT and AU Classes, pro rata, to zero, and
(c) 64.4886362500% of such amount to the C Class to zero.
2. (a) 50% of the remaining amount to the VA, VB and Z Classes, in that order, to zero, and
(b) 50% of such remaining amount to the E, V, VE and ZG Classes, in that order, to zero.

Group 2 Principal Distribution Amount

1. To the AH and AB Classes, pro rata, to zero.
2. To the AC and AD Classes, in that order, to zero.

Group 3 Principal Distribution Amount

ZD Accrual Amount

To Aggregate Group I to its Targeted Balance, and thereafter to the ZD Class

ZE Accrual Amount

To Aggregate Group II to its Targeted Balance, and thereafter to the ZE Class

Group 3 Cash Flow Distribution Amount

1. To Aggregate Group III to its Planned Balance.
2. (a) 39.7175803441% of the remaining amount as follows:
first, to Aggregate Group I to its Targeted Balance;
second, to the ZD Class to zero; and
third, to the D Class to zero, and
(b) 60.2824196559% of such remaining amount as follows:
first, to Aggregate Group II to its Targeted Balance;
second, to the ZE Class to zero; and
third, to the DA Class to zero.
3. To Aggregate Group III to zero.

For a description of the Aggregate Groups, see “Description of the Certificates—Distributions of Principal—*Group 3 Principal Distribution Amount*” in this prospectus supplement.

Group 4 Principal Distribution Amount

To the F Class to zero.

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>326%</u>	<u>500%</u>	<u>600%</u>
AT and AU	22.5	10.7	4.6	3.4	3.0
AX	9.4	2.7	1.5	1.2	1.1
C, CY and IT	18.4	8.2	3.6	2.7	2.4
E	28.1	20.5	9.0	6.1	5.2
V	4.0	4.0	4.0	4.0	3.8
VA	4.0	4.0	4.0	3.7	3.4
VB	14.5	14.4	9.0	6.4	5.5
VE	14.5	14.5	10.6	7.7	6.5
Z	28.8	23.9	14.1	10.0	8.5
ZG	29.3	25.8	15.7	11.1	9.4

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>285%</u>	<u>350%</u>	<u>500%</u>
AB, AH and IA	7.3	4.8	3.1	2.7	2.2
AC	13.2	11.0	7.4	6.5	5.0
AD	14.4	13.3	10.7	9.7	7.8

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
D	12.2	9.4	3.8	3.4	2.4	1.4
DA	9.5	7.0	2.1	3.9	2.7	1.7
QA	1.4	1.0	1.0	1.0	1.0	1.0
QB, QL and UB	4.3	2.5	2.5	2.5	2.5	2.3
QC	6.9	4.0	4.0	4.0	4.0	3.1
QD	9.2	6.0	6.0	6.0	6.0	4.3
QE	10.9	8.0	8.0	8.0	8.0	5.6
QG	12.0	10.6	10.6	10.6	10.6	7.9
QW	4.8	2.8	2.8	2.8	2.8	2.5
ZD	14.8	14.2	12.8	0.6	0.5	0.3
ZE	14.2	12.8	9.6	1.3	1.1	0.6

<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>250%</u>	<u>509%</u>	<u>750%</u>	<u>1000%</u>
F, S and ST	20.6	6.2	3.4	2.4	1.9

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

ADDITIONAL RISK FACTORS

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

- at any of the prepayment rates we assumed in this prospectus supplement, or
- at any constant prepayment rate until maturity.

Yields may be lower than expected due to unexpected rate of principal payments. The actual yield on your certificates probably will be lower than you expect:

- if you buy your certificates at a premium and principal payments are faster than you expect, or
- if you buy your certificates at a discount and principal payments are slower than you expect.

Furthermore, in the case of interest only certificates and certificates purchased at a premium, you could lose money on your investment if prepayments occur at a rapid rate.

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

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

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

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

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

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

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

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

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small

or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you under-

stand 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 (the “Trust Agreement”) dated as of November 1, 2002 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates”) pursuant to that Trust Agreement. We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”).

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

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

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

The assets of the Lower Tier REMIC will consist of

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

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

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 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, and “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus.

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

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. State Street Bank and Trust Company in Boston, Massachusetts (“State Street”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the R or RL Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R and RL Classes” below.

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, and the Holder of the RL Class will receive the proceeds of any remaining assets of the Lower Tier REMIC, in each case only by presenting and surrendering the related Certificate at the office of the Paying Agent. State Street will be the initial Paying Agent.

Authorized Denominations. We will issue the Certificates, other than the R and RL Classes, in minimum denominations of \$1,000 and whole dollar increments. We will issue the R and RL Classes as single Certificates with no principal balances.

Distribution Dates. We will make monthly payments on the Certificates on the 25th day of each month (or, if the 25th is not a business day, on the first business day after the 25th). We refer to each of these dates as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

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

Class Factors. On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the 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 Classes).

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

Voting the Group 4 SMBS. Holders of the Group 4 SMBS may be asked to vote on issues arising under the related trust indenture. If so, the Trustee will vote the Group 4 SMBS as instructed by Holders of Certificates of the Group 4 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.

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 30 years in the case of the Group 1 MBS and up to 15 years in the case of the Group 2 and Group 3 MBS. See “Mortgage Loan Pools” and “Yield Considerations, Maturity and Prepayment Assumptions” in the MBS Prospectus. We expect the characteristics of the Trust MBS and the related Mortgage Loans as of the Issue Date to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$600,000,000
MBS Pass-Through Rate	5.50%
Range of WACs (annual percentages)	5.75% to 8.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	359 months
Approximate Weighted Average WALA (weighted average loan age)	1 month

Group 2 MBS

Aggregate Unpaid Principal Balance	\$250,000,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM	178 months
Approximate Weighted Average WALA	2 months

Group 3 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	177 months
Approximate Weighted Average WALA	2 months

The Group 4 SMBS

The Group 4 SMBS represent beneficial ownership interests in the interest and/or principal distributions made in respect of certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the Group 4 SMBS will be passed through monthly beginning in the month after we issue the Certificates. The general characteristics of the Group 4 SMBS are described in the SMBS Prospectus. See Exhibit A for additional information about the Group 4 SMBS.

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 4 SMBS, 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.

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 4 SMBS as of the Issue Date and, with respect to the Trust MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the Trust MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Trust MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	AT, AU, AX, C, CY, E, IT, V, VA, VB, VE, Z and ZG
Accrual	Z and ZG
Interest Only	IT
Group 2 Classes	
Fixed Rate	AB, AC, AD, AH and IA
Interest Only	IA
Group 3 Classes	
Fixed Rate	D, DA, QA, QB, QC, QD, QE, QG, QL, QW, UB, ZD and ZE
Accrual	ZD and ZE
Interest Only	UB
Group 4 Classes	
Floating Rate	F
Inverse Floating Rate	S and ST
Interest Only	S and ST
No Payment Residual	R and RL

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

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate (or added to principal, in the case of each 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 Classes, see “—*Accrual Classes*” below.

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 F, S and ST Classes	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs

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

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

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

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

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

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

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

Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 1.81%.

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	
Sequential Pay	CY, AX, AT, AU, C, VA, VB, Z, E, V, VE and ZG
Notional	IT
Accretion Directed	VA, VB, V and VE
Group 2 Classes	
Sequential Pay	AH, AB, AC and AD
Notional	IA
Group 3 Classes	
PAC	QA, QB, QC, QD, QE, QG, QL and QW
SEG/TAC	D and DA
SEG/Support	ZD and ZE
Notional	UB
Accretion Directed	D and DA
Group 4 Classes	
Pass-Through	F
Notional	S and ST
No Payment Residual	R and RL

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the Z and ZG Classes (the “Z Accrual Amount” and “ZG Accrual Amount,” respectively, and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the ZD and ZE Classes (the “ZD Accrual Amount” and “ZE Accrual Amount,” respectively, and, together with the Group 3 Cash Flow Distribution Amount, the “Group 3 Principal Distribution Amount”), and
- the principal then paid on the Group 4 SMBS (the “Group 4 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

Z Accrual Amount

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

ZG Accrual Amount

On each Distribution Date, we will pay the ZG Accrual Amount, sequentially, as principal of the V and VE Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the ZG Accrual Amount as principal of the ZG Class. } Accretion Directed Classes and Accrued Class

Group 1 Cash Flow Distribution Amount

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

- (i) (a) 5.2083333333% of such amount to the CY Class, until its principal balance is reduced to zero,
 - (b) 30.3030304167% of such amount as follows:
 - first*, to the AX Class, until its principal balance is reduced to zero; and
 - second*, concurrently, to the AT and AU Classes, pro rata (or 50% and 50%, respectively), until their principal balances are reduced to zero, and
 - (c) 64.4886362500% of such amount to the C Class, until its principal balance is reduced to zero; and
- (ii) (a) 50% of the remaining amount, sequentially, to the VA, VB and Z Classes, in that order, until their principal balances are reduced to zero, and
- (b) 50% of such remaining amount, sequentially, to the E, V, VE and ZG Classes, in that order, until their principal balances are reduced to zero.

} Sequential Pay Classes

Group 2 Principal Distribution Amount

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

- (i) concurrently, to the AH and AB Classes, pro rata (or 15.7894736842% and 84.2105263158%, respectively), until their principal balances are reduced to zero; and
- (ii) sequentially, to the AC and AD Classes, in that order, until their principal balances are reduced to zero.

} Sequential Pay Classes

Group 3 Principal Distribution Amount

ZD Accrual Amount

On each Distribution Date, we will pay the ZD Accrual Amount as principal of the Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the ZD Accrual Amount as principal of the ZD Class.

} Accretion Directed Group and Accrual Class

ZE Accrual Amount

On each Distribution Date, we will pay the ZE Accrual Amount as principal of the Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the ZE Accrual Amount as principal of the ZE Class.

} Accretion Directed Group and Accrual Class

Group 3 Cash Flow Distribution Amount

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

- (i) to Aggregate Group III (described below), until the Aggregate III Balance (described below) is reduced to its Planned Balance for that Distribution Date;

} PAC Group

- (ii) (a) 39.7175803441% of the remaining amount as follows:
- first*, to Aggregate Group I, until the Aggregate I Balance is reduced to its Targeted Balance for that Distribution Date; } TAC Group
 - second*, to the ZD Class, until its principal balance is reduced to zero; } SEG/Support Class
 - and
 - third*, to the D Class, until its principal balance is reduced to zero, and } SEG/TAC Class
- (b) 60.2824196559% of such remaining amount as follows:
- first*, to Aggregate Group II, until the Aggregate II Balance is reduced to its Targeted Balance for that Distribution Date; } TAC Group
 - second*, to the ZE Class, until its principal balance is reduced to zero; } SEG/Support Class
 - and
 - third*, to DA Class, until its principal balance is reduced to zero, and } SEG/TAC Class
- (iii) to Aggregate Group III, without regard to its Planned Balance and until the Aggregate III Balance is reduced to zero. } PAC Group

“Aggregate Group I” consists of the D and ZD Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, sequentially, to the D and ZD Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate I Balance” for any Distribution Date is equal to \$26,985,880 *minus* the sum of all amounts applied to it as specified above.

“Aggregate Group II” consists of the DA and ZE Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II, sequentially, to the DA and ZE Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate II Balance” for any Distribution Date is equal to \$40,958,541 *minus* the sum of all amounts applied to it as specified above.

“Aggregate Group III” consists of the QA, QB, QC, QD, QE, QG, QL and QW Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group III as follows:

- first*, to the QA Class, until its principal balance is reduced to zero;
- second*, concurrently to the QW, QL and QB Classes, in the proportions of 17.5069252078%, 38.1717451523% and 44.3213296399%, respectively, until the principal balances of the QL and QB Classes are reduced to zero;
- third*, concurrently, to the QW and QC Classes, in the proportions of 9.1655027933% and 90.8344972067%, respectively, until their principal balances are reduced to zero; and
- fourth*, sequentially, to the QD, QE and QG Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate III Balance” for any Distribution Date is equal to \$182,055,579 *minus* the sum of all amounts applied to it as specified above.

Group 4 Principal Distribution Amount

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

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 4 SMBS and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is November 29, 2002; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used 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 Groups (1)</u>	<u>Structuring Range and Rate</u>
Planned Balances	Aggregate Group III	Between 100% and 300% PSA
Targeted Balances	Aggregate Group I and Aggregate Group II	220% PSA

(1) The Structuring Range and Rate for the Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.

We cannot assure you that the balance of any Group 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 Group 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 Group to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Group 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 Group to its scheduled balance 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 Groups 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 Range. The Effective Range for a Group is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Group to its scheduled balance on each Distribution Date. The Initial Effective Range shown in the table below is based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Group</u>	<u>Initial Effective Ranges</u>
Aggregate Group III	Between 100% and 300% PSA

The actual Effective Range 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 Range calculated on the basis of the actual characteristics is likely to differ from the Initial Effective Range. As a result, the applicable Group might not be reduced to its scheduled balance even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range. This is so particularly if the rate were at the lower or higher end of that range. In addition, even if prepayments occur at a rate falling within the actual Effective Range, principal distributions may be insufficient to reduce the applicable Group to its scheduled balance 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 Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The stability in principal payment of the PAC Group will be supported in part by the related TAC Groups and Support Classes. When the related TAC Groups and Support Classes are retired, the PAC Group, if still outstanding, may no longer have an Effective Range 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 yields 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>
IT	457%
IA	468%
UB	986%

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

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

<u>Class</u>	<u>Price*</u>
IT	15.375%
IA	11.250%
UB	9.000%

* 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 IT Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>326%</u>	<u>500%</u>	<u>600%</u>
Pre-Tax Yields to Maturity ...	32.2%	28.8%	11.0%	(3.5)%	(11.5)%

Sensitivity of the IA Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>285%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	34.2%	30.5%	15.5%	9.9%	(2.6)%

Sensitivity of the UB Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>270%</u>	<u>300%</u>	<u>500</u>
Pre-Tax Yields to Maturity ...	42.7%	32.8%	32.8%	32.8%	32.8%	28.3%

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

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

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

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

<u>Class</u>	<u>Price</u>
S	8.8750%
ST	18.5625%

* 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 S 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>509%</u>	<u>750%</u>	<u>1000%</u>
0.81%	75.7%	64.9%	50.5%	36.3%	20.9%
1.81%	61.8%	50.9%	36.3%	21.9%	6.2%
3.81%	35.0%	23.8%	8.6%	(6.5)%	(23.1)%
5.81%	8.9%	(2.8)%	(19.0)%	(35.3)%	(54.1)%
7.00% and above	*	*	*	*	*

* 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>509%</u>	<u>750%</u>	<u>1000%</u>
7.00% and below	30.1%	18.9%	3.4%	(11.8)%	(28.8)%
7.81%	(1.1)%	(12.8)%	(29.1)%	(46.0)%	(66.2)%
8.00%	*	*	*	*	*

* 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

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, Group 2 and Group 3 Classes, and
- in the case of the Group 3 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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 MBS	360 months	360 months	8.0%
Group 2 MBS	180 months	180 months	7.5%
Group 3 MBS	180 months	180 months	8.0%
Group 4 SMBS	360 months	357 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	AT and AU Classes					AX Class					C, CY and IT† Classes					E Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	97	89	76	65	59	99	97	92	89	87	100	100	100	100	100
November 2004	100	100	100	95	87	93	69	24	0	0	98	90	76	66	60	100	100	100	100	100
November 2005	100	100	81	56	43	89	43	0	0	0	97	82	56	38	29	100	100	100	100	100
November 2006	100	100	57	27	13	85	17	0	0	0	95	74	39	19	9	100	100	100	100	100
November 2007	100	97	37	7	0	80	0	0	0	0	94	67	26	5	0	100	100	100	100	66
November 2008	100	87	22	0	0	75	0	0	0	0	92	60	15	0	0	100	100	100	57	0
November 2009	100	77	10	0	0	70	0	0	0	0	91	53	7	0	0	100	100	100	0	0
November 2010	100	68	0	0	0	64	0	0	0	0	89	47	0	0	0	100	100	99	0	0
November 2011	100	60	0	0	0	58	0	0	0	0	87	41	0	0	0	100	100	46	0	0
November 2012	100	52	0	0	0	51	0	0	0	0	85	36	0	0	0	100	100	4	0	0
November 2013	100	44	0	0	0	43	0	0	0	0	82	30	0	0	0	100	100	0	0	0
November 2014	100	37	0	0	0	35	0	0	0	0	80	26	0	0	0	100	100	0	0	0
November 2015	100	31	0	0	0	27	0	0	0	0	77	21	0	0	0	100	100	0	0	0
November 2016	100	24	0	0	0	17	0	0	0	0	74	17	0	0	0	100	100	0	0	0
November 2017	100	19	0	0	0	7	0	0	0	0	71	13	0	0	0	100	100	0	0	0
November 2018	98	13	0	0	0	0	0	0	0	0	68	9	0	0	0	100	100	0	0	0
November 2019	93	8	0	0	0	0	0	0	0	0	64	6	0	0	0	100	100	0	0	0
November 2020	87	3	0	0	0	0	0	0	0	0	60	2	0	0	0	100	100	0	0	0
November 2021	81	0	0	0	0	0	0	0	0	0	55	0	0	0	0	100	90	0	0	0
November 2022	74	0	0	0	0	0	0	0	0	0	51	0	0	0	0	100	61	0	0	0
November 2023	66	0	0	0	0	0	0	0	0	0	45	0	0	0	0	100	33	0	0	0
November 2024	58	0	0	0	0	0	0	0	0	0	40	0	0	0	0	100	7	0	0	0
November 2025	49	0	0	0	0	0	0	0	0	0	34	0	0	0	0	100	0	0	0	0
November 2026	40	0	0	0	0	0	0	0	0	0	27	0	0	0	0	100	0	0	0	0
November 2027	29	0	0	0	0	0	0	0	0	0	20	0	0	0	0	100	0	0	0	0
November 2028	18	0	0	0	0	0	0	0	0	0	13	0	0	0	0	100	0	0	0	0
November 2029	6	0	0	0	0	0	0	0	0	0	4	0	0	0	0	100	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 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)**	22.5	10.7	4.6	3.4	3.0	9.4	2.7	1.5	1.2	1.1	18.4	8.2	3.6	2.7	2.4	28.1	20.5	9.0	6.1	5.2

Date	V Class					VA Class					VB Class									
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption									
	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%					
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	89	89	89	89	89	89	89	89	89	89	100	100	100	100	100	100	100	100	100	100
November 2004	77	77	77	77	77	77	77	77	77	77	100	100	100	100	100	100	100	100	100	100
November 2005	64	64	64	64	64	64	64	64	64	64	100	100	100	100	100	100	100	100	100	100
November 2006	51	51	51	51	51	51	51	51	51	51	100	100	100	100	100	100	100	100	100	100
November 2007	37	37	37	37	37	37	37	37	37	37	100	100	100	100	100	100	100	100	85	85
November 2008	22	22	22	22	0	22	22	22	0	22	100	100	100	100	73	16	16	16	16	16
November 2009	7	7	7	0	0	7	7	7	0	0	100	100	100	100	16	0	0	0	0	0
November 2010	0	0	0	0	0	0	0	0	0	0	97	97	96	0	0	0	0	0	0	0
November 2011	0	0	0	0	0	0	0	0	0	0	91	91	47	0	0	0	0	0	0	0
November 2012	0	0	0	0	0	0	0	0	0	0	85	85	7	0	0	0	0	0	0	0
November 2013	0	0	0	0	0	0	0	0	0	0	78	78	0	0	0	0	0	0	0	0
November 2014	0	0	0	0	0	0	0	0	0	0	71	71	0	0	0	0	0	0	0	0
November 2015	0	0	0	0	0	0	0	0	0	0	64	64	0	0	0	0	0	0	0	0
November 2016	0	0	0	0	0	0	0	0	0	0	56	56	0	0	0	0	0	0	0	0
November 2017	0	0	0	0	0	0	0	0	0	0	48	48	0	0	0	0	0	0	0	0
November 2018	0	0	0	0	0	0	0	0	0	0	40	40	0	0	0	0	0	0	0	0
November 2019	0	0	0	0	0	0	0	0	0	0	31	31	0	0	0	0	0	0	0	0
November 2020	0	0	0	0	0	0	0	0	0	0	21	21	0	0	0	0	0	0	0	0
November 2021	0	0	0	0	0	0	0	0	0	0	11	3	0	0	0	0	0	0	0	0
November 2022	0	0	0	0	0	0	0	0	0	0	*	0	0	0	0	0	0	0	0	0
November 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 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)**	4.0	4.0	4.0	4.0	3.8	4.0	4.0	4.0	3.7	3.4	14.5	14.4	9.0	6.4	5.5					

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

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

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

Date	VE Class					Z Class					ZG Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%	0%	100%	326%	500%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	106	106	106	106	106	106	106	106	106	106
November 2004	100	100	100	100	100	112	112	112	112	112	112	112	112	112	112
November 2005	100	100	100	100	100	118	118	118	118	118	118	118	118	118	118
November 2006	100	100	100	100	100	125	125	125	125	125	125	125	125	125	125
November 2007	100	100	100	100	100	132	132	132	132	132	132	132	132	132	132
November 2008	100	100	100	100	88	139	139	139	139	139	139	139	139	139	139
November 2009	100	100	100	91	16	147	147	147	147	102	147	147	147	147	147
November 2010	97	97	97	26	0	155	155	155	117	64	155	155	155	155	107
November 2011	91	91	91	0	0	164	164	164	80	40	164	164	164	133	67
November 2012	85	85	85	0	0	173	173	173	55	25	173	173	173	91	42
November 2013	78	78	39	0	0	183	183	144	37	16	183	183	183	62	26
November 2014	71	71	0	0	0	193	193	113	25	10	193	193	188	42	16
November 2015	64	64	0	0	0	204	204	88	17	6	204	204	146	29	10
November 2016	56	56	0	0	0	216	216	68	12	4	216	216	114	19	6
November 2017	48	48	0	0	0	228	228	53	8	2	228	228	88	13	4
November 2018	40	40	0	0	0	241	241	41	5	1	241	241	68	9	2
November 2019	31	31	0	0	0	254	254	31	3	1	254	254	52	6	1
November 2020	21	21	0	0	0	269	269	24	2	1	269	269	40	4	1
November 2021	11	11	0	0	0	284	284	18	2	*	284	284	30	3	1
November 2022	*	*	0	0	0	300	253	14	1	*	300	300	23	2	*
November 2023	0	0	0	0	0	300	220	10	1	*	300	300	17	1	*
November 2024	0	0	0	0	0	300	189	7	*	*	300	300	12	1	*
November 2025	0	0	0	0	0	300	160	5	*	*	300	266	9	*	*
November 2026	0	0	0	0	0	300	132	4	*	*	300	220	6	*	*
November 2027	0	0	0	0	0	300	106	3	*	*	300	177	4	*	*
November 2028	0	0	0	0	0	300	82	2	*	*	300	136	3	*	*
November 2029	0	0	0	0	0	300	59	1	*	*	300	98	2	*	*
November 2030	0	0	0	0	0	243	38	1	*	*	300	63	1	*	*
November 2031	0	0	0	0	0	127	17	*	*	*	211	29	*	*	*
November 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.5	14.5	10.6	7.7	6.5	28.8	23.9	14.1	10.0	8.5	29.3	25.8	15.7	11.1	9.4

Date	AB, AH and IA† Classes					AC Class					AD Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	285%	350%	500%	0%	100%	285%	350%	500%	0%	100%	285%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	95	92	88	87	83	100	100	100	100	100	100	100	100	100	100
November 2004	90	81	69	65	55	100	100	100	100	100	100	100	100	100	100
November 2005	84	69	47	41	26	100	100	100	100	100	100	100	100	100	100
November 2006	78	57	30	22	6	100	100	100	100	100	100	100	100	100	100
November 2007	71	46	16	8	0	100	100	100	100	48	100	100	100	100	100
November 2008	64	35	5	0	0	100	100	100	78	0	100	100	100	100	87
November 2009	56	26	0	0	0	100	100	68	17	0	100	100	100	100	55
November 2010	48	17	0	0	0	100	100	14	0	0	100	100	100	79	35
November 2011	39	8	0	0	0	100	100	0	0	0	100	100	80	55	21
November 2012	29	*	0	0	0	100	100	0	0	0	100	100	56	37	13
November 2013	19	0	0	0	0	100	45	0	0	0	100	100	38	24	7
November 2014	8	0	0	0	0	100	0	0	0	0	100	94	24	14	4
November 2015	0	0	0	0	0	66	0	0	0	0	100	59	13	7	2
November 2016	0	0	0	0	0	0	0	0	0	0	76	26	5	3	1
November 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.3	4.8	3.1	2.7	2.2	13.2	11.0	7.4	6.5	5.0	14.4	13.3	10.7	9.7	7.8

* Indicates an outstanding balance greater than 0% and less than 0.5% of the original principal balance.
** Determined as specified under “—Weighted Average Lives of the Certificates” above.
† In the case of a Notional Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Date	D Class						DA Class						QA Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	94	91	83	88	86	73	90	86	76	87	88	94	71	48	48	48	48	48
November 2004	93	90	66	65	59	21	88	84	52	85	78	28	18	0	0	0	0	0
November 2005	93	90	47	40	30	0	85	81	25	52	39	0	0	0	0	0	0	0
November 2006	92	89	34	23	12	0	82	78	6	31	15	0	0	0	0	0	0	0
November 2007	92	89	26	14	2	0	79	75	0	19	3	0	0	0	0	0	0	0
November 2008	91	88	22	12	0	0	76	72	0	15	0	0	0	0	0	0	0	0
November 2009	90	85	19	11	0	0	73	65	0	14	0	0	0	0	0	0	0	0
November 2010	90	77	15	9	0	0	69	53	0	12	0	0	0	0	0	0	0	0
November 2011	89	67	10	8	0	0	66	36	0	10	0	0	0	0	0	0	0	0
November 2012	88	54	5	6	0	0	62	17	0	8	0	0	0	0	0	0	0	0
November 2013	88	40	0	5	0	0	58	0	0	6	0	0	0	0	0	0	0	0
November 2014	87	25	0	3	0	0	53	0	0	4	0	0	0	0	0	0	0	0
November 2015	61	10	0	2	0	0	17	0	0	2	0	0	0	0	0	0	0	0
November 2016	24	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0
November 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.2	9.4	3.8	3.4	2.4	1.4	9.5	7.0	2.1	3.9	2.7	1.7	1.4	1.0	1.0	1.0	1.0	1.0

Date	QB, QL and UB† Classes						QC Class						QD Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2004	100	74	74	74	74	74	100	100	100	100	100	100	100	100	100	100	100	100
November 2005	84	22	22	22	22	0	100	100	100	100	100	63	100	100	100	100	100	100
November 2006	59	0	0	0	0	0	100	46	46	46	46	0	100	100	100	100	100	59
November 2007	31	0	0	0	0	0	100	0	0	0	0	0	100	81	81	81	81	14
November 2008	1	0	0	0	0	0	100	0	0	0	0	0	100	46	46	46	46	0
November 2009	0	0	0	0	0	0	39	0	0	0	0	0	100	17	17	17	17	0
November 2010	0	0	0	0	0	0	0	0	0	0	0	0	88	0	0	0	0	0
November 2011	0	0	0	0	0	0	0	0	0	0	0	0	58	0	0	0	0	0
November 2012	0	0	0	0	0	0	0	0	0	0	0	0	25	0	0	0	0	0
November 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.3	2.5	2.5	2.5	2.5	2.3	6.9	4.0	4.0	4.0	4.0	3.1	9.2	6.0	6.0	6.0	6.0	4.3

** 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	QE Class						QG Class						QW Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	80	80	80	80
November 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	87	38	38	38	13
November 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	67	10	10	10	0
November 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	46	0	0	0	0
November 2008	100	100	100	100	100	0	100	100	100	100	100	91	22	0	0	0	0	0
November 2009	100	100	100	100	100	0	100	100	100	100	100	58	8	0	0	0	0	0
November 2010	100	42	42	42	42	0	100	100	100	100	100	36	0	0	0	0	0	0
November 2011	100	0	0	0	0	0	100	77	77	77	77	22	0	0	0	0	0	0
November 2012	100	0	0	0	0	0	100	54	54	54	54	13	0	0	0	0	0	0
November 2013	2	0	0	0	0	0	100	36	36	36	36	8	0	0	0	0	0	0
November 2014	0	0	0	0	0	0	36	22	22	22	22	4	0	0	0	0	0	0
November 2015	0	0	0	0	0	0	12	12	12	12	12	2	0	0	0	0	0	0
November 2016	0	0	0	0	0	0	4	4	4	4	4	1	0	0	0	0	0	0
November 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.9	8.0	8.0	8.0	8.0	5.6	12.0	10.6	10.6	10.6	10.6	7.9	4.8	2.8	2.8	2.8	2.8	2.5

Date	ZD Class						ZE Class						F, S† and ST† Classes				
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	220%	270%	300%	500%	0%	100%	220%	270%	300%	500%	0%	250%	509%	750%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	106	106	106	0	0	0	106	106	106	70	61	5	99	92	86	80	73
November 2004	112	112	112	0	0	0	112	112	112	0	0	0	98	80	64	50	37
November 2005	118	118	118	0	0	0	118	118	118	0	0	0	97	67	44	27	15
November 2006	125	125	125	0	0	0	125	125	125	0	0	0	96	56	30	15	6
November 2007	132	132	132	0	0	0	132	132	115	0	0	0	95	47	20	8	2
November 2008	139	139	139	0	0	0	139	139	105	0	0	0	94	39	14	4	1
November 2009	147	147	147	0	0	0	147	147	97	0	0	0	93	33	10	2	*
November 2010	155	155	155	0	0	0	155	155	86	0	0	0	92	27	6	1	*
November 2011	164	164	164	0	0	0	164	164	73	0	0	0	90	23	4	1	*
November 2012	173	173	173	0	0	0	173	173	59	0	0	0	88	19	3	*	*
November 2013	183	183	181	0	0	0	183	172	45	0	0	0	87	16	2	*	*
November 2014	193	193	127	0	0	0	193	127	32	0	0	0	85	13	1	*	*
November 2015	204	204	77	0	0	0	204	81	19	0	0	0	82	11	1	*	*
November 2016	216	139	31	0	0	0	130	35	8	0	0	0	80	9	1	*	*
November 2017	0	0	0	0	0	0	0	0	0	0	0	0	78	7	*	*	*
November 2018	0	0	0	0	0	0	0	0	0	0	0	0	75	6	*	*	*
November 2019	0	0	0	0	0	0	0	0	0	0	0	0	72	5	*	*	*
November 2020	0	0	0	0	0	0	0	0	0	0	0	0	69	4	*	*	*
November 2021	0	0	0	0	0	0	0	0	0	0	0	0	65	3	*	*	*
November 2022	0	0	0	0	0	0	0	0	0	0	0	0	61	2	*	*	*
November 2023	0	0	0	0	0	0	0	0	0	0	0	0	57	2	*	*	*
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	52	1	*	*	*
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	47	1	*	*	*
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	42	1	*	*	*
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	36	1	*	*	*
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	30	*	*	*	*
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	23	*	*	*	*
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	15	*	*	*	*
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	7	*	*	*	*
November 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.8	14.2	12.8	0.6	0.5	0.3	14.2	12.8	9.6	1.3	1.1	0.6	20.6	6.2	3.4	2.4	1.9

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

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

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

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances and will not bear interest. If any assets of the Trust remain after the principal balances of all Classes 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 advisor 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 Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

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

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes and the Accrual Classes will be issued with original issue discount (“OID”), and certain other Classes of 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 Certificates may be treated as having been issued at a premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial*

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

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	326% PSA
2	285% PSA
3	270% PSA
4	509% 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 120% of the “federal long-term rate.” The rate will be published on or about October 20, 2002. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) in exchange for the Trust MBS and the Group 4 SMBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Group 1, 2 or 3 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Trust MBS in principal balance, but we expect that all these additional Trust MBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1, 2 or 3 Class bears to the aggregate original principal balance of all Group 1, 2 or 3 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

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

Group 4 SMBS

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	November 2002 Class Factor	Principal Balance or Notional Balance in the REMIC	Approximate Weighted Average WAC	Approximate Weighted Average WALM (in months)	Approximate Weighted Average WALA (in months)	Underlying Security Type	Class Group
SMBS 327	1	August 2002	3136FART9	(2)	PO	September 2032	PT	\$2,500,000,000	0.96243449	\$ 76,994,759	6.621%	352	6	MBS	4
SMBS 327	2	August 2002	3136FARU6	6.0%	IO	September 2032	NTL	2,500,000,000	0.96243449	109,075,910	6.621	352	6	MBS	4

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

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

Principal Balance Schedules

Aggregate Group I 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	\$26,985,880.00	February 2007	\$10,375,980.98	May 2011	\$ 6,336,732.21
December 2002	26,526,170.97	March 2007	10,202,119.05	June 2011	6,249,532.02
January 2003	26,028,982.92	April 2007	10,036,793.07	July 2011	6,161,662.20
February 2003	25,494,704.15	May 2007	9,879,865.63	August 2011	6,073,171.12
March 2003	24,923,766.86	June 2007	9,731,201.14	September 2011	5,984,105.85
April 2003	24,316,646.72	July 2007	9,590,665.80	October 2011	5,894,512.15
May 2003	24,161,380.58	August 2007	9,458,127.61	November 2011	5,804,434.53
June 2003	23,987,958.90	September 2007	9,333,456.32	December 2011	5,713,916.28
July 2003	23,796,764.12	October 2007	9,216,523.40	January 2012	5,622,999.46
August 2003	23,588,210.11	November 2007	9,107,202.07	February 2012	5,531,724.95
September 2003	23,362,741.41	December 2007	9,005,367.21	March 2012	5,440,132.51
October 2003	23,120,832.45	January 2008	8,910,895.38	April 2012	5,348,260.72
November 2003	22,862,986.64	February 2008	8,823,664.81	May 2012	5,256,147.09
December 2003	22,589,735.45	March 2008	8,743,555.33	June 2012	5,163,828.04
January 2004	22,301,637.34	April 2008	8,670,448.41	July 2012	5,071,338.92
February 2004	21,999,276.72	May 2008	8,604,227.10	August 2012	4,978,714.07
March 2004	21,683,262.79	June 2008	8,544,776.01	September 2012	4,885,986.79
April 2004	21,354,228.33	July 2008	8,491,981.32	October 2012	4,793,189.42
May 2004	21,012,828.42	August 2008	8,445,730.72	November 2012	4,700,353.30
June 2004	20,659,739.13	September 2008	8,405,913.43	December 2012	4,607,508.86
July 2004	20,295,656.15	October 2008	8,372,420.15	January 2013	4,514,685.59
August 2004	19,921,293.37	November 2008	8,338,669.55	February 2013	4,421,912.06
September 2004	19,537,381.41	December 2008	8,301,913.13	March 2013	4,329,215.99
October 2004	19,144,666.11	January 2009	8,262,257.63	April 2013	4,236,624.20
November 2004	18,743,906.98	February 2009	8,219,807.26	May 2013	4,144,162.69
December 2004	18,335,875.64	March 2009	8,174,663.77	June 2013	4,051,856.63
January 2005	17,921,354.21	April 2009	8,126,926.44	July 2013	3,959,730.39
February 2005	17,501,133.66	May 2009	8,076,692.22	August 2013	3,867,807.53
March 2005	17,076,012.19	June 2009	8,024,055.70	September 2013	3,776,110.85
April 2005	16,663,336.26	July 2009	7,969,109.21	October 2013	3,684,662.42
May 2005	16,262,917.08	August 2009	7,911,942.83	November 2013	3,593,483.54
June 2005	15,874,568.32	September 2009	7,852,644.45	December 2013	3,502,594.82
July 2005	15,498,106.10	October 2009	7,791,299.83	January 2014	3,412,016.14
August 2005	15,133,348.90	November 2009	7,727,992.61	February 2014	3,321,766.71
September 2005	14,780,117.61	December 2009	7,662,804.40	March 2014	3,231,865.09
October 2005	14,438,235.43	January 2010	7,595,814.76	April 2014	3,142,329.15
November 2005	14,107,527.90	February 2010	7,527,101.32	May 2014	3,053,176.13
December 2005	13,787,822.81	March 2010	7,456,739.73	June 2014	2,964,422.67
January 2006	13,478,950.24	April 2010	7,384,803.80	July 2014	2,876,084.78
February 2006	13,180,742.47	May 2010	7,311,365.44	August 2014	2,788,177.88
March 2006	12,893,033.99	June 2010	7,236,494.77	September 2014	2,700,716.80
April 2006	12,615,661.48	July 2010	7,160,260.13	October 2014	2,613,715.82
May 2006	12,348,463.73	August 2010	7,082,728.12	November 2014	2,527,188.65
June 2006	12,091,281.68	September 2010	7,003,963.64	December 2014	2,441,148.48
July 2006	11,843,958.36	October 2010	6,924,029.92	January 2015	2,355,607.96
August 2006	11,606,338.84	November 2010	6,842,988.56	February 2015	2,270,579.22
September 2006	11,378,270.27	December 2010	6,760,899.55	March 2015	2,186,073.90
October 2006	11,159,601.80	January 2011	6,677,821.34	April 2015	2,102,103.15
November 2006	10,950,184.55	February 2011	6,593,810.82	May 2015	2,018,677.63
December 2006	10,749,871.65	March 2011	6,508,923.41	June 2015	1,935,807.55
January 2007	10,558,518.14	April 2011	6,423,213.03	July 2015	1,853,502.64

Aggregate Group I (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>
August 2015	\$ 1,771,772.23	May 2016	\$ 1,063,379.91	February 2017	\$ 407,089.10
September 2015	1,690,625.17	June 2016	987,816.14	March 2017	337,526.96
October 2015	1,610,069.92	July 2016	912,902.94	April 2017	268,647.70
November 2015	1,530,114.52	August 2016	838,645.09	May 2017	200,453.53
December 2015	1,450,766.60	September 2016	765,047.04	June 2017	132,946.41
January 2016	1,372,033.43	October 2016	692,112.97	July 2017	66,128.08
February 2016	1,293,921.85	November 2016	619,846.71	August 2017 and thereafter	0.00
March 2016	1,216,438.37	December 2016	548,251.84		
April 2016	1,139,589.13	January 2017	477,331.64		

Aggregate Group II 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	\$40,958,541.00	February 2006	\$20,005,424.35	May 2009	\$12,258,615.59
December 2002	40,260,805.32	March 2006	19,568,747.11	June 2009	12,178,725.11
January 2003	39,506,184.87	April 2006	19,147,757.56	July 2009	12,095,328.61
February 2003	38,695,268.98	May 2006	18,742,211.04	August 2009	12,008,562.80
March 2003	37,828,713.63	June 2006	18,351,866.11	September 2009	11,918,561.10
April 2003	36,907,240.81	July 2006	17,976,484.52	October 2009	11,825,453.66
May 2003	36,671,581.48	August 2006	17,615,831.15	November 2009	11,729,367.44
June 2003	36,408,366.09	September 2006	17,269,673.98	December 2009	11,630,426.28
July 2003	36,118,175.10	October 2006	16,937,784.05	January 2010	11,528,750.97
August 2003	35,801,636.67	November 2006	16,619,935.42	February 2010	11,424,459.31
September 2003	35,459,425.52	December 2006	16,315,905.16	March 2010	11,317,666.13
October 2003	35,092,261.72	January 2007	16,025,473.25	April 2010	11,208,483.44
November 2003	34,700,909.36	February 2007	15,748,422.60	May 2010	11,097,020.40
December 2003	34,286,175.05	March 2007	15,484,539.00	June 2010	10,983,383.44
January 2004	33,848,906.44	April 2007	15,233,611.07	July 2010	10,867,676.28
February 2004	33,389,990.52	May 2007	14,995,430.26	August 2010	10,750,000.01
March 2004	32,910,351.94	June 2007	14,769,790.75	September 2010	10,630,453.11
April 2004	32,410,951.08	July 2007	14,556,489.48	October 2010	10,509,131.57
May 2004	31,892,782.23	August 2007	14,355,326.10	November 2010	10,386,128.88
June 2004	31,356,871.52	September 2007	14,166,102.91	December 2010	10,261,536.09
July 2004	30,804,274.85	October 2007	13,988,624.85	January 2011	10,135,441.91
August 2004	30,236,075.73	November 2007	13,822,699.48	February 2011	10,007,932.70
September 2004	29,653,383.09	December 2007	13,668,136.89	March 2011	9,879,092.56
October 2004	29,057,328.93	January 2008	13,524,749.75	April 2011	9,749,003.35
November 2004	28,449,066.05	February 2008	13,392,353.21	May 2011	9,617,744.76
December 2004	27,829,765.57	March 2008	13,270,764.91	June 2011	9,485,394.34
January 2005	27,200,614.58	April 2008	13,159,804.94	July 2011	9,352,027.57
February 2005	26,562,813.61	May 2008	13,059,295.77	August 2011	9,217,717.87
March 2005	25,917,574.13	June 2008	12,969,062.29	September 2011	9,082,536.67
April 2005	25,291,224.20	July 2008	12,888,931.73	October 2011	8,946,553.44
May 2005	24,683,477.28	August 2008	12,818,733.64	November 2011	8,809,835.73
June 2005	24,094,050.57	September 2008	12,758,299.89	December 2011	8,672,449.23
July 2005	23,522,664.96	October 2008	12,707,464.58	January 2012	8,534,457.79
August 2005	22,969,044.98	November 2008	12,656,238.70	February 2012	8,395,923.47
September 2005	22,432,918.74	December 2008	12,600,450.65	March 2012	8,256,906.59
October 2005	21,914,017.92	January 2009	12,540,262.46	April 2012	8,117,465.73
November 2005	21,412,077.72	February 2009	12,475,832.28	May 2012	7,977,657.81
December 2005	20,926,836.77	March 2009	12,407,314.53	June 2012	7,837,538.10
January 2006	20,458,037.16	April 2009	12,334,859.93	July 2012	7,697,160.26

Aggregate Group II (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>
August 2012	\$ 7,556,576.41	May 2014	\$ 4,634,039.72	February 2016	\$ 1,963,884.49
September 2012	7,415,837.11	June 2014	4,499,331.78	March 2016	1,846,281.87
October 2012	7,274,991.41	July 2014	4,365,254.59	April 2016	1,729,641.88
November 2012	7,134,086.92	August 2014	4,231,831.53	May 2016	1,613,973.29
December 2012	6,993,169.79	September 2014	4,099,085.14	June 2016	1,499,284.36
January 2013	6,852,284.78	October 2014	3,967,037.07	July 2016	1,385,582.85
February 2013	6,711,475.28	November 2014	3,835,708.16	August 2016	1,272,876.01
March 2013	6,570,783.33	December 2014	3,705,118.39	September 2016	1,161,170.61
April 2013	6,430,249.67	January 2015	3,575,286.97	October 2016	1,050,472.96
May 2013	6,289,913.74	February 2015	3,446,232.33	November 2016	940,788.92
June 2013	6,149,813.76	March 2015	3,317,972.13	December 2016	832,123.90
July 2013	6,009,986.68	April 2015	3,190,523.27	January 2017	724,482.86
August 2013	5,870,468.30	May 2015	3,063,901.95	February 2017	617,870.37
September 2013	5,731,293.23	June 2015	2,938,123.67	March 2017	512,290.58
October 2013	5,592,494.92	July 2015	2,813,203.20	April 2017	407,747.23
November 2013	5,454,105.74	August 2015	2,689,154.68	May 2017	304,243.70
December 2013	5,316,156.94	September 2015	2,565,991.56	June 2017	201,782.97
January 2014	5,178,678.73	October 2015	2,443,726.67	July 2017	100,367.67
February 2014	5,041,700.26	November 2015	2,322,372.23	August 2017 and thereafter	0.00
March 2014	4,905,249.66	December 2015	2,201,939.81		
April 2014	4,769,354.09	January 2016	2,082,440.42		

Aggregate Group III Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through		June 2005	\$138,245,749.71	September 2007	\$ 88,663,729.15
April 2003	\$182,055,579.00	July 2005	136,281,556.56	October 2007	86,958,773.24
May 2003	180,828,116.87	August 2005	134,327,622.52	November 2007	85,262,742.47
June 2003	179,557,983.77	September 2005	132,383,894.80	December 2007	83,575,590.91
July 2003	178,245,733.44	October 2005	130,450,320.89	January 2008	81,897,272.86
August 2003	176,891,943.00	November 2005	128,526,848.54	February 2008	80,227,742.88
September 2003	175,497,212.59	December 2005	126,613,425.77	March 2008	78,566,955.74
October 2003	174,062,164.91	January 2006	124,710,000.87	April 2008	76,914,866.44
November 2003	172,587,444.79	February 2006	122,816,522.40	May 2008	75,271,430.23
December 2003	171,073,718.73	March 2006	120,932,939.16	June 2008	73,636,602.58
January 2004	169,521,674.38	April 2006	119,059,200.25	July 2008	72,010,339.18
February 2004	167,932,020.09	May 2006	117,195,255.01	August 2008	70,392,595.97
March 2004	166,305,484.30	June 2006	115,341,053.04	September 2008	68,783,329.10
April 2004	164,642,815.08	July 2006	113,496,544.21	October 2008	67,182,494.95
May 2004	162,944,779.51	August 2006	111,661,678.63	November 2008	65,606,349.02
June 2004	161,212,163.11	September 2006	109,836,406.69	December 2008	64,061,500.44
July 2004	159,445,769.24	October 2006	108,020,679.03	January 2009	62,547,373.34
August 2004	157,646,418.48	November 2006	106,214,446.51	February 2009	61,063,402.01
September 2004	155,814,948.00	December 2006	104,417,660.30	March 2009	59,609,030.73
October 2004	153,952,210.91	January 2007	102,630,271.77	April 2009	58,183,713.62
November 2004	152,059,075.59	February 2007	100,852,232.57	May 2009	56,786,914.42
December 2004	150,136,425.02	March 2007	99,083,494.59	June 2009	55,418,106.37
January 2005	148,185,156.08	April 2007	97,324,009.97	July 2009	54,076,771.99
February 2005	146,206,178.84	May 2007	95,573,731.08	August 2009	52,762,403.02
March 2005	144,200,415.85	June 2007	93,832,610.56	September 2009	51,474,500.14
April 2005	142,205,125.88	July 2007	92,100,601.29	October 2009	50,212,572.91
May 2005	140,220,255.04	August 2007	90,377,656.36	November 2009	48,976,139.56

Aggregate Group III (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
December 2009	\$ 47,764,726.88	August 2012	\$ 19,774,884.85	March 2015	\$ 6,166,607.76
January 2010	46,577,870.05	September 2012.....	19,171,764.62	April 2015.....	5,870,587.44
February 2010	45,415,112.48	October 2012	18,581,737.92	May 2015	5,581,660.22
March 2010	44,276,005.71	November 2012	18,004,553.24	June 2015	5,299,684.06
April 2010.....	43,160,109.24	December 2012	17,439,963.60	July 2015	5,024,519.56
May 2010	42,066,990.39	January 2013	16,887,726.49	August 2015	4,756,029.88
June 2010	40,996,224.18	February 2013	16,347,603.82	September 2015.....	4,494,080.72
July 2010	39,947,393.19	March 2013	15,819,361.77	October 2015	4,238,540.26
August 2010	38,920,087.45	April 2013.....	15,302,770.79	November 2015	3,989,279.14
September 2010.....	37,913,904.24	May 2013	14,797,605.47	December 2015	3,746,170.38
October 2010	36,928,448.07	June 2013	14,303,644.51	January 2016	3,509,089.37
November 2010	35,963,330.46	July 2013	13,820,670.63	February 2016	3,277,913.82
December 2010	35,018,169.89	August 2013	13,348,470.48	March 2016	3,052,523.71
January 2011	34,092,591.63	September 2013.....	12,886,834.60	April 2016.....	2,832,801.25
February 2011	33,186,227.64	October 2013	12,435,557.35	May 2016	2,618,630.85
March 2011	32,298,716.45	November 2013	11,994,436.82	June 2016	2,409,899.07
April 2011.....	31,429,703.08	December 2013	11,563,274.78	July 2016	2,206,494.60
May 2011	30,578,838.86	January 2014	11,141,876.64	August 2016	2,008,308.19
June 2011	29,745,781.39	February 2014	10,730,051.32	September 2016.....	1,815,232.65
July 2011	28,930,194.37	March 2014	10,327,611.26	October 2016	1,627,162.80
August 2011	28,131,747.54	April 2014.....	9,934,372.32	November 2016	1,443,995.41
September 2011.....	27,350,116.57	May 2014	9,550,153.71	December 2016	1,265,629.20
October 2011	26,584,982.93	June 2014	9,174,777.98	January 2017	1,091,964.79
November 2011	25,836,033.80	July 2014	8,808,070.91	February 2017	922,904.66
December 2011	25,102,962.00	August 2014	8,449,861.46	March 2017	758,353.13
January 2012	24,385,465.83	September 2014.....	8,099,981.76	April 2017.....	598,216.32
February 2012	23,683,249.05	October 2014	7,758,266.99	May 2017	442,402.12
March 2012	22,996,020.73	November 2014	7,424,555.37	June 2017	290,820.15
April 2012.....	22,323,495.17	December 2014	7,098,688.09	July 2017	143,381.74
May 2012	21,665,391.83	January 2015	6,780,509.27	August 2017 and thereafter	0.00
June 2012	21,021,435.20	February 2015	6,469,865.89		
July 2012	20,391,354.76				

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.

\$1,176,994,759



**Guaranteed
REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2002-78**

PROSPECTUS SUPPLEMENT

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Merrill Lynch & Co.

September 26, 2002
