

\$200,000,000



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2003-68**

The Certificates

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

Payments to Certificateholders

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

- interest accrued on the balance of your certificate, and
- principal to the extent available for payment on your class.

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

<i>Class</i>	<i>Original Class Balance</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
LA(1)	\$ 7,000,000	SEQ	3.0%	FIX	31393C5U3	February 2005
IA(1)	2,800,000(2)	NTL	5.0	FIX/IO	31393C5V1	February 2005
LB(1)	163,000,000	SEQ	3.0	FIX	31393C5W9	December 2021
IB(1)	65,200,000(2)	NTL	5.0	FIX/IO	31393C5X7	December 2021
LC(1)	10,000,000	SEQ	3.0	FIX	31393C5Y5	July 2022
IC(1)	4,000,000(2)	NTL	5.0	FIX/IO	31393C5Z2	July 2022
QW(1)	20,000,000	SEQ	5.0	FIX	31393C6A6	July 2023
R	0	NPR	0	NPR	31393C6B4	July 2023
RL	0	NPR	0	NPR	31393C6C2	July 2023

(1) Exchangeable classes.

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

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 MN, ML, MK, MJ, MW, IK, QP, QN, QM, IL, QV, QT, QU and QA 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 June 30, 2003.

Carefully consider the risk factors starting on page S-6 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.



Amherst Securities Group, L.P.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION.....	S- 3	<i>Prepayment Assumptions</i>	S-11
REFERENCE SHEET	S- 4	YIELD TABLES	S-12
ADDITIONAL RISK FACTORS	S- 6	<i>General</i>	S-12
DESCRIPTION OF THE		<i>The Fixed Rate Interest Only</i>	
CERTIFICATES	S- 7	<i>Classes</i>	S-12
GENERAL	S- 7	WEIGHTED AVERAGE LIVES OF THE	
<i>Structure</i>	S- 7	CERTIFICATES	S-13
<i>Fannie Mae Guaranty</i>	S- 7	DECREMENT TABLES	S-14
<i>Characteristics of Certificates</i>	S- 8	CHARACTERISTICS OF THE R AND	
<i>Authorized Denominations</i>	S- 8	RL CLASSES	S-16
<i>Distribution Dates</i>	S- 8	CERTAIN ADDITIONAL	
<i>Record Date</i>	S- 8	FEDERAL INCOME TAX	
<i>Class Factors</i>	S- 8	CONSEQUENCES	S-17
<i>No Optional Termination</i>	S- 8	REMIC ELECTIONS AND SPECIAL	
COMBINATION AND RECOMBINATION ..	S- 8	TAX ATTRIBUTES.....	S-17
<i>General</i>	S- 8	TAXATION OF BENEFICIAL OWNERS OF	
<i>Procedures</i>	S- 9	REGULAR CERTIFICATES.....	S-17
<i>Additional Considerations</i>	S- 9	TAXATION OF BENEFICIAL OWNERS OF	
THE MBS	S- 9	RESIDUAL CERTIFICATES	S-18
FINAL DATA STATEMENT.....	S-10	TAXATION OF BENEFICIAL OWNERS OF	
DISTRIBUTIONS OF INTEREST	S-10	RCR CERTIFICATES.....	S-18
<i>Categories of Classes</i>	S-10	<i>General</i>	S-18
<i>General</i>	S-10	<i>Combination RCR Classes</i>	S-18
<i>Interest Accrual Period</i>	S-10	<i>Exchanges</i>	S-18
<i>Notional Classes</i>	S-10	TAX RETURN DISCLOSURE	
DISTRIBUTIONS OF PRINCIPAL	S-11	REQUIREMENTS	S-18
<i>Categories of Classes</i>	S-11	PLAN OF DISTRIBUTION	S-19
<i>Principal Distribution Amount</i>	S-11	<i>General</i>	S-19
STRUCTURING ASSUMPTIONS	S-11	<i>Increase in Certificates</i>	S-19
<i>Pricing Assumptions</i>	S-11	LEGAL MATTERS	S-19
		SCHEDULE 1	A- 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 April 1, 2003 (the “MBS Prospectus”); and
- any Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that we file with the SEC during the period specified in the final paragraph of this page.

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:

Amherst Securities Group, L.P.
5151 San Felipe Suite 1300
Houston, Texas 77056
(telephone 713-888-9100).

In the first quarter of 2003, we began filing periodic reports with the SEC under the Exchange Act. These filings will include Form 10-Ks, Form 10-Qs and Form 8-Ks. Our SEC filings are available at the SEC’s web site at www.sec.gov. You may also read and copy any document we file with the SEC by visiting the SEC’s Public Reference Room at 450 Fifth Street, NW, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room. We are providing the address of the SEC’s web site solely for the information of prospective investors. We do not intend the Internet address to be an active link.

Information contained in any Form 10-K, Form 10-Q and Form 8-K that we file with the SEC prior to the termination of the offering of the certificates is hereby incorporated by reference in this prospectus supplement. In cases where we “furnish” information to the SEC on Form 8-K, as provided under the Exchange Act, that information is not incorporated by reference in this prospectus supplement.

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.

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of June 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>
\$200,000,000	240	238	1	5.50%

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 June 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:

Fed Book-Entry

All classes of certificates other than the R and RL Classes

Physical

R and RL Classes

Exchanging Certificates Through Combination and Recombination

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

Interest Rates

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

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>	
IA	40% of the LA Class
IB	40% of the LB Class
IC	40% of the LC Class
IK	40% of the LA and LB Classes
IL	40% of the LA, LB and LC Classes

Distributions of Principal

Principal Distribution Amount

To the LA, LB, LC and QW 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>Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>250%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
LA, IA and QA	0.8	0.4	0.3	0.3	0.2
LB and IB	11.7	4.4	2.8	2.2	1.8
LC and IC	18.7	10.8	6.4	4.5	3.5
QW	19.5	14.6	9.3	6.4	4.8
MN, ML, MK, MJ and IK	11.2	4.3	2.7	2.1	1.8
MW	19.2	13.3	8.3	5.8	4.3
QP, QN, QM and IL	11.6	4.6	2.9	2.2	1.9
QV, QT and QU	12.1	4.8	3.0	2.3	1.9

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

ADDITIONAL RISK FACTORS

The rate of principal payments on the certificates will be affected by the rate of principal payments on the underlying mortgage loans. The rate at which you receive principal payments on the certificates will be sensitive to the rate of principal payments on the mortgage loans underlying the 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.

Delay classes have lower yields and market values. Since the classes do not receive interest immediately following each interest accrual period, they 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 June 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 certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (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. U.S. Bank National Association in Boston, Massachusetts (“US Bank”) 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. US Bank 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.

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 LA, IA, LB, IB, LC, IC and QW 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 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, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 20 years. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” 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:

Aggregate Unpaid Principal Balance	\$200,000,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	181 months to 240 months
Approximate Weighted Average WAM	238 months
Approximate Weighted Average WALA (weighted average loan age)	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. In addition, the Final Data Statement is available on our corporate web site at www.fanniemae.com or our business to business web site at www.efanniemae.com.

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>
Fixed Rate	LA, IA, LB, IB, LC, IC and QW
Interest Only	IA, IB and IC
RCR**	MN, ML, MK, MJ, MW, IK, QP, QN, QM, IL, QV, QT, QU and QA
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 on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to that Distribution Date.

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

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the Certificates during the calendar month preceding the month in which the Distribution Date occurs (the "Interest Accrual Period"). See "Additional Risk Factors—*Delay classes have lower yields and market values*" in this prospectus supplement.

Notional Classes. The IA, IB, IC, IK and IL Classes are the 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.

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>
Sequential Pay	LA, LB, LC and QW
Notional	IA, IB and IC
RCR**	MN, ML, MK, MJ, MW, IK, QP, QN, QM, IL, QV, QT, QU and QA
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 MBS.

On each Distribution Date, we will pay the Principal Distribution Amount, sequentially, as principal of the LA, LB, LC and QW 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 term to maturity, remaining term to maturity, WALA and interest rate 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 June 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.

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. 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, 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, or
- all of the Mortgage Loans will prepay at the same rate.

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 Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the Fixed Rate Interest Only Classes would be 0% if prepayments of the Mortgage Loans were to occur at the constant rates shown in the table below:

<u>Class</u>	<u>% PSA</u>
IA.....	2,247%
IB.....	970%
IC.....	843%
IK.....	739%
IL.....	928%

For any Fixed Rate Interest Only Class listed above, if the actual prepayment rate of the 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 following 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>
IA	0.4375%
IB	8.9375%
IC	20.0000%
IK	10.2500%
IL	9.3750%

* 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 IA Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity ...	1,546.2%	1,185.1%	845.1%	597.8%	413.4%

Sensitivity of the IB Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity ...	54.9%	43.8%	28.3%	12.8%	(1.7)%

Sensitivity of the IC Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity ...	25.4%	23.4%	15.8%	4.6%	(8.1)%

Sensitivity of the IK Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity ...	44.4%	32.4%	15.7%	(0.7)%	(15.8)%

Sensitivity of the IL Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>250%</u>	<u>500%</u>	<u>750%</u>	<u>1000%</u>
Pre-Tax Yields to Maturity ...	50.2%	39.6%	25.1%	10.2%	(4.0)%

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, and
- the priority sequence of payments of principal of the Classes.

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 an original and remaining term to maturity of 240 months and bear interest at an annual rate of 7.50%.

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rate, WALA or remaining term 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 term to maturity and the weighted average WALA of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	LA, IA† and QA Classes					LB and IB† Classes					LC and IC† Classes					QW Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	250%	500%	750%	1000%	0%	250%	500%	750%	1000%	0%	250%	500%	750%	1000%	0%	250%	500%	750%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2004	36	0	0	0	0	100	96	92	87	83	100	100	100	100	100	100	100	100	100	100
June 2005	0	0	0	0	0	99	82	67	54	41	100	100	100	100	100	100	100	100	100	100
June 2006	0	0	0	0	0	95	64	40	21	5	100	100	100	100	100	100	100	100	100	100
June 2007	0	0	0	0	0	92	49	21	2	0	100	100	100	100	0	100	100	100	100	75
June 2008	0	0	0	0	0	88	37	8	0	0	100	100	100	0	0	100	100	100	89	29
June 2009	0	0	0	0	0	84	26	0	0	0	100	100	90	0	0	100	100	100	47	11
June 2010	0	0	0	0	0	80	18	0	0	0	100	100	0	0	0	100	100	96	25	4
June 2011	0	0	0	0	0	75	11	0	0	0	100	100	0	0	0	100	100	64	13	2
June 2012	0	0	0	0	0	70	5	0	0	0	100	100	0	0	0	100	100	42	7	1
June 2013	0	0	0	0	0	65	0	0	0	0	100	99	0	0	0	100	100	27	3	*
June 2014	0	0	0	0	0	59	0	0	0	0	100	34	0	0	0	100	100	18	2	*
June 2015	0	0	0	0	0	53	0	0	0	0	100	0	0	0	0	100	91	11	1	*
June 2016	0	0	0	0	0	46	0	0	0	0	100	0	0	0	0	100	69	7	*	*
June 2017	0	0	0	0	0	39	0	0	0	0	100	0	0	0	0	100	51	4	*	*
June 2018	0	0	0	0	0	31	0	0	0	0	100	0	0	0	0	100	37	3	*	*
June 2019	0	0	0	0	0	22	0	0	0	0	100	0	0	0	0	100	26	1	*	*
June 2020	0	0	0	0	0	13	0	0	0	0	100	0	0	0	0	100	17	1	*	*
June 2021	0	0	0	0	0	4	0	0	0	0	100	0	0	0	0	100	9	*	*	*
June 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	93	4	*	*	*
June 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	0.8	0.4	0.3	0.3	0.2	11.7	4.4	2.8	2.2	1.8	18.7	10.8	6.4	4.5	3.5	19.5	14.6	9.3	6.4	4.8

Date	MN, ML, MK, MJ and IK† Classes					MW Class					QP, QN, QM and IL† Classes					QV, QT and QU Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	250%	500%	750%	1000%	0%	250%	500%	750%	1000%	0%	250%	500%	750%	1000%	0%	250%	500%	750%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2004	97	92	88	84	79	100	100	100	100	100	98	93	89	85	80	100	97	92	88	84
June 2005	95	78	65	52	39	100	100	100	100	100	95	80	67	54	43	99	83	69	56	44
June 2006	91	62	39	20	5	100	100	100	100	100	92	64	42	24	10	96	66	44	25	11
June 2007	88	47	20	2	0	100	100	100	100	50	89	50	25	8	0	92	52	26	8	0
June 2008	85	35	8	0	0	100	100	100	60	19	85	39	13	0	0	89	40	13	0	0
June 2009	81	25	0	0	0	100	100	97	31	7	82	29	5	0	0	85	31	5	0	0
June 2010	77	17	0	0	0	100	100	64	16	3	78	22	0	0	0	81	23	0	0	0
June 2011	72	10	0	0	0	100	100	42	8	1	74	15	0	0	0	77	16	0	0	0
June 2012	67	5	0	0	0	100	100	28	4	*	69	10	0	0	0	72	10	0	0	0
June 2013	62	0	0	0	0	100	100	18	2	*	64	6	0	0	0	67	6	0	0	0
June 2014	57	0	0	0	0	100	78	12	1	*	59	2	0	0	0	61	2	0	0	0
June 2015	51	0	0	0	0	100	60	7	1	*	53	0	0	0	0	56	0	0	0	0
June 2016	44	0	0	0	0	100	46	5	*	*	47	0	0	0	0	49	0	0	0	0
June 2017	37	0	0	0	0	100	34	3	*	*	41	0	0	0	0	42	0	0	0	0
June 2018	30	0	0	0	0	100	25	2	*	*	34	0	0	0	0	35	0	0	0	0
June 2019	22	0	0	0	0	100	17	1	*	*	26	0	0	0	0	27	0	0	0	0
June 2020	13	0	0	0	0	100	11	1	*	*	18	0	0	0	0	18	0	0	0	0
June 2021	3	0	0	0	0	100	6	*	*	*	9	0	0	0	0	9	0	0	0	0
June 2022	0	0	0	0	0	62	2	*	*	*	0	0	0	0	0	0	0	0	0	0
June 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.2	4.3	2.7	2.1	1.8	19.2	13.3	8.3	5.8	4.3	11.6	4.6	2.9	2.2	1.9	12.1	4.8	3.0	2.3	1.9

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

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

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

Characteristics of the R and RL Classes

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

A Residual Certificate will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of a Residual Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of a Residual Certificate to any person that is not a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. Any transferee of a Residual Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 (or, if applicable, a Form W-8ECI) on which the transferee provides its taxpayer identification number. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate and that, if the transferee is a partnership for U.S. federal income tax purposes, each person or entity that holds an interest (directly, or indirectly through a pass-through entity) in the partnership is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. In addition, the transferee must receive an affidavit containing these same representations from any new transferee. Transferors of a Residual Certificate should consult with their own tax advisors for further information regarding such transfers.

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”).

As discussed under the caption “Special Characteristics of Residual Certificates” in the REMIC Prospectus, the Regulations presume that a transferor does not have improper knowledge if two conditions are met. The Treasury Department has amended the Regulations to provide additional requirements that a transferor must satisfy to avail itself of the safe harbor regarding the presumed lack of improper knowledge. For transfers occurring on or after August 19, 2002, a transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the REMIC Prospectus, both (i) the transferee represents that it will not cause income from the Residual Certificate to be attributed to a foreign permanent establishment or fixed base of the transferee or another taxpayer and (ii) the transfer satisfies either the “asset test” or the “formula test.” The representation described in (i) will be included in the affidavit discussed above. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus.

A transfer satisfies the asset test if (i) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of 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 LC 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 Assumption that will be used in determining the rate of accrual of OID will be 500%. 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 that rate 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 5.48% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

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

The RCR Classes (each, a “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 Regulations directed at “tax shelters” that could be read to apply to transactions generally not considered to be tax shelters. These Regulations require that taxpayers that participate in a “reportable transaction” disclose such transaction on their tax

returns by attaching IRS Form 8886, and 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 tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Amherst Securities Group, L.P. (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 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the 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 Class bears to the aggregate original principal balance of all Classes will remain the same.

LEGAL MATTERS

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae.

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								
LA	\$ 7,000,000	MN	\$170,000,000	3.50%	FIX	SEQ	31393C6D0	December 2021
IA	700,000(3)							
LB	163,000,000							
IB	16,300,000(3)							
Recombination 2								
LA	7,000,000	ML	170,000,000	4.00	FIX	SEQ	31393C6E8	December 2021
IA	1,400,000(3)							
LB	163,000,000							
IB	32,600,000(3)							
Recombination 3								
LA	7,000,000	MK	170,000,000	4.50	FIX	SEQ	31393C6F5	December 2021
IA	2,100,000(3)							
LB	163,000,000							
IB	48,900,000(3)							
Recombination 4								
LA	7,000,000	MJ	170,000,000	5.00	FIX	SEQ	31393C6G3	December 2021
IA	2,800,000(3)							
LB	163,000,000							
IB	65,200,000(3)							
Recombination 5								
LC	10,000,000	MW	30,000,000	5.00	FIX	SEQ	31393C6H1	July 2023
IC	4,000,000(3)							
QW	20,000,000							
Recombination 6								
IA	2,800,000(3)	IK	68,000,000(3)	5.00	FIX/IO	NTL	31393C6J7	December 2021
IB	65,200,000(3)							
Recombination 7								
LA	7,000,000	QP	180,000,000	3.00	FIX	SEQ	31393C6K4	July 2022
LB	163,000,000							
LC	10,000,000							
Recombination 8								
LA	7,000,000	QN	180,000,000	3.50	FIX	SEQ	31393C6L2	July 2022
IA	700,000(3)							
LB	163,000,000							
IB	16,300,000(3)							
LC	10,000,000							
IC	1,000,000(3)							

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 9								
LA	\$ 7,000,000	QM	\$180,000,000	4.50%	FIX	SEQ	31393C6M0	July 2022
IA	2,100,000(3)							
LB	163,000,000							
IB	48,900,000(3)							
LC	10,000,000							
IC	3,000,000(3)							
Recombination 10								
IA	2,800,000(3)	IL	72,000,000(3)	5.00	FIX/IO	NTL	31393C6N8	July 2022
IB	65,200,000(3)							
IC	4,000,000(3)							
Recombination 11								
LB	163,000,000	QV	173,000,000	3.00	FIX	SEQ	31393C6P3	July 2022
LC	10,000,000							
Recombination 12								
LB	163,000,000	QT	173,000,000	4.00	FIX	SEQ	31393C6Q1	July 2022
IB	32,600,000(3)							
LC	10,000,000							
IC	2,000,000(3)							
Recombination 13								
LB	163,000,000	QU	173,000,000	4.50	FIX	SEQ	31393C6R9	July 2022
IB	48,900,000(3)							
LC	10,000,000							
IC	3,000,000(3)							
Recombination 14								
LA(4)	7,000,000	QA	7,000,000	4.00	FIX	SEQ	31393C6S7	February 2005
IA(4)	1,400,000(3)							

(1) In any exchange under Recombinations 1 through 13, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in that exchange will equal the proportions reflected by the outstanding principal or notional principal balances of the related REMIC Classes at the time of exchange.

(2) See “Description of Certificates — Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates — Distributions of Interest” and “ — Distributions of Principal” in this prospectus supplement.

(3) Notional principal balance.

(4) REMIC Certificates and RCR Certificates in Recombination 14 may be exchanged only in the proportions shown above.

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.

TABLE OF CONTENTS

	Page
Table of Contents	S- 2
Available Information	S- 3
Reference Sheet	S- 4
Additional Risk Factors	S- 6
Description of the Certificates	S- 7
Certain Additional Federal Income Tax Consequences	S-17
Plan of Distribution	S-19
Legal Matters	S-19
Schedule 1	A- 1

\$200,000,000



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2003-68**

PROSPECTUS SUPPLEMENT



Amherst Securities Group

May 30, 2003
