

\$1,500,000,000



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2003-10**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
HD(1).....	1	\$127,576,070	SEQ	5.00%	FIX	31392H K A0	October 2012
HG(1).....	1	87,702,130	SEQ	5.00	FIX	31392H K B8	November 2016
HL(1).....	1	201,341,832	SEQ	4.00	FIX	31392H K C6	April 2016
HI(1).....	1	40,268,366 (2)	NTL	5.00	FIX/IO	31392H K D4	April 2016
YB(1).....	1	13,936,368	SEQ	4.50	FIX	31392H K E2	November 2016
YI(1).....	1	1,393,636 (2)	NTL	5.00	FIX/IO	31392H K F9	November 2016
HP.....	1	69,443,600	SEQ	5.00	FIX	31392H K G7	February 2018
PJ(1).....	2	192,505,479	PAC	4.50	FIX	31392H K H5	March 2022
PI(1).....	2	35,000,996 (2)	NTL	5.50	FIX/IO	31392H K J1	March 2022
PL(1).....	2	95,993,748	PAC	4.00	FIX	31392H K K8	May 2026
BI(1).....	2	26,180,113 (2)	NTL	5.50	FIX/IO	31392H K L6	May 2026
PQ(1).....	2	58,898,508	PAC	5.25	FIX	31392H K M4	May 2028
IC(1).....	2	2,677,204 (2)	NTL	5.50	FIX/IO	31392H K N2	May 2028
PD.....	2	117,057,120	PAC	5.50	FIX	31392H K P7	July 2031
PE.....	2	70,009,635	PAC	5.50	FIX	31392H K Q5	February 2033
DA.....	2	6,635,000	SCH	5.50	FIX	31392H K R3	October 2032
DB.....	2	1,978,000	SCH	5.50	FIX	31392H K S1	November 2032
DC.....	2	970,000	SCH	5.50	FIX	31392H K T9	December 2032
DE.....	2	2,802,000	SCH	5.50	FIX	31392H K U6	February 2033
DG.....	2	1,080,000	SCH	5.50	FIX	31392H K V4	February 2033
DH.....	2	25,486,000	SUP	5.50	FIX	31392H K W2	July 2031
DJ.....	2	4,629,000	SUP	5.50	FIX	31392H K X0	October 2031
DL.....	2	5,217,000	SUP	5.50	FIX	31392H K Y8	January 2032
DM.....	2	22,048,170	SUP	5.50	FIX	31392H K Z5	February 2033
DF.....	2	500,000	SUP	(3)	FLT	31392H L A9	February 2033
DS.....	2	500,000	SUP	(3)	INV	31392H L B7	February 2033
CA.....	2	16,989,078	SCH	5.50	FIX	31392H L C5	February 2033
CB.....	2	63,728,086	SUP	5.50	FIX	31392H L D3	August 2031
CD.....	2	34,128,592	SUP	5.50	FIX	31392H L E1	June 2032
CE.....	2	28,844,584	SUP	5.50	FIX	31392H L F8	February 2033
A.....	3	171,428,572	SEQ	5.00	FIX	31392H L G6	August 2030
FA.....	3	28,571,428	SEQ	(3)	FLT	31392H L H4	August 2030
SA.....	3	28,571,428 (2)	NTL	(3)	INV/IO	31392H L J0	August 2030
VA.....	3	12,286,392	SEQ/AD	5.50	FIX	31392H L K7	November 2012
VB.....	3	20,213,608	SEQ/AD	5.50	FIX	31392H L L5	April 2022
Z.....	3	17,500,000	SEQ	5.50	FIX/Z	31392H L M3	February 2033
R.....		0	NPR	0	NPR	31392H L N1	February 2033
RL.....		0	NPR	0	NPR	31392H L P6	February 2033

(1) Exchangeable classes.

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

(3) Based on LIBOR.

The Trust and its Assets

The trust will own Fannie Mae MBS. The mortgage loans underlying the Fannie Mae MBS are first lien, single-family, fixed-rate loans.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The HK, HA, HY, HQ, HT, HW, PK, PA, PM, PN, PB and PC Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 30, 2003.

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.

MORGAN STANLEY

The date of this Prospectus Supplement is December 4, 2002.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	<i>Group 3 Cash Flow Distribution</i>	
REFERENCE SHEET	S- 4	<i>Amount</i>	S-16
ADDITIONAL RISK FACTORS	S- 8	STRUCTURING ASSUMPTIONS	S-17
DESCRIPTION OF THE		<i>Pricing Assumptions</i>	S-17
CERTIFICATES	S- 9	<i>Prepayment Assumptions</i>	S-17
GENERAL	S- 9	<i>Structuring Ranges</i>	S-17
<i>Structure</i>	S- 9	<i>Initial Effective Ranges</i>	S-17
<i>Fannie Mae Guaranty</i>	S- 9	YIELD TABLES	S-18
<i>Characteristics of Certificates</i>	S-10	<i>General</i>	S-18
<i>Authorized Denominations</i>	S-10	<i>The Fixed Rate Interest Only Classes</i>	S-19
<i>Distribution Dates</i>	S-10	<i>The Inverse Floating Rate Classes</i> ..	S-20
<i>Record Date</i>	S-10	WEIGHTED AVERAGE LIVES OF THE	
<i>Class Factors</i>	S-10	CERTIFICATES	S-21
<i>No Optional Termination</i>	S-10	DECREMENT TABLES	S-22
COMBINATION AND RECOMBINATION ..	S-10	CHARACTERISTICS OF THE R AND	
<i>General</i>	S-10	RL CLASSES	S-28
<i>Procedures</i>	S-11	CERTAIN ADDITIONAL	
<i>Additional Considerations</i>	S-11	FEDERAL INCOME TAX	
THE MBS	S-11	CONSEQUENCES	S-29
FINAL DATA STATEMENT	S-12	REMIC ELECTIONS AND SPECIAL	
DISTRIBUTIONS OF INTEREST	S-12	TAX ATTRIBUTES	S-29
<i>Categories of Classes</i>	S-12	TAXATION OF BENEFICIAL OWNERS OF	
<i>General</i>	S-13	REGULAR CERTIFICATES	S-29
<i>Interest Accrual Periods</i>	S-13	TAXATION OF BENEFICIAL OWNERS OF	
<i>Accrual Class</i>	S-13	RESIDUAL CERTIFICATES	S-30
<i>Notional Classes</i>	S-13	TAXATION OF BENEFICIAL OWNERS OF	
<i>Floating Rate and Inverse Floating</i>		RCR CERTIFICATES	S-30
<i>Rate Classes</i>	S-14	<i>General</i>	S-30
CALCULATION OF LIBOR	S-14	<i>Combination RCR Classes</i>	S-30
DISTRIBUTIONS OF PRINCIPAL	S-14	<i>Exchanges</i>	S-31
<i>Categories of Classes</i>	S-14	TAX RETURN DISCLOSURE	
<i>Principal Distribution Amount</i>	S-15	REQUIREMENTS	S-31
<i>Group 1 Principal Distribution</i>		PLAN OF DISTRIBUTION	S-31
<i>Amount</i>	S-15	<i>General</i>	S-31
<i>Group 2 Principal Distribution</i>		<i>Increase in Certificates</i>	S-31
<i>Amount</i>	S-15	LEGAL MATTERS	S-31
<i>Group 3 Principal Distribution</i>		SCHEDULE 1	A- 1
<i>Amount</i>	S-16	PRINCIPAL BALANCE	
<i>Z Accrual Amount</i>	S-16	SCHEDULES	B- 1

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”); and
- our Information Statement dated April 1, 2002 and its supplements (the “Information Statement”).

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 located 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:

Morgan Stanley & Co. Incorporated
c/o ADP Financial Services
Prospectus Department
1155 Long Island Avenue
Edgewood, New York 11717
(631) 254-7106

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

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of January 1, 2003)

	<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	\$500,000,000	180	177	2	5.6%
Group 2 MBS	\$750,000,000	360	357	1	6.1%
Group 3 MBS	\$250,000,000	360	359	1	6.1%

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.

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 January 30, 2003.

Distribution Dates

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

Book-Entry and Physical Certificates

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

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

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

Exchanging Certificates Through Combination and Recombination

If you own certain certificates, you will be able to exchange them for a proportionate interest in the related RCR certificates as shown on Schedule 1. We will issue the RCR certificates upon such exchange. You can exchange your certificates by notifying us and paying an exchange fee. We use the principal and interest of the certificates exchanged to pay principal and interest on the related RCR certificates. Schedule 1 lists the available combinations of the certificates eligible for exchange and the related RCR certificates.

Interest Rates

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

During 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>
DF	2.58%	8.00%	1.20%	LIBOR + 120 basis points
DS	8.42%	9.80%	3.00%	9.8% – LIBOR
FA	1.73%	8.50%	0.35%	LIBOR + 35 basis points
SA	6.77%	8.15%	0.00%	8.15% – LIBOR

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

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

Notional Classes

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

<u>Class</u>	
HI	20% of the HL Class
YI	10% of the YB Class
PI	18.18181818% of the PJ Class
BI	27.27272727% of the PL Class
IC	4.545454545% of the PQ Class
SA	100% of the FA Class

Distributions of Principal

Group 1 Principal Distribution Amount

1. (a) 50% of such amount to the HL and YB Classes, in that order, to zero, and
(b) 50% of such amount to the HD and HG Classes, in that order, to zero.
2. To the HP Class to zero.

Group 2 Principal Distribution Amount

1. To Aggregate Group I to its Planned Balance.

2. (a) 33.3333333333% of the remaining amount as follows:

first, to Aggregate Group II to its Scheduled Balance;

second, to the DH, DJ and DL Classes, in that order, to zero;

third, to the DM, DF and DS Classes, pro rata, to zero; and

fourth, to Aggregate Group II to zero, and

(b) 66.6666666667% of such remaining amount as follows:

first, to the CA Class to its Scheduled Balance;

second, to the CB, CD and CE Classes, in that order, to zero; and

third, to the CA Class to zero.

3. To Aggregate Group I to zero.

For a description of Aggregate Group I and Aggregate Group II, see “Description of the Certificates—Distributions of Principal—*Group 2 Principal Distribution Amount*” in this prospectus supplement.

Group 3 Principal Distribution Amount

Z Accrual Amount

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

Group 3 Cash Flow Distribution Amount

1. To the A and FA Classes, pro rata, to zero.

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

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

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>317%</u>	<u>450%</u>	<u>650%</u>
HD	5.4	3.2	2.0	1.7	1.4
HG	11.8	8.9	5.3	4.3	3.3
HL, HI, HK and HA	7.6	5.1	3.1	2.5	2.0
YB, YI and HY	13.4	11.3	7.3	5.7	4.3
HP	14.4	13.3	10.2	8.4	6.3
HQ, HT and HW	8.0	5.5	3.4	2.7	2.2

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>220%</u>	<u>250%</u>	<u>500%</u>
PJ, PI, PK and PA	9.6	2.8	2.8	2.8	2.3
PL, BI, PM, PN and PB	17.9	6.0	6.0	6.0	3.7
PQ, IC and PC	20.7	8.0	8.0	8.0	4.5
PD	23.2	11.0	11.0	11.0	6.0
PE	25.5	18.3	18.3	18.3	10.1

	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>115%</u>	<u>200%</u>	<u>220%</u>	<u>250%</u>	<u>500%</u>
DA	26.4	11.3	2.8	2.8	2.8	2.8	2.0
DB	26.6	12.9	6.0	6.0	6.0	5.9	2.4
DC	26.7	13.3	8.0	8.0	8.0	6.6	2.5
DE	26.8	13.9	10.5	10.5	11.1	7.1	2.5
DG	27.0	14.4	12.1	12.1	13.7	8.1	2.6

	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>112%</u>	<u>115%</u>	<u>200%</u>	<u>220%</u>	<u>250%</u>	<u>500%</u>
DH	27.7	17.6	15.8	15.3	2.2	1.9	1.6	0.9
DJ	28.5	21.2	19.8	19.4	3.9	3.3	2.7	1.5
DL	28.8	22.4	21.2	20.8	4.7	3.8	3.1	1.6
DM, DF and DS	29.5	26.3	25.6	25.4	14.6	9.9	4.5	2.0
CB	27.6	17.2	15.3	14.4	2.5	2.1	1.8	1.0
CD	28.9	23.1	21.9	21.6	7.0	4.7	3.7	1.8
CE	29.7	27.5	27.0	26.9	19.3	14.4	5.6	2.2

	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>112%</u>	<u>200%</u>	<u>220%</u>	<u>250%</u>	<u>500%</u>
CA	26.4	11.6	4.5	4.5	4.5	4.3	2.3

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>350%</u>	<u>500%</u>	<u>700%</u>
A, FA and SA	18.4	8.2	3.5	2.7	2.1
VA	5.3	5.3	5.0	4.3	3.5
VB	14.8	14.8	8.6	6.5	4.9
Z	28.8	23.8	13.2	9.9	7.2

* 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 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

understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of January 1, 2003 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

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

The assets of the Lower Tier REMIC will consist of three groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS”, “Group 2 MBS” and “Group 3 MBS” and, together, the “MBS”).

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

Fannie Mae Guaranty. We guarantee that we will distribute to Certificateholders:

- required installments of principal and interest on the Certificates on time, and
- the principal balance of each Class of Certificates no later than its Final Distribution Date, whether or not we have received sufficient payments on the MBS.

In addition, we guarantee that we will distribute to each holder of an MBS:

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and

- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus and “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus.

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

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

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

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

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

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

Class Factors. On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of any Class, the product will equal the current principal balance (or notional principal balance) of that Certificate after taking into account payments on the Distribution Date in the same month (as well as any addition to principal in the case of the Accrual Class).

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

Combination and Recombination

General. You are permitted to exchange all or a portion of the HL, HI, YB, YI, HD, HG, PJ, PI, PL, BI, PQ and IC Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

Procedures. If a Certificateholder wishes to exchange Certificates, the Certificateholder must notify our Structured Transactions Department through one of our “REMIC Dealer Group” dealers in writing or by telefax no later than two business days before the proposed exchange date. The exchange date can be any business day other than the first or last business day of the month subject to our approval. The notice must include the outstanding principal balance of both the Certificates to be exchanged and the Certificates to be received, and the proposed exchange date. After receiving the Holder’s notice, we will telephone the dealer with delivery and wire payment instructions. Notice becomes irrevocable on the second business day before the proposed exchange date.

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

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

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

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

The MBS

The following table contains certain information about the MBS. The 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 MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 15 years in the case of the Group 1 MBS and up to 30 years in the case of the Group 2 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 MBS and the related Mortgage Loans as of the Issue Date to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$500,000,000
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	177 months
Approximate Weighted Average WALA (Weighted Average Loan Age)	2 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$750,000,000
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	357 months
Approximate Weighted Average WALA	1 month

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	241 months to 360 months
Approximate Weighted Average WAM	359 months
Approximate Weighted Average WALA	1 month

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including 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 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 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	HD, HG, HL, HI, YB, YI and HP
Interest Only	HI and YI
RCR**	HK, HA, HY, HQ, HT and HW

<u>Interest Type*</u>	<u>Classes</u>
Group 2 Classes	
Fixed Rate	PJ, PI, PL, BI, PQ, IC, PD, PE, DA, DB, DC, DE, DG, DH, DJ, DL, DM, CA, CB, CD and CE
Floating Rate	DF
Inverse Floating Rate	DS
Interest Only	PI, BI and IC
RCR**	PK, PA, PM, PN, PB and PC
Group 3 Classes	
Fixed Rate	A, VA, VB and Z
Floating Rate	FA
Inverse Floating Rate	SA
Interest Only	SA
Accrual	Z
No Payment Residual	R and RL

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

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

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

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

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

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

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

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

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

Notional Classes. The Notional Classes will not have principal balances. During each Interest Accrual Period, the Notional Classes will bear interest on their notional principal balances at their

applicable interest rates. The notional principal balances of the Notional Classes will be calculated as specified under “Reference Sheet—Notional Classes” in this prospectus supplement.

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

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

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

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

Calculation of LIBOR

On each Index Determination Date, we will calculate LIBOR for the related Interest Accrual Period. We will calculate LIBOR on the basis of the “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 1.380%.

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	HD, HG, HL, YB and HP
Notional	HI and YI
RCR**	HK, HA, HY, HQ, HT and HW
Group 2 Classes	
PAC	PJ, PL, PQ, PD and PE
Scheduled	DA, DB, DC, DE, DG and CA
Support	DH, DJ, DL, DM, DF, DS, CB, CD and CE
Notional	PI, BI and IC
RCR**	PK, PA, PM, PN, PB and PC
Group 3 Classes	
Sequential Pay	A, FA, VA, VB and Z
Accretion Directed	VA and VB
Notional	SA
No Payment Residual	R and RL

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

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Principal Distribution Amount”), and
- 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 balance of the Z Class (the “Z Accrual Amount” and, together with the Group 3 Cash Flow Distribution Amount, the “Group 3 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution date, we will pay the Group 1 Principal Distribution Amount as principal of the Group 1 Classes in the following priority:

- | | | |
|---|---|-----------------------------------|
| <p>(i) (a) 50% of such amount, sequentially, to the HL and YB Classes, in that order, until their principal balances are reduced to zero, and</p> <p>(b) 50% of such amount, sequentially, to the HD and HG Classes, in that order, until their principal balances are reduced to zero; and</p> | } | <p>Sequential
Pay Classes</p> |
| <p>(ii) to the HP Class, until its principal balance is reduced to zero.</p> | | |

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:

- | | | |
|---|---|----------------------------|
| <p>(i) to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date;</p> | } | <p>PAC
Group</p> |
| <p>(ii) (a) 33.3333333333% of the remaining amount as follows:</p> | | |
| <p><i>first</i>, to Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Scheduled Balance for that Distribution Date;</p> | } | <p>Scheduled
Group</p> |
| <p><i>second</i>, sequentially, to the DH, DJ and DL Classes, in that order, until their principal balances are reduced to zero;</p> | } | <p>Support
Classes</p> |
| <p><i>third</i>, concurrently, to the DM, DF and DS Classes, pro rata (or 95.6612607422%, 2.1693696289% and 2.1693696289%, respectively), until their principal balances are reduced to zero; and</p> | } | <p>Support
Classes</p> |
| <p><i>fourth</i>, to Aggregate Group II, without regard to its Scheduled Balance and until the Aggregate II Balance is reduced to zero, and</p> | } | <p>Scheduled
Group</p> |

(b) 66.6666666667% of such remaining amount as follows:

first, to the CA Class, until its principal balance is reduced to its Scheduled Balance for that Distribution Date; } Scheduled Class

second, sequentially, to the CB, CD and CE Classes, in that order, until their principal balances are reduced to zero; and } Support Classes

third, to the CA Class, without regard to its Scheduled Balance and until its principal balance is reduced to zero; and } Scheduled Class

(iii) to Aggregate Group I, without regard to its Planned Balance and until the Aggregate I Balance is reduced to zero. } PAC Group

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

The “Aggregate I Balance” for any Distribution Date is equal to \$534,464,490 *minus* the sum of all amounts applied to it as specified above.

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

The “Aggregate II Balance” for any Distribution Date is equal to \$13,465,000 *minus* the sum of all amounts applied to it as specified above.

Group 3 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 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) concurrently, to the A and FA Classes, pro rata (or 85.714286% and 14.285714%, respectively), until their principal balances are reduced to zero; and
 - (ii) sequentially, to the VA, VB and Z Classes, in that order, until their principal balances are reduced to zero.
- } Sequential Pay Classes

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

Structuring Assumptions

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

- the Mortgage Loans underlying the 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 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 January 30, 2003; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other constant rate.

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

<u>Principal Balance Schedule References</u>	<u>Related Class and Groups (1)</u>	<u>Structuring Ranges</u>
Planned Balances	Aggregate Group I	Between 100% and 250%
Scheduled Balances	Aggregate Group II	Between 115% and 200%
Scheduled Balances	CA	Between 112% and 200%

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

We cannot assure you that the balance of the Class or Groups 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 the Class or Groups listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules. We will distribute any excess of principal payments over the amount needed to reduce a Class or Group to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class or 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 applicable Structuring Ranges principal distributions may be insufficient to reduce the applicable Class or Groups to their scheduled balances if the prepayments do not occur at a *constant* PSA rate. Moreover, because of the diverse remaining terms to maturity of the related Mortgage Loans, which may include recently originated Mortgage Loans, the Class and Groups specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Range.

Initial Effective Ranges. The Effective Range for a Class or Group is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Class or Group to its scheduled

balance on each Distribution Date. The Initial Effective Ranges shown in the table below are based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Class or Group</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 250%
Aggregate Group II	Between 115% and 200%
CA	Between 112% and 200%

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

Yield Tables

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

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

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

We cannot assure you that

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

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

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

- the level of the Index will remain constant.

The Fixed Rate Interest Only Classes. The yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the 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>
HI	465%
YI	481%
PI	710%
BI	511%
IC	515%

For any Fixed Rate Interest Only Class listed above, 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>
HI	12.00000%
YI	27.00000%
PI	10.53125%
BI	19.78125%
IC	24.00000%

* 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 HI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>317%</u>	<u>450%</u>	<u>650%</u>
Pre-Tax Yields to Maturity	31.7%	28.3%	11.8%	1.2%	(14.2)%

Sensitivity of the YI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>317%</u>	<u>450%</u>	<u>650%</u>
Pre-Tax Yields to Maturity	16.0%	15.3%	8.3%	1.7%	(9.9)%

Sensitivity of the PI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	35.9%	22.0%	22.0%	22.0%	12.6%

Sensitivity of the BI Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	220%	250%	500%
Pre-Tax Yields to Maturity	25.1%	18.4%	18.4%	18.4%	0.9%

Sensitivity of the IC Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	220%	250%	500%
Pre-Tax Yields to Maturity	21.4%	17.0%	17.0%	17.0%	1.1%

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

Class	Price*
DS	90.0%
SA	8.0%

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

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

LIBOR	PSA Prepayment Assumption							
	50%	100%	112%	115%	200%	220%	250%	500%
0.38%	10.7%	10.7%	10.7%	10.7%	11.1%	11.5%	12.5%	15.3%
1.38%	9.6%	9.6%	9.6%	9.6%	9.9%	10.4%	11.4%	14.2%
3.38%	7.3%	7.3%	7.4%	7.4%	7.7%	8.1%	9.2%	12.1%
5.38%	5.1%	5.1%	5.2%	5.2%	5.5%	5.9%	7.1%	10.0%
6.80%	3.6%	3.6%	3.6%	3.6%	4.0%	4.4%	5.5%	8.5%

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	350%	500%	700%
0.38%	113.0%	110.5%	97.5%	89.2%	77.9%
1.38%	96.2%	93.6%	79.9%	71.2%	59.4%
3.38%	63.9%	61.0%	45.4%	35.4%	22.2%
5.38%	33.3%	29.9%	10.3%	(2.1)%	(17.6)%
7.38%	2.1%	(3.0)%	(33.9)%	(51.2)%	(70.8)%
8.15%	*	*	*	*	*

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

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Classes, and
- in the case of certain Group 2 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 such Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Group</u>	<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
1	Group 1 MBS	180 months	180 months	7.50%
2	Group 2 MBS	360 months	360 months	8.00%
3	Group 3 MBS	360 months	360 months	8.00%

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	HD Class					HG Class					HL, HI†, HK and HA Classes					YB, YI† and HY Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	317%	450%	650%	0%	100%	317%	450%	650%	0%	100%	317%	450%	650%	0%	100%	317%	450%	650%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	93	88	81	77	70	100	100	100	100	100	95	92	88	85	81	100	100	100	100	100
January 2005	85	72	50	38	20	100	100	100	100	100	90	82	69	61	49	100	100	100	100	100
January 2006	76	53	16	0	0	100	100	100	95	58	85	70	47	35	19	100	100	100	100	100
January 2007	67	35	0	0	0	100	100	85	53	16	79	59	30	16	*	100	100	100	100	100
January 2008	57	19	0	0	0	100	100	54	23	0	73	49	17	3	0	100	100	100	100	0
January 2009	46	3	0	0	0	100	100	30	3	0	66	39	6	0	0	100	100	100	16	0
January 2010	35	0	0	0	0	100	84	12	0	0	59	30	0	0	0	100	100	74	0	0
January 2011	22	0	0	0	0	100	64	0	0	0	51	21	0	0	0	100	100	0	0	0
January 2012	9	0	0	0	0	100	46	0	0	0	42	13	0	0	0	100	100	0	0	0
January 2013	0	0	0	0	0	92	28	0	0	0	33	5	0	0	0	100	100	0	0	0
January 2014	0	0	0	0	0	70	12	0	0	0	23	0	0	0	0	100	77	0	0	0
January 2015	0	0	0	0	0	45	0	0	0	0	13	0	0	0	0	100	0	0	0	0
January 2016	0	0	0	0	0	19	0	0	0	0	1	0	0	0	0	100	0	0	0	0
January 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.4	3.2	2.0	1.7	1.4	11.8	8.9	5.3	4.3	3.3	7.6	5.1	3.1	2.5	2.0	13.4	11.3	7.3	5.7	4.3

Date	HP Class					HQ, HT and HW Classes					PJ, PI†, PK and PA Classes					PL, BI†, PM, PN and PB Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	317%	450%	650%	0%	100%	317%	450%	650%	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	100	100	100	96	93	89	86	82	97	89	89	89	89	100	100	100	100	100
January 2005	100	100	100	100	100	91	83	71	63	52	93	70	70	70	70	100	100	100	100	100
January 2006	100	100	100	100	100	86	72	50	39	24	89	44	44	44	19	100	100	100	100	100
January 2007	100	100	100	100	100	80	62	34	22	7	85	19	19	19	0	100	100	100	100	16
January 2008	100	100	100	100	80	75	52	22	9	0	81	0	0	0	0	100	92	92	92	0
January 2009	100	100	100	100	45	68	43	12	1	0	76	0	0	0	0	100	48	48	48	0
January 2010	100	100	100	71	25	61	34	5	0	0	71	0	0	0	0	100	6	6	6	0
January 2011	100	100	94	46	14	54	26	0	0	0	65	0	0	0	0	100	0	0	0	0
January 2012	100	100	66	29	7	46	19	0	0	0	59	0	0	0	0	100	0	0	0	0
January 2013	100	100	46	18	4	38	12	0	0	0	52	0	0	0	0	100	0	0	0	0
January 2014	100	100	30	11	2	28	5	0	0	0	45	0	0	0	0	100	0	0	0	0
January 2015	100	93	18	6	1	18	0	0	0	0	37	0	0	0	0	100	0	0	0	0
January 2016	100	57	10	3	*	8	0	0	0	0	29	0	0	0	0	100	0	0	0	0
January 2017	77	24	3	1	*	0	0	0	0	0	19	0	0	0	0	100	0	0	0	0
January 2018	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	100	0	0	0	0
January 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	98	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	74	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	49	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.4	13.3	10.2	8.4	6.3	8.0	5.5	3.4	2.7	2.2	9.6	2.8	2.8	2.8	2.3	17.9	6.0	6.0	6.0	3.7

* 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	PQ, IC† and PC Classes					PD Class					PE Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2008	100	100	100	100	0	100	100	100	100	94	100	100	100	100	100
January 2009	100	100	100	100	0	100	100	100	100	46	100	100	100	100	100
January 2010	100	100	100	100	0	100	100	100	100	13	100	100	100	100	100
January 2011	100	47	47	47	0	100	100	100	100	0	100	100	100	100	83
January 2012	100	0	0	0	0	100	94	94	94	0	100	100	100	100	57
January 2013	100	0	0	0	0	100	68	68	68	0	100	100	100	100	39
January 2014	100	0	0	0	0	100	46	46	46	0	100	100	100	100	26
January 2015	100	0	0	0	0	100	27	27	27	0	100	100	100	100	18
January 2016	100	0	0	0	0	100	12	12	12	0	100	100	100	100	12
January 2017	100	0	0	0	0	100	0	0	0	0	100	98	98	98	8
January 2018	100	0	0	0	0	100	0	0	0	0	100	80	80	80	6
January 2019	100	0	0	0	0	100	0	0	0	0	100	65	65	65	4
January 2020	100	0	0	0	0	100	0	0	0	0	100	53	53	53	2
January 2021	100	0	0	0	0	100	0	0	0	0	100	42	42	42	2
January 2022	100	0	0	0	0	100	0	0	0	0	100	34	34	34	1
January 2023	87	0	0	0	0	100	0	0	0	0	100	27	27	27	1
January 2024	34	0	0	0	0	100	0	0	0	0	100	21	21	21	*
January 2025	0	0	0	0	0	89	0	0	0	0	100	16	16	16	*
January 2026	0	0	0	0	0	58	0	0	0	0	100	12	12	12	*
January 2027	0	0	0	0	0	24	0	0	0	0	100	9	9	9	*
January 2028	0	0	0	0	0	0	0	0	0	0	80	7	7	7	*
January 2029	0	0	0	0	0	0	0	0	0	0	14	5	5	5	*
January 2030	0	0	0	0	0	0	0	0	0	0	3	3	3	3	*
January 2031	0	0	0	0	0	0	0	0	0	0	2	2	2	2	*
January 2032	0	0	0	0	0	0	0	0	0	0	1	1	1	1	*
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.7	8.0	8.0	8.0	4.5	23.2	11.0	11.0	11.0	6.0	25.5	18.3	18.3	18.3	10.1

Date	DA Class							DB Class							DC Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	115%	200%	220%	250%	500%	0%	100%	115%	200%	220%	250%	500%	0%	100%	115%	200%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	92	92	92	92	92	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2005	100	100	71	71	71	71	71	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2006	100	100	43	43	43	43	0	100	100	100	100	100	100	100	0	100	100	100	100	100	0
January 2007	100	100	19	19	19	19	0	100	100	100	100	100	100	0	100	100	100	100	100	100	0
January 2008	100	100	0	0	0	0	0	100	100	99	99	99	99	0	100	100	100	100	100	100	0
January 2009	100	100	0	0	0	0	0	100	100	46	46	46	46	0	100	100	100	100	100	100	0
January 2010	100	100	0	0	0	0	0	100	100	4	4	4	4	0	100	100	100	100	100	0	0
January 2011	100	100	0	0	0	0	0	100	100	0	0	0	0	0	100	100	45	45	45	0	0
January 2012	100	100	0	0	0	0	0	100	100	0	0	0	0	0	100	100	0	0	0	0	0
January 2013	100	89	0	0	0	0	0	100	100	0	0	0	0	0	100	100	0	0	0	0	0
January 2014	100	63	0	0	0	0	0	100	100	0	0	0	0	0	100	100	0	0	0	0	0
January 2015	100	26	0	0	0	0	0	100	100	0	0	0	0	0	100	100	0	0	0	0	0
January 2016	100	0	0	0	0	0	0	100	30	0	0	0	0	0	100	100	0	0	0	0	0
January 2017	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2018	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2019	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2020	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2021	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2022	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2023	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2024	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2025	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2026	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2027	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2028	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2029	100	0	0	0	0	0	0	100	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.4	11.3	2.8	2.8	2.8	2.8	2.0	26.6	12.9	6.0	6.0	6.0	5.9	2.4	26.7	13.3	8.0	8.0	8.0	6.6	2.5

* 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	DE Class							DG Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	115%	200%	220%	250%	500%	0%	100%	115%	200%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2006	100	100	100	100	100	100	0	100	100	100	100	100	100	0
January 2007	100	100	100	100	100	100	0	100	100	100	100	100	100	0
January 2008	100	100	100	100	100	100	0	100	100	100	100	100	100	0
January 2009	100	100	100	100	100	100	0	100	100	100	100	100	100	0
January 2010	100	100	100	100	100	57	0	100	100	100	100	100	100	0
January 2011	100	100	100	100	100	0	0	100	100	100	100	100	51	0
January 2012	100	100	100	100	100	0	0	100	100	100	100	100	*	0
January 2013	100	100	70	70	79	0	0	100	100	100	100	100	*	0
January 2014	100	100	30	30	54	0	0	100	100	100	100	100	*	0
January 2015	100	100	0	0	27	0	0	100	100	64	64	100	*	0
January 2016	100	100	0	0	0	0	0	100	100	0	0	97	*	0
January 2017	100	29	0	0	0	0	0	100	100	0	0	24	*	0
January 2018	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2019	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2020	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2021	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2022	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2023	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2024	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2025	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2026	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2027	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2028	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2029	100	0	0	0	0	0	0	100	0	0	0	0	*	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	*	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	*	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	*	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.8	13.9	10.5	10.5	11.1	7.1	2.5	27.0	14.4	12.1	12.1	13.7	8.1	2.6

Date	DH Class								DJ Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	112%	115%	200%	220%	250%	500%	0%	100%	112%	115%	200%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	100	100	88	85	80	43	100	100	100	100	100	100	100	100
January 2005	100	100	100	100	57	48	33	0	100	100	100	100	100	100	100	0
January 2006	100	100	100	100	19	1	0	0	100	100	100	100	100	100	0	0
January 2007	100	100	100	100	0	0	0	0	100	100	100	100	36	0	0	0
January 2008	100	100	100	100	0	0	0	0	100	100	100	100	0	0	0	0
January 2009	100	100	100	100	0	0	0	0	100	100	100	100	0	0	0	0
January 2010	100	100	100	100	0	0	0	0	100	100	100	100	0	0	0	0
January 2011	100	100	100	100	0	0	0	0	100	100	100	100	0	0	0	0
January 2012	100	100	100	100	0	0	0	0	100	100	100	100	0	0	0	0
January 2013	100	100	100	99	0	0	0	0	100	100	100	100	0	0	0	0
January 2014	100	100	100	96	0	0	0	0	100	100	100	100	0	0	0	0
January 2015	100	100	99	92	0	0	0	0	100	100	100	100	0	0	0	0
January 2016	100	100	90	83	0	0	0	0	100	100	100	100	0	0	0	0
January 2017	100	100	77	70	0	0	0	0	100	100	100	100	0	0	0	0
January 2018	100	92	63	56	0	0	0	0	100	100	100	100	0	0	0	0
January 2019	100	76	48	41	0	0	0	0	100	100	100	100	0	0	0	0
January 2020	100	60	33	26	0	0	0	0	100	100	100	100	0	0	0	0
January 2021	100	43	18	12	0	0	0	0	100	100	100	100	0	0	0	0
January 2022	100	26	2	0	0	0	0	0	100	100	100	83	0	0	0	0
January 2023	100	10	0	0	0	0	0	0	100	100	32	5	0	0	0	0
January 2024	100	0	0	0	0	0	0	0	100	63	0	0	0	0	0	0
January 2025	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2026	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2027	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2028	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2029	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2030	98	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2031	29	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.7	17.6	15.8	15.3	2.2	1.9	1.6	0.9	28.5	21.2	19.8	19.4	3.9	3.3	2.7	1.5

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

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

Date	DL Class								DM, DF and DS Classes							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	112%	115%	200%	220%	250%	500%	0%	100%	112%	115%	200%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	47
January 2006	100	100	100	100	100	100	61	0	100	100	100	100	100	100	100	0
January 2007	100	100	100	100	100	13	0	0	100	100	100	100	100	100	64	0
January 2008	100	100	100	100	20	0	0	0	100	100	100	100	100	73	28	0
January 2009	100	100	100	100	0	0	0	0	100	100	100	100	86	52	4	0
January 2010	100	100	100	100	0	0	0	0	100	100	100	100	74	39	0	0
January 2011	100	100	100	100	0	0	0	0	100	100	100	100	67	32	0	0
January 2012	100	100	100	100	0	0	0	0	100	100	100	100	64	29	0	0
January 2013	100	100	100	100	0	0	0	0	100	100	100	100	64	29	0	0
January 2014	100	100	100	100	0	0	0	0	100	100	100	100	64	29	0	0
January 2015	100	100	100	100	0	0	0	0	100	100	100	100	64	29	0	0
January 2016	100	100	100	100	0	0	0	0	100	100	100	100	61	29	0	0
January 2017	100	100	100	100	0	0	0	0	100	100	100	100	56	29	0	0
January 2018	100	100	100	100	0	0	0	0	100	100	100	100	50	27	0	0
January 2019	100	100	100	100	0	0	0	0	100	100	100	100	44	24	0	0
January 2020	100	100	100	100	0	0	0	0	100	100	100	100	39	21	0	0
January 2021	100	100	100	100	0	0	0	0	100	100	100	100	34	18	0	0
January 2022	100	100	100	100	0	0	0	0	100	100	100	100	29	16	0	0
January 2023	100	100	100	100	0	0	0	0	100	100	100	100	25	13	0	0
January 2024	100	100	58	36	0	0	0	0	100	100	100	100	21	11	0	0
January 2025	100	78	0	0	0	0	0	0	100	100	98	93	17	9	0	0
January 2026	100	2	0	0	0	0	0	0	100	100	83	79	14	7	0	0
January 2027	100	0	0	0	0	0	0	0	100	84	69	65	11	6	0	0
January 2028	100	0	0	0	0	0	0	0	100	68	55	52	9	4	0	0
January 2029	100	0	0	0	0	0	0	0	100	52	42	40	6	3	0	0
January 2030	100	0	0	0	0	0	0	0	100	37	30	28	4	2	0	0
January 2031	100	0	0	0	0	0	0	0	100	23	19	18	3	1	0	0
January 2032	0	0	0	0	0	0	0	0	91	10	8	7	1	*	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.8	22.4	21.2	20.8	4.7	3.8	3.1	1.6	29.5	26.3	25.6	25.4	14.6	9.9	4.5	2.0

Date	CA Class								CB Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	112%	200%	220%	250%	500%		0%	100%	112%	115%	200%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100		100	100	100	100	100	100	100	100
January 2004	100	100	95	95	95	95	95		100	100	100	100	90	87	84	54
January 2005	100	100	82	82	82	82	82		100	100	100	99	65	57	45	0
January 2006	100	100	64	64	64	64	0		100	100	100	98	33	18	0	0
January 2007	100	100	50	50	50	50	0		100	100	100	97	7	0	0	0
January 2008	100	100	37	37	37	37	0		100	100	100	96	0	0	0	0
January 2009	100	100	27	27	27	27	0		100	100	100	95	0	0	0	0
January 2010	100	100	19	19	19	19	0		100	100	100	95	0	0	0	0
January 2011	100	100	13	13	13	7	0		100	100	100	94	0	0	0	0
January 2012	100	100	9	9	9	*	0		100	100	100	94	0	0	0	0
January 2013	100	91	0	0	2	*	0		100	100	99	93	0	0	0	0
January 2014	100	71	0	0	0	*	0		100	100	94	88	0	0	0	0
January 2015	100	42	0	0	0	*	0		100	100	86	80	0	0	0	0
January 2016	100	5	0	0	0	*	0		100	100	76	70	0	0	0	0
January 2017	100	0	0	0	0	*	0		100	90	66	60	0	0	0	0
January 2018	100	0	0	0	0	*	0		100	78	54	49	0	0	0	0
January 2019	100	0	0	0	0	*	0		100	66	43	37	0	0	0	0
January 2020	100	0	0	0	0	*	0		100	52	31	26	0	0	0	0
January 2021	100	0	0	0	0	*	0		100	39	18	14	0	0	0	0
January 2022	100	0	0	0	0	*	0		100	26	6	2	0	0	0	0
January 2023	100	0	0	0	0	*	0		100	12	0	0	0	0	0	0
January 2024	100	0	0	0	0	*	0		100	0	0	0	0	0	0	0
January 2025	100	0	0	0	0	*	0		100	0	0	0	0	0	0	0
January 2026	100	0	0	0	0	*	0		100	0	0	0	0	0	0	0
January 2027	100	0	0	0	0	*	0		100	0	0	0	0	0	0	0
January 2028	100	0	0	0	0	*	0		100	0	0	0	0	0	0	0
January 2029	100	0	0	0	0	*	0		100	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	*	0		83	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	*	0		27	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	*	0		0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.4	11.6	4.5	4.5	4.5	4.3	2.3		27.6	17.2	15.3	14.4	2.5	2.1	1.8	1.0

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

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

Date	CD Class								CE Class								A, FA and SA† Classes				
	PSA Prepayment Assumption								PSA Prepayment Assumption								PSA Prepayment Assumption				
	0%	100%	112%	115%	200%	220%	250%	500%	0%	100%	112%	115%	200%	220%	250%	500%	0%	100%	350%	500%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	99	97	92	89	85
January 2005	100	100	100	100	100	100	100	100	6	100	100	100	100	100	100	100	98	90	75	66	54
January 2006	100	100	100	100	100	100	94	0	100	100	100	100	100	100	100	0	97	82	53	38	21
January 2007	100	100	100	100	100	77	24	0	100	100	100	100	100	100	100	0	95	74	36	19	1
January 2008	100	100	100	100	78	36	0	0	100	100	100	100	100	100	70	0	94	67	22	5	0
January 2009	100	100	100	100	52	6	0	0	100	100	100	100	100	100	31	0	92	60	12	0	0
January 2010	100	100	100	100	35	0	0	0	100	100	100	100	100	85	7	0	91	53	3	0	0
January 2011	100	100	100	100	25	0	0	0	100	100	100	100	100	73	0	0	89	47	0	0	0
January 2012	100	100	100	100	20	0	0	0	100	100	100	100	100	69	0	0	87	41	0	0	0
January 2013	100	100	100	100	20	0	0	0	100	100	100	100	100	69	0	0	85	36	0	0	0
January 2014	100	100	100	100	13	0	0	0	100	100	100	100	100	65	0	0	82	30	0	0	0
January 2015	100	100	100	100	6	0	0	0	100	100	100	100	100	60	0	0	80	26	0	0	0
January 2016	100	100	100	100	0	0	0	0	100	100	100	100	98	54	0	0	77	21	0	0	0
January 2017	100	100	100	100	0	0	0	0	100	100	100	100	89	49	0	0	74	17	0	0	0
January 2018	100	100	100	100	0	0	0	0	100	100	100	100	80	43	0	0	71	13	0	0	0
January 2019	100	100	100	100	0	0	0	0	100	100	100	100	71	38	0	0	68	9	0	0	0
January 2020	100	100	100	100	0	0	0	0	100	100	100	100	62	33	0	0	64	5	0	0	0
January 2021	100	100	100	100	0	0	0	0	100	100	100	100	54	29	0	0	60	2	0	0	0
January 2022	100	100	100	100	0	0	0	0	100	100	100	100	47	25	0	0	55	0	0	0	0
January 2023	100	100	90	82	0	0	0	0	100	100	100	100	40	21	0	0	51	0	0	0	0
January 2024	100	98	68	62	0	0	0	0	100	100	100	100	34	18	0	0	45	0	0	0	0
January 2025	100	74	48	41	0	0	0	0	100	100	100	100	28	14	0	0	40	0	0	0	0
January 2026	100	51	27	22	0	0	0	0	100	100	100	100	23	12	0	0	34	0	0	0	0
January 2027	100	29	8	4	0	0	0	0	100	100	100	100	18	9	0	0	27	0	0	0	0
January 2028	100	7	0	0	0	0	0	0	100	100	88	84	14	7	0	0	20	0	0	0	0
January 2029	100	0	0	0	0	0	0	0	100	83	68	64	10	5	0	0	13	0	0	0	0
January 2030	100	0	0	0	0	0	0	0	100	60	48	45	7	3	0	0	4	0	0	0	0
January 2031	100	0	0	0	0	0	0	0	100	37	30	28	4	2	0	0	0	0	0	0	0
January 2032	38	0	0	0	0	0	0	0	100	15	12	12	2	1	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.9	23.1	21.9	21.6	7.0	4.7	3.7	1.8	29.7	27.5	27.0	26.9	19.3	14.4	5.6	2.2	18.4	8.2	3.5	2.7	2.1

Date	VA Class					VB Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	350%	500%	700%	0%	100%	350%	500%	700%	0%	100%	350%	500%	700%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2004	92	92	92	92	92	100	100	100	100	100	106	106	106	106	106
January 2005	83	83	83	83	83	100	100	100	100	100	112	112	112	112	112
January 2006	75	75	75	75	75	100	100	100	100	100	118	118	118	118	118
January 2007	65	65	65	65	65	100	100	100	100	100	125	125	125	125	125
January 2008	55	55	55	55	0	100	100	100	100	35	132	132	132	132	132
January 2009	44	44	44	0	0	100	100	100	84	0	139	139	139	139	98
January 2010	33	33	33	0	0	100	100	100	13	0	147	147	147	147	56
January 2011	21	21	0	0	0	100	100	83	0	0	155	155	155	111	32
January 2012	9	9	0	0	0	100	100	26	0	0	164	164	164	76	18
January 2013	0	0	0	0	0	97	97	0	0	0	173	173	150	52	10
January 2014	0	0	0	0	0	89	89	0	0	0	183	183	115	35	6
January 2015	0	0	0	0	0	80	80	0	0	0	193	193	88	24	3
January 2016	0	0	0	0	0	71	71	0	0	0	204	204	67	16	2
January 2017	0	0	0	0	0	61	61	0	0	0	216	216	51	11	1
January 2018	0	0	0	0	0	50	50	0	0	0	228	228	39	7	1
January 2019	0	0	0	0	0	39	39	0	0	0	241	241	30	5	*
January 2020	0	0	0	0	0	27	27	0	0	0	254	254	22	3	*
January 2021	0	0	0	0	0	15	15	0	0	0	269	269	17	2	*
January 2022	0	0	0	0	0	2	0	0	0	0	284	274	12	1	*
January 2023	0	0	0	0	0	0	0	0	0	0	286	240	9	1	*
January 2024	0	0	0	0	0	0	0	0	0	0	286	209	7	1	*
January 2025	0	0	0	0	0	0	0	0	0	0	286	179	5	*	*
January 2026	0	0	0	0	0	0	0	0	0	0	286	151	3	*	*
January 2027	0	0	0	0	0	0	0	0	0	0	286	125	2	*	*
January 2028	0	0	0	0	0	0	0	0	0	0	286	101	2	*	*
January 2029	0	0	0	0	0	0	0	0	0	0	286	78	1	*	*
January 2030	0	0	0	0	0	0	0	0	0	0	286	56	1	*	*
January 2031	0	0	0	0	0	0	0	0	0	0	232	36	*	*	*
January 2032	0	0	0	0	0	0	0	0	0	0	121	16	*	*	*
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.3	5.3	5.0	4.3	3.5	14.8	14.8	8.6	6.5	4.9	28.8	23.8	13.2	9.9	7.2

* 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 the 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 REMIC Certificates, other than the R and RL Classes, will be designated as the “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

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

Taxation of Beneficial Owners of Regular Certificates

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

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

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	317%
2	220%
3	350%

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 December 20, 2002. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

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

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

Combination RCR Classes. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. Except in the case of a beneficial owner that acquires a Combination RCR Certificate in an exchange described under “—*Exchanges*” below, a beneficial owner of a Combination RCR Certificate must allocate its cost to acquire that Certificate among the underlying REMIC Certificates in proportion to their relative fair market values at the time of acquisition. Such an owner should account for its ownership interest in each underlying REMIC Certificate as described under “—*Taxation of Beneficial Owners of Regular Certificates*” above and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, the owner must allocate the sale proceeds among the underlying REMIC Certificates in proportion to their relative fair market values at the time of sale.

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

Tax Return Disclosure Requirements

The Treasury Department recently issued temporary Regulations directed at “tax shelters” that are quite broad and could be read to apply to transactions generally not considered to be tax shelters. These Regulations require taxpayers that participate in a “reportable transaction” to disclose such transaction on their tax returns by attaching IRS Form 8886 and to retain information related to the transaction. A transaction may be a “reportable transaction” based upon any of several indicia, one or more of which may be present with respect to the Certificates. You should consult your own tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates and you should be aware that we and others may be required to disclose information relating to the Certificates.

PLAN OF DISTRIBUTION

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

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 MBS in principal balance, but we expect that all these additional MBS, will have the same characteristics as described under “Description of the Certificates—The 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. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1	HL HI	HK	\$201,341,832 20,134,183 (3)	4.5%	FIX	SEQ	31392HLQ4	April 2016
Recombination 2	HL HI	HA	201,341,832 40,268,366 (3)	5.0	FIX	SEQ	31392HLR2	April 2016
Recombination 3	YB YI	HY	13,936,368 1,393,636 (3)	5.0	FIX	SEQ	31392HLS0	November 2016
Recombination 4	HL HI YB	HQ	201,341,832 20,134,183 (3) 13,936,368	4.5	FIX	SEQ	31392HLT8	November 2016
Recombination 5	HL HI YB YI	HT	201,341,832 40,268,366 (3) 13,936,368 1,393,636 (3)	5.0	FIX	SEQ	31392HLU5	November 2016
Recombination 6	HD HG	HW	127,576,070 87,702,130	5.0	FIX	SEQ	31392HLV3	November 2016
Recombination 7	PJ PI	PK	192,505,479 17,500,498 (3)	5.0	FIX	PAC	31392HLW1	March 2022
Recombination 8	PJ PI	PA	192,505,479 35,000,996 (3)	5.5	FIX	PAC	31392HLX9	March 2022
Recombination 9	PL BI	PM	95,993,748 8,726,705 (3)	4.5	FIX	PAC	31392HLY7	May 2026
Recombination 10	PL BI	PN	95,993,748 17,453,409 (3)	5.0	FIX	PAC	31392HLZ4	May 2026
Recombination 11	PL BI	PB	95,993,748 26,180,113 (3)	5.5	FIX	PAC	31392HMA8	May 2026

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 12								
PQ	\$ 58,898,508	PC	\$ 58,898,508	5.5%	FIX	PAC	31392HMB6	May 2028
IC	2,677,204 (3)							

- (1) The principal and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same proportionate relationship as that borne by the original principal and/or original notional principal balances of the related Classes.
- (2) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal”, same proportionate relationship as that borne by the original balances of the related Classes.
- (3) Notional principal balance.

Principal Balance Schedules

Aggregate Group I 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	\$534,464,490.00	April 2007	\$367,476,093.94	July 2011	\$197,096,411.30
February 2003	533,468,395.33	May 2007	363,684,826.60	August 2011	194,184,871.62
March 2003	532,343,809.80	June 2007	359,913,125.83	September 2011	191,288,373.77
April 2003	531,091,032.40	July 2007	356,160,891.01	October 2011	188,406,840.39
May 2003	529,710,428.51	August 2007	352,428,022.01	November 2011	185,540,194.51
June 2003	528,202,429.87	September 2007	348,714,419.23	December 2011	182,688,359.55
July 2003	526,567,534.43	October 2007	345,019,983.58	January 2012	179,871,894.88
August 2003	524,806,306.16	November 2007	341,344,616.47	February 2012	177,096,345.62
September 2003	522,919,374.83	December 2007	337,688,219.83	March 2012	174,361,135.81
October 2003	520,907,435.66	January 2008	334,050,696.08	April 2012	171,665,697.47
November 2003	518,771,249.02	February 2008	330,431,948.17	May 2012	169,009,470.48
December 2003	516,511,639.98	March 2008	326,831,879.51	June 2012	166,391,902.46
January 2004	514,129,497.82	April 2008	323,250,394.04	July 2012	163,812,448.67
February 2004	511,625,775.57	May 2008	319,687,396.17	August 2012	161,270,571.92
March 2004	509,001,489.35	June 2008	316,142,790.82	September 2012	158,765,742.42
April 2004	506,257,717.78	July 2008	312,616,483.38	October 2012	156,297,437.75
May 2004	503,395,601.25	August 2008	309,108,379.75	November 2012	153,865,142.69
June 2004	500,416,341.21	September 2008	305,618,386.30	December 2012	151,468,349.17
July 2004	497,321,199.31	October 2008	302,146,409.89	January 2013	149,106,556.16
August 2004	494,111,496.61	November 2008	298,692,357.83	February 2013	146,779,269.55
September 2004	490,788,612.62	December 2008	295,256,137.95	March 2013	144,486,002.07
October 2004	487,353,984.36	January 2009	291,837,658.52	April 2013	142,226,273.23
November 2004	483,809,105.34	February 2009	288,436,828.30	May 2013	139,999,609.16
December 2004	480,155,524.49	March 2009	285,053,556.52	June 2013	137,805,542.59
January 2005	476,394,845.09	April 2009	281,687,752.86	July 2013	135,643,612.69
February 2005	472,528,723.54	May 2009	278,339,327.48	August 2013	133,513,365.05
March 2005	468,558,868.22	June 2009	275,008,191.00	September 2013	131,414,351.54
April 2005	464,487,038.21	July 2009	271,694,254.49	October 2013	129,346,130.24
May 2005	460,315,042.00	August 2009	268,397,429.50	November 2013	127,308,265.38
June 2005	456,044,736.15	September 2009	265,117,628.00	December 2013	125,300,327.21
July 2005	451,796,460.71	October 2009	261,854,762.45	January 2014	123,321,891.96
August 2005	447,570,102.38	November 2009	258,608,745.72	February 2014	121,372,541.72
September 2005	443,365,548.43	December 2009	255,379,491.18	March 2014	119,451,864.41
October 2005	439,182,686.71	January 2010	252,166,912.59	April 2014	117,559,453.63
November 2005	435,021,405.66	February 2010	248,970,924.19	May 2014	115,694,908.65
December 2005	430,881,594.28	March 2010	245,791,440.65	June 2014	113,857,834.29
January 2006	426,763,142.15	April 2010	242,628,377.08	July 2014	112,047,840.87
February 2006	422,665,939.41	May 2010	239,481,649.03	August 2014	110,264,544.10
March 2006	418,589,876.76	June 2010	236,351,172.47	September 2014	108,507,565.06
April 2006	414,534,845.48	July 2010	233,236,863.82	October 2014	106,776,530.06
May 2006	410,500,737.39	August 2010	230,138,639.93	November 2014	105,071,070.63
June 2006	406,487,444.90	September 2010	227,056,418.05	December 2014	103,390,823.40
July 2006	402,494,860.92	October 2010	223,990,115.89	January 2015	101,735,430.07
August 2006	398,522,878.95	November 2010	220,939,651.57	February 2015	100,104,537.31
September 2006	394,571,393.04	December 2010	217,904,943.62	March 2015	98,497,796.70
October 2006	390,640,297.75	January 2011	214,885,911.01	April 2015	96,914,864.68
November 2006	386,729,488.23	February 2011	211,882,473.10	May 2015	95,355,402.46
December 2006	382,838,860.13	March 2011	208,894,549.70	June 2015	93,819,075.96
January 2007	378,968,309.65	April 2011	205,922,061.00	July 2015	92,305,555.75
February 2007	375,117,733.52	May 2011	202,964,927.62	August 2015	90,814,516.99
March 2007	371,287,029.03	June 2011	200,023,070.58	September 2015	89,345,639.37

Aggregate Group I (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>
October 2015	\$ 87,898,607.02	March 2020	\$ 35,588,991.63	August 2024	\$ 12,708,348.62
November 2015	86,473,108.48	April 2020	34,955,102.52	September 2024	12,438,376.65
December 2015	85,068,836.63	May 2020	34,331,049.43	October 2024	12,172,871.77
January 2016	83,685,488.63	June 2020	33,716,689.00	November 2024	11,911,766.82
February 2016	82,322,765.85	July 2020	33,111,879.91	December 2024	11,654,995.64
March 2016	80,980,373.82	August 2020	32,516,482.81	January 2025	11,402,492.99
April 2016	79,658,022.20	September 2020	31,930,360.31	February 2025	11,154,194.59
May 2016	78,355,424.66	October 2020	31,353,377.00	March 2025	10,910,037.06
June 2016	77,072,298.90	November 2020	30,785,399.33	April 2025	10,669,957.94
July 2016	75,808,366.53	December 2020	30,226,295.67	May 2025	10,433,895.68
August 2016	74,563,353.06	January 2021	29,675,936.24	June 2025	10,201,789.60
September 2016	73,336,987.82	February 2021	29,134,193.09	July 2025	9,973,579.88
October 2016	72,129,003.92	March 2021	28,600,940.09	August 2025	9,749,207.60
November 2016	70,939,138.21	April 2021	28,076,052.87	September 2025	9,528,614.64
December 2016	69,767,131.19	May 2021	27,559,408.84	October 2025	9,311,743.75
January 2017	68,612,726.99	June 2021	27,050,887.14	November 2025	9,098,538.50
February 2017	67,475,673.32	July 2021	26,550,368.61	December 2025	8,888,943.26
March 2017	66,355,721.43	August 2021	26,057,735.79	January 2026	8,682,903.20
April 2017	65,252,626.01	September 2021	25,572,872.88	February 2026	8,480,364.30
May 2017	64,166,145.21	October 2021	25,095,665.70	March 2026	8,281,273.31
June 2017	63,096,040.53	November 2021	24,626,001.71	April 2026	8,085,577.73
July 2017	62,042,076.85	December 2021	24,163,769.97	May 2026	7,893,225.85
August 2017	61,004,022.29	January 2022	23,708,861.08	June 2026	7,704,166.69
September 2017	59,981,648.24	February 2022	23,261,167.23	July 2026	7,518,349.99
October 2017	58,974,729.29	March 2022	22,820,582.10	August 2026	7,335,726.25
November 2017	57,983,043.17	April 2022	22,387,000.91	September 2026	7,156,246.66
December 2017	57,006,370.73	May 2022	21,960,320.36	October 2026	6,979,863.13
January 2018	56,044,495.89	June 2022	21,540,438.60	November 2026	6,806,528.26
February 2018	55,097,205.59	July 2022	21,127,255.25	December 2026	6,636,195.32
March 2018	54,164,289.75	August 2022	20,720,671.33	January 2027	6,468,818.30
April 2018	53,245,541.26	September 2022	20,320,589.28	February 2027	6,304,351.82
May 2018	52,340,755.87	October 2022	19,926,912.94	March 2027	6,142,751.15
June 2018	51,449,732.23	November 2022	19,539,547.49	April 2027	5,983,972.25
July 2018	50,572,271.79	December 2022	19,158,399.47	May 2027	5,827,971.69
August 2018	49,708,178.80	January 2023	18,783,376.76	June 2027	5,674,706.67
September 2018	48,857,260.23	February 2023	18,414,388.53	July 2027	5,524,135.01
October 2018	48,019,325.79	March 2023	18,051,345.27	August 2027	5,376,215.17
November 2018	47,194,187.85	April 2023	17,694,158.71	September 2027	5,230,906.18
December 2018	46,381,661.39	May 2023	17,342,741.87	October 2027	5,088,167.68
January 2019	45,581,564.02	June 2023	16,997,008.99	November 2027	4,947,959.90
February 2019	44,793,715.89	July 2023	16,656,875.55	December 2027	4,810,243.64
March 2019	44,017,939.70	August 2023	16,322,258.20	January 2028	4,674,980.28
April 2019	43,254,060.60	September 2023	15,993,074.82	February 2028	4,542,131.75
May 2019	42,501,906.23	October 2023	15,669,244.43	March 2028	4,411,660.56
June 2019	41,761,306.65	November 2023	15,350,687.23	April 2028	4,283,529.74
July 2019	41,032,094.30	December 2023	15,037,324.54	May 2028	4,157,702.87
August 2019	40,314,103.98	January 2024	14,729,078.83	June 2028	4,034,144.06
September 2019	39,607,172.81	February 2024	14,425,873.63	July 2028	3,912,817.95
October 2019	38,911,140.21	March 2024	14,127,633.62	August 2028	3,793,689.69
November 2019	38,225,847.84	April 2024	13,834,284.51	September 2028	3,676,724.94
December 2019	37,551,139.62	May 2024	13,545,753.10	October 2028	3,561,889.86
January 2020	36,886,861.64	June 2024	13,261,967.23	November 2028	3,449,151.11
February 2020	36,232,862.18	July 2024	12,982,855.78	December 2028	3,338,475.84

Aggregate Group I (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>
January 2029	\$ 3,229,831.68	May 2030	\$ 1,743,103.03	September 2031	\$ 654,731.53
February 2029	3,123,186.73	June 2030	1,664,469.46	October 2031	597,734.93
March 2029	3,018,509.55	July 2030	1,587,359.27	November 2031	541,911.62
April 2029	2,915,769.18	August 2030	1,511,748.03	December 2031	487,242.38
May 2029	2,814,935.11	September 2030	1,437,611.68	January 2032	433,708.29
June 2029	2,715,977.27	October 2030	1,364,926.53	February 2032	381,290.71
July 2029	2,618,866.03	November 2030	1,293,669.21	March 2032	329,971.26
August 2029	2,523,572.20	December 2030	1,223,816.73	April 2032	279,731.87
September 2029	2,430,067.03	January 2031	1,155,346.43	May 2032	230,554.72
October 2029	2,338,322.18	February 2031	1,088,235.97	June 2032	182,422.26
November 2029	2,248,309.73	March 2031	1,022,463.36	July 2032	135,317.19
December 2029	2,160,002.17	April 2031	958,006.93	August 2032	89,222.51
January 2030	2,073,372.40	May 2031	894,845.35	September 2032	44,121.43
February 2030	1,988,393.72	June 2031	832,957.58	October 2032 and thereafter	0.00
March 2030	1,905,039.81	July 2031	772,322.90		
April 2030	1,823,284.76	August 2031	712,920.92		

CA Class Scheduled Balances

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
Initial Balance	\$16,989,078.00	September 2005	\$11,912,753.28	May 2008	\$ 5,707,584.81
February 2003	16,969,019.92	October 2005	11,668,623.63	June 2008	5,562,432.66
March 2003	16,938,945.50	November 2005	11,428,016.54	July 2008	5,419,951.22
April 2003	16,898,874.48	December 2005	11,190,902.23	August 2008	5,280,116.99
May 2003	16,848,837.57	January 2006	10,957,251.10	September 2008	5,142,906.68
June 2003	16,788,876.39	February 2006	10,727,033.79	October 2008	5,008,297.15
July 2003	16,719,043.55	March 2006	10,500,221.16	November 2008	4,876,265.46
August 2003	16,639,402.55	April 2006	10,276,784.27	December 2008	4,746,788.83
September 2003	16,550,027.78	May 2006	10,056,694.41	January 2009	4,619,844.66
October 2003	16,451,004.48	June 2006	9,839,923.06	February 2009	4,495,410.49
November 2003	16,342,428.64	July 2006	9,626,441.94	March 2009	4,373,464.05
December 2003	16,224,406.90	August 2006	9,416,222.95	April 2009	4,253,983.25
January 2004	16,097,056.52	September 2006	9,209,238.22	May 2009	4,136,946.15
February 2004	15,960,505.20	October 2006	9,005,460.08	June 2009	4,022,330.98
March 2004	15,814,890.98	November 2006	8,804,861.05	July 2009	3,910,116.12
April 2004	15,660,362.10	December 2006	8,607,413.88	August 2009	3,800,280.14
May 2004	15,497,076.81	January 2007	8,413,091.49	September 2009	3,692,801.74
June 2004	15,325,203.26	February 2007	8,221,867.05	October 2009	3,587,659.81
July 2004	15,144,919.27	March 2007	8,033,713.86	November 2009	3,484,833.39
August 2004	14,956,412.10	April 2007	7,848,605.49	December 2009	3,384,301.66
September 2004	14,759,878.32	May 2007	7,666,515.65	January 2010	3,286,043.99
October 2004	14,555,523.50	June 2007	7,487,418.28	February 2010	3,190,039.87
November 2004	14,343,562.04	July 2007	7,311,287.50	March 2010	3,096,268.99
December 2004	14,124,216.87	August 2007	7,138,097.62	April 2010	3,004,711.14
January 2005	13,897,719.18	September 2007	6,967,823.15	May 2010	2,915,346.30
February 2005	13,664,308.20	October 2007	6,800,438.78	June 2010	2,828,154.60
March 2005	13,424,230.84	November 2007	6,635,919.40	July 2010	2,743,116.31
April 2005	13,177,741.43	December 2007	6,474,240.08	August 2010	2,660,211.84
May 2005	12,925,101.42	January 2008	6,315,376.08	September 2010	2,579,421.78
June 2005	12,666,579.02	February 2008	6,159,302.83	October 2010	2,500,726.84
July 2005	12,411,700.62	March 2008	6,005,995.97	November 2010	2,424,107.89
August 2005	12,160,435.53	April 2008	5,855,431.30	December 2010	2,349,545.94

CA Class (Continued)

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
January 2011	\$ 2,277,022.14	October 2011	\$ 1,712,985.98	July 2012	\$ 852,370.72
February 2011	2,206,517.80	November 2011	1,659,838.41	August 2012	701,296.11
March 2011	2,138,014.36	December 2011	1,608,530.97	September 2012	546,760.17
April 2011	2,071,493.40	January 2012	1,545,289.43	October 2012	388,876.81
May 2011	2,006,936.64	February 2012	1,466,349.49	November 2012	227,757.67
June 2011	1,944,325.94	March 2012	1,372,027.92	December 2012	63,512.11
July 2011	1,883,643.33	April 2012	1,262,636.57	January 2013 and thereafter	0.00
August 2011	1,824,870.92	May 2012	1,138,482.45		
September 2011	1,767,991.00	June 2012	999,867.77		

Aggregate Group II Scheduled Balances

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
Initial Balance	\$13,465,000.00	April 2006	\$ 9,275,021.73	July 2009	\$ 5,325,159.12
February 2003	13,452,463.00	May 2006	9,137,950.79	August 2009	5,257,442.34
March 2003	13,433,665.12	June 2006	9,002,973.32	September 2009	5,191,203.36
April 2003	13,408,618.59	July 2006	8,870,071.13	October 2009	5,126,428.67
May 2003	13,377,342.58	August 2006	8,739,226.21	November 2009	5,063,104.89
June 2003	13,339,863.22	September 2006	8,610,420.64	December 2009	5,001,218.72
July 2003	13,296,213.57	October 2006	8,483,636.68	January 2010	4,940,756.97
August 2003	13,246,433.59	November 2006	8,358,856.68	February 2010	4,881,706.56
September 2003	13,190,570.17	December 2006	8,236,063.15	March 2010	4,824,054.50
October 2003	13,128,677.04	January 2007	8,115,238.73	April 2010	4,767,787.90
November 2003	13,060,814.76	February 2007	7,996,366.19	May 2010	4,712,893.97
December 2003	12,987,050.65	March 2007	7,879,428.41	June 2010	4,659,360.03
January 2004	12,907,458.74	April 2007	7,764,408.44	July 2010	4,607,173.48
February 2004	12,822,119.69	May 2007	7,651,289.41	August 2010	4,556,321.83
March 2004	12,731,120.69	June 2007	7,540,054.61	September 2010	4,506,792.69
April 2004	12,634,555.40	July 2007	7,430,687.46	October 2010	4,458,573.74
May 2004	12,532,523.86	August 2007	7,323,171.47	November 2010	4,411,652.79
June 2004	12,425,132.30	September 2007	7,217,490.31	December 2010	4,366,017.73
July 2004	12,312,493.13	October 2007	7,113,627.76	January 2011	4,321,656.52
August 2004	12,194,724.74	November 2007	7,011,567.73	February 2011	4,278,557.26
September 2004	12,071,951.36	December 2007	6,911,294.23	March 2011	4,236,708.10
October 2004	11,944,302.97	January 2008	6,812,791.43	April 2011	4,196,097.31
November 2004	11,811,915.09	February 2008	6,716,043.58	May 2011	4,156,713.23
December 2004	11,674,928.65	March 2008	6,621,035.07	June 2011	4,118,544.31
January 2005	11,533,489.81	April 2008	6,527,750.40	July 2011	4,081,579.07
February 2005	11,387,749.78	May 2008	6,436,174.21	August 2011	4,045,806.14
March 2005	11,237,864.65	June 2008	6,346,291.23	September 2011	4,011,214.23
April 2005	11,083,995.16	July 2008	6,258,086.31	October 2011	3,977,792.12
May 2005	10,926,306.55	August 2008	6,171,544.44	November 2011	3,945,528.71
June 2005	10,764,968.31	September 2008	6,086,650.68	December 2011	3,914,412.96
July 2005	10,605,932.70	October 2008	6,003,390.25	January 2012	3,877,555.42
August 2005	10,449,179.98	November 2008	5,921,748.46	February 2012	3,833,071.59
September 2005	10,294,690.54	December 2008	5,841,710.72	March 2012	3,781,117.55
October 2005	10,142,444.96	January 2009	5,763,262.59	April 2012	3,721,846.94
November 2005	9,992,423.93	February 2009	5,686,389.69	May 2012	3,655,410.98
December 2005	9,844,608.30	March 2009	5,611,077.80	June 2012	3,583,510.53
January 2006	9,698,979.06	April 2009	5,537,312.76	July 2012	3,509,762.01
February 2006	9,555,517.34	May 2009	5,465,080.57	August 2012	3,434,224.70
March 2006	9,414,204.43	June 2009	5,394,367.29	September 2012	3,356,956.73

Aggregate Group II (Continued)

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
October 2012	\$ 3,278,015.05	October 2013	\$ 2,219,394.56	October 2014	\$ 1,010,815.48
November 2012	3,197,455.48	November 2013	2,123,383.35	November 2014	905,517.11
December 2012	3,115,332.70	December 2013	2,026,384.27	December 2014	799,676.64
January 2013	3,031,700.30	January 2014	1,928,439.03	January 2015	693,326.18
February 2013	2,946,610.77	February 2014	1,829,588.50	February 2015	586,497.13
March 2013	2,860,115.57	March 2014	1,729,872.64	March 2015	479,220.19
April 2013	2,772,265.05	April 2014	1,629,330.57	April 2015	371,525.35
May 2013	2,683,108.60	May 2014	1,528,000.60	May 2015	263,441.94
June 2013	2,592,694.53	June 2014	1,425,920.18	June 2015	154,998.65
July 2013	2,501,070.21	July 2014	1,323,125.98	July 2015	46,223.48
August 2013	2,408,281.99	August 2014	1,219,653.86	August 2015 and	
September 2013	2,314,375.29	September 2014	1,115,538.92	thereafter	0.00

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.

\$1,500,000,000



***Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2003-10***

PROSPECTUS SUPPLEMENT

TABLE OF CONTENTS

	<u><i>Page</i></u>
Table of Contents	S- 2
Available Information	S- 3
Reference Sheet	S- 4
Additional Risk Factors	S- 8
Description of the Certificates	S- 9
Certain Additional Federal Income Tax Consequences	S-29
Plan of Distribution	S-31
Legal Matters	S-31
Schedule 1	A- 1
Principal Balance Schedules	B- 1

MORGAN STANLEY

December 4, 2002
