

\$142,068,000 (Approximate)



**Guaranteed REMIC Pass-Through Certificates
 Fannie Mae Multifamily REMIC Trust 2005-M1**

Carefully consider the risk factors starting on page S-10 of this prospectus supplement and on page 12 of the Multifamily REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

You should read the Multifamily 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.

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 stated or notional balance of your certificate and
- principal to the extent available for payment on your certificate and, in any event, in full by the final distribution date.

We may pay principal at rates that vary from time to time.

The Fannie Mae Guaranty

We will guarantee that required payments of principal and interest on the certificates are distributed to investors on time. **We will not guarantee the payment to certificateholders of any prepayment fees or prepayment interest shortfalls.**

The Trust and its Assets

The trust will own beneficial interests in FHA insured mortgage loans.

The mortgage loans are first, second and third liens, fully amortizing fixed-rate mortgage loans on multifamily properties and nursing facilities.

<i>Class</i>	<i>Original Class Balance (1)</i>	<i>Principal Type (2)</i>	<i>Interest Rate</i>	<i>Interest Type (2)</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
A	\$122,750,000	SEQ	4.479%	FIX	31394D7D6	October 26, 2031
B	9,600,000	SEQ	4.668	FIX	31394D7E4	August 26, 2033
C	9,718,000	SEQ	4.861	FIX	31394D7F1	February 26, 2037
IO	142,068,000 (3)	NTL	(4)	WAC/IO	31394D7G9	February 26, 2037
R	0	NPR	0	NPR	31394D7J3	June 26, 2043
RL	0	NPR	0	NPR	31394D7K0	June 26, 2043

- (1) Subject to a permitted variance of plus or minus 5%.
 (2) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" in this prospectus supplement.
 (3) Notional balance. This class is an interest only class.
 (4) The IO Class will bear interest during each interest accrual period at a variable rate as described in this prospectus supplement.

The dealer will offer the class A, B and C certificates from time to time in negotiated transactions at varying prices to be determined at the time of sale. The seller will initially retain the other classes. We expect the settlement date to be June 29, 2005. See "Plan of Distribution" in this prospectus supplement.



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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 Guaranteed Multifamily REMIC Pass-Through Certificates dated January 1, 1999 (the “Multifamily REMIC 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 prior to the completion of the offering of the certificates.

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

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

Most of the Disclosure Documents, together with the class factors, are available on our website located at <http://www.fanniemae.com>.

If you are purchasing certificates of the A, B and/or C Classes, you can also obtain the Disclosure Documents by writing or calling the dealer at:

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005
(telephone (212) 250-5149)

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus supplement the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus supplement, so you should read this prospectus supplement, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in the Prospectus for Fannie Mae Guaranteed Multifamily REMIC Pass-Through Certificates, dated January 1, 1999 (the "Multifamily REMIC Prospectus"), this prospectus supplement and any applicable supplements or amendments.

You should purchase the certificates only if you have read and understood the Multifamily REMIC Prospectus, this prospectus supplement and the documents listed below.

We incorporate by reference the following documents that we have filed, or may file, with the Securities and Exchange Commission (the "SEC"):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (the "Form 10-K");
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since the end of the fiscal year covered by the Form 10-K until the date of this prospectus supplement, excluding any information "furnished" to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus supplement and before completion of the offering of the certificates, excluding any information we "furnish" to the SEC on Form 8-K.

Any information incorporated by reference in this prospectus supplement is deemed to be modified or superseded for purposes of this prospectus supplement to the extent information contained or incorporated by reference in this prospectus supplement modifies or supersedes such information. In that case, the information will constitute a part of this prospectus supplement only as so modified or superseded.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can obtain copies of the periodic reports we file with the SEC without charge by calling or writing our Office of Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016, telephone: (202) 752-7115. The periodic and current reports that we file with the SEC are also available on our Web site. Information appearing on our Web site is not incorporated in this prospectus supplement except as specifically stated in this prospectus supplement.

In addition, you may read our SEC filings and other information about Fannie Mae at the offices of the New York Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange. Our SEC filings are also available at the SEC's Web site at www.sec.gov. You also may read and copy any document we file with the SEC by visiting the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 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 internet site solely for the information of prospective investors. Information appearing on the SEC's Web site is not incorporated in this prospectus supplement except as specifically stated in this prospectus supplement.

RECENT DEVELOPMENTS

On December 21, 2004, our Board of Directors (the “Board”) announced the retirement of Chairman and Chief Executive Officer Franklin D. Raines and the resignation of Vice Chairman and Chief Financial Officer J. Timothy Howard. The Board further announced that the Audit Committee of the Board dismissed KPMG LLP as our independent auditor. On January 4, 2005, the Audit Committee of the Board approved the engagement of Deloitte & Touche LLP (“Deloitte”) as our independent auditor. Deloitte will serve as our auditor for each of the fiscal years 2001, 2002, 2003 and 2004.

Stephen B. Ashley, a member of the Board, currently is serving as the non-executive Chairman of the Board. On June 1, 2005, the Board announced that it had selected Daniel H. Mudd, the former Chief Operating Officer of Fannie Mae, to be the new President and Chief Executive Officer. Mr. Mudd had been serving as the interim Chief Executive Officer since the retirement of Mr. Raines. Executive Vice President Robert Levin currently is serving as the interim chief financial officer.

On December 15, 2004, the Office of the Chief Accountant of the Securities and Exchange Commission (“SEC”) issued a statement (the “Statement”) regarding certain accounting issues relating to Fannie Mae, including determinations by the SEC that we should (i) restate our financial statements to eliminate the use of hedge accounting under Financial Accounting Standard No. 133, Accounting for Derivative Instruments and Hedging Activities (“FAS 133”), (ii) evaluate the accounting under Financial Accounting Standard No. 91, Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases (“FAS 91”) and restate our financial statements filed with the SEC if the amounts required for correction are material, and (iii) re-evaluate the information prepared under generally accepted accounting principles (“GAAP”) and non-GAAP information that we previously provided to investors. On December 16, 2004, we filed a Current Report on Form 8-K with the SEC that includes a copy of the Statement.

As a result of the SEC’s findings, we will restate our financial results from 2001 through June 30, 2004 to comply fully with the SEC’s determination. In a Form 12b-25 filed with the SEC on November 15, 2004, we estimated that a loss of hedge accounting under FAS 133 for all derivatives could result in recording into earnings a net cumulative loss on derivative transactions of approximately \$9.0 billion as of September 30, 2004. (We estimate that as of December 31, 2004, this net cumulative after-tax loss was approximately \$8.4 billion.) We also stated that there would be a corresponding decrease to retained earnings and, accordingly, regulatory capital. In a Form 12b-25 filed with the SEC on March 17, 2005, we stated that if we do not qualify for hedge accounting for mortgage commitments accounted for as derivatives since our July 1, 2003 adoption of Financial Accounting Standard No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities (“FAS 149”), we estimate that we would be required to record in earnings a net cumulative after-tax loss related to these commitments of approximately \$2.4 billion as of December 31, 2004. We are working to determine the effect of the restatement, including the effect on each prior reporting period. We expect that the impact will be material to our reported GAAP and core business results for many, if not all, periods and will vary substantially from period to period based on the amount and types of derivatives held and fluctuations in interest rates and volatility. Our restated financial statements also will reflect corrections as a result of our misapplication of FAS 91 for each prior reporting period described above. We also will consider the impact, if any, of the SEC’s decision on FAS 91 for periods prior to those described above.

Accordingly, on December 17, 2004, the Audit Committee of the Board concluded that our previously filed interim and audited financial statements and the independent auditor’s reports thereon for the periods from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared applying accounting practices that did not comply with GAAP. We have not yet filed our quarterly reports on Form 10-Q for the quarters ended September 30, 2004 and March 31, 2005 or our annual report on Form 10-K for the year ended

December 31, 2004. The financial information regarding our anticipated results of operations for the quarter ended September 30, 2004 that was contained in our Form 12b-25 filed on November 15, 2004 and in a Form 8-K filed on November 16, 2004 was prepared applying the same policies and practices, and, accordingly, should not be relied upon. The Audit Committee has discussed the matters described above and in a Form 8-K filed with the SEC on December 22, 2004 with KPMG LLP, our independent auditor through December 21, 2004.

On September 20, 2004, the Office of Federal Housing Enterprise Oversight (“OFHEO”) delivered its report to the Board of its findings to date of the agency’s special examination. Among other matters, the OFHEO report raised a number of questions and concerns about our accounting policies and practices with respect to FAS 91 and FAS 133. On February 23, 2005, we announced that OFHEO notified our Board and management of several additional accounting and internal control issues and questions that OFHEO identified in its ongoing special examination, and directed that these matters be included in the internal reviews by the Board and management and reviewed by Deloitte. OFHEO indicated that it has not completed its review of all aspects of these issues, but has identified policies that it believes appear to be inconsistent with generally accepted accounting principles as well as internal control deficiencies that raise safety and soundness concerns. The issues and questions include the following areas: securities accounting, loan accounting, consolidations, accounting for commitments, and practices to smooth certain income and expense amounts. OFHEO also raised concerns regarding journal entry controls, systems limitations, and database modifications, as well as FAS 149 and new developments relating to FAS 91. A summary of the additional questions raised in OFHEO’s ongoing special examination of Fannie Mae has been filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005.

Our Board and management are addressing the issues and questions raised by OFHEO. In addition, the Board designated its Special Review Committee to review the findings of OFHEO’s September 2004 special examination report. This review, led by former Senator Warren Rudman of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison (“Paul Weiss”), is focused on: accounting issues, including accounting policies, procedures and controls regarding FAS 91 and FAS 133; organization, structure and governance, including Board oversight and management responsibilities and resources; and executive compensation. Paul Weiss’ work continues as it examines these areas and other issues that may arise in the course of its review, reporting regularly to the Board. We will report to OFHEO regarding each of these issues and will continue to work with OFHEO to resolve these matters as part of our ongoing internal reviews and restatement process. In light of the foregoing, management has initiated a comprehensive review of accounting routines and controls, the financial reporting process and the application of GAAP, which will include the issues OFHEO has identified, as well as issues identified by management and/or Deloitte. Management, working with accounting consultants, will develop a view on these issues, which then will be reviewed with the Audit Committee, Deloitte and OFHEO. Upon conclusion of this review, our financial statements will be restated where necessary and submitted to Deloitte for review as part of its audit. We are providing periodic updates to the SEC and the New York Stock Exchange on the restatement. In addition, the SEC and the U.S. Attorney’s Office for the District of Columbia are conducting ongoing investigations into these matters.

OFHEO is required to review our capital classification quarterly, and as of September 30, 2004 and December 31, 2004, classified us as “significantly undercapitalized.” As a result of this classification, we submitted a capital restoration plan to OFHEO in January 2005, and on February 23, 2005, we announced that OFHEO approved our proposed capital restoration plan. Under the plan, we detail how we expect to meet our minimum capital requirement on an ongoing basis, as well as achieve OFHEO’s 30 percent surplus capital requirement by September 30, 2005. A summary of the capital restoration plan was filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005. On May 19, 2005, OFHEO classified us as “adequately capitalized” as of March 31, 2005. OFHEO has noted that this classification is subject to revision pending the outcome of ongoing

accounting reviews, and that this classification does not amend any existing capital restoration plans currently in place between Fannie Mae and OFHEO.

Forms 8-K that we file with the SEC prior to the completion of the offering of the certificates are incorporated by reference in this prospectus supplement. This means that we are disclosing information to you by referring you to those documents. You should refer to “Incorporation by Reference” above for further details on the information that we incorporate by reference in this prospectus supplement and where to find it.

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 incorporated by reference into this prospectus supplement.

Certain Characteristics of the Mortgage Assets (as of June 1, 2005)

We expect that the mortgage assets will have the following characteristics, aggregated on the basis of the applicable FHA insurance program:

FHA Insurance Program	Principal Balance	Number of Loans	Percent of Total Balance	Weighted Average Mortgage Rate	Weighted Average Pass-Through Rate	Weighted Average Original Term to Maturity (in months)	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Age (in months)	Weighted Average Remaining Lockout Period (in months)	Weighted Average Term to End of Mortgage Loan Prepayment Restriction Period (in months)
232	\$ 24,562,481	6	17.12%	8.370%	8.017%	460	349	111	0	28
236	2,229,623	1	1.55	8.750	8.380	480	156	324	0	0
207/223 (f)	933,000	1	0.65	7.500	7.005	420	285	135	0	0
207/223 (f)/223 (a) (7)	7,823,723	1	5.45	8.875	8.505	420	292	128	0	0
207/241 (f)	7,223,927	2	5.03	8.387	8.063	473	357	116	0	3
220	4,858,129	2	3.39	7.290	7.060	445	183	262	0	19
221 (d) (3)	4,009,122	2	2.79	7.578	7.301	425	258	168	0	0
221 (d) (4)	54,037,918	21	37.66	8.083	7.808	461	227	234	3	2
221 (d) (4)/223 (a) (7)	2,372,152	2	1.65	8.926	8.578	450	341	110	0	0
223 (f)/223 (a) (7)	4,059,637	1	2.83	8.750	8.380	480	350	130	0	0
232/223 (f)	12,832,312	4	8.94	8.220	7.821	413	330	84	1	36
241 (f)	11,961,934	2	8.34	7.899	7.529	473	354	119	0	1
241 (f)/236	6,599,109	3	4.60	8.246	7.794	471	353	119	0	3
Total / Weighted Average	<u>\$143,503,067</u>	<u>48</u>	<u>100.00%</u>	<u>8.193%</u>	<u>7.865%</u>	<u>455</u>	<u>288</u>	<u>168</u>	<u>1</u>	<u>10</u>

Mortgage assets with an aggregate issue date principal balance of \$63,037,188, or approximately 43.93% of the total principal balance of the underlying mortgage assets will be comprised of GNMA certificates.

Exhibit A contains additional information about the mortgage assets as of June 1, 2005, including information about lockout periods and prepayment fees.

General

The certificates will consist of the classes described below, which represent the entire ownership interest in the trust.

Six classes of senior certificates having the following designations will be issued and guaranteed by Fannie Mae:

- A
 - B
 - C
 - IO
- } Senior Classes
- R
 - RL
- } Residual Classes

One class of subordinate certificate having the following designation will be issued, **but not guaranteed**, by Fannie Mae:

- S
- } Subordinate Class

Lockout Periods and Prepayment Fees

Two of the mortgage loans prohibit voluntary prepayments during specified lockout periods. Certain of the mortgage loans provide for the payment of prepayment fees during specified periods after the Issue Date. If we receive any prepayment fees, we will allocate them to the IO Class.

Class Factors

The class factors are numbers that, when multiplied by the initial balance of a certificate, can be used to calculate the current balance of that certificate (after taking into account payments in the same month). We publish the class factors on or shortly after the 20th day of each month.

Settlement Date

We expect to issue the certificates on June 29, 2005.

Distribution Dates

We will make payments on the certificates on the 26th day of each month, or on the next business day if the 26th day is not a business day.

Book-Entry and Physical Certificates

We issue book-entry certificates through The Depository Trust Company, 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>DTC Book-Entry</u>	<u>Physical</u>
All classes other than the R and RL Classes	R and RL Classes

Interest Rates

The certificates will bear interest at the annual interest rates specified on the cover or described in this prospectus supplement.

Notional Class

The notional class will not receive any principal. Its notional balance is the balance used to calculate interest. The notional principal balance of the IO Class will equal 100% of the outstanding balances of the Class A, Class B and Class C Certificates immediately before the related distribution date.

Distributions of Principal

Principal Distribution Amount

To the A Class, B Class and C Class, in that order, until their class principal balances are reduced to zero.

Weighted Average Lives (years) *

Classes	CPR Prepayment Assumption (100% PLD) **						
	0%	10%	15%	25%	30%	40%	50%
A	13.3	5.0	3.6	2.3	1.9	1.4	1.0
B	27.0	14.7	11.2	7.1	5.9	4.3	3.3
C	29.2	20.2	15.6	10.2	8.5	6.2	4.7
IO	15.3	6.7	4.9	3.1	2.6	1.9	1.4

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

** See "Description of the Certificates—Structuring Assumptions—Prepayment Assumptions" 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 mortgage loans.

After any lockout period and subject to payment of any applicable prepayment fee, the mortgage loans may be prepaid at any time. Therefore, 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 the prepayment rates we assumed, or
- at a constant prepayment rate until maturity.

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

- if you bought your certificates at a premium and principal distributions are faster than you expected or
- if you bought your certificates at a discount and principal distributions are slower than you expected.

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.

Defaults will increase the risk of prepayment. Lending on multifamily properties and nursing facilities is generally viewed as exposing the lender to a greater risk of loss than single family lending. Furthermore, multifamily properties that have benefited from federal rent subsidy programs may suffer as contracts expire or those programs are restructured and cut back. If a borrower defaults on its mortgage loan, the effect would generally be the same as a prepayment even though it occurs during a lockout period and no prepayment fee would be received. Seven of the mortgage loans (approximately 17.97% of the issue date principal balance) are subordinate mortgage debt. Properties that are heavily leveraged, or mortgage loans in a second or third lien position, may have an increased risk of default.

Loans assisted under Section 8. Approximately \$71.7 million of the issue date pool bal-

ance is associated with mortgage loans that receive Section 8 assistance payments. Section 8 of the United States Housing Act of 1937, as amended, authorizes the payment by the federal government of rental subsidies to owners of qualified multifamily rental properties. Through Section 8 Project-Based Assistance, HUD subsidizes the difference between the tenants' contribution based on a percentage of their income and the contract rents for the units. HUD pays the subsidies either directly to the owner or through public housing agencies.

There may be differing default rates and prepayment experience between FHA-insured mortgage loans secured by multifamily rental properties receiving Section 8 rent subsidies and FHA-insured mortgage loans secured by multifamily rental properties not receiving Section 8 rent subsidies.

We have only limited information with respect to the mortgage loans, the mortgaged properties (their operating revenues and expenses and values) and the mortgages. Generally neither audited financial statements nor recent appraisals were available.

FHA insurance and certain mortgage loan and trust provisions may affect lockouts and the right to receive prepayments fees. FHA may override any lockout or prepayment provision if it determines that it is in the best interest of the federal government to allow the mortgagor to refinance or to prepay in part its mortgage loan. Certain of the mortgage loans may permit the mortgagor to prepay up to 15% of the original principal amount annually without a prepayment fee. Defaulted mortgage loans will be assigned to FHA for FHA insurance benefits. Participation Certificates with respect to defaulted mortgage loans and mortgage assets as to which there is a material breach of a representation may be purchased out of the trust.

Allocation of prepayment fees to certain classes may not offset the adverse effect on yields of the corresponding prepayments. If we receive any prepayment fees, we will include them in the distributions to be made on the IO Class. We do not, however, guarantee that mortgagors will in fact pay any prepayment fees or that we will receive them if paid. Accordingly, holders of the

IO Class receive prepayment fees only to the extent we receive them. Moreover, even if we distribute prepayment fees to the holders of that class, the additional amounts may not off-set the reductions in yield caused by the corresponding prepayments.

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

Loan characteristics affect weighted average lives and yields on the certificates. Slight variations in mortgage loan characteristics could affect the weighted average lives and yields of the certificates.

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

Unpredictable timing of last payment affects yields on certificates. The actual final payment on each class of certificates is likely to occur earlier, and could occur much earlier, than the maturity date of the latest maturing mortgage loan in the trust. If you assume the actual final payment will occur on that date, your yield may be lower than you expect.

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

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

ties, may be unable to buy certain classes of certificates. You should get 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. A market for resale of the certificates may not 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.

Certain loans have low debt service coverage ratios or no information available with respect to debt service coverage ratios. Five mortgage loans, representing 10.93% of the issue date principal balance of the underlying mortgage loans, have debt service coverage ratios of less than 1.000x. In addition, information with respect to debt service coverage ratio is unavailable for twelve of the underlying mortgage loans, all of which are GNMA certificates, representing approximately 33.17% of the aggregate issue date principal balance of the underlying mortgage loans. Low debt service coverage ratios may increase the likelihood of default.

Concentration of mortgaged properties in certain states. As of the issue date, 15.54%, 14.45%, 11.28%, 9.95%, 6.21% and 5.45% (based on their aggregated stated principal balance) are secured by properties located in New York, California, Mississippi, Michigan, North Carolina and Florida, respectively.

If economic conditions worsen, a natural disaster occurs or the real estate markets in the areas with the heaviest concentrations of mortgage loans should experience an overall decline in property values, the rates of delinquencies, foreclosures, bankruptcies and realized losses on the mortgage loans probably will increase and may increase substantially.

Terrorist activities and related military and political actions by the U.S. government could cause reductions in investor confidence and substantial market volatility in real estate and securities markets. It is impossible to predict the extent to which terrorist activities may occur or, if they do occur, the extent of the effect on the certificates. Moreover, it is uncertain what effects any past or future terrorist activities or any

related military or political actions on the part of the United States government and others will have on the United States and world financial markets, local, regional and national economies, real estate markets across the United States, or particular business sectors, including those affecting the performance of mortgage loan borrowers. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, defaults on the mortgage loans could increase, causing early payments of principal to you and, regardless of the performance of the underlying mortgage loans, the liquidity and market value of the certificates may be impaired.

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. If we use a capitalized term in this Prospectus Supplement without defining it, you will find the definition of such term in the applicable Disclosure Document or in the Trust Agreement.

General

Structure. We will create the Fannie Mae Multifamily REMIC Trust specified on the cover (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of June 1, 2005 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “Certificates” or “Classes”), as well as a subordinate, non-guaranteed class (the “Subordinate Class”), pursuant to the Trust Agreement.

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

- The Certificates (except the R and RL Classes) and the Subordinate Class 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:

- approximately \$80,465,879 of mortgage participation certificates (the “Participation Certificates”), each representing a 100% undivided beneficial ownership interest (a “Mortgage Participation”) in a whole mortgage loan (a “Mortgage Loan”) insured by the Federal Housing Administration (the “FHA”) of the United States Department of Housing and Urban Development (“HUD”), and
- approximately \$63,037,188 of “fully-modified pass-through” mortgage backed securities (the “GNMA Certificates”), each guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”) and representing an ownership interest in a Mortgage Loan.

Each of the Mortgage Loans is a fully amortizing loan secured by a lien on a multifamily rental housing development or a nursing home, intermediate care facility, assisted living facility, board and care home or other nursing facility. The Participation Certificates and the GNMA Certificates are referred to collectively as the “Mortgage Assets.”

We have retained Midland Loan Services, Inc., to act, on our behalf, as “Master Servicer” to monitor the servicers of the Mortgage Loans backing the Mortgage Participations.

Authorized Denominations. We will issue the Certificates in the following denominations:

<u>Classes</u>	<u>Denominations</u>
The IO Class	\$100,000 minimum plus whole dollar increments
The A, B and C Classes	\$1,000 minimum plus whole dollar increments

We will issue the R and RL Classes as a single Certificate (the “Combined Residual Certificate”).

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 Participation Certificates and the GNMA Certificates.

Our guarantee is not backed by the full faith and credit of the United States. *We will not guarantee the collection or the payment to the Certificateholders of any prepayment fees.* Accordingly, Certificateholders entitled to receive prepayment fees will receive them only to the extent actually received in respect of the Participation Certificates and the GNMA Certificates. See “Description of the Certificates—Fannie Mae’s Guaranty” in the Multifamily REMIC Prospectus.

Distribution Date. We will make monthly distributions on the 26th day of each month (or, if the 26th is not a business day, on the first business day after the 26th). We refer to such date as the “Distribution Date.” We will make the first distributions to Certificateholders the month after we issue the Certificates.

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

Class Factors. On or shortly after the twentieth calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original balance (or notional balance) of a Certificate of that Class, the product will equal the

current balance (or notional balance) of that Certificate after taking into account distributions on the Distribution Date in the same month.

Book-Entry Procedures and Physical Certificates

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 Depository Trust Company (“DTC”). Entities whose names appear on the book-entry records of The Depository Trust Company 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.

Physical Certificates. The holder of the Combined Residual Certificate will have the right to exchange the Combined Residual Certificate for two separate residual certificates (each, a “Separate Residual Certificate”) relating to each of the R and RL Classes. We will issue the Combined or either Separate Residual Certificate (a “Residual Certificate”) in fully registered, certificated form. The “Holder” or “Certificateholder” of the Residual Certificate is its registered owner. The Residual Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. U.S. Bank National Association in Boston, Massachusetts (“U.S. Bank”) will be the initial Transfer Agent. We may impose a service charge for any registration of transfer of the Residual Certificate and may require payment to cover any tax or other governmental charge. See also “Characteristics of the R and RL Classes.”

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. U.S. Bank will be the initial Paying Agent.

Book-Entry Certificates. The Certificates issued in book-entry form on the book-entry system of DTC (“DTC Certificates”) will be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the “Depository”). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the DTC Certificates, whether held for its own account or as a nominee for another person. U.S. Bank will act as Paying Agent for, and perform certain administrative functions with respect to, the DTC Certificates.

No person acquiring a beneficial ownership interest in the DTC Certificates (a “beneficial owner” or an “investor”) will be entitled to receive a physical certificate representing such ownership interest. An investor’s interest in the DTC Certificates will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains such investor’s account for such purpose. In turn, the financial intermediary’s record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as an agent for the financial intermediary if such intermediary is not a Depository Participant). Accordingly, an investor will not be recognized by the Trustee or the Depository as a Certificateholder and must rely on the foregoing arrangements to evidence its interest in the DTC Certificates. Beneficial ownership of an investor’s interest in the DTC Certificates may be transferred only by compliance with the procedures of an investor’s financial intermediary and of Depository Participants. In general, beneficial ownership of an investor’s interest in the DTC Certificates will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

Method of Distribution. Each distribution on the DTC Certificates will be distributed to the Depository in immediately available funds. The Depository will be responsible for crediting the amount of such distributions to the accounts of the Depository Participants entitled thereto, in

accordance with the Depository’s normal procedures. Each Depository Participant and each financial intermediary will be responsible for disbursing such distributions to the beneficial owners of the DTC Certificates that it represents. Accordingly, the beneficial owners may experience some delay in their receipt of distributions.

Final Data Statement

After issuing the Certificates, we may prepare a Final Data Statement containing certain information, including the current unpaid principal balances of the Mortgage Loans underlying the Participation Certificates and the GNMA Certificates as of the Issue Date, if any of the characteristics of the Mortgage Loans are different from those set forth on Exhibit A. You may obtain any Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate and business 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>
Weighted Average Coupon	IO
Fixed Rate	A, B and C
Interest Only	IO
No Payment Residual	R and RL

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

General. We will pay interest on the interest-bearing Certificates at the applicable annual interest rates shown on the cover or described in this Prospectus Supplement. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

In addition, we will pay any prepayment fees that we have collected and passed through to the Trust during the related Interest Accrual Period to the IO Class.

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the interest-bearing Certificates during the one-month period set forth below (the “Interest Accrual Period”).

<u>Classes</u>	<u>Interest Accrual Period</u>
All Classes of interest-bearing Certificates (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs

See “Additional Risk Factors.”

Notional Class. The IO Class will be a Notional Class and will not have a principal balance. The IO Class will bear interest during each Interest Accrual Period as described below under “Weighted Average Coupon Class.” During each Interest Accrual Period, the IO Class will bear interest on its notional balance at its applicable interest rate.

We use the notional balance of the IO Class to determine interest distributions on that Class. Although the IO Class will not have a principal balance and will not be entitled to any principal distributions, we will publish a class factor for that Class. References in this Prospectus Supplement to the balances of the Certificates generally refer also to the notional balance of the IO Class.

Weighted Average Coupon Class. The IO Class will be a Weighted Average Coupon Class. With respect to each Interest Accrual Period, the IO Class will bear interest at a per annum rate equal to 12 times the quotient, expressed as a percentage, of (a) the excess of (i) 30 days' interest at the weighted average pass-through rate for the Mortgage Assets accrued on the aggregate principal balance of the A, B and C Classes immediately prior to the related Distribution Date over (ii) the sum of the interest accrued with respect to the A, B and C Classes during such Interest Accrual Period, divided by (b) the aggregate principal balance of the A, B and C Classes immediately prior to the related Distribution Date.

The IO Class will bear interest during the initial Interest Accrual Period at the approximate interest rate set forth below:

<u>Class</u>	<u>Approximate Initial Class Interest Rate</u>
IO	3.3471%

Our determination of the rate of interest for the IO Class for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. You may obtain such rate of interest by telephoning us at 1-800-237-8627.

Distributions of Principal

Categories of Classes.

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

<u>Principal Type*</u>	<u>Classes</u>
Sequential Pay	A, B and C
Notional	IO
No Payment Residual	R and RL

* See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.

Principal Distribution Amount.

On each Distribution Date, we will distribute the Principal Distribution Amount. For each Distribution Date, the Principal Distribution Amount will be equal to the sum of:

(i) with respect to the GNMA Certificates, the sum of: (a) the sum of the products obtained by multiplying (A) the original principal amount of each GNMA Certificate and (B) the excess of (x) the factor for such GNMA Certificate for the preceding Distribution Date (or as of June 1, 2005, in the case of the first Distribution Date) over (y) the factor for such GNMA Certificate for the subject Distribution Date; and (b) the principal portion of the Purchase Price of any GNMA Certificate that is included with respect to such Distribution Date; and

(ii) with respect to the Participation Certificates, the sum of (a) the principal components of all scheduled monthly payments due in respect of the related Mortgage Loans on the first day of the month in which such Distribution Date occurs; and (b) the aggregate of all cash amounts available for distribution on such Distribution Date and applied as (or otherwise determined to be) recoveries of principal, in each case net of any portion of such amounts that represents a recovery of (x) a principal component included under clause (ii) (a) in respect of such Distribution Date or a prior Distribution Date and/or (y) a principal component (other than a principal prepayment or the principal component of the purchase price of any Mortgage Participation or FHA Insurance Benefits) to be included under clause (ii) (a) in respect of a subsequent Distribution Date.

If the factor for a GNMA Certificate is not timely reported, we will deem the factor to be the factor calculated based on scheduled principal and interest on such GNMA Certificate. If the factor for a GNMA Certificate for a Distribution Date is corrected after it is first reported (or is not timely reported and the assumed factor is not accurate), we will make an appropriate adjustment to the Principal Distribution Amount on the next subsequent Distribution Date to correct the resulting error in principal distributions.

We will reduce amounts described in clause (ii) of the definition of “Principal Distribution Amount” above by any deferred principal payments, which may occur when borrowers, who have previously made principal prepayments, do not make their normal principal payment. See “Certain Additional Characteristics of the Mortgage Loans—Amortization.” Furthermore, after the receipt of a partial payment of claim for FHA Insurance Benefits with respect to a defaulted Mortgage Loan backing a Participation Certificate, we will make any further principal payment with respect to that Mortgage Loan based on amortizing the remaining outstanding balance until we receive the final payment for FHA Insurance Benefits.

We will distribute the Principal Distribution Amount sequentially, as principal of the A Class, B Class and C Class, in that order, until the respective balances of each Class are reduced to zero. } Sequential Pay Classes

See “—General—Class Factors.”

Optional Termination

The Master Servicer and the persons who own a majority interest in the Subordinate Class each have the right to purchase the Mortgage Assets when their aggregate stated principal balance has been reduced to five percent or less (one percent or less if the remaining Mortgage Assets are entirely GNMA Certificates) of the Issue Date Pool Balance. In the event of such a purchase, the Trust will terminate and we will distribute the remaining balance of the Certificates plus 30 days accrued interest on the next Distribution Date.

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, we have prepared the information in the tables in this Prospectus Supplement based on the actual characteristics of the Mortgage Assets (as described in Exhibit A) and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- scheduled interest and principal payments on the Mortgage Loans are made monthly in the amounts set forth on Exhibit A;
- we distribute all payments (including prepayments) on the Mortgage Assets on the Distribution Date relating to the month in which we receive them;
- the Mortgage Assets prepay at the percentages of CPR (as defined under “—Prepayment Assumption”) specified in the related tables and 100% PLD (as defined under “—Prepayment Assumption”), *provided* that no voluntary prepayment occurs before the applicable lockout end date;
- no effect is given to the expiration of HAP contracts as described under “Description of the Mortgage Loans—The Section 8 Program” in this Prospectus Supplement, in determining the likelihood of prepayments or defaults;
- no Mortgagor exercises a right to defer a principal payment as described under “Description of the Mortgage Loans—Certain Additional Characteristics of the Mortgage Loans—Amortization” in this Prospectus Supplement;

- we always make distributions on the Certificates on the 26th of the month, whether or not a business day;
- we do not receive any prepayment fees or yield maintenance payments on the Mortgage Assets;
- there are no repurchases of Mortgage Loans and no one exercises the right to terminate the Trust as described under “The Trust Agreement—Termination” and “The Sales and Servicing Agreement—Termination” in this Prospectus Supplement; and
- the settlement date for the sale of the Certificates is June 29, 2005.

Prepayment Assumptions. We may simulate prepayments (voluntary or involuntary) on mortgage loans by using a prepayment standard or model. In this Prospectus Supplement the models we have used are the “Constant Prepayment Rate” (“CPR”) model and the “Project Loan Default” (“PLD”) model provided by Deutsche Bank Securities Inc. (the “Dealer”). The CPR model represents an assumed constant rate of voluntary prepayment applied after any lockout periods, expressed as an annual percentage of the then-outstanding principal balance of the pool of mortgage loans, and the PLD model represents an assumed rate of involuntary prepayment each month as specified in the table below, in each case expressed as a per annum percentage of the then outstanding principal balance of each of the Mortgage Assets. *CPR/PLD does not purport to be either an historical description of the prepayment and default experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment and default of any pool of mortgage loans, including the Mortgage Assets.* See “—Yield Considerations” and “—Decrement Tables” in this Prospectus Supplement and “Yield Considerations” and “Maturity and Prepayment Considerations and Risks” in the Multifamily REMIC Prospectus.

Project Loan Default Assumptions	
Mortgage Loans age (in months)	Involuntary Prepayment Default Rate (1)
1-12	1.30%
13-24	2.47
25-36	2.51
37-48	2.20
49-60	2.13
61-72	1.46
73-84	1.26
85-96	0.80
97-108	0.57
109-168	0.50
169-240	0.25
241-maturity	0.00

(1) We assume that involuntary prepayments start immediately after loan origination.

We prepared the tables in this Prospectus Supplement on the basis of the indicated percentages of CPR and 100% PLD. It is highly unlikely that prepayments will occur on such basis or at any other particular level of CPR and PLD, or at any other constant rate.

Yield Considerations

General. The yield to maturity for each Certificate will depend upon its purchase price, the rate of principal payments on the Mortgage Loans (including prepayments resulting from liquidations of Mortgage Loans due to defaults and casualties or condemnations affecting the Mortgaged Properties) and the actual characteristics of the Mortgage Loans. We cannot assure you that the Mortgage Loans

will prepay at any of the rates we have assumed or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as expected. You should purchase Certificates only after performing your own analysis based upon your own assumptions as to future rates of prepayment. We believe it is not likely that the Mortgage Loans will prepay at the indicated percentages of CPR and 100% PLD until maturity or that all the Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments, or in the weighted average pass-through rate of the Mortgage Assets (insofar as the pass-through rate of your Certificates is based thereon), may significantly affect your actual yield to maturity, even if the average rate of principal prepayments or the average weighted average pass-through rate of the Mortgage Assets is consistent with your expectations. In general, the earlier the payment of principal of the Mortgage Assets, or change in the level of the weighted average pass-through rate of the Mortgage Assets, the greater the effect on your yield to maturity. As a result, if the rate of prepayments or the level of the weighted average pass-through rate of the Mortgage Assets is higher (or lower) than the rate or level anticipated by you during any particular period, the effect on your yield will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments or the level of the weighted average pass-through rate of the Mortgage Assets. For a description of the prepayment provisions of the Mortgage Loans and the pass-through rates of the Mortgage Assets, see Exhibit A to this Prospectus Supplement.

The effective yields on the interest bearing Classes will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 26th day following the end of the related Interest Accrual Period and will not bear interest during such delay. As a result of the foregoing, the market values of the interest bearing Classes will be lower than would have been the case if there were no such delay. No interest will be paid on any Class after its principal balance has been reduced to zero. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

Prepayment Provisions. The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of prepayment fees and other economic, geographic and social factors.

We will allocate any prepayment fees actually received to the IO Class. That will increase the yield on such Class; however, any such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

The Notional Class. The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the Notional Class to the indicated percentages of CPR and 100% PLD, assuming borrowers do not pay any prepayment fees. The yields set forth in such table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the Notional Class, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the Notional Class and consequently do not purport to reflect the return on any investment in the Notional Class when such reinvestment rates are considered.

As indicated in the table below, the yield to investors in the IO Class will be highly sensitive to the rate of principal payments (including principal prepayments) of the Mortgage Loans. Subject to certain restrictions, the Mortgage Loans may be prepaid prior to their stated maturities. See “Exhibit A” to this Prospectus Supplement.

On the basis of the assumptions described below, including the assumption that no prepayment fees are received, the yield to maturity on the IO Class would be 0% if

prepayments (voluntary and involuntary) were to occur at the approximate rate of CPR indicated below and assuming 100% PLD and no voluntary prepayments through the applicable lockout period end date.

<u>Class</u>	<u>CPR</u>
IO	46%

If the actual prepayment rate of the Mortgage Loans was to exceed the level for as little as one month while equaling such level for the remaining months, investors in such Class would not fully recoup their initial investment.

The information set forth in the following table was prepared on (i) the basis of the Pricing Assumptions and (ii) the assumption that the aggregate purchase price of the Notional Class (expressed as a percentage of original notional balance) will be 5%, excluding accrued interest. Accrued interest has been added to such price in calculating the yields set forth in the table below. The Seller provided the aggregate purchase price of the Notional Class, which it will initially retain. The Dealer will not offer the IO Class.

Sensitivity of the IO Class to Prepayments

	<u>CPR Prepayment Assumption*</u>						
	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>25%</u>	<u>30%</u>	<u>40%</u>	<u>50%</u>
Pre-Tax Yields to Maturity . .	63.4%	56.7%	49.9%	35.4%	27.7%	11.3%	(6.9)%

* See “Description of the Certificates—Structuring Assumptions—Prepayment Assumptions” in this Prospectus Supplement. We cannot assure you that the Mortgage Loans will prepay in accordance with any of the scenarios described herein or any other scenario, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of the Notional Class will be as assumed above.

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by:

- (a) multiplying the amount of the principal receipts (or reduction, if any, of the notional balance) of such 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, assuming all months consist of 30 days,
- (b) summing the results and
- (c) dividing the sum by the aggregate amount of the principal receipts (or reduction, if any, of the notional balance) of such Certificate referred to in clause (a).

For a list of factors which may influence the weighted average life of a Certificate, see “Risk Factors—Prepayment Considerations” in the Multifamily REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the rate of principal payments on the Mortgage Loans increases and lengthened if the rate of principal payments on the Mortgage Loans decreases; however, the weighted average lives will depend upon a variety of other factors, including:

- the timing of changes in such rate of principal payments, and
- the priority sequence of distributions of principal of the Certificates.

See “—Distributions of Principal.”

The interaction of the foregoing factors may have an effect on the Certificates at different times during the lives of the Certificates. Accordingly, we cannot give you any assurance as to the weighted average life of any Class. Further, to the extent the price of a Certificate represents a discount from or

premium to its respective original principal balance, any variability in the weighted average life of a Certificate in combination with such discount or premium could result in variability in its yield to maturity. For an example of how the weighted average life of a Certificate may be affected at various percentages of CPR and 100% PLD, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of the original principal balances or notional balances of the specified Classes that would be outstanding after each of the dates shown at the indicated constant percentages of CPR and 100% PLD and the corresponding weighted average lives of such Classes. We prepared the tables on the basis of the Pricing Assumptions. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any constant level of CPR or PLD, and we do not represent that the Mortgage Loans will prepay at the CPR/PLD levels described herein or in accordance with any other scenario.

Percent of Original Principal Balances Outstanding

Date	A Class							B Class							C Class							
	CPR Prepayment Assumption							CPR Prepayment Assumption							CPR Prepayment Assumption							
	0%	10%	15%	25%	30%	40%	50%	0%	10%	15%	25%	30%	40%	50%	0%	10%	15%	25%	30%	40%	50%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2006	97	86	81	70	64	54	43	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2007	94	74	65	48	40	26	14	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2008	91	63	51	30	22	8	0	100	100	100	100	100	100	82	100	100	100	100	100	100	100	100
June 2009	88	53	39	18	10	0	0	100	100	100	100	100	100	73	0	100	100	100	100	100	100	81
June 2010	85	44	29	8	1	0	0	100	100	100	100	100	100	0	0	100	100	100	100	100	94	31
June 2011	81	36	21	1	0	0	0	100	100	100	100	100	39	0	0	100	100	100	100	100	48	8
June 2012	77	29	14	0	0	0	0	100	100	100	100	51	0	0	0	100	100	100	100	88	22	0
June 2013	73	22	8	0	0	0	0	100	100	100	4	0	0	0	0	100	100	100	100	54	6	0
June 2014	69	17	3	0	0	0	0	100	100	100	0	0	0	0	0	100	100	100	70	31	0	0
June 2015	64	12	0	0	0	0	0	100	100	93	0	0	0	0	0	100	100	100	46	16	0	0
June 2016	60	8	0	0	0	0	0	100	100	52	0	0	0	0	0	100	100	100	28	6	0	0
June 2017	56	4	0	0	0	0	0	100	100	19	0	0	0	0	0	100	100	100	16	0	0	0
June 2018	51	1	0	0	0	0	0	100	100	0	0	0	0	0	0	100	100	91	7	0	0	0
June 2019	46	0	0	0	0	0	0	100	70	0	0	0	0	0	0	100	100	69	*	0	0	0
June 2020	41	0	0	0	0	0	0	100	38	0	0	0	0	0	0	100	100	51	0	0	0	0
June 2021	36	0	0	0	0	0	0	100	12	0	0	0	0	0	0	100	100	36	0	0	0	0
June 2022	32	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	91	26	0	0	0	0
June 2023	29	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	74	17	0	0	0	0
June 2024	26	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	60	11	0	0	0	0
June 2025	23	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	47	5	0	0	0	0
June 2026	19	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	36	1	0	0	0	0
June 2027	16	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	26	0	0	0	0	0
June 2028	12	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	18	0	0	0	0	0
June 2029	8	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	11	0	0	0	0	0
June 2030	4	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	5	0	0	0	0	0
June 2031	*	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0
June 2032	0	0	0	0	0	0	0	49	0	0	0	0	0	0	0	100	0	0	0	0	0	0
June 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97	0	0	0	0	0	0
June 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52	0	0	0	0	0	0
June 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0	0	0
June 2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
June 2037	0	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)**	13.3	5.0	3.6	2.3	1.9	1.4	1.0	27.0	14.7	11.2	7.1	5.9	4.3	3.3	29.2	20.2	15.6	10.2	8.5	6.2	4.7	

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

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

Percent of Original Notional Balance Outstanding

Date	IO† Class						
	CPR Prepayment Assumption						
	0%	10%	15%	25%	30%	40%	50%
Initial Percent	100	100	100	100	100	100	100
June 2006	98	88	83	74	69	60	50
June 2007	95	78	69	55	48	36	26
June 2008	92	68	57	40	33	21	12
June 2009	90	59	47	29	22	12	6
June 2010	87	51	39	21	14	6	2
June 2011	84	44	32	15	9	3	1
June 2012	80	38	26	10	6	1	0
June 2013	77	33	21	7	4	*	0
June 2014	73	28	16	5	2	0	0
June 2015	69	24	13	3	1	0	0
June 2016	65	20	10	2	*	0	0
June 2017	62	17	8	1	0	0	0
June 2018	57	14	6	*	0	0	0
June 2019	53	12	5	*	0	0	0
June 2020	49	9	3	0	0	0	0
June 2021	45	8	2	0	0	0	0
June 2022	42	6	2	0	0	0	0
June 2023	39	5	1	0	0	0	0
June 2024	36	4	1	0	0	0	0
June 2025	33	3	*	0	0	0	0
June 2026	30	2	*	0	0	0	0
June 2027	27	2	0	0	0	0	0
June 2028	24	1	0	0	0	0	0
June 2029	20	1	0	0	0	0	0
June 2030	17	*	0	0	0	0	0
June 2031	14	0	0	0	0	0	0
June 2032	10	0	0	0	0	0	0
June 2033	7	0	0	0	0	0	0
June 2034	4	0	0	0	0	0	0
June 2035	1	0	0	0	0	0	0
June 2036	*	0	0	0	0	0	0
June 2037	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.3	6.7	4.9	3.1	2.6	1.9	1.4

* 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 the IO Class, the Decrement Table indicates the percentage of the original notional principal balance outstanding.

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances and will not bear interest. If any assets of the Trust remain after the principal balances of all Classes are reduced to zero, we will pay the Holder of the R Class the proceeds from those assets. If any assets of the Lower Tier REMIC remain after the principal balances of the Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. We do not expect that any such 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 Multifamily 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 and the additional representation discussed below from any new transferee. Transfer-

ors 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 Multifamily 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. A transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the Multifamily 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 Multifamily 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 Multifamily 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.

THE TRUST AGREEMENT

The following summary descriptions of certain provisions set forth in the Trust Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to, the provisions of the Trust Agreement.

Servicing of the Participation Certificates

Modification, Waivers and Amendments.

With respect to any Participation Certificate, we must use reasonable efforts to monitor the actions of the related servicer with respect to such Participation Certificate and the related Mortgage Loan in connection with (i) any potential modification, waiver or amendment of any term of such Participation Certificate or Participation Agreement or (ii) any action by the servicer, that would possibly (A) result in an adverse event with respect to the qualification of the REMICs or (B) cause any Participation Certificate to cease to be a “qualified mortgage” within the meaning of Section 860G(a)(3) of the Code. We must direct the servicers with respect to such matters to the extent (but only to the extent) permitted to do so by the related Participation Agreement.

Defaults Under Participation Agreements.

If we gain actual knowledge of any default on the part of the related servicer under any Participation Agreement and if such default is of a nature that the related Participation Agreement would permit the termination of the defaulting party, then unless such default is promptly cured or we waive such default, we may, in accordance with the terms of the related Participation Agreement, terminate the defaulting party thereunder and appoint such a successor as would be appropriate thereunder. If no other suitable successor can be found, we may act as such successor. In any event, so long as such default shall not have been remedied, we, in addition to the rights specified above, must take all actions now or hereafter existing at law, in equity or by statute to enforce the rights and remedies and to protect the interests of the Certificateholders and the holders of the Subordinate Class as the beneficial owners of the related Participation Certificates (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith). If a default by the mortgagor of the related Mortgage Loan occurs, then, to the extent the related Participation Agreement grants the holder of the related Participation Certificate the right to direct the servicer with respect to the remedies to be exercised with respect to such default, we must direct the servicer to file an insurance claim and assign such Mortgage Loan to the FHA.

Purchase of Participation Certificates with respect to Defaulted Mortgage Loans.

If we discover or are notified that a servicer intends to file an insurance claim with respect to a defaulted Mortgage Loan backing a Participation Certificate, we must notify the holders of the Subordinate Class and the Seller, and the holders of a majority of the Subordinate Class, the Seller and the Master Servicer may, at their respective options, purchase the related Participation Certificate at the applicable Purchase Price (as defined below) by delivering cash in an amount equal to the applicable Purchase Price to Fannie Mae no earlier than 61 days and no later than 105 days following the date on which the mortgagor shall have failed to make the payment or perform the covenant that caused such default. Upon our receipt of the applicable Purchase Price for any Participation Certificate, we will release it to the purchaser.

Receipt of FHA Debentures.

If (i) we receive as a distribution in kind on a Participation Certificate any FHA Debentures received as part of the FHA Insurance Benefits in respect of any defaulted Mortgage Loan assigned to the FHA or (ii) if we discover or are notified that FHA Debentures so received in respect of any defaulted Mortgage Loan back a Participation Certificate and will not be distributed in kind, then we will promptly notify the Master Servicer and will promptly deliver such FHA Debentures to the

Master Servicer, which will arrange for the sale of any such FHA Debenture or Participation Certificate. See “The Sale and Servicing Agreement—Sale of FHA Debentures” in this Prospectus Supplement.

Termination

Pursuant to the Trust Agreement, the holders of a majority of the Subordinate Class or the Master Servicer may purchase all the Mortgage Assets remaining in the Lower-Tier REMIC and effect an early termination of the Lower-Tier REMIC and the Trust at any time that the aggregate stated principal balance of all the Mortgage Assets remaining in the Lower-Tier REMIC is five percent or less (one percent or less if all the Mortgage Assets remaining in the Lower-Tier REMIC are GNMA Certificates) of the principal balance of the Mortgage Assets as of June 1, 2005, for a purchase price generally equal to the aggregate outstanding principal balance, and thirty days accrued interest, for all the Mortgage Assets remaining in the Lower-Tier REMIC. See “The Sale and Servicing Agreement—Termination” in this Prospectus Supplement.

THE SALE AND SERVICING AGREEMENT

We, as purchaser, Greystone Funding Corporation, as seller (the “Seller”), Midland Loan Services, Inc., as master servicer (the “Master Servicer”), and PNC Bank, National Association, as fiscal agent, are parties to a Sale and Servicing Agreement dated as of June 1, 2005 (the “Sale and Servicing Agreement”), pursuant to which we acquired the Mortgage Assets from the Seller and, pursuant to our powers under the Trust Agreement, we engaged the Master Servicer, as our independent contractor, to administer the Mortgage Participations and to monitor servicing of the Mortgage Loans backing the Mortgage Participations.

The primary servicer of a majority of the Mortgage Loans is an affiliate of the Seller.

The Sale and Servicing Agreement is a contract solely between us and the other named parties. The Certificateholders do not have any claims, rights, obligations, duties or liabilities with respect to the Sale and Servicing Agreement or such other parties except to the limited extent described in this Prospectus Supplement.

General

The Sale and Servicing Agreement sets forth the standards and the detailed procedures to be followed by, and rights and obligations of, the Master Servicer with respect to servicing and administering the Mortgage Participations on our behalf.

Master Servicer.

In general, the Master Servicer is responsible for (i) monitoring the performance of the servicers of the Mortgage Loans under the related Participation Agreements, (ii) directing (subject in certain circumstances to our consent) the servicers under the related Participation Agreements with respect to certain matters relating to the Mortgage Loans, to the extent such direction is permitted under the related Participation Agreements, (iii) under certain circumstances, selling Participation Certificates relating to defaulted Mortgage Loans and FHA Debentures, (iv) making Advances (as defined below) and (v) collecting payments on the Participation Certificates.

Advances

Delinquency Advances.

The Master Servicer is generally obligated, with respect to each Participation Certificate on each Distribution Date, to make “Delinquency Advances” in an amount equal to the excess of (i) the scheduled monthly payment on such Participation Certificate over (ii) the portion of the aggregate remittance received in respect of such Participation Certificate (net of any portion thereof allocable to

pay related unpaid Master Servicing Fees and Fannie Mae guaranty fees and to reimburse related Advances).

Servicing Advances.

The Master Servicer is also required to cover certain servicing and administrative expenses (“Servicing Advances”) with respect to the Mortgage Loans backing the Participation Certificates; *provided, however*, that Master Servicer will not make any particular Servicing Advance if and to the extent that (i) the Master Servicer determines, in its good faith and reasonable judgment, that such Servicing Advance, if made, would not be specifically covered by the FHA Insurance Benefits with respect to the related Mortgage Loan and (ii) the failure to make such Servicing Advance would not adversely affect the ability to recover the full amount of FHA Insurance Benefits in respect of the related Mortgage Loan; and *provided, further*, that the Master Servicer shall not be required to make any Servicing Advance that the Master Servicer determines, in its reasonable and good faith judgment, would, if made, be nonrecoverable from collections as described in “—*Recoverability of Advances*” below.

Recoverability of Advances.

The Master Servicer is entitled to reimburse itself with payments from the Mortgage Assets for unreimbursed Advances.

Interest on Advances.

The Master Servicer will be entitled to interest on each Advance at a rate per annum equal to two percentage points above the “federal funds rate” set forth from time to time in Federal Reserve Statistical Release H.15 (519), as most recently published by the Board of Governors of the Federal Reserve System, generally payable at or after the time that the Master Servicer has been compensated for the related Advance.

Purchase of Participation Certificates with respect to Defaulted Mortgage Loans

If the Master Servicer learns that the servicer of a Mortgage Loan backing a Participation Certificate (the “PC Servicer”) intends to file an FHA insurance claim as a result of a default with respect to a Mortgage Loan, Fannie Mae or the Master Servicer will notify the holders of the Subordinate Class and the Seller. Thereafter, the holders of a majority of the Subordinate Class, the Seller and the Master Servicer may, at their respective options, purchase the related Participation Certificate at the applicable purchase price by delivering cash, in an amount generally equal to the outstanding principal balance plus accrued and unpaid interest (the “Purchase Price”), to the Master Servicer no earlier than 61 days and no later than 105 days following the date on which the mortgagor shall have failed to make the payment or perform the covenant that shall have caused such default.

Sale of FHA Debentures

If any FHA Debentures are received as part of the FHA Insurance Benefits in respect of any defaulted Mortgage Loan backing a Participation Certificate or if the Master Servicer discovers or is notified that FHA Debentures have been so received in respect of any defaulted Mortgage Loan backing a Participation Certificate and will not be distributed in kind, then the Master Servicer will promptly arrange for the sale any such FHA Debentures or related Participation Certificate, as the case may be, within 7 days of its receipt of the FHA Debentures or discovery with respect to a defaulted Mortgage Loan that the underlying FHA Debentures will not be distributed in kind and will deposit the proceeds of any such sale in the Custodial Account.

Servicing and Administration of the Participation Certificates

If at any time any person whatsoever requests the Master Servicer to take any action in respect of a Participation Certificate (other than the disposition thereof) or to give any consent, approval or

waiver in respect thereof, then: (i) if such request is made in connection with the servicing and administration of the related Mortgage Loan or any Mortgaged Property acquired in respect thereof, the Master Servicer will inform us, and the Master Servicer shall act in the best interest of the Certificateholders and the holders of the Subordinate Class; (ii) if such request is made in connection with the termination of, or the exercise of any other remedy against, the servicer under the related Participation Agreement as a result of a default by such party thereunder, the Master Servicer shall proceed as described in the accordance with the second succeeding paragraph; and (iii) if such request is made in connection with an amendment of the related Participation Agreement, any change in the Mortgage Loan or any other matter (not covered by the immediately preceding clause (i) or clause (ii)) relating to the receipt of payments by Certificateholders or holders of the Subordinate Class or any other material rights of the Certificateholders or holders of the Subordinate Class, the Master Servicer shall promptly notify us of such request in writing and shall take such action in connection with the exercise and/or enforcement of any rights and/or remedies available to the registered holder of such Participation Certificate with respect to such request as we shall direct in writing; *provided, however,* that, if the Master Servicer does not receive written instructions from us within 30 days (or within such shorter time as is required for response under the related Participation Agreement) of our receipt of such notification from the Master Servicer, the Master Servicer may (i) take such course of action as it determines, in its reasonable and good faith judgment, to be in the best interests of Certificateholders and holders of the Subordinate Class or (ii) refuse to take such requested action or to give any such requested consent, approval or waiver.

If at any time any person whatsoever requests the Master Servicer to take any action with respect to any FHA Debentures distributed on any Participation Certificates (other than the disposition thereof) or to give any consent, approval or waiver in respect thereof, then the Master Servicer will promptly inform us in writing of such request, and the Master Servicer may take such course of action, grant or withhold such consent, waiver or approval or otherwise appropriately act, in any event as it determines, in its reasonable and good faith judgment, to be in the best interests of the Certificateholders and the holders of the Subordinate Class; except that, if such request relates to receipt of payments by the Certificateholders or the holders of the Subordinate Class or any other material rights of the Certificateholders or the holders of the Subordinate Class, then the Master Servicer will inform us of such request and shall take such action as directed in writing by us. If the Master Servicer does not receive written instructions from us within 30 days of our receipt of notification from the Master Servicer, the Master Servicer may (i) take such course of action as it determines, in its reasonable and good faith judgment, to be in the best interests of the Certificateholders and the holders of the Subordinate Class or (ii) refuse to take such requested action or give any such requested consent, approval or waiver.

If the Master Servicer shall gain actual knowledge (including as a result of notification by us) of any default on the part of a PC Servicer under any Participation Agreement, the Master Servicer will promptly notify us of such default in writing and, if it is of a nature that the related Participation Agreement would permit the termination of the defaulting party, then unless the PC Servicer promptly cures such default or we instruct the Master Servicer to waive such default, the Master Servicer may, in accordance with the terms of the related Participation Agreement, terminate the defaulting party thereunder and either assume the servicing under the related Participation Agreement or appoint such a successor as would be appropriate as a successor thereunder. In any event, if no other suitable successor can be found, then the Master Servicer will, unless it is prohibited by law or by us, accept appointment as such successor subject to the terms of the related Participation Agreement. In any event, so long as such default shall not have been remedied, the Master Servicer, in addition to the rights specified above, may take all actions now or thereafter existing at law, in equity or by statute to enforce the rights and remedies and to protect our interests (in our capacity as Trustee) and the rights, remedies and interests of Certificateholders and the holders of the Subordinate Class as the beneficial owners of the related Participation Certificate (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith).

If a default by the mortgagor of the related Mortgage Loan occurs, then, to the extent the related Participation Agreement grants the holder of the related Participation Certificate the right to direct the PC Servicer with respect to the remedies to be exercised with respect to such default, the Master Servicer shall direct the PC Servicer to file an insurance claim and assign such Mortgage Loan to the FHA. The Master Servicer, on our behalf and on behalf of the Certificateholders and the holders of the Subordinate Class, is required to monitor the performance (and, except with respect to such matters described above for which it is required to act at our direction, enforce the obligations) of the respective PC Servicers under the Participation Agreements.

Notwithstanding anything to the contrary, the Master Servicer shall not take any action described under this caption "Servicing and Administration of Participation Certificates" that will materially and adversely affect the holders of the Subordinate Class without the consent of the holders of a majority interest in the Subordinate Class, *provided, however*, that in no event will the Master Servicer require any such consent in order to direct the filing an FHA insurance claim with respect to a defaulted Mortgage Loan backing a Mortgage Participation.

Representations and Warranties; Repurchases

In the Sale and Servicing Agreement, the Seller will make certain customary representations and warranties for our benefit with respect to the Mortgage Assets. In the Trust Agreement, we will assign to the Trustee all such representations and warranties given to us with respect to the Mortgage Assets and will also give the Trustee the right to enforce directly the remedies set forth in the Sale and Servicing Agreement with respect to a breach of any such representations and warranties. The representations and warranties in the Sale and Servicing Agreement will continue in effect throughout the term of the Sale and Servicing Agreement. Following the discovery of a breach of any of such representations and warranties that is determined to affect materially and adversely the value of a Mortgage Asset, the Trustee may (but is not obligated to) require the Seller to purchase the affected Mortgage Asset from the Lower-Tier REMIC at the applicable Purchase Price.

Amendment

The Sale and Servicing Agreement may be amended from time to time without the consent of any of the Certificateholders by us and, if materially and adversely affected thereby, the Seller, the Master Servicer and the Fiscal Agent. Certain provisions of the Sale and Servicing Agreement expressly grant rights or benefits to the holders of a majority interest in the Subordinate Class, and such holders are third party beneficiaries of such provisions.

Termination

The obligations and responsibilities created by the Sale and Servicing Agreement will terminate upon payment (or provision for payment) to the Certificateholders and the holders of the Subordinate Class of all amounts held by or on behalf of the Trustee and required under the Trust Agreement to be so paid on the Distribution Date following the earlier to occur of (i) the purchase by the holders of a majority interest in the Subordinate Class of all the Mortgage Assets remaining in the Lower-Tier REMIC if the aggregate stated principal balance of the Mortgage Assets remaining in the Lower-Tier REMIC as of the date of such election is five percent or less (or one percent or less, if the Mortgage Assets remaining in the Lower-Tier REMIC are entirely GNMA Certificates) of the principal balance of the Mortgage Assets as of June 1, 2005, and (ii) the final payment (or any advance with respect thereto) on or other liquidation of the last Mortgage Assets remaining in the Lower-Tier REMIC. The purchase price payable by the Master Servicer or the holders of a majority of the Subordinate Class pursuant to clause (i) of the preceding sentence will be generally equal to the outstanding principal balance, and thirty days accrued interest, for all the Mortgage Assets then remaining in the Lower-Tier REMIC.

DESCRIPTION OF THE MORTGAGE LOANS

General

The Lower-Tier REMIC will consist of 48 Mortgage Assets with an aggregate Issue Date Balance of approximately \$143,503,067 as of June 1, 2005 (the “Issue Date Pool Balance”), subject to a permitted variance of plus or minus 5%. The “Issue Date Balance” of each Mortgage Asset is equal to the “Issue Date Balance” of the related Mortgage Loan, and the “Issue Date Balance” of each Mortgage Loan (to the extent represented by such Mortgage Asset) is the actual unpaid principal balance thereof as of June 1, 2005, after application of all payments of principal due on or before such date, whether or not received. The Mortgage Assets will be sold by the Seller.

The Seller collected and summarized the information with respect to the Mortgage Loans included in this Prospectus Supplement. It provided such information to us, and we did not make an independent verification of such information and, therefore, do not warrant its truth or accuracy and shall not be responsible therefor.

The Participation Certificates

Each of the Participation Certificates was issued pursuant to a “Participation Agreement” between a mortgagee that originated or owned the related Mortgage Loan, a servicer with respect to such Mortgage Loan, which generally is such mortgagee, and the holder of the Participation Certificate. Pursuant to the Participation Agreement, such servicer is responsible for the servicing of the related Mortgage Loan, including collecting all amounts due thereunder, monitoring the performance by the mortgagor under the terms of the related Mortgage Loan and maintaining the FHA Insurance Contract with respect thereto. Although we will be the registered holder of the Participation Certificate, our ability, and the ability of the Master Servicer as our agent, to direct the related servicer with respect to the servicing of the Mortgage Loan will be limited to the rights granted to the holder of the Participation Certificate under the Participation Agreement. Generally, the holder of the Participation Certificates has been given the right to direct the disposition of the Mortgage Loans following defaults with respect thereto and to replace a servicer should it default under the Participation Agreement.

We expect that 28 Mortgage Loans will underlie the Participation Certificates, with an aggregate Issue Date Balance of approximately \$80,465,879. Those Mortgage Loans are fixed rate, level-pay and fully amortizing. Each such Mortgage Loan is secured by a Mortgage on a Mortgaged Property and is insured, to the extent and subject to the limitations described in this Prospectus Supplement, by the FHA.

GNMA Certificates

The Government National Mortgage Association is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Section 306(g) of Title III of the National Housing Act of 1934, as amended (the “Housing Act”), authorizes GNMA to guarantee the timely payment of the principal of, and interest on, certificates that are based on and backed by a pool of mortgage loans insured by the Federal Housing Administration (“FHA”) under the Housing Act or Title V of the Housing Act of 1949, or partially guaranteed by the Department of Veterans Affairs under the Servicemen’s Readjustment Act of 1944, as amended, or Chapter 37 of Title 38 of the United States Code.

Section 306(g) of the Housing Act provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” To meet its obligations under such guaranties, GNMA is authorized, under Section 306(d) of the Housing Act, to borrow from the United States Treasury with no limitations as to amount.

Each GNMA Certificate will be a “fully modified pass-through” mortgage-backed security issued and serviced by a mortgage banking company or other financial concern approved by GNMA as a seller-servicer of loans insured by the FHA.

We expect that 20 Mortgage Loans will underlie the GNMA Certificates, with an aggregate Issue Date Balance of approximately \$63,037,188. Those Mortgage Loans are fixed-rate and are level-pay and fully amortizing. Each such Mortgage Loan is secured by a Mortgage that creates a lien on the applicable borrower’s estate in a Mortgaged Property.

FHA Insurance Programs

FHA multifamily insurance programs generally are designed to assist private and public mortgagors in obtaining insured financing for the construction, purchase or rehabilitation of multifamily housing pursuant to the Housing Act or, with respect to a risk sharing pilot program, the Housing and Community Development Act of 1992, as amended. Mortgage loans are provided by FHA-approved institutions, which include mortgage bankers, commercial banks, savings and loan associations, trust companies, insurance companies, pension funds, state and local housing finance agencies and certain other approved entities.

Mortgage loans insured under the programs described below will have such maturities and amortization features as the FHA may approve, *provided* that generally the minimum mortgage term will be at least ten years and the maximum mortgage term will not exceed the lesser of 40 years and 75 percent of the estimated remaining economic life of the improvements on the mortgaged property.

Tenant eligibility for FHA-insured projects generally is not restricted by income, except for projects as to which rental subsidies are made available with respect to some of or all the units therein or to specified tenants.

HUD’s default and prepayment experience with respect to its FHA programs is available at the Office of the Housing-FHA Comptroller, Statistical and Actuarial Analysis Staff (phone: (202) 755-7510).

The following is a summary of the various FHA insurance programs under which the Mortgage Loans are insured. To the extent that the various FHA features and eligibility criteria described below are not required by the Housing Act or related rules, program changes may be implemented by HUD in underwriting and insuring project loans.

Section 207 (Mortgage Insurance for Multifamily Housing)

Section 207 of the Housing Act provides for federal insurance of mortgage loans originated by FHA-approved lenders in connection with the construction or substantial rehabilitation of multifamily housing projects, which includes manufactured home parks.

Section 220 (Multifamily Projects in Urban Renewal Areas).

Section 220 of the Housing Act provides for federal insurance of mortgage loans on multifamily rental projects located in federally aided urban renewal areas or in areas having a local redevelopment or urban renewal plan certified by the FHA. The mortgage loans may finance the rehabilitation of existing housing (including the refinancing of existing loans) or new construction in targeted areas, and subject to FHA limitations may also finance non-dwelling facilities such as commercial space. The purpose of Section 220 is to encourage quality rental housing in urban areas targeted for overall revitalization.

Section 221(d)(3) and Section 221(d)(4) (Low and Moderate Income Multifamily Housing Mortgage Insurance).

Section 221(d)(3) and Section 221(d)(4) of the Housing Act provide for mortgage insurance to assist private industry in the construction or substantial rehabilitation of rental and cooperative housing for low-and moderate-income families and families that have been displaced as a result of

urban renewal, governmental actions or disaster. Non-profit and cooperative owners use Section 221(d)(3); for-profit owners use Section 221(d)(4).

The maximum insurable amount is the lowest of the following: (i) the aggregate of maximum per dwelling unit amounts, as may be subject to certain HUD adjustments; (ii) in the case of new construction, the applicable percentage of HUD's estimate of the replacement cost after completion, less the amount of grant/loan funds attributable to replacement cost items (in the case of substantial rehabilitation or reconstruction, HUD's estimate is based upon the cost estimate of rehabilitation and fair market value of the land and existing improvements before rehabilitation instead of replacement cost after completion); or (iii) a loan amount whose debt service does not exceed the applicable percentage of the project's net income, as may be subject to certain HUD adjustments. For non-profit owners and cooperatives, the applicable percentage is 100%; for profit-motivated owners, the applicable percentage is 90%.

Section 223(a)(7) (Refinancing of FHA-Insured Mortgages).

Section 223(a)(7) of the Housing Act permits the FHA to refinance existing mortgage loans under any section or title of the Housing Act. Such refinancing results in prepayment of the existing insured mortgage loan. The new, refinanced mortgage loan generally is limited to the original principal amount of the existing mortgage loan and the unexpired term of the existing mortgage loan plus 12 years. The maximum amount for loans previously refinanced under Section 223(f) (described below) is based on the amount that can be amortized by 90 percent of the project's net operating income, which amount can be increased to 95 percent if the borrower is a nonprofit organization.

The term of a new mortgage loan insured under Section 223(a)(7) may not exceed the unexpired term of the existing mortgage loan, except that it may have a term of up to twelve years in excess of the unexpired term of the existing mortgage loan if the FHA determines that such extended term will inure to the benefit of the insurance fund under which the mortgage loan is insured, taking into consideration the outstanding insurance liability under the existing insured loan and the remaining economic life of the related property.

Section 223(f) (Purchase or Refinancing of Existing Projects).

Section 223(f) of the Housing Act provides for federal insurance of mortgage loans originated by FHA-approved lenders in connection with the purchase or refinancing of existing multifamily housing complexes, hospitals and nursing homes that do not require substantial rehabilitation. The principal objective of the Section 223(f) program is to permit the refinancing of mortgage loans to provide for a lower debt service in order to preserve an adequate supply of affordable rental housing. Such projects may have been financed originally with conventional or FHA-insured mortgages.

To be eligible for insurance under Section 223(f), a project must have rental income sufficient to pay operating expenses and annual debt service, and must have a reserve fund for replacements or provide an operating deficit fund on terms approved by the FHA. The cost of repairs, replacements and improvements may not exceed the greater of 15 percent of the property's value after the improvements and \$6,500 per dwelling unit (adjusted for high-cost areas); and no more than one major building component may be replaced. The project must have been completed at least three years prior to the application for mortgage insurance, and its remaining economic life must be at least ten years.

If the project is to be acquired by the mortgagor and financed in part with the insured mortgage loan, the maximum mortgage loan amount under Section 223(f) is 85 percent of the cost of acquisition as determined by the FHA (90 percent of such amount for a cooperative multifamily project and for projects financed with state or local assistance or located in older, declining urban areas that meet certain eligibility requirements). If, on the other hand, the property is to be refinanced without a change in ownership, then the maximum mortgage loan amount may not exceed: (a) for rental projects, the greater of 70 percent of the estimated value of the property and the cost of refinancing the existing indebtedness; and (b) for cooperative projects, the cost of refinancing the

existing indebtedness. In addition to the above limitations, a mortgage loan insured under Section 223(f) may not have a principal amount in excess of the lesser of 85 percent of the estimated value of the project and the statutory per dwelling unit amount.

Secondary financing on multifamily housing projects is permissible under Section 223(f). The secondary debt may be secured by a second lien on the related project and cannot mature prior to the maturity date of the original mortgage loan but may be prepaid out of surplus cash from operations of the project. If a loan is made to finance the purchase of an existing project, the second mortgage loan may not exceed 7.5 percent of the lesser of the estimated value of the project and the cost of acquisition. In the case of secondary financing used to refinance an existing project, the second mortgage may not exceed the lesser of 7.5 percent of the estimated value of the project and 50 percent of the difference between the cost of refinancing the project and the maximum mortgage loan amount determined by the FHA.

Sections 232/223(f) (Mortgage Insurance for Nursing Homes, Immediate Care Facilities and Board and Care Homes).

Section 232 of the Housing Act provides for FHA insurance of private construction mortgage loans to finance new or rehabilitated nursing homes, intermediate care facilities, board and care homes, assisted living for the frail elderly or allowable combinations thereof, including equipment to be used in their operation. Section 232 also provides for supplemental loans to finance the purchase and installation of fire safety equipment in these facilities. However, these loans are governed by different restrictions and limitations than those set forth below for the actual facilities.

The maximum mortgage amount that is insurable under Section 232 for new construction and substantial rehabilitation is, for profit-motivated mortgagors, 90 percent of the estimated value of the project, including the equipment to be used in the operation, when the proposed improvements are completed and the equipment is installed, and 95 percent of such value for private nonprofit mortgagors.

A mortgage executed in connection with the purchase or refinancing of existing projects under Section 232 pursuant to Section 223(f) of the Housing Act must have a principal amount no greater than 85 percent for a profit-motivated mortgagor (90 percent for a private nonprofit mortgagor) of the estimated value of the project, including major equipment and any repairs and improvements. Such mortgage also may not exceed the amount that could be amortized by 85 percent for profit-motivated mortgagors (90 percent for nonprofit) of the net projected project income available for payment of debt service. If the project is to be refinanced by the insured mortgage loan without a change in ownership, the maximum mortgage amount may not exceed the cost to refinance the existing indebtedness, as determined by the FHA. If the mortgage loan insured pursuant to Section 223(f) is to be used in part to finance the acquisition of the project by the mortgagor, in addition to the above-mentioned limits, the maximum loan amount is 85 percent of the cost of acquisition for profit-motivated mortgagors and 90 percent for nonprofit mortgagors.

Section 236 (Mortgage Insurance for Subsidized Rental Housing Projects).

Section 236 of the Housing Act combines governmental mortgage insurance on multifamily housing projects with subsidized payments to reduce the project owners' monthly debt service payments. The supplemental payments are paid directly to the mortgagee of the project for the purpose of reducing the interest payment due from the project owner. The objective of these supplemental payments is to reduce rental payments required of low-income and elderly residents. To qualify for rental assistance under Section 236, tenants' annual income must be less than 80 percent of the median income of the area. The program serves both elderly individuals and low-income families. Originations under Section 236 are no longer active, although refinancings under Section 223(a)(7) have been authorized.

Section 241(f) (Supplemental Loans for Multifamily Projects).

Section 241(f) of the Housing Act provides for FHA Insurance to finance property improvements, energy-conserving improvements or supplemental increases to any FHA-insured multifamily loan. The overall purpose of the Section 241(f) loan program is to provide a project with a means to remain competitive, to extend its economic life and to finance the replacement of obsolete equipment without the refinancing of the existing mortgage.

The Section 8 Program

Project-based Section 8 rent subsidies are paid by HUD to owners of certain types of low income multifamily housing properties on behalf of eligible tenants. Tenant eligibility is determined based upon family income and size, as well as the median income for the area. The subsidy paid by HUD is based on the difference between the rent charged to the tenant (which rent is established by HUD, as set forth below) and the tenant's ability to pay. The payment of subsidies to a particular project owner is made pursuant to a Housing Assistance Payment contract (a "HAP Contract") between the owner of the project and HUD or between the owner and a local public housing authority ("PHA"), depending on which entity is administering the HAP Contract.

Section 8 assistance may be either tenant-based or project-based. Tenant-based assistance involves subsidy payments made to a PHA on behalf of eligible tenants which the PHA pays to the project owner. "Project-Based Assistance" differs from tenant-based assistance in that subsidies not linked to particular tenants are paid to the owner directly from HUD. Generally, housing projects qualified for Project-Based Assistance provide that the tenants therein spend, in general, at least approximately 30% of their gross monthly income on rent and have household income below approximately 80% of the median income level for their geographic area. HUD can set the basic income limits higher or lower than 80%, based on the prevailing level of construction costs or unusually high or low incomes. There are, however, overall restrictions on the number of assisted tenants whose households are not classified as "very low income" households. "Very-low income" for a family of four is defined as 50% of area median income, and the percentage is adjusted for family size.

In some cases, the ability of a project owner to meet its payment obligations under an FHA-insured mortgage loan may be dependent upon its ability to obtain further subsidies to replace the expiring Project Based Assistance. Because the remaining term to maturity of an affected Mortgage Loan may be longer than the remaining term of any related HAP Contract, and because there is no assurance that HUD will extend the term of any particular HAP Contract upon its expiration, it is possible that the expiration of a HAP Contract with respect to a particular Mortgaged Property could result in an unscheduled recovery of principal due to a full or partial FHA-insurance claim or prepayment with respect to the related Mortgage Loan, notwithstanding any prepayment lockout otherwise applicable thereto. See "Yield Considerations" herein.

Moreover, before a technical default occurs, HUD may seek to reduce the financial risk to the FHA Insurance Fund by restructuring the project's debt so that the affordable nature of the housing is preserved and the involuntary displacement of tenants is minimized.

HUD's authority to renew expiring project-based HAP Contracts and to restructure the underlying debt comes from reform legislation enacted as part of the Multifamily Assisted Housing Reform and Affordability Act (the "1997 Act"). Under the 1997 Act, HUD was authorized to renew expiring HAP Contracts at above-market rents through fiscal year 1998; currently, however, renewals are generally required at rent levels that do not exceed comparable market rents.

The 1997 Act provides for HUD to enter into agreements with "participating administrative entities" such as state housing finance agencies to implement mortgage restructuring and rental assistance sufficiency plans to restructure multifamily mortgages. A variety of restructuring tools are permitted under the 1997 Act, including a full or partial FHA-insurance claim, refinancing of the

existing debt through new FHA multifamily mortgage insurance, re-insurance or other types of Federal or State credit enhancement or risk-sharing arrangements.

Approximately \$71.7 million of the Issue Date Pool Balance is associated with mortgage loans that receive Section 8 assistance payments. The weighted average term to expiration of these contracts is 8 months. Some of the contracts have expired and the owners are in the process of negotiating their renewal.

Historically, there have been differing default and prepayment rate experiences between loans receiving Section 8 rent subsidies and insured under certain sections of the Housing Act and those insured under the same sections but not receiving Section 8 rent subsidies. These default and prepayment rates may or may not be affected by subsequent Congressional legislation which may or may not affect projects whose Project-Based Assistance expires during the term of the FHA-insured mortgage.

Information with respect to expiring HAP Contracts is available through HUD's Section 8 Renewal Help Desk at (202) 275-9200 or via email at sec—8 expiring—contracts@hud.gov.

Certain Additional Characteristics of the Mortgage Loans

Mortgage Rates; Calculations of Interest.

All the Mortgage Loans bear interest at mortgage interest rates (each, a “Mortgage Rate”) that will remain fixed for their remaining terms. All the Mortgage Loans accrue interest on the basis of a 360-day year consisting of twelve 30-day months.

Due Dates.

All the Mortgage Loans have Due Dates (that is, the dates upon which the related monthly payments first become due) that occur on the first day of each month.

Amortization.

All the Mortgage Loans are fully-amortizing over their remaining terms to stated maturity. Certain of the Mortgage Loans provide that, if the related borrower makes a partial principal prepayment, such borrower will not be in default if it fails to make any subsequent scheduled payment of principal, provided that such borrower continues to pay interest in a timely manner and the unpaid principal balance of such Mortgage Loan at the time of such failure is at or below what it would otherwise be in accordance with its amortization schedule if such partial principal prepayment had not been made. In some cases, partial principal prepayments have previously been made on the Mortgage Loans. The Mortgage Loans also permit the reamortization thereof if prepayments are received as a result of condemnation or insurance payments with respect to the related Mortgaged Property.

Level Payments.

All the Mortgage Loans provide for level monthly payments except as discussed above and shown on Exhibit A.

“Due-on-Sale” Provisions.

In general, the Mortgages Loans do not contain “due-on-sale” clauses restricting sale or other transfer of the related Mortgaged Property. Any transfer of the Mortgaged Property is subject to HUD review and approval under the terms of HUD's Regulatory Agreement with the owner, which is incorporated by reference into the mortgage.

Prepayment Restrictions.

Two of the Mortgage Loans currently have provisions that prohibit voluntary prepayment (“lockout provisions”). See Exhibit A. In the case of certain Mortgage Loans, full or partial prepayments by nonprofit mortgagors cannot be effected without prior written consent from the FHA. The enforceability of these lockout provisions under certain state laws is unclear.

Certain of the Mortgage Loans have a period (a “prepayment fee period”) during which voluntary and involuntary prepayments (except for prepayments resulting from condemnation or casualty losses) must be accompanied by a prepayment fee equal to a specified percentage of the principal amount of the Mortgage Loan being prepaid.

Exhibit A to this Prospectus Supplement sets forth, for each Mortgage Loan, a description of the related prepayment fee and the period during which the prepayment fee applies as well as the last month of any applicable lockout provision.

Notwithstanding the foregoing, the Mortgage Loans must include a provision which allows the FHA to override any lockout and/or prepayment fee provisions when the Mortgage Loan is in default if the FHA determines that it is in the best interest of the federal government to allow the mortgagor to refinance or partially prepay the Mortgage Loan without restrictions or penalties and thereby avoid or mitigate an FHA insurance claim.

In addition, certain of the Mortgage Loans may be prepaid in an amount up to approximately 15% of the principal balance thereof in each year without the payment of any prepayment fee thereon.

Coinsurance.

Certain of the Mortgage Loans are insured under the FHA coinsurance programs that provide for the retention by the mortgage lender of a portion of the mortgage insurance risk that otherwise would be assumed by FHA under the applicable FHA insurance program. As part of such coinsurance programs, FHA delegates to mortgage lenders approved by FHA for participation in such coinsurance programs certain underwriting functions generally performed by FHA. All the Mortgage Loans backing Participation Certificates that were originally co-insured were subsequently converted to a contract of insurance under the applicable insurance program (*e.g.*, Section 221(d)(4) or other statutory provision).

Additional Mortgage Loan Information

The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Issue Date. The figures in the columns “Aggregate Issue Date Balance” in the tables below are based on the Issue Date Balances of the related Mortgage Assets. The sum of any column in the following tables, or in the table set forth in Exhibit A hereto, may not equal the indicated total due to rounding.

Following the issuance of the Certificates, we will make available in electronic form certain data specific to the Certificates and certain information with respect to the Mortgage Loans, in each case as of the Issue Date, including information set forth on Exhibit A and will make available certain other information relating to the Mortgage Loans and the Mortgaged Properties. To obtain this information in electronic form, call Fannie Mae at 1-800-752-6440 or 202-752-6000.

Issue Date Balances

Range of Issue Date Balances (\$)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Aggregate Mortgage Asset Issue Date Balance
1- 500,000	3	\$ 1,176,782	0.82%
500,001-1,000,000	5	3,945,912	2.75
1,000,001-1,500,000	3	4,194,833	2.92
1,500,001-2,000,000	5	8,579,157	5.98
2,000,001-2,500,000	7	15,458,591	10.77
2,500,001-3,000,000	4	10,673,656	7.44
3,000,001-3,500,000	6	19,742,302	13.76
3,500,001-4,000,000	2	7,201,723	5.02
4,000,001-4,500,000	5	20,748,195	14.46
5,000,001-5,500,000	3	15,754,114	10.98
5,500,001-6,000,000	1	5,842,343	4.07
6,000,001-6,500,000	1	6,171,653	4.30
7,500,001-8,000,000	2	15,502,799	10.80
8,500,001-9,000,000	<u>1</u>	<u>8,511,007</u>	<u>5.93</u>
Total	<u>48</u>	<u>\$143,503,067</u>	<u>100.00%</u>

Average Issue Date Balance: \$2,989,647

Mortgage Rates as of the Issue Date

Range of Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Aggregate Mortgage Asset Issue Date Balance
Less than or equal to 7.000	3	\$ 3,582,118	2.50%
7.001- 7.250	5	21,939,603	15.29
7.251- 7.500	15	32,322,549	22.52
7.501- 7.750	1	2,486,598	1.73
7.751- 8.000	2	11,360,483	7.92
8.001- 8.250	3	10,904,237	7.60
8.251- 8.500	2	7,183,493	5.01
8.501- 8.750	4	13,212,483	9.21
8.751- 9.000	3	12,338,105	8.60
9.001- 9.250	4	10,454,073	7.28
9.251- 9.500	4	15,750,978	10.98
9.751-10.000	1	1,364,023	0.95
10.251-10.500	<u>1</u>	<u>604,324</u>	<u>0.42</u>
Total	<u>48</u>	<u>\$143,503,067</u>	<u>100.00%</u>

Weighted Average Mortgage Rate: 8.193% per annum

Pass-Through Rates as of the Issue Date

<u>Range of Pass-Through Rates (%)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Aggregate Mortgage Asset Issue Date Balance</u>
6.501-7.000	7	\$ 25,137,192	17.52%
7.001-7.500	18	35,626,024	24.83
7.501-8.000	5	22,264,720	15.52
8.001-8.500	6	20,395,976	14.21
8.501-9.000	6	22,359,831	15.58
Greater than or equal to 9.001	<u>6</u>	<u>17,719,324</u>	<u>12.35</u>
Total	<u>48</u>	<u>\$143,503,067</u>	<u>100.00%</u>

Weighted Average Pass-Through Rate: 7.865% per annum

Original Term to Maturity (in months)

<u>Range of Months</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Aggregate Mortgage Asset Issue Date Balance</u>
241-360	5	\$ 6,790,116	4.86%
361-420	7	25,043,287	17.45
421-480	<u>36</u>	<u>111,489,664</u>	<u>77.69</u>
Total	<u>48</u>	<u>\$143,503,067</u>	<u>100.00%</u>

Weighted Average Original Term to Maturity: 455 months

Remaining Term to Maturity (in months)

<u>Range of Months</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Aggregate Mortgage Asset Issue Date Balance</u>
Less than or equal to 179	8	\$ 12,898,972	8.99%
180-240	14	36,638,907	25.53
241-360	18	55,080,389	38.38
361-420	<u>8</u>	<u>38,884,800</u>	<u>27.10</u>
Total	<u>48</u>	<u>143,503,067</u>	<u>100.00%</u>

Weighted Average Remaining Term to Maturity: 288 months

Mortgage Loans by State

<u>State</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Aggregate Mortgage Asset Issue Date Balance</u>
Alabama	1	\$ 5,309,867	3.70%
California	5	20,738,644	14.45
District of Columbia	2	5,792,520	4.04
Florida	1	7,823,723	5.45
Idaho	1	432,347	0.30
Illinois	2	3,353,828	2.34
Indiana	1	4,059,637	2.83
Louisiana	2	2,372,152	1.65
Maryland	2	4,634,021	3.23
Michigan	6	14,278,208	9.95
Minnesota	1	3,450,926	2.40
Mississippi	4	16,182,314	11.28
North Carolina	2	8,904,954	6.21
New Jersey	3	5,747,688	4.01
New York	4	22,295,392	15.54
Ohio	5	6,623,627	4.62
Pennsylvania	1	2,817,369	1.96
Texas	3	6,413,307	4.47
Virginia	<u>2</u>	<u>2,272,542</u>	<u>1.58</u>
Total	<u>48</u>	<u>\$143,503,067</u>	<u>100.00%</u>

The following table sets forth the debt service coverage ratios as of the Issue Date for the 48 Mortgage Loans to the extent they have been reported to us by the Seller. We calculated the debt service coverage ratios by estimating net operating income with respect to each related Mortgaged Property, in most cases from reported information available on the most recent statement of profit and loss (or when such profit and loss statements were not available in connection with newly originated Mortgage Loans, the related HUD underwriting forms or financial statements provided by the borrower), and dividing such estimated net operating income by an estimate of annual debt service obtained by multiplying the monthly payment of principal and interest on the related Mortgage Loan by 12. We did not take into account mortgage loans subordinate to the Mortgage Loans in any

calculation of debt service coverage ratios. We have not made any independent verification of such information and, therefore, do not warrant its truth or accuracy and shall not be responsible therefor.

DSCR's for Mortgage Loans

<u>Range of DSCR's (x)</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Issue Date Balance</u>	<u>Percent of Aggregate Mortgage Asset Issue Date Balance</u>
Less than 1.000	5	\$ 15,688,425	10.93%
1.000 to 1.249	14	34,705,515	24.18
1.250 to 1.499	7	20,217,420	14.09
1.500 to 1.749	3	8,932,671	6.22
1.750 to 1.999	2	6,899,404	4.81
Greater than or equal to 2.000	5	9,453,921	6.59
Not Available*	<u>12</u>	<u>47,605,712</u>	<u>33.17</u>
Total	<u>48</u>	<u>\$143,503,067</u>	<u>100.00%</u>
Weighted Average Debt Service Coverage Ratio (excluding Mortgage Loans for which no debt service coverage ratio is listed above): 1.363(x)			

* All of the Mortgage Loans for which no DSCR information is available are GNMA Certificates.

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 Multifamily 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 Multifamily 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.

U.S. Treasury Circular 230 Notice

The tax discussions contained in the Multifamily REMIC Prospectus and this Prospectus Supplement were not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties. These discussions were written to support the promotion or marketing of the transactions or matters addressed in this Prospectus Supplement. You should seek advice based on your particular circumstances from an independent tax advisor.

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. Qualification as a REMIC requires ongoing compliance with certain conditions. Our special tax counsel, Arnold & Porter LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, each of the Lower Tier REMIC and the Trust will be treated as a REMIC for federal

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

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, “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 Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

The Prepayment Assumption that will be used in determining the rate of accrual of OID will be applied on a loan-by-loan basis. 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 Multifamily REMIC Prospectus. The Prepayment Assumption that will be used will be (i) 100% PLD and (ii) 0% voluntary prepayment rate until the lockout end date and 25% CPR thereafter. Those dates for the Mortgage Loans are provided on Exhibit A herein. We do not represent the Mortgage Assets will prepay at the rate reflected in the Prepayment Assumption or any other rate. See “Description of the Certificates—*Weighted Average Lives of the Certificates*” in this Prospectus Supplement and “Description of the Certificates—*Weighted Average Lives and Final Distribution Dates*” in the Multifamily 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 5.38% (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 Multifamily REMIC Prospectus.

The Treasury Department recently issued 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 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. In addition, under the Regulations an inducement fee shall be treated as income from sources within the United States. The Regulations, which are effective for taxable years ending on or after May 11, 2004, contain additional details regarding their application. You should consult your own tax advisor regarding the application of the Regulations to the transfer of a Residual Certificate.

PLAN OF DISTRIBUTION

We are obligated to deliver the Class A, B and C Certificates to the Dealer, and the other Classes to the Seller in exchange for delivery by the Seller to us of the Participation Certificates and the GNMA Certificates. The Dealer proposes to offer the Class A, B and C 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. The Seller will initially retain the other Classes and may in the future offer one or more of such Classes, directly or through dealers, to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale.

LEGAL MATTERS

Hunton & Williams LLP and, with respect to federal income tax matters, Arnold & Porter LLP will provide legal representation for Fannie Mae. McKee Nelson LLP will provide legal representation for the Dealer.

Exhibit A

Pool Number	GNMA PROJECT	Section of the Act	Property City	State Position	Lien	Amortized		Amortized		Pass-Through Rate (2)	Debt Service Rate (3)	Maturity Date (3)	Original Remaining Term to Maturity (mos.)	Age (mos.)	Issue Date (4)	Lockout End Date (5)	Prepayment Restriction End Date (5)	Remaining Prepayment Restriction Term (mos.)	Lockout/Prepayment Restriction Code (6)	HAP Expiration Date	Remaining HAP Term (mos.) (7)		
						Principal Balance as of Issue Date	Principal Balance as of Issue Date	Monthly Principal & Interest	Scheduled Principal & Interest														
00085193		221 (g) (4)	Washington	DC	First	\$ 3,495,056.10	\$ 31,225.67	7.500%	7.270%	8.250%	07/01/2021	472	193	279	04/01/1982	N/A	04/14/2006	N/A	10	a	12/31/2005	6	
00085194		221 (g) (4)	Washington	DC	First	2,297,464.34	20,926.12	7.500	7.270	8.250	07/01/2021	472	193	279	04/01/1982	N/A	04/14/2006	N/A	10	a	12/31/2005	6	
01235203		221 (g) (4)	New York	NY	First	7,679,075.35	80,029.93	9.500	9.195	7.270	03/01/2021	480	189	291	04/01/1981	N/A	09/28/2002	N/A	0	a	04/30/2005	0	
01235260		221 (g) (4)	Yorktown Heights	NY	First	4,362,629.07	39,737.61	7.500	7.270	8.250	06/01/2021	480	192	288	07/01/1981	11/30/1989	11/30/1995	0	g	07/08/2006	13		
01243142		232	Rhinebeck	NY	First	6,171,653.15	45,097.48	7.850	7.545	8.000	04/01/2034	466	346	120	07/01/1995	08/14/2002	08/14/2004	0	e	N/A	N/A		
01443021		232	Westfield	NY	First	4,082,034.62	36,256.38	9.000	8.695	11.500	03/01/2026	379	249	130	09/01/1994	06/30/1994	06/30/2014	0	d	N/A	N/A		
03135162		221 (g) (3)	Newark	NJ	First	1,522,523.48	14,715.80	7.500	7.270	7.250	05/01/2019	480	167	313	06/01/1979	N/A	02/22/2002	N/A	0	a	3/31/2005	0	
03355089		220	Philadelphia	PA	First	2,817,369.00	23,993.92	7.500	7.270	12.750	11/01/2023	420	221	199	12/01/1988	N/A	03/26/2008	N/A	33	a	05/08/2008	35	
03594013	268161	221 (g) (4)	Atlantic City	NJ	First	3,620,840.50	43,629.24	7.030	6.630	13.375	01/01/2014	241	114	127	12/01/1994	01/14/2004	N/A	0	N/A	c	09/30/2005	3	
04235389		221 (g) (4)	Trenton	NJ	First	4,092,256.61	60,432.98	10.500	10.130	9.375	02/01/2017	324	140	184	03/01/1990	02/29/1996	02/28/2001	0	f	N/A	N/A		
04323005		220	Columbus	OH	First	1,491,268.35	12,440.17	7.500	7.270	12.750	12/01/2023	480	222	258	01/01/1984	N/A	05/31/2006	N/A	11	a	11/30/2007	29	
04335076		221 (g) (4)	Cleveland	OH	First	2,040,759.56	22,439.27	7.000	6.770	6.250	04/01/2016	480	130	350	05/01/1976	N/A	12/12/1999	N/A	0	a	N/A	N/A	
04335095		221 (g) (4)	Columbus	OH	First	949,201.27	949,201.27	7,890.91	7,890.91	7.000	06/01/2013	468	99	369	10/01/1974	N/A	12/19/1995	N/A	0	a	N/A	N/A	
04335236		221 (g) (4)	Columbus	OH	First	1,550,240.38	13,670.10	7.500	7.270	5.500	03/01/2014	474	105	369	10/01/1974	N/A	05/06/1998	N/A	0	a	N/A	N/A	
04444381	006278	236	Clinton Township	MI	First	2,229,623.48	22,926.34	8.750	8.380	6.875	06/01/2018	480	156	324	07/01/1978	N/A	12/29/1998	N/A	0	a	06/30/2009	48	
04725109		232/223 (f)	Litchfield	MI	First	1,928,075.06	16,339.42	8.500	8.195	7.250	10/01/2026	360	256	104	11/01/1996	09/30/2001	09/30/2006	0	15	b	N/A	N/A	
04741005	159743	241 (f) 236	Battle Creek	MI	First	3,365,691.83	29,380.89	7.500	7.270	9.500	06/01/2022	480	204	276	07/01/1982	N/A	03/04/2006	N/A	9	a	08/24/2005	2	
04741006	576880	207/241 (f)	East Lansing	MI	Second	2,585,879.36	21,797.95	9.500	9.130	7.750	01/01/2035	480	355	125	02/01/1995	12/31/2004	N/A	0	N/A	c	01/31/2006	7	
04843022		232	Kentwood	MI	Second	2,035,096.68	17,338.62	9.500	9.130	8.375	06/01/2033	456	336	120	07/01/1995	05/31/2005	N/A	0	N/A	c	09/30/2005	3	
05111025	578825	207/223 (f)	Montrose	MI	First	2,133,841.11	17,281.92	9.425	8.820	8.375	03/01/2036	480	369	111	04/01/1996	12/31/2005	12/31/2005	0	6	b	N/A	N/A	
05135239		221 (g) (4)	Petersburg	VA	First	932,999.97	7,020.21	7.500	7.005	6.625	03/01/2029	420	285	135	04/01/1994	02/23/1999	02/23/2004	0	0	b	N/A	N/A	
05235464	535522	221 (g) (4)	Blacksburg	VA	First	1,339,541.94	12,775.82	7.500	7.270	7.125	09/01/2019	480	171	309	10/01/1979	N/A	04/19/2002	N/A	0	0	b	N/A	N/A
05235464	535522	221 (g) (4)	Baltimore	MD	First	1,364,022.64	12,545.28	10.000	9.630	9.125	03/01/2029	480	285	195	04/01/1980	03/31/1994	03/31/1999	0	0	b	N/A	N/A	
05235464	535522	232	Baltimore	MD	First	3,269,998.26	27,189.25	9.250	8.880	8.500	03/01/2034	480	345	135	04/01/1994	03/31/1999	03/31/2004	0	0	b	N/A	N/A	
05235464	535522	232	Baltimore	MD	First	3,062,611.15	25,119.29	9.250	8.755	7.750	12/01/2035	480	366	114	01/01/1996	04/25/2004	04/25/2005	0	0	b	N/A	N/A	
05434117	410393	232	Charlotte	NC	First	5,842,342.88	58,603.56	7.250	6.880	6.375	06/01/2039	480	408	72	07/01/1999	01/30/2004	12/31/2008	0	42	b	N/A	N/A	
05434117	410393	232	Gastonia	NC	First	5,309,866.88	53,924.44	8.125	7.755	6.500	10/01/2035	420	364	56	11/01/2000	09/30/2005	09/30/2010	3	63	b	N/A	N/A	
06222004	532694	232/223 (f)	Mobile	AL	First	1,987,622.85	16,506.49	9.250	8.880	7.750	01/01/2032	468	343	125	02/01/1995	12/31/2004	N/A	0	N/A	c	05/05/2005	0	
06435355		221 (g) (4)/223 (a) (7)	Baton Rouge	LA	First	384,529.18	2,694.60	7.250	7.020	5.750	11/01/2032	360	329	31	12/01/2002	N/A	N/A	N/A	0	N/A	c	10/31/2022	208
06522001	449619	232/223 (f)	Magee	MS	First	4,003,674.67	30,728.65	8.250	7.755	6.750	12/01/2032	427	330	97	06/01/1997	05/31/2002	05/31/2007	0	23	b	N/A	N/A	
06535421		221 (g) (4)	Richland	MS	First	2,683,003.49	21,300.72	8.750	8.445	8.000	03/01/2034	480	345	135	04/01/1994	10/31/2003	N/A	0	N/A	c	N/A	N/A	
06535422		221 (g) (4)	Brandon	MS	First	4,240,218.78	33,557.33	8.750	8.445	8.000	09/01/2034	480	350	130	09/01/1994	12/31/2003	N/A	0	N/A	c	N/A	N/A	
06535467		221 (g) (4)	Byram	MS	First	5,255,417.47	39,400.29	8.400	8.095	6.500	11/01/2037	480	389	91	12/01/1997	09/30/2007	N/A	27	N/A	c	N/A	N/A	
06611048	378846	207/223 (f)/223 (a) (7)	Miami	FL	First	7,823,723.15	65,477.57	8.875	8.505	7.750	10/01/2029	420	292	128	11/01/1994	09/26/1999	09/26/2004	0	0	b	N/A	N/A	
07135388		221 (g) (4)	Elgin	IL	First	867,229.57	7,608.62	7.500	7.270	9.875	02/01/2022	480	200	280	03/01/1982	N/A	08/07/2004	N/A	0	a	07/30/2006	13	
07194030		221 (g) (3)	Chicago	IL	First	2,486,598.29	18,323.73	7.625	7.320	9.375	07/01/2031	392	313	79	12/01/1998	09/30/1998	09/30/1998	0	0	b	N/A	N/A	
07335520	400624	223 (f)/223 (a) (7)	Bloomington	IN	First	4,059,637.41	32,128.21	8.750	8.380	7.750	08/01/2034	480	350	130	09/01/1994	07/31/1999	07/31/2004	0	0	b	N/A	N/A	
09241004	391984	241 (f)	Burnsville	MN	Second	3,450,926.20	29,451.41	9.500	9.130	8.375	03/01/2033	466	333	123	04/01/1995	03/31/2005	N/A	0	N/A	c	06/30/2005	0	
11243060	339104	232/223 (f)	Piano	TX	First	1,590,695.41	12,371.52	8.125	7.755	8.375	09/01/2030	420	303	117	10/01/1995	09/30/2000	09/30/2005	0	3	b	N/A	N/A	
11835073		221 (g) (4)	Wichita Falls	TX	First	2,587,404.21	22,477.07	7.500	7.270	11.750	06/01/2022	480	204	276	07/01/1982	N/A	01/28/2005	N/A	0	a	11/30/2005	5	
11835234		221 (g) (4)	San Antonio	TX	First	2,335,207.39	19,610.52	7.500	7.270	9.875	02/01/2022	480	200	284	03/01/1981	N/A	01/26/2006	N/A	7	a	12/31/2005	6	
12135691		221 (g) (4)	Santa Rosa	CA	First	3,098,018.10	27,459.97	7.500	7.270	9.875	10/01/2021	480	196	284	11/01/1981	N/A	08/31/2004	N/A	0	a	07/31/2006	13	

Pool Number	GNMA PROJECT	Section of the Act	Property City	State	Lien Position	Amortized Loan Principal Balance as of Issue Date	Amortized Investor Principal Balance as of Issue Date	Scheduled Monthly Principal & Mortgage Interest (1)	Pass-Through Rate (2)	Debt Service Rate (2)	Maturity Date (3)	Original Term to Maturity (mos.)	Remaining Term to Maturity (mos.)	Issue Date (4)	Lockout End Date (5)	Prepayment Restriction End Date (5)	Remaining Prepayment Restriction Term (mos.)	Lockout/Prepayment Restriction Code (6)	HAP Expiration Date	Remaining HAP Term (mos.) (7)			
12241035	413923	241(f)	Canoga Park	CA	Third	8,511,007.31	8,511,007.31	57,926.13	7.250	6.880	7,250	09/01/2035	480	363	117	10/01/1995	08/31/2000	08/31/2005	0	2	b	06/30/2005	0
12241043		207/241(f)	Los Angeles	CA	Second	5,188,829.99	5,188,829.99	37,767.60	7.950	7.645	7,250	11/01/2035	480	365	115	12/01/1995	10/27/2000	10/27/2005	0	4	b	10/31/2005	4
12241047	413937	241(f) 236	Azusa	CA	Second	3,580,882.85	3,580,882.85	24,316.49	7.250	6.880	7,250	12/01/2035	480	366	114	01/01/1996	11/09/2000	11/09/2005	0	5	b	09/30/2005	3
12441004	339099	241(f) 236	Boise	ID	Second	432,347.25	432,347.25	3,951.14	9.000	7.380	7,000	08/01/2024	348	230	118	09/01/1995	08/31/2000	08/31/2005	0	2	b	09/30/2005	3
14335053	066040	221(d) (4)	Laguna Hills	CA	First	2,149,218.30	359,905.57	3,118.98	7.500	7.130	11,750	07/01/2022	480	205	275	08/01/1982	N/A	01/31/2005	N/A	0	a	6/17/2012	84
Total/Weighted Average:						148,720,312.40	143,503,067.04						455	288				1	10				8

- (1) The scheduled monthly principal and interest payments shown in this table are contractual scheduled monthly principal and interest payments.
- (2) The Pass-Through Rates shown are based on the assumption that .12% has been subtracted from each GNMA Certificate's pass-through rate.
- (3) The Maturity Dates shown in this table are the contractual stated maturity dates. As a result of earlier prepayments without any corresponding re-amortization, certain of the Mortgage Loans may be paid in full prior to the indicated Maturity Date if the related borrower continues to make a monthly debt service payment equal to the Scheduled Monthly Principal & Interest payment shown herein.
- (4) The Issue Date is the date on which amortization of the Mortgage Loans commenced.
- (5) Assumes prepayments are permitted after the lockout end date and no prepayment fees are imposed after the prepayment restriction end date. As described herein, the FHA may override any lockout and / or prepayment fee provision when the related mortgage loan is in default if the FHA determines that it is in the best interest of the federal government to permit a refinancing or partial prepayment without restrictions or fees.
- (6) Lockout/Prepayment Fee Codes:
 - (a) Prepayment fee of 3% of the prepaid amount for the first twelve mortgage payments, declining 1/8th of 1% annually thereafter.
 - (b) Prepayment fee of 5% of the prepaid amount for the first twelve mortgage payments after the expiration of the lockout period, declining 1% annually thereafter.
 - (c) No prepayment fee is imposed after the expiration of the lockout period.
 - (d) Prepayment fee of 10% of the prepaid amount for the first twelve mortgage payments after the expiration of the lockout period, declining 1/2 of 1% annually thereafter.
 - (e) Prepayment fee of 2% of the prepaid amount for the first twelve mortgage payments after the expiration of the lockout period, declining 1% annually thereafter.
 - (f) Prepayment fee of 10% of the prepaid amount for the first twelve mortgage payments after the expiration of the lockout period; thereafter a prepayment fee of 7% of the prepaid amount for the thirteenth through twenty-fourth mortgage payments; thereafter a prepayment fee of 5% of the prepaid amount for the twenty-fifth mortgage payment until the thirty-sixth mortgage payment; thereafter a prepayment fee of 3% of the prepaid amount from the thirty-seventh mortgage payment until the forty-eighth mortgage payment; thereafter a prepayment fee of 1% of the prepaid amount for the forty-ninth mortgage payment until the sixtieth mortgage payment; thereafter no prepayment fee is imposed.
 - (g) Prepayment fee of 3% of the prepaid amount for the first twelve mortgage payments, declining 1/2 of 1% annually thereafter.
- (7) Approximately \$71.7 million of the Issue Date Pool Balance is associated with mortgage loans that receive Section 8 assistance payments. The weighted average term to expiration of these contracts is 8 months. Some of the contracts have expired and the owners are in the process of negotiating their renewal.

NOTE:

The information with respect to the Mortgage Loans set forth on this Exhibit A has been collected and summarized by Greystone Funding Corporation as Seller and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy.

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.

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**\$142,068,000
(Approximate)**



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae Multifamily
REMIC Trust 2005-M1**

PROSPECTUS SUPPLEMENT



June 7, 2005
