

**PROSPECTUS SUPPLEMENT**

(To REMIC Prospectus dated September 18, 1998)

**\$419,958,149****FannieMae**

## Guaranteed REMIC Pass-Through Certificates Fannie Mae REMIC Trust 1999-38

**The Certificates**

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

**Payments to Certificateholders**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will indirectly own

- Fannie Mae MBS,
- Fannie Mae Stripped MBS and
- underlying REMIC certificates backed indirectly by Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PE(1) .....	1	\$ 39,857,000	PAC	6.50%	FIX	31359WUQ2	April 2014
IA(1) .....	1	2,846,928 (2)	NTL	7.00	FIX/IO	31359WUR0	April 2014
PG(1) .....	1	47,257,000	PAC	6.50	FIX	31359WUS8	February 2021
IB(1) .....	1	3,375,500 (2)	NTL	7.00	FIX/IO	31359WUT6	February 2021
PD .....	1	123,919,000	PAC	7.00	FIX	31359WUU3	August 2029
EA .....	1	8,609,710	SUP	(3)	PO	31359WUV1	August 2029
FB(1) .....	1	60,176,470	TAC	(4)	FLT	31359WUW9	August 2029
SC(1) .....	1	60,176,470 (2)	NTL	(4)	INV/IO	31359WUX7	August 2029
SD(1) .....	1	5,823,530	TAC	(4)	INV	31359WUY5	August 2029
Z .....	1	14,357,290	SUP	7.75	FIX/Z	31359WUZ2	August 2029
F .....	2	66,479,963	SC/PT	(4)	FLT	31359WVA6	June 2029
S .....	2	66,479,963 (2)	NTL	(4)	INV/IO	31359WVB4	June 2029
FK .....	3	41,637,473	SC/PT	(4)	FLT	31359WVC2	August 2023
SK .....	3	41,637,473 (2)	NTL	(4)	INV/IO	31359WVD0	August 2023
PO .....	3	11,840,713	SC/PT	(3)	PO	31359WVE8	August 2023
R .....		0	NPR	0	NPR	31359WVF5	August 2029
RL .....		0	NPR	0	NPR	31359WVG3	August 2029

(1) Exchangeable classes.

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

(3) Principal only classes.

(4) Based on LIBOR.

If you own certificates of certain classes, you can exchange them for other certificates to be issued at the time of the exchange. The PB, PC, IC and A Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be July 30, 1999.

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

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

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

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

# Bear, Stearns & Co. Inc.

June 15, 1999

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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 REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1998 (the “MBS Prospectus”);
- our Prospectus for Stripped Mortgage-Backed Securities dated December 22, 1997 (the “SMBS Prospectus”);
- our Information Statement dated March 31, 1999 and its supplements (the “Information Statement”); and
- the disclosure document relating to the underlying REMIC certificates (the “Underlying REMIC Disclosure Document”).

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>.

You also can obtain the Disclosure Documents, except the Underlying REMIC Disclosure Document, by writing or calling the dealer at:

Bear, Stearns & Co. Inc.  
Prospectus Department  
One Metro Tech Center North  
Brooklyn, New York 11201  
(telephone 212-272-1581).

## REFERENCE SHEET

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

### Assets underlying each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 SMBS
3	Group 3 SMBS Class 1993-152-K REMIC Certificate Class 1993-152-E REMIC Certificate Class 1993-152-J REMIC Certificate

### Assumed Characteristics of the Mortgage Loans Underlying the Group 1 MBS (as of July 1, 1999)

<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
\$150,000,000	357	346	11	7.480%
150,000,000	360	359	1	7.450%

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

### Characteristics of the Group 2 SMBS, the Group 3 SMBS and the Group 3 Underlying REMIC Certificates

Exhibit A describes the Group 2 SMBS, the Group 3 SMBS and the Group 3 underlying REMIC certificates, including certain information about the related mortgage loans. To learn more about the Group 3 underlying REMIC certificates, you should obtain from us the current principal factors and disclosure document for the underlying REMIC certificates as described on page S-3.

### Class Factors

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

### Settlement Date

We expect to issue the certificates on July 30, 1999.

### Distribution Dates

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

## Book-Entry and Physical Certificates

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

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

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

## Exchanging Certificates Through Combination and Recombination

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

## Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FB .....	5.50000%	8.50000%	0.50%	LIBOR + 50 basis points
SC .....	2.12903%	7.12903%	0.00%	7.12903% – LIBOR
SD .....	9.00000%	9.00000%	0.00%	82.66665% – (10.333332 × LIBOR)
F .....	5.48750%	9.00000%	0.50%	LIBOR + 50 basis points
S .....	3.51250%	8.50000%	0.00%	8.5% – LIBOR
FK .....	5.63000%	8.50000%	0.45%	LIBOR + 45 basis points
SK .....	2.87000%	8.05000%	0.00%	8.05% – LIBOR

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

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

## Notional Classes

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

<u>Class</u>	
IA	7.1428571429% of the PE Class
IB	7.1428571429% of the PG Class
SC	100% of the FB Class
S	100% of the F Class
SK	100% of the FK Class
IC	7.1428571429% of the PE and PG Classes

## Distributions of Principal

### *Group 1 Principal Distribution Amount*

#### *Z Accrual Amount*

To the FB and SD Classes, pro rata, to zero, and thereafter to the Z Class.

### *Group 1 Cash Flow Distribution Amount*

1. To the PE, PG and PD Classes, in that order, to their Planned Balances.
2. (a) 9.6774197174% of the remaining amount to the EA Class to zero, and  
(b) 90.3225802826% of such remaining amount as follows:  
*first*, to the FB and SD Classes, pro rata, to their Targeted Balances;  
*second*, to the Z Class to zero; and  
*third*, to the FB and SD Classes, pro rata, to zero.
3. To the PE, PG and PD Classes, in that order, to zero.

### *Group 2 Principal Distribution Amount*

To the F Class to zero.

### *Group 3 Principal Distribution Amount*

1. To the FK Class, on each Distribution Date an amount equal to the principal balance of the FK Class (before giving effect to payments of principal of the FK Class on that date) minus 94.1176470588% of the notional principal balance of the Group 3 SMBS (after giving effect to any reduction to the notional principal balance of the Group 3 SMBS on that date), to zero.
2. To the PO Class to zero.

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

# **Weighted Average Lives (years) \***

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>155%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
PE, IA and PB .....	7.2	1.6	1.6	1.6	1.6	1.5
PG, IB and PC .....	15.6	4.0	4.0	4.0	3.7	2.8
PD .....	23.0	11.0	11.0	11.0	8.3	6.0
IC .....	11.7	2.9	2.9	2.9	2.7	2.2

	<u>PSA Prepayment Assumption</u>					
	<u>0%</u>	<u>100%</u>	<u>155%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
EA .....	28.4	20.0	11.7	7.0	1.9	1.3
FB, SC, SD and A .....	14.2	11.8	5.6	3.1	2.1	1.5
Z .....	28.4	23.0	19.8	16.0	0.8	0.5

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
F and S .....	20.6	11.1	9.9	5.4	3.5

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>230%</u>	<u>350%</u>	<u>500%</u>
FK and SK .....	16.6	7.3	4.9	3.6	2.5
PO .....	16.5	7.7	5.0	3.6	2.6

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



## ADDITIONAL RISK FACTORS

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

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

*Only limited information is provided in this prospectus supplement concerning the underlying REMIC certificates.* Payments of principal of the underlying REMIC certificates are governed by priorities specified in the related disclosure document. This prospectus supplement contains no information as to whether the underlying REMIC certificates have adhered to their principal balance schedules or otherwise performed as originally anticipated. You may obtain additional information about the underlying REMIC certificates by reviewing their current class factors in light of other information available in the related disclosure document. You may obtain this document from us as described on page S-3.

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

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

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

*Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans.* We have assumed that the mortgage loans underlying the Group 1 MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

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

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



ties, may be unable to buy certain 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.* We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certi-

ates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of July 1, 1999. We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of July 1, 1999 (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

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

- certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS”),
- certain Fannie Mae Stripped Mortgage-Backed Securities (the “Group 2 SMBS” and “Group 3 SMBS,” as applicable, and, together, the “Trust SMBS”), and
- certain previously issued REMIC certificates (the “Group 3 Underlying REMIC Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”).

The Group 2 SMBS represent beneficial ownership interests in certain interest and principal distributions on certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates. The Group 3 SMBS represent beneficial ownership interests in certain interest distributions on certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates. The Group 2 SMBS and the Group 3 SMBS are further described in Exhibit A.

The assets of the Underlying REMIC Trust evidence indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Group 1

MBS and the Fannie Mae Guaranteed Mortgage Pass-Through Certificates backing the Trust SMBS, the “MBS”), as further described in Exhibit A.

Each MBS represents a beneficial ownership interest in a pool (each, a “Pool”) of first lien, single-family, fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described herein.

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

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

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

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and
- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

Our guaranty obligations with respect to the Group 3 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Document. Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus, “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus, “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus and “Description of the Certificates—General—Fannie Mae Guaranty” in the Underlying REMIC Disclosure Document.

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

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

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

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

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

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

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

*Optional Termination.* We will not terminate the Lower Tier REMIC or the Trust by exercising our right to repurchase the Mortgage Loans underlying any MBS unless

- only one Mortgage Loan remains in the related Pool, or
- the principal balance of the Pool is less than one percent of its original level.

See “Description of Certificates—Termination” in the MBS Prospectus.

*Voting the Trust SMBS and the Group 3 Underlying REMIC Certificates.* Holders of the Trust SMBS and the Group 3 Underlying REMIC Certificates may be asked to vote on issues arising under the related trust indenture or trust agreement. If so, the Trustee will vote the Group 2 SMBS, Group 3 SMBS or Group 3 Underlying REMIC Certificates, as applicable, as instructed by Holders of Certificates of the Classes backed by the Group 2 SMBS, Group 3 SMBS or Group 3 Underlying REMIC Certificates. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of all such related Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

## **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the PE, IA, PG, IB, FB, SC and SD Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificates involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balances of the related Classes.

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

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

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

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

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

### **The Group 1 MBS**

The following table contains certain information about the Group 1 MBS. The Group 1 MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Group 1 MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly. The Mortgage Loans underlying the Group 1 MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family ("single-family") residential properties. These Mortgage Loans will have original maturities of up to 30 years. See "The Mortgage Pools" and "Yield Considerations" in the MBS Prospectus. We expect the characteristics of the Group 1 MBS and the related Mortgage Loans as of July 1, 1999 (the "Issue Date") to be as follows:

Aggregate Unpaid Principal Balance .....	\$300,000,000
MBS Pass-Through Rate .....	7.00%
<b>Related Mortgage Loans</b>	
Range of WACs (per annum percentages) .....	7.25% to 9.50%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	352 months
Approximate Weighted Average CAGE .....	6 months

### **The Trust SMBS and the Group 3 Underlying REMIC Certificates**

The Group 2 SMBS represent beneficial ownership interests in certain principal and interest distributions, and the Group 3 SMBS represent beneficial ownership interests in certain interest distributions, in each case made in respect of certain MBS having the general characteristics set forth in the MBS Prospectus. The Group 3 Underlying REMIC Certificates represent beneficial ownership interests in the Underlying REMIC Trust. The assets of that trust evidence beneficial ownership interests in certain SMBS that represent beneficial ownership interests in certain principal distributions made in respect of certain MBS having the general characteristics set forth in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a Pool of conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential

properties, as described under “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

The general characteristics of the Trust SMBS are described in the SMBS Prospectus and the general characteristics of the Group 3 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Document. See Exhibit A for certain additional information about the Trust SMBS and the Group 3 Underlying REMIC Certificates.

Distributions on the Trust SMBS and the Group 3 Underlying REMIC Certificates will be passed through monthly.

For further information about the Trust SMBS and the Group 3 Underlying REMIC Certificates, telephone us at 1-800-237-8627 or 202-752-6547. You also may obtain certain information in electronic form by calling us at 1-800-752-6440 or 202-752-6000. There may have been material changes in facts and circumstances since the date we prepared the Underlying REMIC Disclosure Document. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in that document may be limited.

### **Final Data Statement**

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Trust SMBS and the Group 3 Underlying REMIC Certificates as of the Issue Date and, with respect to the Group 1 MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the Group 1 MBS. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Group 1 MBS, as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.



## Distributions of Interest

### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Fixed Rate	PE, IA, PG, IB, PD and Z
Floating Rate	FB
Inverse Floating Rate	SC and SD
Accrual	Z
Interest Only	IA, IB and SC
Principal Only	EA
RCR**	PB, PC, IC and A
<b>Group 2 Classes</b>	
Floating Rate	F
Inverse Floating Rate	S
Interest Only	S
<b>Group 3 Classes</b>	
Floating Rate	FK
Inverse Floating Rate	SK
Interest Only	SK
Principal Only	PO
<b>No Payment Residual</b>	R and RL

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

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

*General.* We will pay interest on the 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 (except in the case of the Accrual Class) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid (or added to principal, in the case of the Accrual Class) 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. For a description of the Accrual Class, see “—Accrual Class” below.

Interest payments on exchangeable REMIC Certificates will be applied to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

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

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

See “Additional Risk Factors” in this prospectus supplement.

We will treat the EA and PO Classes as Delay Classes for the sole purpose of facilitating trading.

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

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

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

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

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

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

### **Calculation of LIBOR**

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 5.0% for the FB, SC and SD Classes, 4.9875% for the F and S Classes and 5.18% for the FK and SK Classes.



## Distributions of Principal

### *Categories of Classes*

For the purpose of principal payments, the Classes fall into the following categories:

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	PE, PG and PD
TAC	FB and SD
Support	EA and Z
Accretion Directed	FB and SD
Notional	IA, IB and SC
RCR**	PB, PC, IC and A
<b>Group 2 Classes</b>	
Structured Collateral/Pass-Through	F
Notional	S
<b>Group 3 Classes</b>	
Structured Collateral/Pass-Through	FK and PO
Notional	SK
<b>No Payment Residual</b>	R and RL

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

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

### *Principal Distribution Amount*

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the Z Class (the “Z Accrual Amount” and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 SMBS (the “Group 2 Principal Distribution Amount”), and
- the principal then paid on the Group 3 SMBS and the Group 3 Underlying REMIC Certificates (the “Group 3 Principal Distribution Amount”).

The portion of each class of Underlying REMIC Certificates held by the Lower Tier REMIC will be set forth in Exhibit A.

### *Group 1 Principal Distribution Amount*

#### *Z Accrual Amount*

On each Distribution Date, we will pay the Z Accrual Amount, concurrently, as principal of the FB and SD Classes, pro rata (or 91.176469697% and 8.823530303%, respectively), until their principal balances are reduced to zero. Thereafter, we will pay the Z Accrual Amount to the Z Class.

Accretion  
Directed  
Classes  
and Accrual  
Class

### *Group 1 Cash Flow Distribution Amount*

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

- (i) sequentially, to the PE, PG and PD Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date; } PAC Classes
- (ii) (a) 9.6774197174% of the remaining amount to the EA Class to zero, and } Support Class
- (b) 90.3225802826% of such remaining amount as follows:
  - first*, concurrently, to the FB and SD Classes, pro rata, until their principal balances are reduced to their Targeted Balances for that Distribution Date, } TAC Classes
  - second*, to the Z Class until its principal balance is reduced to zero, and } Support Class
  - third*, concurrently, to the FB and SD Classes, pro rata, without regard to their Targeted Balances and until their principal balances are reduced to zero; and } TAC Classes
- (iii) sequentially, to the PE, PG and PD Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero. } PAC Classes

### *Group 2 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount as principal of the F Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

### *Group 3 Principal Distribution Amount*

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

- (i) to the FK Class in an amount equal to the principal balance of the FK Class (before giving effect to payments of principal of the FK Class on that date) minus 94.1176470588% of the notional principal balance of the Group 3 SMBS (after giving effect to any reduction to the notional principal balance of the Group 3 SMBS on that date), until its principal balance is reduced to zero; and
- (ii) to the PO Class, until its principal balance is reduced to zero.

Principal payments on exchangeable REMIC Certificates will be applied to the corresponding RCR Certificates, on a pro rata basis, following any exchange.

## **Structuring Assumptions**

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each Pool of Mortgage

Loans underlying the Trust SMBS and the Group 3 Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the Group 1 MBS” above;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table; and
- the settlement date for the sale of the Certificates is July 30, 1999.

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

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

*Structuring Range and Rate.* The Principal Balance Schedules are found beginning on page B-1. The Principal Balance Schedules have been prepared on the basis of the Pricing Assumptions and the assumption that the Mortgage Loans will prepay at a constant PSA rate within the Structuring Range or at the rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range and Rate</u>
Planned Balances	PE, PG, PD, PB and PC	Between 100% and 250%
Targeted Balances	FB, SD and A	200%

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

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

<u>Classes</u>	<u>Initial Effective Ranges</u>
PE	Between 100% and 440%
PG	Between 100% and 280%
PD	Between 100% and 250%
PB	Between 100% and 440%
PC	Between 100% and 280%

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

## Yield Tables

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

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

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

We cannot assure you that

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

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

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

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

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

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

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

<u>Class</u>	<u>Price*</u>
SC .....	3.0%
SD .....	92.5%
S .....	11.0%
SK .....	6.0%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
3.00000% .....	171.0%	171.0%	159.0%	148.2%	138.8%	112.9%
5.00000% .....	79.7%	79.7%	67.8%	55.2%	37.4%	6.2%
7.00000% .....	(5.0)%	(8.2)%	(24.5)%	(55.6)%	(99.2)%	*
7.12903% and above .....	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
7.12903% and below .....	10.3%	10.4%	11.2%	12.3%	13.6%	15.2%
8.00000% .....	0.6%	0.7%	1.6%	2.7%	4.1%	5.8%

#### **Sensitivity of the S Class to Prepayments (Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>125%</u>	<u>300%</u>	<u>500%</u>
2.9875% .....	50.6%	48.0%	46.6%	37.0%	25.5%
4.9875% .....	29.7%	27.0%	25.6%	15.6%	3.7%
6.9875% .....	9.0%	6.2%	4.7%	(5.6)%	(18.2)%
8.5000% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>230%</u>	<u>350%</u>	<u>500%</u>
3.18% .....	85.0%	80.8%	69.5%	58.6%	44.2%
5.18% .....	44.7%	41.0%	31.1%	21.5%	9.0%
7.18% .....	4.8%	1.6%	(6.8)%	(14.9)%	(25.6)%
8.05% .....	*	*	*	*	*

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

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

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

<u>Class</u>	<u>Price</u>
EA .....	60.0%
PO .....	78.0%

**Sensitivity of the EA Class to Prepayments  
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
EA .....	2.1%	2.6%	5.2%	10.0%	31.6%	46.2%

**Sensitivity of the PO Class to Prepayments  
(Pre-Tax Yields to Maturity)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>230%</u>	<u>350%</u>	<u>500%</u>
PO .....	2.8%	3.5%	5.5%	7.8%	11.1%

*The IA, IB and IC Classes.* The yields to investors in the IA, IB and IC Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yields to maturity on the IA, IB and IC Classes would be 0% if prepayments of the related Mortgage Loans were to occur at constant rates of 679% PSA, 435% PSA and 461% PSA, respectively. If the actual prepayment rates of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling such level for the remaining months, investors in the IA, IB and IC Classes would lose money on their initial investments.

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

<u>Class</u>	<u>Price*</u>
IA .....	9.2500%
IB .....	21.5625%
IC .....	15.9375%

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

### **Sensitivity of the IA Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	41.9%	12.4%	12.4%	12.4%	12.4%	10.8%

### **Sensitivity of the IB Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	25.4%	12.1%	12.1%	12.1%	8.5%	(7.0)%

### **Sensitivity of the IC Class to Prepayments**

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>155%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	28.1%	12.1%	12.1%	12.1%	9.1%	(3.5)%

### **Weighted Average Lives of the Certificates**

The weighted average life of a Certificate is determined by

- multiplying the amount of the reduction, if any, of the principal balance of 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,
- summing the results, and
- dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a).

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

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

- the timing of changes in such rate of principal payments and
- the priority sequences of payments of principal of the Group 1 and Group 3 Classes.



See “—Distributions of Principal” above and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Document.

The effect of these factors may differ as to various Classes and the effects on any Class may vary at different times during the life of that Class. Accordingly, we can give no assurance as to the weighted average life of any Class. Further, to the extent the prices of the Certificates represent discounts or premiums to their original principal balances, variability in the weighted average lives of such Classes of Certificates could result in variability in the related yields to maturity. For an example of how the weighted average lives of the Classes may be affected at various constant prepayment rates, see the Decrement Tables below.

### Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	9.5%
Group 2 SMBS	360 months	358 months	8.5%
Group 3 SMBS	360 months	(1)	8.5%
Group 3 Underlying REMIC Certificates	360 months	(1)	10.5%

(1) With respect to the Group 3 SMBS and the Group 3 Underlying REMIC Certificates, it has been assumed that the Mortgage Loans backing SMBS Trust 172 have a remaining term to maturity of 277 months and the Mortgage Loans backing SMBS Trust 235 have a remaining term to maturity of 289 months. See Exhibit A.

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, CAGEs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA rate.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

## Percent of Original Principal Balances Outstanding

Date	PE, IA† and PB Classes						PG, IB† and PC Classes						PD Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	155%	250%	350%	500%	0%	100%	155%	250%	350%	500%	0%	100%	155%	250%	350%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	95	74	74	74	74	74	100	100	100	100	100	100	100	100	100	100	100	100
July 2001 .....	90	32	32	32	32	32	100	100	100	100	100	100	100	100	100	100	100	100
July 2002 .....	85	0	0	0	0	0	100	87	87	87	87	27	100	100	100	100	100	100
July 2003 .....	78	0	0	0	0	0	100	48	48	48	27	0	100	100	100	100	100	76
July 2004 .....	72	0	0	0	0	0	100	12	12	12	0	0	100	100	100	100	86	53
July 2005 .....	64	0	0	0	0	0	100	0	0	0	0	0	100	91	91	91	67	36
July 2006 .....	56	0	0	0	0	0	100	0	0	0	0	0	100	79	79	79	52	25
July 2007 .....	47	0	0	0	0	0	100	0	0	0	0	0	100	67	67	67	40	17
July 2008 .....	37	0	0	0	0	0	100	0	0	0	0	0	100	57	57	57	31	12
July 2009 .....	26	0	0	0	0	0	100	0	0	0	0	0	100	47	47	47	24	8
July 2010 .....	14	0	0	0	0	0	100	0	0	0	0	0	100	39	39	39	19	6
July 2011 .....	1	0	0	0	0	0	100	0	0	0	0	0	100	32	32	32	14	4
July 2012 .....	0	0	0	0	0	0	89	0	0	0	0	0	100	27	27	27	11	3
July 2013 .....	0	0	0	0	0	0	75	0	0	0	0	0	100	22	22	22	8	2
July 2014 .....	0	0	0	0	0	0	61	0	0	0	0	0	100	18	18	18	6	1
July 2015 .....	0	0	0	0	0	0	45	0	0	0	0	0	100	15	15	15	5	1
July 2016 .....	0	0	0	0	0	0	27	0	0	0	0	0	100	12	12	12	4	1
July 2017 .....	0	0	0	0	0	0	7	0	0	0	0	0	100	10	10	10	3	*
July 2018 .....	0	0	0	0	0	0	0	0	0	0	0	0	95	8	8	8	2	*
July 2019 .....	0	0	0	0	0	0	0	0	0	0	0	0	86	6	6	6	2	*
July 2020 .....	0	0	0	0	0	0	0	0	0	0	0	0	76	5	5	5	1	*
July 2021 .....	0	0	0	0	0	0	0	0	0	0	0	0	65	4	4	4	1	*
July 2022 .....	0	0	0	0	0	0	0	0	0	0	0	0	53	3	3	3	1	**
July 2023 .....	0	0	0	0	0	0	0	0	0	0	0	0	40	2	2	2	*	*
July 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	25	1	1	1	*	*
July 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	9	1	1	1	*	*
July 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	*	*
July 2027 .....	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*	*
July 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	*	*	*	*	*	*
July 2029 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	7.2	1.6	1.6	1.6	1.6	1.5	15.6	4.0	4.0	4.0	3.7	2.8	23.0	11.0	11.0	11.0	8.3	6.0

Date	EA Class						FB, SC†, SD and A Classes						Z Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	155%	200%	350%	500%	0%	100%	155%	200%	350%	500%	0%	100%	155%	200%	350%	500%
Initial Percent . . . . .	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 . . . . .	100	100	95	92	79	66	98	98	93	88	88	81	108	108	108	108	38	0
July 2001 . . . . .	100	100	87	77	45	14	96	96	81	69	54	17	117	117	117	117	0	0
July 2002 . . . . .	100	100	79	62	12	0	94	94	69	48	14	0	126	126	126	126	0	0
July 2003 . . . . .	100	100	72	50	0	0	92	92	58	32	0	0	136	136	136	136	0	0
July 2004 . . . . .	100	100	66	41	0	0	90	90	48	18	0	0	147	147	147	147	0	0
July 2005 . . . . .	100	100	62	35	0	0	87	87	41	7	0	0	159	159	159	159	0	0
July 2006 . . . . .	100	100	58	30	0	0	84	84	34	0	0	0	172	172	172	167	0	0
July 2007 . . . . .	100	100	56	27	0	0	81	81	28	0	0	0	186	186	186	151	0	0
July 2008 . . . . .	100	100	55	26	0	0	78	78	23	0	0	0	200	200	200	144	0	0
July 2009 . . . . .	100	99	53	24	0	0	75	73	17	0	0	0	217	217	217	136	0	0
July 2010 . . . . .	100	96	51	23	0	0	71	67	11	0	0	0	234	234	234	128	0	0
July 2011 . . . . .	100	93	48	21	0	0	67	58	3	0	0	0	253	253	253	119	0	0
July 2012 . . . . .	100	89	44	19	0	0	62	49	0	0	0	0	273	273	249	109	0	0
July 2013 . . . . .	100	84	41	18	0	0	58	38	0	0	0	0	295	295	230	98	0	0
July 2014 . . . . .	100	79	38	16	0	0	52	27	0	0	0	0	319	319	210	88	0	0
July 2015 . . . . .	100	73	34	14	0	0	47	14	0	0	0	0	344	344	191	79	0	0
July 2016 . . . . .	100	67	31	12	0	0	41	1	0	0	0	0	372	372	171	69	0	0
July 2017 . . . . .	100	62	27	11	0	0	34	0	0	0	0	0	402	345	152	61	0	0
July 2018 . . . . .	100	56	24	9	0	0	27	0	0	0	0	0	434	311	134	52	0	0
July 2019 . . . . .	100	50	21	8	0	0	20	0	0	0	0	0	469	278	117	45	0	0
July 2020 . . . . .	100	44	18	7	0	0	12	0	0	0	0	0	506	245	100	38	0	0
July 2021 . . . . .	100	38	15	6	0	0	3	0	0	0	0	0	547	213	85	31	0	0
July 2022 . . . . .	100	32	13	5	0	0	0	0	0	0	0	0	560	182	70	25	0	0
July 2023 . . . . .	100	27	10	4	0	0	0	0	0	0	0	0	560	151	57	20	0	0
July 2024 . . . . .	100	22	8	3	0	0	0	0	0	0	0	0	560	121	44	15	0	0
July 2025 . . . . .	100	16	6	2	0	0	0	0	0	0	0	0	560	91	33	11	0	0
July 2026 . . . . .	88	11	4	1	0	0	0	0	0	0	0	0	490	63	22	7	0	0
July 2027 . . . . .	61	6	2	1	0	0	0	0	0	0	0	0	343	36	12	4	0	0
July 2028 . . . . .	32	2	1	*	0	0	0	0	0	0	0	0	180	12	4	1	0	0
July 2029 . . . . .	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** . . . . .	28.4	20.0	11.7	7.0	1.9	1.3	14.2	11.8	5.6	3.1	2.1	1.5	28.4	23.0	19.8	16.0	0.8	0.5

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

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

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

Date	IC† Class						F and S† Classes				
	PSA Prepayment Assumption						PSA Prepayment Assumption				
	0%	100%	155%	250%	350%	500%	0%	100%	125%	300%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	98	88	88	88	88	88	99	96	96	91	86
July 2001 .....	96	69	69	69	69	69	98	91	89	77	65
July 2002 .....	93	47	47	47	47	15	97	84	81	62	45
July 2003 .....	90	26	26	26	15	0	96	78	74	50	31
July 2004 .....	87	6	6	6	0	0	95	72	67	41	21
July 2005 .....	84	0	0	0	0	0	94	67	61	33	15
July 2006 .....	80	0	0	0	0	0	93	61	56	26	10
July 2007 .....	76	0	0	0	0	0	92	57	50	21	7
July 2008 .....	71	0	0	0	0	0	90	52	46	17	5
July 2009 .....	66	0	0	0	0	0	88	48	41	14	3
July 2010 .....	61	0	0	0	0	0	87	44	37	11	2
July 2011 .....	55	0	0	0	0	0	85	40	33	9	1
July 2012 .....	48	0	0	0	0	0	83	36	30	7	1
July 2013 .....	41	0	0	0	0	0	80	33	27	5	1
July 2014 .....	33	0	0	0	0	0	78	30	24	4	*
July 2015 .....	24	0	0	0	0	0	75	27	21	3	*
July 2016 .....	14	0	0	0	0	0	72	24	19	3	*
July 2017 .....	4	0	0	0	0	0	69	21	16	2	*
July 2018 .....	0	0	0	0	0	0	65	19	14	2	*
July 2019 .....	0	0	0	0	0	0	61	17	12	1	*
July 2020 .....	0	0	0	0	0	0	57	14	10	1	*
July 2021 .....	0	0	0	0	0	0	53	12	9	1	*
July 2022 .....	0	0	0	0	0	0	48	10	7	*	*
July 2023 .....	0	0	0	0	0	0	42	8	6	*	*
July 2024 .....	0	0	0	0	0	0	37	7	5	*	*
July 2025 .....	0	0	0	0	0	0	30	5	3	*	*
July 2026 .....	0	0	0	0	0	0	23	3	2	*	*
July 2027 .....	0	0	0	0	0	0	16	2	1	*	*
July 2028 .....	0	0	0	0	0	0	7	1	*	*	*
July 2029 .....	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	11.7	2.9	2.9	2.9	2.7	2.2	20.6	11.1	9.9	5.4	3.5

Date	FK and SK† Classes					PO Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	230%	350%	500%	0%	100%	230%	350%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100
July 2000 .....	99	91	84	77	68	99	92	84	77	68
July 2001 .....	98	83	70	59	46	98	83	70	59	46
July 2002 .....	97	75	58	45	31	97	76	58	45	31
July 2003 .....	95	68	48	34	21	95	69	48	34	21
July 2004 .....	94	61	39	25	14	94	62	40	26	14
July 2005 .....	92	54	32	19	9	92	55	33	19	9
July 2006 .....	91	48	26	14	6	90	49	27	15	6
July 2007 .....	89	42	21	10	4	88	43	22	11	4
July 2008 .....	86	36	17	8	3	86	38	17	8	3
July 2009 .....	84	31	13	5	2	83	33	14	6	2
July 2010 .....	81	26	10	4	1	81	28	11	4	1
July 2011 .....	78	21	8	3	1	77	23	8	3	1
July 2012 .....	75	17	5	2	*	74	19	6	2	*
July 2013 .....	71	12	4	1	*	70	15	4	1	*
July 2014 .....	67	8	2	1	*	66	11	3	1	*
July 2015 .....	62	5	1	*	*	61	7	2	*	*
July 2016 .....	57	2	1	*	*	56	5	1	*	*
July 2017 .....	51	1	*	*	*	50	3	1	*	*
July 2018 .....	45	1	*	*	*	43	2	*	*	*
July 2019 .....	38	*	*	*	*	36	1	*	*	*
July 2020 .....	30	*	*	*	*	28	*	*	*	*
July 2021 .....	21	*	*	*	*	19	*	*	*	*
July 2022 .....	12	*	*	*	*	9	*	*	*	*
July 2023 .....	1	0	0	0	0	1	0	0	0	0
July 2024 .....	0	0	0	0	0	0	0	0	0	0
July 2025 .....	0	0	0	0	0	0	0	0	0	0
July 2026 .....	0	0	0	0	0	0	0	0	0	0
July 2027 .....	0	0	0	0	0	0	0	0	0	0
July 2028 .....	0	0	0	0	0	0	0	0	0	0
July 2029 .....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	16.6	7.3	4.9	3.6	2.5	16.5	7.7	5.0	3.6	2.6

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

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

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

## **Characteristics of the R and RL Classes**

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

The R and RL Classes will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R or RL Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R or RL Certificate to any person that is not a “U.S. Person” without our written consent. Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” to a U.S. Person 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. Any transferee of an R or RL Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 on which the transferee provides its taxpayer identification number. See “Description of Certificates—*Special Characteristics of Residual Certificates*” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. Transferors of an R or RL Certificate should consult with their own tax advisors for further information regarding such transfers.

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

## **CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES**

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

## **REMIC Elections and Special Tax Attributes**

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

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a

REMIC” for domestic building and loan associations, “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

### **Taxation of Beneficial Owners of Regular Certificates**

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

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

<u>Certificate Group</u>	<u>Prepayment Assumption</u>
1	155% PSA
2	125% PSA
3	230% PSA

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

### **Taxation of Beneficial Owners of Residual Certificates**

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about June 20, 1999. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

### **Taxation of Beneficial Owners of RCR Certificates**

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

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

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

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

## PLAN OF DISTRIBUTION

*General.* We are obligated to deliver the Certificates to Bear, Stearns & Co. Inc. (the “Dealer”) in exchange for the Group 1 MBS, the Trust SMBS and the Group 3 Underlying REMIC Certificates. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

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

## LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Stroock & Stroock & Lavan LLP will provide legal representation for the Dealer.

## Underlying REMIC Certificates and Trust SMBS

Underlying REMIC or SMBS Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type (1)	Final Distribution Date	Principal Type (1)	Original Principal or Notional Balance of Class	July 1999 Factor	Principal or Notional Balance Lower Tier REMIC as of Issue Date	Approximate Weighted Average WAC (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
302	PO	May 1999	31364JC27	(2)	PO	June 2029	PT	\$2,025,000,000	0.993561080	\$66,479,963	353	6	MBS	2
302	IO	May 1999	31364JC35	6.0%	IO	June 2029	NTL	2,025,000,000	0.993561080	99,719,946	353	6	MBS	2
235	IO	August 1993	31364HWY9	8.0	IO	August 2023	NTL	305,000,000	0.195405780	43,770,892	203	146	MBS	3
172	IO	August 1992	31364HRS8	8.0	IO	August 2022	NTL	325,000,000	0.164188870	468,923	259	85	MBS	3
1993-152	J	August 1993	31359B6A0	(2)	PO	August 2023	TAC	73,815,625	0.347919900	21,694,814	(3)	(3)	MBS	3
1993-152	E	August 1993	31359B5Y9	(2)	PO	August 2023	SCH	16,575,000	0.022387520	313,464	(3)	(3)	MBS	3
1993-152	K	August 1993	31359B6B8	(2)	PO	August 2023	SCH	74,100,000	0.502746300	31,469,907	(3)	(3)	MBS	3

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

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

(3) The assets of Fannie Mae REMIC Trust 1993-152 consist of “principal only” Fannie Mae Stripped Mortgage-Backed Securities issued from SMBS Trust 172 and SMBS Trust 235. See the Approximate Weighted Average WAC, Approximate Weighted Average CAGE set forth in this table for those SMBS Trusts.



## Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balance	RCR Classes	Original Principal or Notional Principal Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1								
PE	\$39,857,000	PB	\$39,857,000	7.00%	FIX	PAC	31359WVH1	April 2014
IA	2,846,928							
Recombination 2								
PG	47,257,000	PC	47,257,000	7.00	FIX	PAC	31359WVJ7	February 2021
IB	3,375,500							
Recombination 3								
IA	2,846,928	IC	6,222,428	7.00	FIX/IO	NTL	31359WVK4	February 2021
IB	3,375,500							
Recombination 4								
FB	60,176,470	A	66,000,000	7.75	FIX	TAC	31359WVL2	August 2029
SC	60,176,470							
SD	5,823,530							

(1) The principal balances and/or notional principal balances of the REMIC Certificates and RCR Certificate involved in any exchange will bear the same relationship as that borne by the original principal balances and/or original notional principal balances of the related Classes.

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

## Principal Balance Schedules

### *PE Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$39,857,000.00	July 2000 .....	\$29,487,381.54	June 2001 .....	\$14,285,924.42
August 1999 .....	39,267,353.41	August 2000 .....	28,307,854.08	July 2001 .....	12,744,319.06
September 1999 .....	38,626,880.58	September 2000 .....	27,081,801.44	August 2001 .....	11,185,314.57
October 1999 .....	37,935,798.87	October 2000 .....	25,809,742.92	September 2001 .....	9,609,215.46
November 1999 .....	37,194,351.80	November 2000 .....	24,492,221.22	October 2001 .....	8,016,336.80
December 1999 .....	36,402,809.01	December 2000 .....	23,129,802.00	November 2001 .....	6,407,003.97
January 2000 .....	35,561,466.05	January 2001 .....	21,723,073.54	December 2001 .....	4,781,552.42
February 2000 .....	34,670,644.29	February 2001 .....	20,272,646.33	January 2002 .....	3,164,194.26
March 2000 .....	33,730,690.70	March 2001 .....	18,803,463.61	February 2002 .....	1,554,887.60
April 2000 .....	32,741,977.63	April 2001 .....	17,315,773.79	March 2002 and thereafter .....	0.00
May 2000 .....	31,704,902.65	May 2001 .....	15,809,836.89		
June 2000 .....	30,619,888.23				

### *PG Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through February 2002 .....	\$47,257,000.00	January 2003 .....	\$31,629,142.00	January 2004 .....	\$13,926,816.08
March 2002 .....	47,210,590.75	February 2003 .....	30,113,262.09	February 2004 .....	12,498,717.77
April 2002 .....	45,617,262.23	March 2003 .....	28,604,908.13	March 2004 .....	11,077,690.52
May 2002 .....	44,031,860.78	April 2003 .....	27,104,041.11	April 2004 .....	9,663,697.70
June 2002 .....	42,454,345.36	May 2003 .....	25,610,622.26	May 2004 .....	8,256,702.82
July 2002 .....	40,884,675.13	June 2003 .....	24,124,612.99	June 2004 .....	6,856,669.62
August 2002 .....	39,322,809.45	July 2003 .....	22,645,974.91	July 2004 .....	5,463,562.00
September 2002 .....	37,768,707.92	August 2003 .....	21,174,669.81	August 2004 .....	4,077,344.05
October 2002 .....	36,222,330.31	September 2003 .....	19,710,659.71	September 2004 .....	2,697,980.06
November 2002 .....	34,683,636.62	October 2003 .....	18,253,906.79	October 2004 .....	1,325,434.49
December 2002 .....	33,152,587.05	November 2003 .....	16,804,373.46	November 2004 and thereafter .....	0.00
		December 2003 .....	15,362,022.30		

### *PD Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through October 2004 .....	\$123,919,000.00	February 2006 .....	\$104,182,707.37	July 2007 .....	\$ 83,553,369.25
November 2004 .....	123,878,671.98	March 2006 .....	102,920,810.79	August 2007 .....	82,392,753.99
December 2004 .....	122,519,657.35	April 2006 .....	101,665,123.24	September 2007 .....	81,237,821.85
January 2005 .....	121,167,355.62	May 2006 .....	100,415,612.51	October 2007 .....	80,088,543.30
February 2005 .....	119,821,731.97	June 2006 .....	99,172,246.54	November 2007 .....	78,944,888.95
March 2005 .....	118,482,751.76	July 2006 .....	97,934,993.42	December 2007 .....	77,806,829.58
April 2005 .....	117,150,380.54	August 2006 .....	96,703,821.42	January 2008 .....	76,674,336.13
May 2005 .....	115,824,584.03	September 2006 .....	95,478,698.98	February 2008 .....	75,547,379.66
June 2005 .....	114,505,328.12	October 2006 .....	94,259,594.68	March 2008 .....	74,425,931.39
July 2005 .....	113,192,578.88	November 2006 .....	93,046,477.27	April 2008 .....	73,309,962.70
August 2005 .....	111,886,302.56	December 2006 .....	91,839,315.68	May 2008 .....	72,200,391.27
September 2005 .....	110,586,465.58	January 2007 .....	90,638,078.97	June 2008 .....	71,106,648.45
October 2005 .....	109,293,034.52	February 2007 .....	89,442,736.38	July 2008 .....	70,028,514.69
November 2005 .....	108,005,976.16	March 2007 .....	88,253,257.29	August 2008 .....	68,965,773.47
December 2005 .....	106,725,257.42	April 2007 .....	87,069,611.25	September 2008 .....	67,918,211.24
January 2006 .....	105,450,845.40	May 2007 .....	85,891,767.97	October 2008 .....	66,885,617.33
		June 2007 .....	84,719,697.29	November 2008 .....	65,867,783.99

***PD Class (Continued)***

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
December 2008 .....	\$ 64,864,506.29	May 2013 .....	\$ 28,043,197.44	October 2017 .....	\$ 11,240,964.95
January 2009 .....	63,875,582.11	June 2013 .....	27,587,101.55	November 2017 .....	11,036,310.65
February 2009 .....	62,900,812.10	July 2013 .....	27,137,717.86	December 2017 .....	10,834,800.24
March 2009 .....	61,939,999.63	August 2013 .....	26,694,951.87	January 2018 .....	10,636,388.57
April 2009 .....	60,992,950.75	September 2013 .....	26,258,710.36	February 2018 .....	10,441,031.12
May 2009 .....	60,059,474.20	October 2013 .....	25,828,901.42	March 2018 .....	10,248,683.98
June 2009 .....	59,139,381.30	November 2013 .....	25,405,434.37	April 2018 .....	10,059,303.86
July 2009 .....	58,232,485.97	December 2013 .....	24,988,219.82	May 2018 .....	9,872,848.07
August 2009 .....	57,338,604.68	January 2014 .....	24,577,169.58	June 2018 .....	9,689,274.52
September 2009 .....	56,457,556.40	February 2014 .....	24,172,196.70	July 2018 .....	9,508,541.70
October 2009 .....	55,589,162.59	March 2014 .....	23,773,215.42	August 2018 .....	9,330,608.68
November 2009 .....	54,733,247.15	April 2014 .....	23,380,141.15	September 2018 .....	9,155,435.11
December 2009 .....	53,889,636.39	May 2014 .....	22,992,890.50	October 2018 .....	8,982,981.18
January 2010 .....	53,058,159.01	June 2014 .....	22,611,381.20	November 2018 .....	8,813,207.65
February 2010 .....	52,238,646.05	July 2014 .....	22,235,532.12	December 2018 .....	8,646,075.84
March 2010 .....	51,430,930.86	August 2014 .....	21,865,263.26	January 2019 .....	8,481,547.58
April 2010 .....	50,634,849.07	September 2014 .....	21,500,495.72	February 2019 .....	8,319,585.25
May 2010 .....	49,850,238.58	October 2014 .....	21,141,151.69	March 2019 .....	8,160,151.76
June 2010 .....	49,076,939.50	November 2014 .....	20,787,154.44	April 2019 .....	8,003,210.53
July 2010 .....	48,314,794.13	December 2014 .....	20,438,428.28	May 2019 .....	7,848,725.49
August 2010 .....	47,563,646.93	January 2015 .....	20,094,898.59	June 2019 .....	7,696,661.07
September 2010 .....	46,823,344.51	February 2015 .....	19,756,491.76	July 2019 .....	7,546,982.21
October 2010 .....	46,093,735.56	March 2015 .....	19,423,135.22	August 2019 .....	7,399,654.34
November 2010 .....	45,374,670.86	April 2015 .....	19,094,757.38	September 2019 .....	7,254,643.35
December 2010 .....	44,666,003.24	May 2015 .....	18,771,287.66	October 2019 .....	7,111,915.62
January 2011 .....	43,967,587.52	June 2015 .....	18,452,656.43	November 2019 .....	6,971,438.02
February 2011 .....	43,279,280.56	July 2015 .....	18,138,795.06	December 2019 .....	6,833,177.86
March 2011 .....	42,600,941.13	August 2015 .....	17,829,635.84	January 2020 .....	6,697,102.91
April 2011 .....	41,932,429.99	September 2015 .....	17,525,111.99	February 2020 .....	6,563,181.40
May 2011 .....	41,273,609.76	October 2015 .....	17,225,157.69	March 2020 .....	6,431,381.99
June 2011 .....	40,624,345.00	November 2015 .....	16,929,708.01	April 2020 .....	6,301,673.80
July 2011 .....	39,984,502.08	December 2015 .....	16,638,698.90	May 2020 .....	6,174,026.36
August 2011 .....	39,353,949.23	January 2016 .....	16,352,067.23	June 2020 .....	6,048,409.65
September 2011 .....	38,732,556.49	February 2016 .....	16,069,750.72	July 2020 .....	5,924,794.05
October 2011 .....	38,120,195.67	March 2016 .....	15,791,687.98	August 2020 .....	5,803,150.37
November 2011 .....	37,516,740.36	April 2016 .....	15,517,818.43	September 2020 .....	5,683,449.81
December 2011 .....	36,922,065.87	May 2016 .....	15,248,082.36	October 2020 .....	5,565,664.00
January 2012 .....	36,336,049.24	June 2016 .....	14,982,420.89	November 2020 .....	5,449,764.96
February 2012 .....	35,758,569.18	July 2016 .....	14,720,775.93	December 2020 .....	5,335,725.08
March 2012 .....	35,189,506.07	August 2016 .....	14,463,090.23	January 2021 .....	5,223,517.17
April 2012 .....	34,628,741.96	September 2016 .....	14,209,307.29	February 2021 .....	5,113,114.40
May 2012 .....	34,076,160.48	October 2016 .....	13,959,371.43	March 2021 .....	5,004,490.32
June 2012 .....	33,531,646.90	November 2016 .....	13,713,227.74	April 2021 .....	4,897,618.87
July 2012 .....	32,995,088.03	December 2016 .....	13,470,822.04	May 2021 .....	4,792,474.33
August 2012 .....	32,466,372.28	January 2017 .....	13,232,100.95	June 2021 .....	4,689,031.36
September 2012 .....	31,945,389.55	February 2017 .....	12,997,011.78	July 2021 .....	4,587,264.97
October 2012 .....	31,432,031.28	March 2017 .....	12,765,502.62	August 2021 .....	4,487,150.52
November 2012 .....	30,926,190.40	April 2017 .....	12,537,522.24	September 2021 .....	4,388,663.72
December 2012 .....	30,427,761.31	May 2017 .....	12,313,020.14	October 2021 .....	4,291,780.61
January 2013 .....	29,936,639.87	June 2017 .....	12,091,946.53	November 2021 .....	4,196,477.59
February 2013 .....	29,452,723.36	July 2017 .....	11,874,252.29	December 2021 .....	4,102,731.37
March 2013 .....	28,975,910.49	August 2017 .....	11,659,889.01	January 2022 .....	4,010,519.00
April 2013 .....	28,506,101.36	September 2017 .....	11,448,808.93	February 2022 .....	3,919,817.86

***PD Class (Continued)***

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
March 2022 .....	\$ 3,830,605.64	September 2024 .....	\$ 1,747,833.88	March 2027 .....	\$ 519,349.79
April 2022 .....	3,742,860.33	October 2024 .....	1,695,264.52	April 2027 .....	489,049.39
May 2022 .....	3,656,560.26	November 2024 .....	1,643,614.84	May 2027 .....	459,327.09
June 2022 .....	3,571,684.04	December 2024 .....	1,592,870.92	June 2027 .....	430,173.89
July 2022 .....	3,488,210.60	January 2025 .....	1,543,019.03	July 2027 .....	401,580.88
August 2022 .....	3,406,119.16	February 2025 .....	1,494,045.64	August 2027 .....	373,539.29
September 2022 .....	3,325,389.23	March 2025 .....	1,445,937.41	September 2027 .....	346,040.50
October 2022 .....	3,246,000.62	April 2025 .....	1,398,681.19	October 2027 .....	319,075.99
November 2022 .....	3,167,933.41	May 2025 .....	1,352,264.03	November 2027 .....	292,637.36
December 2022 .....	3,091,167.98	June 2025 .....	1,306,673.15	December 2027 .....	266,716.36
January 2023 .....	3,015,684.97	July 2025 .....	1,261,895.95	January 2028 .....	241,304.82
February 2023 .....	2,941,465.31	August 2025 .....	1,217,920.04	February 2028 .....	216,394.74
March 2023 .....	2,868,490.19	September 2025 .....	1,174,733.16	March 2028 .....	191,978.18
April 2023 .....	2,796,741.06	October 2025 .....	1,132,323.27	April 2028 .....	168,047.35
May 2023 .....	2,726,199.64	November 2025 .....	1,090,678.47	May 2028 .....	144,594.58
June 2023 .....	2,656,847.93	December 2025 .....	1,049,787.06	June 2028 .....	132,054.11
July 2023 .....	2,588,668.14	January 2026 .....	1,009,637.48	July 2028 .....	119,759.94
August 2023 .....	2,521,642.77	February 2026 .....	970,218.35	August 2028 .....	107,708.18
September 2023 .....	2,455,754.55	March 2026 .....	931,518.46	September 2028 .....	95,895.02
October 2023 .....	2,390,986.47	April 2026 .....	893,526.74	October 2028 .....	84,316.68
November 2023 .....	2,327,321.74	May 2026 .....	856,232.31	November 2028 .....	72,969.44
December 2023 .....	2,264,743.82	June 2026 .....	819,624.40	December 2028 .....	61,849.65
January 2024 .....	2,203,236.42	July 2026 .....	783,692.45	January 2029 .....	50,953.70
February 2024 .....	2,142,783.45	August 2026 .....	748,426.01	February 2029 .....	40,278.03
March 2024 .....	2,083,369.07	September 2026 .....	713,814.80	March 2029 .....	29,819.14
April 2024 .....	2,024,977.66	October 2026 .....	679,848.68	April 2029 .....	19,573.58
May 2024 .....	1,967,593.83	November 2026 .....	646,517.67	May 2029 .....	9,537.95
June 2024 .....	1,911,202.39	December 2026 .....	613,811.90	June 2029 and thereafter .....	0.00
July 2024 .....	1,855,788.38	January 2027 .....	581,721.69		
August 2024 .....	1,801,337.06	February 2027 .....	550,237.46		

***FB Class Targeted Balances***

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$60,176,470.00	January 2001 .....	\$47,487,702.58	July 2002 .....	\$29,075,049.51
August 1999 .....	59,795,249.47	February 2001 .....	46,468,288.26	August 2002 .....	28,151,373.67
September 1999 .....	59,372,830.15	March 2001 .....	45,442,620.60	September 2002 .....	27,243,712.07
October 1999 .....	58,909,567.60	April 2001 .....	44,411,123.11	October 2002 .....	26,351,845.10
November 1999 .....	58,405,880.13	May 2001 .....	43,374,245.17	November 2002 .....	25,475,555.50
December 1999 .....	57,862,248.47	June 2001 .....	42,332,461.08	December 2002 .....	24,614,628.51
January 2000 .....	57,279,215.23	July 2001 .....	41,286,269.05	January 2003 .....	23,768,851.74
February 2000 .....	56,657,384.22	August 2001 .....	40,236,190.06	February 2003 .....	22,938,015.10
March 2000 .....	55,997,419.82	September 2001 .....	39,182,766.82	March 2003 .....	22,121,910.94
April 2000 .....	55,300,045.92	October 2001 .....	38,126,562.50	April 2003 .....	21,320,333.89
May 2000 .....	54,566,045.08	November 2001 .....	37,068,159.60	May 2003 .....	20,533,080.84
June 2000 .....	53,796,257.28	December 2001 .....	36,008,158.66	June 2003 .....	19,759,950.97
July 2000 .....	52,991,578.70	January 2002 .....	34,966,020.84	July 2003 .....	19,000,745.70
August 2000 .....	52,152,960.42	February 2002 .....	33,941,505.83	August 2003 .....	18,255,268.64
September 2000 .....	51,281,406.81	March 2002 .....	32,934,376.07	September 2003 .....	17,523,325.62
October 2000 .....	50,377,974.08	April 2002 .....	31,944,396.59	October 2003 .....	16,804,724.60
November 2000 .....	49,443,768.42	May 2002 .....	30,971,335.07	November 2003 .....	16,099,275.69
December 2000 .....	48,479,944.32	June 2002 .....	30,014,961.76	December 2003 .....	15,406,791.11

**FB Class (Continued)**

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
January 2004 .....	\$14,727,085.19	December 2004 .....	\$ 8,042,627.33	October 2005 .....	\$ 3,097,277.22
February 2004 .....	14,059,974.30	January 2005 .....	7,502,511.01	November 2005 .....	2,655,667.56
March 2004 .....	13,405,276.88	February 2005 .....	6,972,939.21	December 2005 .....	2,223,091.35
April 2004 .....	12,762,813.33	March 2005 .....	6,453,753.15	January 2006 .....	1,799,406.56
May 2004 .....	12,132,406.13	April 2005 .....	5,944,795.79	February 2006 .....	1,384,472.67
June 2004 .....	11,513,879.68	May 2005 .....	5,445,911.81	March 2006 .....	978,150.73
July 2004 .....	10,907,060.36	June 2005 .....	4,956,947.67	April 2006 .....	580,303.37
August 2004 .....	10,311,776.47	July 2005 .....	4,477,751.51	May 2006 .....	190,794.65
September 2004 .....	9,727,858.18	August 2005 .....	4,008,173.12	June 2006 and thereafter .....	0.00
October 2004 .....	9,155,137.62	September 2005 .....	3,548,063.99		
November 2004 .....	8,593,448.73				

**SD Class Targeted Balances**

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$5,823,530.00	December 2001 .....	\$3,484,660.91	April 2004 .....	\$1,235,111.11
August 1999 .....	5,786,637.69	January 2002 .....	3,383,808.85	May 2004 .....	1,174,103.96
September 1999 .....	5,745,758.40	February 2002 .....	3,284,662.22	June 2004 .....	1,114,246.55
October 1999 .....	5,700,926.54	March 2002 .....	3,187,198.04	July 2004 .....	1,055,522.09
November 1999 .....	5,652,182.58	April 2002 .....	3,091,393.56	August 2004 .....	997,913.97
December 1999 .....	5,599,573.06	May 2002 .....	2,997,226.30	September 2004 .....	941,405.75
January 2000 .....	5,543,150.48	June 2002 .....	2,904,674.04	October 2004 .....	885,981.17
February 2000 .....	5,482,973.28	July 2002 .....	2,813,714.78	November 2004 .....	831,624.18
March 2000 .....	5,419,105.75	August 2002 .....	2,724,326.79	December 2004 .....	778,318.88
April 2000 .....	5,351,617.94	September 2002 .....	2,636,488.56	January 2005 .....	726,049.55
May 2000 .....	5,280,585.59	October 2002 .....	2,550,178.85	February 2005 .....	674,800.66
June 2000 .....	5,206,089.99	November 2002 .....	2,465,376.62	March 2005 .....	624,556.84
July 2000 .....	5,128,217.86	December 2002 .....	2,382,061.09	April 2005 .....	575,302.90
August 2000 .....	5,047,061.24	January 2003 .....	2,300,211.72	May 2005 .....	527,023.80
September 2000 .....	4,962,717.34	February 2003 .....	2,219,808.17	June 2005 .....	479,704.68
October 2000 .....	4,875,288.36	March 2003 .....	2,140,830.34	July 2005 .....	433,330.85
November 2000 .....	4,784,881.35	April 2003 .....	2,063,258.36	August 2005 .....	387,887.77
December 2000 .....	4,691,608.04	May 2003 .....	1,987,072.57	September 2005 .....	343,361.07
January 2001 .....	4,595,584.64	June 2003 .....	1,912,253.54	October 2005 .....	299,736.54
February 2001 .....	4,496,931.63	July 2003 .....	1,838,782.06	November 2005 .....	257,000.12
March 2001 .....	4,397,673.46	August 2003 .....	1,766,639.11	December 2005 .....	215,137.91
April 2001 .....	4,297,851.11	September 2003 .....	1,695,805.91	January 2006 .....	174,136.15
May 2001 .....	4,197,508.07	October 2003 .....	1,626,263.86	February 2006 .....	133,981.25
June 2001 .....	4,096,690.24	November 2003 .....	1,557,994.60	March 2006 .....	94,659.76
July 2001 .....	3,995,445.84	December 2003 .....	1,490,979.96	April 2006 .....	56,158.40
August 2001 .....	3,893,825.28	January 2004 .....	1,425,201.96	May 2006 .....	18,464.00
September 2001 .....	3,791,881.09	February 2004 .....	1,360,642.83	June 2006 and thereafter .....	0.00
October 2001 .....	3,689,667.76	March 2004 .....	1,297,285.01		
November 2001 .....	3,587,241.66				

**PB Class Planned Balances**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$39,857,000.00	October 1999 .....	\$37,935,798.87	January 2000 .....	\$35,561,466.05
August 1999 .....	39,267,353.41	November 1999 .....	37,194,351.80	February 2000 .....	34,670,644.29
September 1999 .....	38,626,880.58	December 1999 .....	36,402,809.01	March 2000 .....	33,730,690.70

**PB Class (Continued)**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
April 2000 .....	\$32,741,977.63	January 2001 .....	\$21,723,073.54	September 2001 .....	\$ 9,609,215.46
May 2000 .....	31,704,902.65	February 2001 .....	20,272,646.33	October 2001 .....	8,016,336.80
June 2000 .....	30,619,888.23	March 2001 .....	18,803,463.61	November 2001 .....	6,407,003.97
July 2000 .....	29,487,381.54	April 2001 .....	17,315,773.79	December 2001 .....	4,781,552.42
August 2000 .....	28,307,854.08	May 2001 .....	15,809,836.89	January 2002 .....	3,164,194.26
September 2000 .....	27,081,801.44	June 2001 .....	14,285,924.42	February 2002 .....	1,554,887.60
October 2000 .....	25,809,742.92	July 2001 .....	12,744,319.06	March 2002 and thereafter .....	0.00
November 2000 .....	24,492,221.22	August 2001 .....	11,185,314.57		
December 2000 .....	23,129,802.00				

**PC Class Planned Balances**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through February 2002 .....	\$47,257,000.00	January 2003 .....	\$31,629,142.00	January 2004 .....	\$13,926,816.08
March 2002 .....	47,210,590.75	February 2003 .....	30,113,262.09	February 2004 .....	12,498,717.77
April 2002 .....	45,617,262.23	March 2003 .....	28,604,908.13	March 2004 .....	11,077,690.52
May 2002 .....	44,031,860.78	April 2003 .....	27,104,041.11	April 2004 .....	9,663,697.70
June 2002 .....	42,454,345.36	May 2003 .....	25,610,622.26	May 2004 .....	8,256,702.82
July 2002 .....	40,884,675.13	June 2003 .....	24,124,612.99	June 2004 .....	6,856,669.62
August 2002 .....	39,322,809.45	July 2003 .....	22,645,974.91	July 2004 .....	5,463,562.00
September 2002 .....	37,768,707.92	August 2003 .....	21,174,669.81	August 2004 .....	4,077,344.05
October 2002 .....	36,222,330.31	September 2003 .....	19,710,659.71	September 2004 .....	2,697,980.06
November 2002 .....	34,683,636.62	October 2003 .....	18,253,906.79	October 2004 .....	1,325,434.49
December 2002 .....	33,152,587.05	November 2003 .....	16,804,373.46	November 2004 and thereafter .....	0.00
		December 2003 .....	15,362,022.30		

**A Class Targeted Balances**

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$66,000,000.00	May 2001 .....	\$47,571,753.24	March 2003 .....	\$24,262,741.28
August 1999 .....	65,581,887.16	June 2001 .....	46,429,151.32	April 2003 .....	23,383,592.25
September 1999 .....	65,118,588.55	July 2001 .....	45,281,714.89	May 2003 .....	22,520,153.41
October 1999 .....	64,610,494.14	August 2001 .....	44,130,015.34	June 2003 .....	21,672,204.51
November 1999 .....	64,058,062.71	September 2001 .....	42,974,647.91	July 2003 .....	20,839,527.76
December 1999 .....	63,461,821.53	October 2001 .....	41,816,230.26	August 2003 .....	20,021,907.75
January 2000 .....	62,822,365.71	November 2001 .....	40,655,401.26	September 2003 .....	19,219,131.53
February 2000 .....	62,140,357.50	December 2001 .....	39,492,819.57	October 2003 .....	18,430,988.46
March 2000 .....	61,416,525.57	January 2002 .....	38,349,829.69	November 2003 .....	17,657,270.29
April 2000 .....	60,651,663.86	February 2002 .....	37,226,168.05	December 2003 .....	16,897,771.07
May 2000 .....	59,846,630.67	March 2002 .....	36,121,574.11	January 2004 .....	16,152,287.15
June 2000 .....	59,002,347.27	April 2002 .....	35,035,790.15	February 2004 .....	15,420,617.13
July 2000 .....	58,119,796.56	May 2002 .....	33,968,561.37	March 2004 .....	14,702,561.89
August 2000 .....	57,200,021.66	June 2002 .....	32,919,635.80	April 2004 .....	13,997,924.44
September 2000 .....	56,244,124.15	July 2002 .....	31,888,764.29	May 2004 .....	13,306,510.09
October 2000 .....	55,253,262.44	August 2002 .....	30,875,700.46	June 2004 .....	12,628,126.23
November 2000 .....	54,228,649.77	September 2002 .....	29,880,200.63	July 2004 .....	11,962,582.45
December 2000 .....	53,171,552.36	October 2002 .....	28,902,023.95	August 2004 .....	11,309,690.44
January 2001 .....	52,083,287.22	November 2002 .....	27,940,932.12	September 2004 .....	10,669,263.93
February 2001 .....	50,965,219.89	December 2002 .....	26,996,689.60	October 2004 .....	10,041,118.79
March 2001 .....	49,840,294.06	January 2003 .....	26,069,063.46	November 2004 .....	9,425,072.91
April 2001 .....	48,708,974.22	February 2003 .....	25,157,823.27	December 2004 .....	8,820,946.21



***A Class (Continued)***

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
January 2005 .....	\$ 8,228,560.56	August 2005 .....	\$ 4,396,060.89	February 2006 .....	\$ 1,518,453.92
February 2005 .....	7,647,739.87	September 2005 .....	3,891,425.06	March 2006 .....	1,072,810.49
March 2005 .....	7,078,309.99	October 2005 .....	3,397,013.76	April 2006 .....	636,461.77
April 2005 .....	6,520,098.69	November 2005 .....	2,912,667.68	May 2006 .....	209,258.65
May 2005 .....	5,972,935.61	December 2005 .....	2,438,229.26	June 2006 and thereafter .....	0.00
June 2005 .....	5,436,652.35	January 2006 .....	1,973,542.71		
July 2005 .....	4,911,082.36				



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**\$419,958,149**



**FannieMae**

**Guaranteed REMIC  
Pass-Through Certificates  
Fannie Mae REMIC Trust 1999-38**

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**PROSPECTUS SUPPLEMENT**

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**Bear, Stearns & Co. Inc.**

**June 15, 1999**

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