

\$786,860,000



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2004-38**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
AO	1	\$150,000,000	NSJ/SEQ	(1)	PO	31393YBQ7	May 2034
JO	1	50,000,000	NSJ/SEQ	(1)	PO	31393YBR5	May 2034
FK	1	315,696,000	PT	(2)	FLT	31393YBS3	May 2034
AS(3)	1	39,462,000(4)	NTL	(2)	INV/IO	31393YBT1	June 2026
JS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YBU8	January 2031
US(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YBV6	May 2034
BS(3)	1	39,462,000(4)	NTL	(2)	INV/IO	31393YBW4	June 2026
KS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YBX2	January 2031
WS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YBY0	May 2034
CS(3)	1	39,462,000(4)	NTL	(2)	INV/IO	31393YBZ7	June 2026
LS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YCA1	January 2031
XS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YCB9	May 2034
DS(3)	1	39,462,000(4)	NTL	(2)	INV/IO	31393YCC7	June 2026
MS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YCD5	January 2031
YS(3)	1	19,731,000(4)	NTL	(2)	INV/IO	31393YCE3	May 2034
FG	1	20,000,000	SEQ/AD	(2)	FLT	31393YCF0	April 2029
SG	1	20,000,000(4)	NTL	(2)	INV/IO	31393YCG8	April 2029
ZA	1	1,164,000	SEQ	7.5%	FIX/Z	31393YCH6	May 2034
FT	2	213,014,284	TAC/AD	(2)	FLT	31393YCJ2	October 2033
SV(3)	2	9,503,715	SEG(TAC)/PAC/AD	(2)	INV	31393YCK9	May 2033
SW(3)	2	6,882,001	SEG(TAC)/SUP/AD	(2)	INV	31393YCL7	October 2033
SI(3)	2	165,495,707(4)	NTL	(2)	INV/IO	31393YCM5	October 2033
ZC	2	18,600,000	SUP/AD	6.5	FIX/Z	31393YCN3	November 2033
ZD	2	2,000,000	SEQ	6.5	FIX/Z	31393YCP8	May 2034
R		0	NPR	0	NPR	31393YCQ6	May 2034
RL		0	NPR	0	NPR	31393YCR4	May 2034

- (1) Principal only classes. (3) Exchangeable classes.
(2) Based on LIBOR. (4) 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 SX, SY, SA, SB, SC, SD, SJ, SK, SL, SM, SU and ST 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 April 30, 2004.

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

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

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

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

Banc of America Securities LLC

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AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated 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).

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at www.fanniemae.com.

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

Banc of America Securities LLC
Capital Markets Operations
100 W. 33rd Street, 3rd Floor
New York, New York 10001
(telephone 646-733-4166).

In the first quarter of 2003, we began filing periodic reports with the SEC under the Securities Exchange Act of 1934. These filings include the 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 Web 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 Securities Exchange Act of 1934, 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.

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of April 1, 2004)

	<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	\$536,860,000	360	354	4	5.61%
Group 2 MBS	\$250,000,000	360	333	23	7.06%

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

Class Factors

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

Settlement Date

We expect to issue the certificates on April 30, 2004.

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>
FK	1.440%	8.00000%	0.35%	LIBOR + 35 basis points
AS	6.560%	7.65000%	0.00%	7.65% – LIBOR
JS	6.560%	7.65000%	0.00%	7.65% – LIBOR
US	6.560%	7.65000%	0.00%	7.65% – LIBOR
BS	6.560%	7.65000%	0.00%	7.65% – LIBOR
KS	6.560%	7.65000%	0.00%	7.65% – LIBOR
WS	6.560%	7.65000%	0.00%	7.65% – LIBOR
CS	6.560%	7.65000%	0.00%	7.65% – LIBOR
LS	6.560%	7.65000%	0.00%	7.65% – LIBOR
XS	6.560%	7.65000%	0.00%	7.65% – LIBOR
DS	6.560%	7.65000%	0.00%	7.65% – LIBOR
MS	6.560%	7.65000%	0.00%	7.65% – LIBOR
YS	6.560%	7.65000%	0.00%	7.65% – LIBOR
FG	1.440%	7.50000%	0.35%	LIBOR + 35 basis points
SG	6.060%	7.15000%	0.00%	7.15% – LIBOR
FT	1.520%	7.00000%	0.43%	LIBOR + 43 basis points
SV	15.892%	19.05300%	0.00%	19.053% – (2.9 × LIBOR)
SW	15.892%	19.05300%	0.00%	19.053% – (2.9 × LIBOR)
SI	5.480%	6.57000%	0.00%	6.57% – LIBOR
SX	6.560%	7.65000%	0.00%	7.65% – LIBOR
SY	6.560%	7.65000%	0.00%	7.65% – LIBOR
SA	6.560%	7.65000%	0.00%	7.65% – LIBOR
SB	6.560%	7.65000%	0.00%	7.65% – LIBOR
SC	6.560%	7.65000%	0.00%	7.65% – LIBOR
SD	6.560%	7.65000%	0.00%	7.65% – LIBOR
SJ	6.560%	7.65000%	0.00%	7.65% – LIBOR
SK	6.560%	7.65000%	0.00%	7.65% – LIBOR
SL	6.560%	7.65000%	0.00%	7.65% – LIBOR
SM	6.560%	7.65000%	0.00%	7.65% – LIBOR
SU	15.892%	19.05300%	0.00%	19.053% – (2.9 × LIBOR)
ST	71.240%	85.40999%	0.00%	85.40999% – (12.99999939 × LIBOR)

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

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

Notional Classes

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

Class

AS, JS, US, BS, KS, WS, CS, LS, XS, DS, MS and YS(1)	100% of the FK Class
SG	100% of the FG Class
SX	100% of the JS, KS, LS and MS Classes
SY	100% of the US, WS, XS and YS Classes
SA	25% of the FK Class
SB	25% of the FK Class
SC	25% of the FK Class
SD	25% of the FK Class
SJ	100% of the AS and JS Classes
SK	100% of the BS and KS Classes
SL	100% of the CS and LS Classes
SM	100% of the DS and MS Classes
SI	1009.9998498700% of the SV and SW Classes

- (1) The sum of these notional principal balances will equal the applicable percentage of the specified balance. On each distribution date, reductions in the principal balance of the FK Class will be allocated in reduction of the notional principal balances of the AS, JS, US, BS, KS, WS, CS, LS, XS, DS, MS and YS Classes as follows:
- (a) 25% of such amount, sequentially, to the AS, JS and US Classes, in that order, until their notional principal balances are reduced to zero,
 - (b) 25% of such amount, sequentially, to the BS, KS and WS Classes, in that order, until their notional principal balances are reduced to zero,
 - (c) 25% of such amount, sequentially, to the CS, LS and XS Classes, in that order, until their notional principal balances are reduced to zero, and
 - (d) 25% of such amount, sequentially, to the DS, MS and YS Classes, in that order, until their notional principal balances are reduced to zero.

Distributions of Principal

Group 1 Principal Distribution Amount

ZA Accrual Amount

To the FG Class to zero, and thereafter to the ZA Class.

Group 1 Cash Flow Distribution Amount

- (a) 37.2536601721% of such amount in the following priority:
first, if and only if the mortgage loans underlying the Group 1 MBS prepay at a rate that satisfies the Specified Prepayment Test, to the JO and AO Classes, in that order, to zero; and
second, to the AO and JO Classes, in that order, to zero,
- (b) 58.8041575085% of such amount to the FK Class to zero, and
- (c) 3.9421823194% of such amount to the FG and ZA Classes, in that order, to zero.

For a description of the Specified Prepayment Test, see “Description of the Certificates—Distributions of Principal—Group 1 Principal Distribution Amount” in this prospectus supplement.

Group 2 Principal Distribution Amount

ZC Accrual Amount

To the Aggregate Group to its Targeted Balance, and thereafter to the ZC Class.

ZD Accrual Amount

1. To the Aggregate Group to its Targeted Balance.
2. To the ZC Class to zero.
3. To the Aggregate Group to zero.
4. Thereafter to the ZD Class.

Group 2 Cash Flow Distribution Amount

1. To the Aggregate Group to its Targeted Balance.
2. To the ZC Class to zero.
3. To the Aggregate Group to zero.
4. To the ZD Class to zero.

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

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>200%</u>	<u>300%</u>	<u>400%</u>
AO	17.5	7.3	8.7	6.5	5.2
JO	28.4	22.0	3.3	2.1	1.6
FK, SA, SB, SC and SD	20.2	10.9	7.3	5.4	4.3
AS, BS, CS and DS	14.0	4.6	2.9	2.2	1.9
JS, KS, LS, MS and SX	24.5	12.5	7.7	5.6	4.4
US, WS, XS, YS and SY	28.4	22.0	15.7	11.6	9.0
FG and SG	16.1	8.3	5.6	4.3	3.5
ZA	27.6	23.0	18.4	14.6	11.9
SJ, SK, SL and SM	17.5	7.3	4.5	3.3	2.7

<u>Group 1 Classes</u>	<u>CPR Prepayment Assumption</u>		
	<u>11.9%</u>	<u>12%</u>	<u>12.1%</u>
AO	3.8	8.4	8.4
JO	15.1	1.0	1.0

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>							
	<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>	<u>550%</u>	<u>800%</u>	<u>1100%</u>
FT, SI, SU and ST	16.2	7.4	5.8	4.7	2.8	2.5	1.6	1.1
SV	11.9	3.9	3.0	3.0	3.0	3.0	2.3	1.5
SW	22.1	12.1	9.5	7.1	2.6	1.9	0.8	0.5
ZC	27.2	20.5	17.8	0.5	0.2	0.2	0.1	0.1
ZD	29.7	26.5	25.3	20.0	13.5	12.4	8.2	5.2

* 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 of the Non-Sticky Jump Classes are especially sensitive to prepayments under certain scenarios. The weighted average lives of the Non-Sticky Jump Classes are especially sensitive to the rate of principal payments, including prepayments, of the related mortgage loans. This sensitivity to prepayments is not necessarily proportional to the changes in prepayment rates. In some scenarios, small changes in prepayment rates of the related mortgage loans may have a dramatic effect on

the weighted average lives of the Non-Sticky Jump Classes. For an illustration of this sensitivity, see the related decrement tables for these classes in this prospectus supplement.

Any change in principal priority of a Non-Sticky Jump Class may remain in effect for an extended period. Once a change in principal priority of a Non-Sticky Jump Class occurs, under many prepayment scenarios the new payment priority will continue in effect for subsequent periods. Moreover, it is possible that under various prepayment scenarios the change in payment priority would remain in effect indefinitely.

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 April 1, 2004 (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 two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 2 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 the 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 (“US Bank”) in Boston, Massachusetts 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 in the following denominations:

<u>Classes</u>	<u>Denomination</u>
All Interest Only, Principal Only, Inverse Floating Rate and Non- Sticky Jump Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

We will issue the R and RL Classes as single Certificates with no principal balances.

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

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

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

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

Combination and Recombination

General. You are permitted to exchange all or a portion of the JS, KS, LS, MS, US, WS, XS, YS, AS, BS, CS, DS, SV, SW and SI 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 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, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 30 years. 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:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$536,860,000
MBS Pass-Through Rate	5.00%
Range of WACs (annual percentages)	5.25% to 7.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	354 months
Approximate Weighted Average WALA (weighted average loan age)	4 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$250,000,000
MBS Pass-Through Rate	6.50%
Range of WACs (annual percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	333 months
Approximate Weighted Average WALA.....	23 months

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. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.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>
Group 1 Classes	
Fixed Rate	ZA
Floating Rate	FK and FG
Inverse Floating Rate	AS, JS, US, BS, KS, WS, CS, LS, XS, DS, MS, YS and SG
Accrual	ZA
Interest Only	AS, JS, US, BS, KS, WS, CS, LS, XS, DS, MS, YS and SG
Principal Only	AO and JO
RCR**	SX, SY, SA, SB, SC, SD, SJ, SK, SL and SM
Group 2 Classes	
Fixed Rate	ZC and ZD
Floating Rate	FT
Inverse Floating Rate	SV, SW and SI
Accrual	ZC and ZD
Interest Only	SI
RCR**	SU and ST
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 Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

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

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All 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.

The Dealer will treat the AO and JO Classes as Delay Classes for the sole purpose of facilitating trading.

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

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

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

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

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

Our establishment of each Index value and our determination of the interest rate for each 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.

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 1.09%.

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	AO, JO, FG and ZA
Pass-Through	FK
Non-Sticky Jump	AO and JO
Accretion Directed	FG
Notional	AS, JS, US, BS, KS, WS, CS, LS, XS, DS, MS, YS and SG
RCR**	SX, SY, SA, SB, SC, SD, SJ, SK, SL and SM

<u>Principal Type*</u>	<u>Classes</u>
Group 2 Classes	
Segment (TAC) /PAC	SV
TAC	FT
Segment (TAC) /Support	SW
Support	ZC
Sequential Pay	ZD
Accretion Directed	FT, SV, SW and ZC
Notional	SI
RCR**	SU and ST
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 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZA Class (the “ZA Accrual Amount,” and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”), and
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the ZC and ZD Classes (the “ZC Accrual Amount” and “ZD Accrual Amount,” respectively, and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

ZA Accrual Amount

On each Distribution Date, we will pay the ZA Accrual Amount as principal of the FG Class, until its principal balance is reduced to zero. Thereafter, we will pay the ZA Accrual Amount as principal of the ZA Class.

} Accretion
Directed
Class and
Accrual
Class

Group 1 Cash Flow Distribution Amount

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

- 37.2536601721% of such amount in the following priority:
 - first, if and only if the Mortgage Loans underlying the Group 1 MBS prepay at a rate that satisfies the Specified Prepayment Test (described below), sequentially, to the JO and AO Classes, in that order, until their principal balances are reduced to zero; and
 - second, sequentially, to the AO and JO Classes, in that order, until their principal balances are reduced to zero,
- 58.8041575085% of such amount to the FK Class, until its principal balance is reduced to zero, and
- 3.9421823194% of such amount, sequentially, to the FG and ZA Classes, in that order, until their principal balances are reduced to zero.

} Non-Sticky
Jump/
Sequential
Pay Classes

} Pass-Through
Class

} Sequential
Pay Classes

The “Specified Prepayment Test” is satisfied on any Distribution Date if the percentage equivalent of

- the aggregate unscheduled payments of principal included in the Group 1 Principal Distribution Amount for that date

divided by

- the aggregate principal balance of the Group 1 MBS (before giving effect to distributions made on that date) *minus* the aggregate amount of scheduled payments of principal included in the Group 1 Principal Distribution Amount for that date,

is *greater than or equal to* 1.0596241035% (which is equivalent to a rate of 12% CPR converted to Single Monthly Mortality).

Group 2 Principal Distribution Amount

ZC Accrual Amount

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

} Accretion
Directed
Group and
Accrual
Class

ZD Accrual Amount

On each Distribution Date, we will pay the ZD Accrual Amount as principal of the Classes listed below in the following priority:

(i) to the Aggregate Group, until the Aggregate Balance is reduced to its Targeted Balance for that Distribution Date;

} Accretion
Directed/
TAC
Group

(ii) to the ZC Class, until its principal balance is reduced to zero;

} Accretion
Directed/
Support
Class

(iii) to the Aggregate Group, without regard to its Targeted Balance and until the Aggregate Balance is reduced to zero; and

} Accretion
Directed/
TAC
Group

(iv) thereafter to the ZD Class.

} Accrual
Class

Group 2 Cash Flow Distribution Amount

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

(i) to the Aggregate Group, until the Aggregate Balance is reduced to its Targeted Balance for that Distribution Date;

} TAC Group

(ii) to the ZC Class, until its principal balance is reduced to zero;

} Support
Class

(iii) to the Aggregate Group, without regard to its Targeted Balance and until the Aggregate Balance is reduced to zero; and

} TAC Group

(iv) to the ZD Class, until its principal balance is reduced to zero.

} Sequential
Pay Class

The “Aggregate Group” consists of the FT, SV and SW Classes. On each Distribution Date, we will apply payments of principal of the Aggregate Group as follows:

(a) 92.8571421099% of such amount to the FT Class, until its principal balance is reduced to zero, and

(b) 7.1428578901% of such amount in the following priority:

first, to the SV Class, until its principal balance is reduced to its Planned Balance for that Distribution Date;

second, to the SW Class, until its principal balance is reduced to zero; and

third, to the SV Class, without regard to its Planned Balance and until its principal balance is reduced to zero.

The “Aggregate Balance” is equal to the aggregate of the principal balances of the Classes included in the Aggregate Group.

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 (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 tables;
- the settlement date for the sale of the Certificates is April 30, 2004; and
- each Distribution Date occurs on the 25th day of a month.

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

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

Structuring Rate and Range. 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 the applicable rate or at a constant PSA rate within the Structuring Range set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Group (1) and Class</u>	<u>Structuring Rate and Range</u>
Targeted Balances	Aggregate Group	150% PSA
Planned Balances	SV Class	Between 150% and 550% PSA

(1) The Structuring Rate for the Aggregate Group is associated with the related Aggregate Balance but not with the individual balances of the related Classes.

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

Initial Effective Range. The Effective Range for a Class is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Class to its scheduled balance on each Distribution Date. The Initial Effective Range shown in the table below is based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Class</u>	<u>Initial Effective Range</u>
SV Class	Between 150% and 550% PSA

The actual Effective Range at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Range calculated on the basis of the actual characteristics is likely to differ from the Initial Effective Range. As a result, the applicable Class might not be reduced to its scheduled balance even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range. This is so particularly if the rate were at the lower or higher end of this range. In addition, even if prepayments occur at a rate falling within the actual Effective Range, principal distributions may be insufficient to reduce the applicable Class to its scheduled balance if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time.

The stability in principal payment of the Class specified below will be supported by the corresponding supporting Class as indicated in the following table:

<u>Class</u>	<u>Supporting Class</u>
Group 2	
SV	SW

When the supporting Class is retired, the Class it supports, if still outstanding, may no longer have an Effective Range and will be more sensitive to prepayments.

Yield Tables

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

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present values of the

assumed streams of cash flows to equal the assumed aggregate purchase prices of those Classes, and

- converting the monthly rates to corporate bond equivalent rates.

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

We cannot assure you that

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

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

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

The 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 tables below, it is possible that investors in the AS, JS, US, BS, KS, WS, CS, LS, XS, DS, MS, YS, SG, SI, SX, SY, SA, SB, SC, SD, SJ, SK, SL, SM, SV, SU and ST Classes would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

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

<u>Class</u>	<u>Price*</u>
AS	9.625000%
JS	17.578125%
US	24.437500%
BS	9.625000%
KS	17.578125%
WS	24.437500%

<u>Class</u>	<u>Price*</u>
CS	9.625000%
LS	17.578125%
XS	24.437500%
DS	9.625000%
MS	17.578125%
YS	24.437500%
SG	12.078125%
SI	7.500000%
SX	17.578125%
SY	24.437500%
SA	15.312500%
SB	15.312500%
SC	15.312500%
SD	15.312500%
SJ	12.281250%
SK	12.281250%
SL	12.281250%
SM	12.281250%
SV	112.312500%
SW	97.531250%
SU	106.109375%
ST	181.953125%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
0.09%	82.6%	77.0%	64.6%	51.4%	38.5%
1.09%	69.2%	63.4%	50.2%	36.4%	23.1%
3.09%	43.3%	36.4%	21.1%	5.6%	(8.7)%
5.09%	17.3%	8.4%	(10.7)%	(28.8)%	(44.5)%
7.09%	(15.9)%	(30.3)%	(57.9)%	(80.5)%	(98.1)%
7.65%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
0.09%	46.8%	46.5%	44.2%	39.8%	33.9%
1.09%	40.2%	39.8%	36.8%	31.7%	25.2%
3.09%	27.2%	26.1%	21.4%	14.3%	6.2%
5.09%	13.6%	11.2%	3.4%	(6.5)%	(16.9)%
7.09%	(5.9)%	(11.7)%	(26.6)%	(42.2)%	(57.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	32.9%	32.8%	32.3%	31.0%	29.0%
1.09%	28.3%	28.3%	27.6%	26.0%	23.6%
3.09%	19.3%	19.1%	17.8%	15.4%	12.2%
5.09%	9.8%	9.2%	6.9%	3.3%	(0.9)%
7.09%	(3.8)%	(5.2)%	(9.5)%	(14.7)%	(20.4)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	82.6%	77.0%	64.6%	51.4%	38.5%
1.09%	69.2%	63.4%	50.2%	36.4%	23.1%
3.09%	43.3%	36.4%	21.1%	5.6%	(8.7)%
5.09%	17.3%	8.4%	(10.7)%	(28.8)%	(44.5)%
7.09%	(15.9)%	(30.3)%	(57.9)%	(80.5)%	(98.1)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	46.8%	46.5%	44.2%	39.8%	33.9%
1.09%	40.2%	39.8%	36.8%	31.7%	25.2%
3.09%	27.2%	26.1%	21.4%	14.3%	6.2%
5.09%	13.6%	11.2%	3.4%	(6.5)%	(16.9)%
7.09%	(5.9)%	(11.7)%	(26.6)%	(42.2)%	(57.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	32.9%	32.8%	32.3%	31.0%	29.0%
1.09%	28.3%	28.3%	27.6%	26.0%	23.6%
3.09%	19.3%	19.1%	17.8%	15.4%	12.2%
5.09%	9.8%	9.2%	6.9%	3.3%	(0.9)%
7.09%	(3.8)%	(5.2)%	(9.5)%	(14.7)%	(20.4)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	82.6%	77.0%	64.6%	51.4%	38.5%
1.09%	69.2%	63.4%	50.2%	36.4%	23.1%
3.09%	43.3%	36.4%	21.1%	5.6%	(8.7)%
5.09%	17.3%	8.4%	(10.7)%	(28.8)%	(44.5)%
7.09%	(15.9)%	(30.3)%	(57.9)%	(80.5)%	(98.1)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	46.8%	46.5%	44.2%	39.8%	33.9%
1.09%	40.2%	39.8%	36.8%	31.7%	25.2%
3.09%	27.2%	26.1%	21.4%	14.3%	6.2%
5.09%	13.6%	11.2%	3.4%	(6.5)%	(16.9)%
7.09%	(5.9)%	(11.7)%	(26.6)%	(42.2)%	(57.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	32.9%	32.8%	32.3%	31.0%	29.0%
1.09%	28.3%	28.3%	27.6%	26.0%	23.6%
3.09%	19.3%	19.1%	17.8%	15.4%	12.2%
5.09%	9.8%	9.2%	6.9%	3.3%	(0.9)%
7.09%	(3.8)%	(5.2)%	(9.5)%	(14.7)%	(20.4)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	82.6%	77.0%	64.6%	51.4%	38.5%
1.09%	69.2%	63.4%	50.2%	36.4%	23.1%
3.09%	43.3%	36.4%	21.1%	5.6%	(8.7)%
5.09%	17.3%	8.4%	(10.7)%	(28.8)%	(44.5)%
7.09%	(15.9)%	(30.3)%	(57.9)%	(80.5)%	(98.1)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	46.8%	46.5%	44.2%	39.8%	33.9%
1.09%	40.2%	39.8%	36.8%	31.7%	25.2%
3.09%	27.2%	26.1%	21.4%	14.3%	6.2%
5.09%	13.6%	11.2%	3.4%	(6.5)%	(16.9)%
7.09%	(5.9)%	(11.7)%	(26.6)%	(42.2)%	(57.0)%
7.65%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
0.09%	32.9%	32.8%	32.3%	31.0%	29.0%
1.09%	28.3%	28.3%	27.6%	26.0%	23.6%
3.09%	19.3%	19.1%	17.8%	15.4%	12.2%
5.09%	9.8%	9.2%	6.9%	3.3%	(0.9)%
7.09%	(3.8)%	(5.2)%	(9.5)%	(14.7)%	(20.4)%
7.65%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
0.09%	60.2%	57.5%	51.9%	46.1%	40.1%
1.09%	50.3%	47.5%	41.7%	35.6%	29.3%
3.09%	30.7%	27.7%	21.2%	14.4%	7.3%
5.09%	11.0%	7.3%	(0.5)%	(8.8)%	(17.4)%
7.15%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>	<u>550%</u>	<u>800%</u>	<u>1100%</u>
0.09%	94.9%	90.2%	85.4%	80.4%	62.6%	57.6%	29.9%	(10.9)%
1.09%	77.9%	73.3%	68.7%	63.5%	46.0%	41.2%	14.3%	(25.2)%
3.09%	45.3%	41.0%	36.5%	30.9%	14.1%	9.5%	(16.3)%	(54.2)%
5.09%	13.6%	9.1%	4.1%	(0.9)%	(18.3)%	(23.1)%	(49.5)%	(87.0)%
6.57%	*	*	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>
0.09%	46.8%	46.5%	44.2%	39.8%	33.9%
1.09%	40.2%	39.8%	36.8%	31.7%	25.2%
3.09%	27.2%	26.1%	21.4%	14.3%	6.2%
5.09%	13.6%	11.2%	3.4%	(6.5)%	(16.9)%
7.09%	(5.9)%	(11.7)%	(26.6)%	(42.2)%	(57.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	32.9%	32.8%	32.3%	31.0%	29.0%
1.09%	28.3%	28.3%	27.6%	26.0%	23.6%
3.09%	19.3%	19.1%	17.8%	15.4%	12.2%
5.09%	9.8%	9.2%	6.9%	3.3%	(0.9)%
7.09%	(3.8)%	(5.2)%	(9.5)%	(14.7)%	(20.4)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	50.1%	47.5%	42.4%	37.2%	31.9%
1.09%	42.4%	39.8%	34.6%	29.3%	24.0%
3.09%	27.4%	24.7%	19.3%	13.8%	8.1%
5.09%	12.4%	9.7%	4.0%	(1.8)%	(7.7)%
7.09%	(5.7)%	(8.5)%	(14.2)%	(20.1)%	(26.3)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	50.1%	47.5%	42.4%	37.2%	31.9%
1.09%	42.4%	39.8%	34.6%	29.3%	24.0%
3.09%	27.4%	24.7%	19.3%	13.8%	8.1%
5.09%	12.4%	9.7%	4.0%	(1.8)%	(7.7)%
7.09%	(5.7)%	(8.5)%	(14.2)%	(20.1)%	(26.3)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	50.1%	47.5%	42.4%	37.2%	31.9%
1.09%	42.4%	39.8%	34.6%	29.3%	24.0%
3.09%	27.4%	24.7%	19.3%	13.8%	8.1%
5.09%	12.4%	9.7%	4.0%	(1.8)%	(7.7)%
7.09%	(5.7)%	(8.5)%	(14.2)%	(20.1)%	(26.3)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	50.1%	47.5%	42.4%	37.2%	31.9%
1.09%	42.4%	39.8%	34.6%	29.3%	24.0%
3.09%	27.4%	24.7%	19.3%	13.8%	8.1%
5.09%	12.4%	9.7%	4.0%	(1.8)%	(7.7)%
7.09%	(5.7)%	(8.5)%	(14.2)%	(20.1)%	(26.3)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	63.6%	60.1%	52.5%	44.3%	35.6%
1.09%	53.7%	50.1%	42.2%	33.5%	24.4%
3.09%	34.3%	30.3%	21.2%	11.2%	0.9%
5.09%	15.0%	10.2%	(1.1)%	(13.4)%	(25.6)%
7.09%	(8.8)%	(16.3)%	(33.7)%	(51.0)%	(67.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	63.6%	60.1%	52.5%	44.3%	35.6%
1.09%	53.7%	50.1%	42.2%	33.5%	24.4%
3.09%	34.3%	30.3%	21.2%	11.2%	0.9%
5.09%	15.0%	10.2%	(1.1)%	(13.4)%	(25.6)%
7.09%	(8.8)%	(16.3)%	(33.7)%	(51.0)%	(67.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	63.6%	60.1%	52.5%	44.3%	35.6%
1.09%	53.7%	50.1%	42.2%	33.5%	24.4%
3.09%	34.3%	30.3%	21.2%	11.2%	0.9%
5.09%	15.0%	10.2%	(1.1)%	(13.4)%	(25.6)%
7.09%	(8.8)%	(16.3)%	(33.7)%	(51.0)%	(67.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	200%	300%	400%
0.09%	63.6%	60.1%	52.5%	44.3%	35.6%
1.09%	53.7%	50.1%	42.2%	33.5%	24.4%
3.09%	34.3%	30.3%	21.2%	11.2%	0.9%
5.09%	15.0%	10.2%	(1.1)%	(13.4)%	(25.6)%
7.09%	(8.8)%	(16.3)%	(33.7)%	(51.0)%	(67.0)%
7.65%	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption							
	50%	100%	150%	300%	500%	550%	800%	1100%
0.09%	15.7%	14.7%	13.7%	13.7%	13.7%	13.7%	12.5%	9.7%
1.09%	12.9%	12.0%	11.0%	11.0%	11.0%	11.0%	9.8%	7.1%
3.09%	7.5%	6.6%	5.7%	5.7%	5.7%	5.7%	4.5%	1.9%
5.09%	2.1%	1.2%	0.4%	0.4%	0.4%	0.4%	(0.7)%	(3.2)%
6.57%	(1.8)%	(2.7)%	(3.4)%	(3.4)%	(3.4)%	(3.4)%	(4.5)%	(6.9)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>	<u>550%</u>	<u>800%</u>	<u>1100%</u>
0.09%	20.0%	20.1%	20.1%	20.3%	21.0%	21.3%	23.1%	25.3%
1.09%	16.9%	16.9%	17.0%	17.1%	17.9%	18.3%	20.2%	22.6%
3.09%	10.7%	10.7%	10.8%	11.0%	11.8%	12.2%	14.5%	17.2%
5.09%	4.6%	4.7%	4.8%	4.9%	5.8%	6.3%	8.9%	11.9%
6.57%	0.2%	0.3%	0.4%	0.5%	1.4%	1.9%	4.8%	8.0%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>	<u>550%</u>	<u>800%</u>	<u>1100%</u>
0.09%	17.9%	17.7%	17.4%	17.1%	16.2%	16.0%	14.6%	12.5%
1.09%	15.0%	14.8%	14.5%	14.3%	13.4%	13.2%	11.8%	9.8%
3.09%	9.3%	9.1%	8.9%	8.6%	7.8%	7.6%	6.4%	4.5%
5.09%	3.6%	3.5%	3.3%	3.1%	2.3%	2.1%	1.0%	(0.7)%
6.57%	(0.5)%	(0.7)%	(0.8)%	(1.0)%	(1.7)%	(1.9)%	(2.9)%	(4.5)%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>							
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>300%</u>	<u>500%</u>	<u>550%</u>	<u>800%</u>	<u>1100%</u>
0.09%	47.6%	45.7%	43.7%	41.3%	33.8%	31.8%	20.4%	3.4%
1.09%	39.4%	37.5%	35.6%	33.1%	25.8%	23.8%	12.8%	(3.8)%
3.09%	23.3%	21.5%	19.5%	17.2%	10.2%	8.3%	(2.2)%	(17.8)%
5.09%	7.3%	5.5%	3.6%	1.6%	(5.1)%	(6.9)%	(16.8)%	(31.4)%
6.57%	(5.3)%	(6.9)%	(8.7)%	(10.1)%	(16.3)%	(18.0)%	(27.4)%	(41.2)%

The Principal Only Classes. The Principal Only Classes will not bear interest. As indicated in the tables below, a low rate of principal payments (including prepayments) on the related Mortgage Loans will have a negative effect on the yields to investors in the Principal Only Classes.

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 Principal Only Classes (expressed in each case as a percentage of its original principal balance) are as follows:

<u>Class</u>	<u>Price</u>
AO	77.0%
JO	83.0%

Sensitivity of the AO Class to Prepayments

	PSA Prepayment Assumption					CPR Prepayment Assumption		
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>11.9%</u>	<u>12%</u>	<u>12.1%</u>
Pre-Tax Yields to								
Maturity	2.7%	3.8%	3.3%	4.3%	5.4%	7.5%	3.3%	3.3%

Sensitivity of the JO Class to Prepayments

	PSA Prepayment Assumption					CPR Prepayment Assumption		
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>300%</u>	<u>400%</u>	<u>11.9%</u>	<u>12%</u>	<u>12.1%</u>
Pre-Tax Yields to								
Maturity	0.7%	0.9%	5.8%	9.0%	11.8%	1.2%	20.3%	20.5%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Classes, and
- in the case of the 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 or CPR, as applicable, and the corresponding weighted average lives of those Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class

under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	7.50%
Group 2 MBS	360 months	360 months	9.00%

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 or CPR 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 or CPR 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.

Date	AO Class					AO Class			JO Class					JO Class			FK, SA [†] , SB [†] , SC [†] and SD [†] Classes				
	PSA Prepayment Assumption					CPR Prepayment Assumption			PSA Prepayment Assumption					CPR Prepayment Assumption			PSA Prepayment Assumption				
	0%	100%	200%	300%	400%	11.9%	12%	12.1%	0%	100%	200%	300%	400%	11.9%	12%	12.1%	0%	100%	200%	300%	400%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2005	99	95	93	90	90	83	100	100	100	100	100	100	91	100	47	47	99	97	94	92	90
April 2006	97	88	80	86	90	67	100	100	100	100	100	57	22	100	1	*	98	91	85	79	73
April 2007	96	79	78	85	73	54	87	87	100	100	59	0	0	100	0	0	97	84	73	64	55
April 2008	94	70	78	68	54	42	75	75	100	100	19	0	0	100	0	0	96	78	63	51	41
April 2009	93	62	73	55	41	32	65	65	100	100	0	0	0	100	0	0	95	72	55	41	30
April 2010	91	55	63	44	30	23	56	56	100	100	0	0	0	100	0	0	93	66	47	33	23
April 2011	89	48	54	36	22	15	48	48	100	100	0	0	0	100	0	0	92	61	41	27	17
April 2012	87	41	47	28	17	9	42	41	100	100	0	0	0	100	0	0	90	56	35	21	13
April 2013	85	35	40	23	12	3	36	35	100	100	0	0	0	100	0	0	89	51	30	17	9
April 2014	82	29	34	18	9	0	31	30	100	100	0	0	0	93	0	0	87	47	26	14	7
April 2015	80	24	29	14	7	0	26	26	100	100	0	0	0	79	0	0	85	43	22	11	5
April 2016	77	19	25	11	5	0	22	22	100	100	0	0	0	68	0	0	83	39	19	9	4
April 2017	74	14	21	9	4	0	19	19	100	100	0	0	0	57	0	0	80	35	16	7	3
April 2018	71	9	18	7	3	0	16	16	100	100	0	0	0	49	0	0	78	32	13	5	2
April 2019	67	5	15	6	2	0	13	13	100	100	0	0	0	41	0	0	75	29	11	4	1
April 2020	63	1	13	4	1	0	11	11	100	100	0	0	0	35	0	0	73	26	10	3	1
April 2021	59	0	11	3	1	0	9	9	100	92	0	0	0	29	0	0	70	23	8	3	1
April 2022	55	0	9	3	1	0	8	8	100	82	0	0	0	24	0	0	66	20	7	2	1
April 2023	50	0	7	2	1	0	6	6	100	72	0	0	0	20	0	0	63	18	5	2	*
April 2024	45	0	6	2	*	0	5	5	100	63	0	0	0	16	0	0	59	16	4	1	*
April 2025	40	0	5	1	*	0	4	4	100	54	0	0	0	13	0	0	55	14	4	1	*
April 2026	34	0	4	1	*	0	3	3	100	46	0	0	0	10	0	0	50	12	3	1	*
April 2027	27	0	3	1	*	0	3	3	100	38	0	0	0	8	0	0	46	10	2	*	*
April 2028	21	0	2	*	*	0	2	2	100	31	0	0	0	6	0	0	40	8	2	*	*
April 2029	13	0	2	*	*	0	2	1	100	25	0	0	0	5	0	0	35	6	1	*	*
April 2030	5	0	1	*	*	0	1	1	100	19	0	0	0	3	0	0	29	5	1	*	*
April 2031	0	0	1	*	*	0	1	1	90	13	0	0	0	2	0	0	22	3	1	*	*
April 2032	0	0	*	*	*	0	*	*	62	7	0	0	0	1	0	0	16	2	*	*	*
April 2033	0	0	*	*	*	0	*	*	32	2	0	0	0	*	0	0	8	1	*	*	*
April 2034	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)**	17.5	7.3	8.7	6.5	5.2	3.8	8.4	8.4	28.4	22.0	3.3	2.1	1.6	15.1	1.0	1.0	20.2	10.9	7.3	5.4	4.3

* 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	AS†, BS†, CS† and DS† Classes					JS†, KS†, LS†, MS† and SX† Classes					US†, WS†, XS†, YS† and SY† Classes					FG and SG† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	200%	300%	400%	0%	100%	200%	300%	400%	0%	100%	200%	300%	400%	0%	100%	200%	300%	400%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2005	98	93	89	85	81	100	100	100	100	100	100	100	100	100	100	99	96	94	92	89
April 2006	96	82	69	57	46	100	100	100	100	100	100	100	100	100	100	97	89	83	77	70
April 2007	94	68	47	27	9	100	100	100	100	100	100	100	100	100	100	95	82	70	60	50
April 2008	92	55	27	3	0	100	100	100	100	63	100	100	100	100	100	94	74	59	46	35
April 2009	89	43	10	0	0	100	100	100	65	22	100	100	100	100	100	92	67	50	35	24
April 2010	87	32	0	0	0	100	100	89	33	0	100	100	100	100	91	90	61	41	26	15
April 2011	84	22	0	0	0	100	100	63	7	0	100	100	100	100	67	87	55	33	18	8
April 2012	81	12	0	0	0	100	100	40	0	0	100	100	100	85	50	85	49	27	12	3
April 2013	77	2	0	0	0	100	100	20	0	0	100	100	100	68	37	82	43	20	7	0
April 2014	74	0	0	0	0	100	87	3	0	0	100	100	100	54	27	80	37	15	2	0
April 2015	70	0	0	0	0	100	71	0	0	0	100	100	88	43	20	77	32	10	0	0
April 2016	65	0	0	0	0	100	56	0	0	0	100	100	75	34	15	73	27	6	0	0
April 2017	61	0	0	0	0	100	41	0	0	0	100	100	64	27	11	70	22	1	0	0
April 2018	56	0	0	0	0	100	28	0	0	0	100	100	54	22	8	66	17	0	0	0
April 2019	51	0	0	0	0	100	15	0	0	0	100	100	46	17	6	62	13	0	0	0
April 2020	45	0	0	0	0	100	3	0	0	0	100	100	38	13	4	58	8	0	0	0
April 2021	39	0	0	0	0	100	0	0	0	0	100	92	32	10	3	53	4	0	0	0
April 2022	33	0	0	0	0	100	0	0	0	0	100	82	26	8	2	48	0	0	0	0
April 2023	25	0	0	0	0	100	0	0	0	0	100	72	22	6	2	42	0	0	0	0
April 2024	18	0	0	0	0	100	0	0	0	0	100	63	18	5	1	36	0	0	0	0
April 2025	10	0	0	0	0	100	0	0	0	0	100	54	14	3	1	30	0	0	0	0
April 2026	1	0	0	0	0	100	0	0	0	0	100	46	11	3	1	23	0	0	0	0
April 2027	0	0	0	0	0	82	0	0	0	0	100	38	9	2	*	16	0	0	0	0
April 2028	0	0	0	0	0	62	0	0	0	0	100	31	7	1	*	8	0	0	0	0
April 2029	0	0	0	0	0	40	0	0	0	0	100	25	5	1	*	0	0	0	0	0
April 2030	0	0	0	0	0	16	0	0	0	0	100	19	4	1	*	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	90	13	2	*	*	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	62	7	1	*	*	0	0	0	0	0
April 2033	0	0	0	0	0	0	0	0	0	0	32	2	*	*	*	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.0	4.6	2.9	2.2	1.9	24.5	12.5	7.7	5.6	4.4	28.4	22.0	15.7	11.6	9.0	16.1	8.3	5.6	4.3	3.5

Date	ZA Class					SJ†, SK†, SL† and SM† Classes					FT, SI†, SU and ST Classes							
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption							
	0%	100%	200%	300%	400%	0%	100%	200%	300%	400%	0%	100%	150%	300%	500%	550%	800%	1100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2005	108	108	108	108	108	99	95	93	90	87	99	92	89	88	76	73	58	40
April 2006	116	116	116	116	116	97	88	80	72	64	97	84	78	71	52	48	29	13
April 2007	125	125	125	125	125	96	79	65	51	39	96	76	68	57	36	31	14	3
April 2008	135	135	135	135	135	94	70	51	35	21	94	69	59	46	24	20	7	*
April 2009	145	145	145	145	145	93	62	40	22	7	92	62	51	37	16	13	3	0
April 2010	157	157	157	157	157	91	55	30	11	0	90	56	44	29	11	8	1	0
April 2011	169	169	169	169	169	89	48	21	2	0	88	49	37	23	7	5	0	0
April 2012	182	182	182	182	182	87	41	13	0	0	86	43	30	18	4	3	0	0
April 2013	196	196	196	196	169	85	35	7	0	0	83	37	24	14	2	1	0	0
April 2014	211	211	211	211	125	82	29	1	0	0	80	32	18	11	1	*	0	0
April 2015	228	228	228	197	92	80	24	0	0	0	77	26	13	8	*	0	0	0
April 2016	245	245	245	157	68	77	19	0	0	0	74	21	8	6	0	0	0	0
April 2017	264	264	264	124	50	74	14	0	0	0	71	16	3	4	0	0	0	0
April 2018	285	285	245	98	36	71	9	0	0	0	67	11	0	3	0	0	0	0
April 2019	307	307	207	77	27	67	5	0	0	0	63	6	0	2	0	0	0	0
April 2020	331	331	174	60	19	63	1	0	0	0	58	1	0	1	0	0	0	0
April 2021	356	356	145	47	14	59	0	0	0	0	53	0	0	0	0	0	0	0
April 2022	384	371	120	36	10	55	0	0	0	0	48	0	0	0	0	0	0	0
April 2023	414	327	99	28	7	50	0	0	0	0	43	0	0	0	0	0	0	0
April 2024	446	285	81	21	5	45	0	0	0	0	36	0	0	0	0	0	0	0
April 2025	481	246	65	16	3	40	0	0	0	0	30	0	0	0	0	0	0	0
April 2026	518	209	52	12	2	34	0	0	0	0	22	0	0	0	0	0	0	0
April 2027	558	175	41	9	2	27	0	0	0	0	15	0	0	0	0	0	0	0
April 2028	602	143	31	6	1	21	0	0	0	0	6	0	0	0	0	0	0	0
April 2029	634	113	23	4	1	13	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	526	85	16	3	*	5	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	409	58	10	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	283	34	6	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2033	147	11	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.6	23.0	18.4	14.6	11.9	17.5	7.3	4.5	3.3	2.7	16.2	7.4	5.8	4.7	2.8	2.5	1.6	1.1

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

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

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

Date	SV Class								SW Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	150%	300%	500%	550%	800%	1100%	0%	100%	150%	300%	500%	550%	800%	1100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2005	98	86	81	81	81	81	81	68	100	100	100	99	70	63	26	0
April 2006	95	72	63	63	63	63	50	22	100	100	100	84	38	28	0	0
April 2007	92	59	46	46	46	46	25	6	100	100	100	74	22	12	0	0
April 2008	90	47	30	30	30	30	12	1	100	100	100	68	16	7	0	0
April 2009	86	35	17	17	17	17	5	0	100	100	98	64	15	7	0	0
April 2010	83	24	9	9	9	9	1	0	100	100	91	57	13	7	0	0
April 2011	79	13	3	3	3	3	0	0	100	100	82	51	12	7	0	0
April 2012	75	2	0	0	0	0	0	0	100	100	71	44	10	6	0	0
April 2013	71	0	0	0	0	0	0	0	100	89	57	34	5	2	0	0
April 2014	66	0	0	0	0	0	0	0	100	76	44	26	2	*	0	0
April 2015	61	0	0	0	0	0	0	0	100	63	31	20	*	0	0	0
April 2016	55	0	0	0	0	0	0	0	100	50	19	14	0	0	0	0
April 2017	49	0	0	0	0	0	0	0	100	38	8	10	0	0	0	0
April 2018	43	0	0	0	0	0	0	0	100	26	0	7	0	0	0	0
April 2019	36	0	0	0	0	0	0	0	100	15	0	4	0	0	0	0
April 2020	28	0	0	0	0	0	0	0	100	3	0	1	0	0	0	0
April 2021	20	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
April 2022	11	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
April 2023	1	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	87	0	0	0	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	71	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	0	54	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	0	35	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	15	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	11.9	3.9	3.0	3.0	3.0	3.0	2.3	1.5	22.1	12.1	9.5	7.1	2.6	1.9	0.8	0.5

Date	ZC Class								ZD Class							
	PSA Prepayment Assumption								PSA Prepayment Assumption							
	0%	100%	150%	300%	500%	550%	800%	1100%	0%	100%	150%	300%	500%	550%	800%	1100%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2005	107	107	107	0	0	0	0	0	107	107	107	107	107	107	107	107
April 2006	114	114	114	0	0	0	0	0	114	114	114	114	114	114	114	114
April 2007	121	121	121	0	0	0	0	0	121	121	121	121	121	121	121	121
April 2008	130	130	130	0	0	0	0	0	130	130	130	130	130	130	130	130
April 2009	138	138	138	0	0	0	0	0	138	138	138	138	138	138	138	58
April 2010	148	148	148	0	0	0	0	0	148	148	148	148	148	148	148	19
April 2011	157	157	157	0	0	0	0	0	157	157	157	157	157	157	121	6
April 2012	168	168	168	0	0	0	0	0	168	168	168	168	168	168	62	2
April 2013	179	179	179	0	0	0	0	0	179	179	179	179	179	179	31	1
April 2014	191	191	191	0	0	0	0	0	191	191	191	191	191	191	16	*
April 2015	204	204	204	0	0	0	0	0	204	204	204	204	204	127	8	*
April 2016	218	218	218	0	0	0	0	0	218	218	218	218	138	82	4	*
April 2017	232	232	232	0	0	0	0	0	232	232	232	232	93	53	2	*
April 2018	248	248	234	0	0	0	0	0	248	248	248	248	63	34	1	*
April 2019	264	264	198	0	0	0	0	0	264	264	264	264	42	22	*	*
April 2020	282	282	166	0	0	0	0	0	282	282	282	282	28	14	*	*
April 2021	301	259	136	0	0	0	0	0	301	301	301	268	18	9	*	*
April 2022	321	222	109	0	0	0	0	0	321	321	321	206	12	6	*	*
April 2023	343	186	84	0	0	0	0	0	343	343	343	156	8	3	*	*
April 2024	366	152	61	0	0	0	0	0	366	366	366	117	5	2	*	*
April 2025	390	120	40	0	0	0	0	0	390	390	390	86	3	1	*	0
April 2026	416	89	21	0	0	0	0	0	416	416	416	62	2	1	*	0
April 2027	444	60	3	0	0	0	0	0	444	444	444	44	1	*	*	0
April 2028	474	32	0	0	0	0	0	0	474	474	353	29	1	*	*	0
April 2029	467	5	0	0	0	0	0	0	506	506	244	18	*	*	*	0
April 2030	377	0	0	0	0	0	0	0	539	339	146	10	*	*	*	0
April 2031	278	0	0	0	0	0	0	0	576	141	59	4	*	*	*	0
April 2032	171	0	0	0	0	0	0	0	614	0	0	0	0	0	0	0
April 2033	53	0	0	0	0	0	0	0	655	0	0	0	0	0	0	0
April 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	27.2	20.5	17.8	0.5	0.2	0.2	0.1	0.1	29.7	26.5	25.3	20.0	13.5	12.4	8.2	5.2

* 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.

Characteristics of the R and RL Classes

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

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

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

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

A transfer satisfies the asset test if (i) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer), (ii) the transferee is an “eligible corporation” and the transferee agrees in writing that any subsequent transfer of the Residual Certificate will be to an eligible corporation and will comply with the safe harbor and satisfy the asset test, and (iii) the facts and circumstances known to the transferor do not reasonably indicate that the

taxes associated with the Residual Certificate will not be paid. A transfer satisfies the formula test if the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The Regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

We will elect to treat the Lower Tier REMIC and the Trust as REMICs for federal income tax purposes. The 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, the Principal Only Classes and the Accrual Classes will be issued with original issue discount (“OID”), and certain other Classes of REMIC Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates—Treatment of Original Issue Discount*” in the REMIC Prospectus. In addition, we will treat the SV Class, and we may treat certain other Classes of REMIC Certificates, as having been issued at a

premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	200% PSA
2	500% PSA

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

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 5.49% (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.

The Treasury Department recently issued proposed regulations providing that, to clearly reflect income, an inducement fee paid to a transferee of a noneconomic residual interest in a REMIC must be included in income over a period that is reasonably related to the period during which the applicable REMIC is expected to generate taxable income or net loss allocable to the transferee. The proposed regulations set forth two safe harbor methods under which a taxpayer’s accounting for the inducement fee will be considered to clearly reflect income for these purposes. The proposed regulations also provide that an inducement fee shall be treated as income from sources within the United States. If finalized as proposed, the regulations would be effective for taxable years ending on or after the publication of the final regulations in the Federal Register. The proposed regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the proposed regulations.

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 own 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 Banc of America Securities LLC (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 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 or 2 Class bears to the aggregate original principal balance of all Group 1 or 2 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. Kennedy Covington Lobdell & Hickman, L.L.P. will provide legal representation for the Dealer.

Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1		SX	\$ 19,731,000 (3)	(4)	INV / IO	NTL	31393YCS2	January 2031
JS	19,731,000 (3)							
KS	19,731,000 (3)							
LS	19,731,000 (3)							
MS	19,731,000 (3)							
Recombination 2		SY	19,731,000 (3)	(4)	INV / IO	NTL	31393YCT0	May 2034
US	19,731,000 (3)							
WS	19,731,000 (3)							
XS	19,731,000 (3)							
YS	19,731,000 (3)							
Recombination 3		SA	39,462,000 (3)	(4)	INV / IO	NTL	31393YCU7	May 2034
AS	19,731,000 (3)							
JS	19,731,000 (3)							
US	19,731,000 (3)							
Recombination 4		SB	39,462,000 (3)	(4)	INV / IO	NTL	31393YCV5	May 2034
BS	19,731,000 (3)							
KS	19,731,000 (3)							
WS	19,731,000 (3)							
Recombination 5		SC	39,462,000 (3)	(4)	INV / IO	NTL	31393YCW3	May 2034
CS	19,731,000 (3)							
LS	19,731,000 (3)							
XS	19,731,000 (3)							
Recombination 6		SD	39,462,000 (3)	(4)	INV / IO	NTL	31393YCX1	May 2034
DS	19,731,000 (3)							
MS	19,731,000 (3)							
YS	19,731,000 (3)							
Recombination 7		SJ	59,193,000 (3)	(4)	INV / IO	NTL	31393YCY9	January 2031
AS	19,731,000 (3)							
JS	19,731,000 (3)							
Recombination 8		SK	59,193,000 (3)	(4)	INV / IO	NTL	31393YCZ6	January 2031
BS	19,731,000 (3)							
KS	19,731,000 (3)							
Recombination 9		SL	59,193,000 (3)	(4)	INV / IO	NTL	31393YDA0	January 2031
CS	19,731,000 (3)							
LS	19,731,000 (3)							

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 10								
DS	\$ 39,462,000 (3)	SM	\$59,193,000 (3)	(4)	INV / IO	NTL	31393YDB8	January 2031
MS	19,731,000 (3)							
Recombination 11								
SV	9,503,715	SU	16,385,716	(4)	INV	TAC / AD	31393YDC6	October 2033
SW	6,882,001							
Recombination 12								
SI	165,495,707 (3)	ST	16,385,716	(4)	INV	TAC / AD	31393YDD4	October 2033
SV	9,503,715							
SW	6,882,001							

- (1) REMIC Certificates and RCR Certificates in Recombinations 1 and 2 may be exchanged only in the proportions shown in this Schedule 1. In any exchange under any other Recombination, the relative proportions of the REMIC Certificates to be delivered (or if applicable, received) in such exchange will equal the proportions reflected by the outstanding 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) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.

Principal Balance Schedules

Aggregate Group Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$229,400,000.00	July 2008	\$131,567,289.02	October 2012	\$ 61,787,321.23
May 2004	227,495,016.60	August 2008	129,958,879.69	November 2012	60,632,352.55
June 2004	225,534,164.21	September 2008.....	128,361,551.10	December 2012	59,484,255.23
July 2004	223,518,642.47	October 2008	126,775,205.09	January 2013	58,342,960.82
August 2004	221,449,690.38	November 2008	125,199,744.22	February 2013	57,208,401.32
September 2004.....	219,328,585.00	December 2008	123,635,071.75	March 2013	56,080,509.16
October 2004	217,156,639.98	January 2009	122,081,091.65	April 2013.....	54,959,217.27
November 2004	214,935,204.18	February 2009	120,537,708.57	May 2013	53,844,459.00
December 2004	212,730,109.17	March 2009	119,004,827.86	June 2013	52,736,168.17
January 2005	210,541,217.83	April 2009.....	117,482,355.56	July 2013	51,634,279.00
February 2005	208,368,394.04	May 2009	115,970,198.38	August 2013	50,538,726.20
March 2005	206,211,502.71	June 2009	114,468,263.69	September 2013.....	49,449,444.89
April 2005.....	204,070,409.77	July 2009	112,976,459.56	October 2013	48,366,370.61
May 2005	201,944,982.14	August 2009	111,494,694.68	November 2013	47,289,439.35
June 2005	199,835,087.77	September 2009.....	110,022,878.44	December 2013	46,218,587.50
July 2005	197,740,595.55	October 2009	108,560,920.86	January 2014	45,153,751.90
August 2005	195,661,375.41	November 2009	107,108,732.58	February 2014	44,094,869.77
September 2005.....	193,597,298.20	December 2009	105,666,224.93	March 2014	43,041,878.77
October 2005	191,548,235.78	January 2010	104,233,309.83	April 2014.....	41,994,716.96
November 2005	189,514,060.93	February 2010	102,809,899.85	May 2014	40,953,322.80
December 2005	187,494,647.42	March 2010	101,395,908.20	June 2014	39,917,635.15
January 2006	185,489,869.92	April 2010.....	99,991,248.67	July 2014	38,887,593.29
February 2006	183,499,604.08	May 2010	98,595,835.68	August 2014	37,863,136.85
March 2006	181,523,726.43	June 2010	97,209,584.28	September 2014.....	36,844,205.89
April 2006.....	179,562,114.46	July 2010	95,832,410.10	October 2014	35,830,740.85
May 2006	177,614,646.56	August 2010	94,464,229.37	November 2014	34,822,682.54
June 2006	175,681,202.00	September 2010.....	93,104,958.91	December 2014	33,819,972.16
July 2006	173,761,660.99	October 2010	91,754,516.14	January 2015	32,822,551.28
August 2006	171,855,904.60	November 2010	90,412,819.06	February 2015	31,830,361.85
September 2006.....	169,963,814.79	December 2010	89,079,786.24	March 2015	30,843,346.19
October 2006	168,085,274.41	January 2011	87,755,336.83	April 2015.....	29,861,446.98
November 2006	166,220,167.16	February 2011	86,439,390.56	May 2015	28,884,607.26
December 2006	164,368,377.61	March 2011	85,131,867.69	June 2015	27,912,770.45
January 2007	162,529,791.19	April 2011.....	83,832,689.07	July 2015	26,945,880.31
February 2007	160,704,294.16	May 2011	82,541,776.10	August 2015	25,983,880.95
March 2007	158,891,773.64	June 2011	81,259,050.72	September 2015.....	25,026,716.85
April 2007.....	157,092,117.57	July 2011	79,984,435.41	October 2015	24,074,332.80
May 2007	155,305,214.73	August 2011	78,717,853.21	November 2015	23,126,673.97
June 2007	153,530,954.72	September 2011.....	77,459,227.68	December 2015	22,183,685.87
July 2007	151,769,227.93	October 2011	76,208,482.92	January 2016	21,245,314.31
August 2007.....	150,019,925.60	November 2011	74,965,543.54	February 2016	20,311,505.47
September 2007.....	148,282,939.72	December 2011	73,730,334.68	March 2016	19,382,205.85
October 2007	146,558,163.11	January 2012	72,502,782.02	April 2016.....	18,457,362.28
November 2007.....	144,845,489.37	February 2012	71,282,811.73	May 2016	17,536,921.90
December 2007	143,144,812.88	March 2012	70,070,350.48	June 2016	16,620,832.20
January 2008	141,456,028.78	April 2012.....	68,865,325.47	July 2016	15,709,040.96
February 2008	139,779,033.00	May 2012	67,667,664.38	August 2016	14,801,496.29
March 2008	138,113,722.22	June 2012	66,477,295.39	September 2016.....	13,898,146.62
April 2008.....	136,459,993.87	July 2012	65,294,147.18	October 2016	12,998,940.67
May 2008	134,817,746.14	August 2012	64,118,148.90	November 2016	12,103,827.49
June 2008	133,186,877.97	September 2012.....	62,949,230.21	December 2016	11,212,756.41

Aggregate Group (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
January 2017	\$ 10,325,677.08	June 2017	\$ 5,948,414.83	November 2017	\$ 1,663,560.76
February 2017	9,442,539.43	July 2017	5,084,244.97	December 2017	817,150.31
March 2017	8,563,293.71	August 2017	4,223,722.55	January 2018 and thereafter	0.00
April 2017	7,687,890.45	September 2017	3,366,799.51		
May 2017	6,816,280.45	October 2017	2,513,428.08		

SV Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance	\$9,503,715.00	January 2007	\$4,727,271.01	September 2009	\$1,286,591.25
May 2004	9,367,644.74	February 2007	4,596,878.36	October 2009	1,219,028.54
June 2004	9,227,583.84	March 2007	4,467,412.59	November 2009	1,153,719.72
July 2004	9,083,617.99	April 2007	4,338,865.72	December 2009	1,090,588.44
August 2004	8,935,835.68	May 2007	4,211,229.79	January 2010	1,029,560.95
September 2004	8,784,328.14	June 2007	4,084,496.91	February 2010	970,565.94
October 2004	8,629,189.19	July 2007	3,958,659.27	March 2010	913,534.52
November 2004	8,470,515.19	August 2007	3,833,709.09	April 2010	858,400.10
December 2004	8,313,008.39	September 2007	3,709,638.66	May 2010	805,098.33
January 2005	8,156,658.99	October 2007	3,586,440.32	June 2010	753,567.03
February 2005	8,001,457.28	November 2007	3,464,106.47	July 2010	703,746.08
March 2005	7,847,393.59	December 2007	3,342,629.56	August 2010	655,577.41
April 2005	7,694,458.37	January 2008	3,222,002.11	September 2010	609,004.88
May 2005	7,542,642.09	February 2008	3,102,216.69	October 2010	563,974.27
June 2005	7,391,935.33	March 2008	2,983,265.91	November 2010	520,433.13
July 2005	7,242,328.73	April 2008	2,865,142.44	December 2010	478,330.81
August 2005	7,093,812.99	May 2008	2,747,839.02	January 2011	437,618.36
September 2005	6,946,378.89	June 2008	2,631,360.73	February 2011	398,248.47
October 2005	6,800,017.27	July 2008	2,518,788.65	March 2011	360,175.41
November 2005	6,654,719.06	August 2008	2,409,991.06	April 2011	323,355.01
December 2005	6,510,475.22	September 2008	2,304,840.64	May 2011	287,744.56
January 2006	6,367,276.81	October 2008	2,203,214.35	June 2011	253,302.81
February 2006	6,225,114.95	November 2008	2,104,993.27	July 2011	219,989.88
March 2006	6,083,980.82	December 2008	2,010,062.47	August 2011	187,767.25
April 2006	5,943,865.66	January 2009	1,918,310.85	September 2011	156,597.67
May 2006	5,804,760.80	February 2009	1,829,631.05	October 2011	126,445.17
June 2006	5,666,657.60	March 2009	1,743,919.31	November 2011	97,274.99
July 2006	5,529,547.51	April 2009	1,661,075.34	December 2011	69,053.51
August 2006	5,393,422.04	May 2009	1,581,002.22	January 2012	41,748.27
September 2006	5,258,272.76	June 2009	1,503,606.27	February 2012	15,327.89
October 2006	5,124,091.29	July 2009	1,428,796.97	March 2012 and thereafter	0.00
November 2006	4,990,869.33	August 2009	1,356,486.82		
December 2006	4,858,598.63				

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.

\$786,860,000



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 2004-38

PROSPECTUS SUPPLEMENT

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Banc of America Securities LLC

March 29, 2004
