

**\$767,570,894**



**FannieMae**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 1999-40**

**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 an 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

- Ginnie Mae certificates,
- an underlying redeemable certificate backed indirectly by Fannie Mae MBS,
- Fannie Mae MBS, and
- underlying REMIC certificates backed indirectly by Fannie Mae MBS.

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

In addition, the mortgage loans underlying the Ginnie Mae certificates are either insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs or the Rural Housing Service.

If you own certificates of certain classes, you can exchange them for RCR certificates to be issued at the time of the exchange. The AD, AE, AG, AI, PJ, PH, SA, SU, ST, S, DE, PR, PI and SV 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.

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
HH(1)	1	\$ 25,000,000(1)	RTL	7.00%	FIX	31359V 6 N 8	July 2029
HA	1	37,500,000	SEQ	7.00	FIX	31359V 6 P 3	December 2025
AB	2	2,155,572	RDM/SEQ	7.50	FIX	31359W S J 1	November 2002
A(2)	2	93,423,040	RDM/SEQ	7.50	FIX	31359WSK 8	July 2028
B	2	12,200,000	RDM/SEQ	7.50	FIX	31359WSL 6	August 2029
PL(2)	3	11,542,000	PAC	6.50	FIX	31359WSM 4	July 2004
PM(2)	3	16,824,000	PAC	6.50	FIX	31359WSN 2	September 2007
PN(2)	3	15,499,000	PAC	6.50	FIX	31359WSP 7	January 2010
PC	3	55,000,000	PAC	6.50	FIX	31359WSQ 5	October 2010
PD	3	10,000,000	PAC	6.50	FIX	31359WSR 3	December 2011
PG	3	22,976,488	PAC	6.50	FIX	31359WSS 1	April 2012
PW(2)	3	24,461,000	PAC	6.50	FIX	31359WST 9	June 2013
PX(2)	3	26,633,429	PAC	6.50	FIX	31359WSU 6	August 2014
FB	3	51,284,299	SEG(SUP)/SEQ	(3)	FLT	31359WSV 4	August 2014
SB	3	7,889,892	SEG(SUP)/SEQ	(3)	INV	31359WSW 2	August 2014
SO	3	5,168,000	SEG(SUP)/SCH	(3)	INV	31359WSX 0	August 2014
SC	3	2,721,892	SEG(SUP)/SUP	(3)	INV	31359WSY 8	August 2014
PF	4	9,131,383(4)	NTL	7.00	FIX/IO	31359WSZ 5	September 2021
PA	4	47,160,821	PAC	6.25	FIX	31359WTA 9	July 2018
PB(2)	4	30,213,636	PAC	6.50	FIX	31359WTB 7	September 2021
PK	4	132,961,479	PAC	7.00	FIX	31359WTC 5	August 2029
C	4	38,501,116	TAC	7.00	FIX	31359WTD 3	August 2029
SH(2)	4	1,419,260	SUP	(3)	INV	31359WTE 1	July 2028
SI(2)	4	3,548,150(4)	NTL	(3)	INV/IO	31359WTF 8	July 2028
DB	4	1,000,000	SUP	7.50	FIX	31359WTG 6	April 2029
FP(2)	4	8,542,641	SUP	(3)	FLT	31359WTH 4	April 2029
SP(2)	4	854,264	SUP	(3)	INV	31359WTJ 0	April 2029
SQ(2)	4	284,755	SUP	(3)	INV	31359WTK 7	April 2029
DC	4	6,790,014	SUP	7.50	FIX	31359WTL 5	August 2029
FA	4	50,000,000	CPT	(3)	FLT	31359WTM 3	July 2028
SJ(2)	4	6,000,000	SEG(SUP)/TAC	(3)	INV	31359WTN 1	November 2013
SK(2)	4	1,833,334	SEG(SUP)/TAC	(3)	INV	31359WTP 6	August 2021
SL(2)	4	2,166,666	SEG(SUP)/TAC	(3)	INV	31359WTQ 4	August 2021
SM(2)	4	2,109,402	SEG(SUP)/SUP	(3)	INV	31359WTR 2	March 2027
Z	4	4,954,926	SUP	6.50	FIX/Z	31359WTS 0	August 2029
FD	5	11,111,082	SC/PT	(3)	FLT	31359WTT 8	November 2023
SD(2)	5	5,223,933(4)	NTL	(3)	INV/IO	31359WTU 5	November 2023
SE	5	2,276,047(4)	NTL	(3)	INV/IO	31359WTV 3	November 2023
SG(2)	5	1,388,886	SC/PT	(3)	INV	31359WTW 1	November 2023
R		0	NPR	0	NPR	31359V 6 Q 1	August 2029
RB		0	NPR	0	NPR	31359WTY 7	August 2029
RL		0	NPR	0	NPR	31359WTZ 4	August 2029

(1) The HH Class, with an original principal balance of \$25,000,000, is being offered by means of the retail class supplement and is not offered hereby.

(2) Exchangeable classes.

(3) Based on LIBOR.

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

Carefully consider the risk factors starting on page S-10 of this prospectus supplement and page 10 of the REMIC prospectus. If you are a prospective purchaser of certificates of a Group 2 Class, you also should consider the risk factors starting on page 5 of the Trust 1999-R2 prospectus attached to this prospectus supplement. Unless you understand and are able to tolerate these risks, you should not invest in the related certificates.

You should read the REMIC prospectus and, in the case of the Group 2 Classes, the Trust 1999-R2 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.

**PaineWebber Incorporated**

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## AVAILABLE INFORMATION

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

- 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”);
- the disclosure document relating to the underlying REMIC certificates (the “Underlying REMIC Disclosure Document”);
- our Prospectus for Guaranteed Grantor Trust Redeemable/Redemption Certificates, Fannie Mae Grantor Trust 1999-R2 dated June 22, 1999 (the “Trust 1999-R2 Prospectus”), which is attached to this prospectus supplement; and
- our Information Statement dated March 31, 1999 and its supplements (the “Information Statement”).

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:

PaineWebber Incorporated  
Prospectus Department  
1000 Harbor Boulevard  
Weehawken, New Jersey 07087  
(telephone 201-902-6858).

## 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 Ginnie Mae Certificates
2	Class 1999-R2-A1 Guaranteed Grantor Trust Redeemable Certificate
3	Group 3 MBS
4	Group 4 MBS
5	Class 1999-12-SC REMIC Certificate Class 1999-12-FD REMIC Certificate

### Assumed Characteristics of the Mortgage Loans underlying the Group 1 Ginnie Mae Certificates, Group 2 Underlying Redeemable Certificate, Group 3 MBS and Group 4 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 or WARM (in months)</u>	<u>Approximate Calculated Loan Age or WALA (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 Ginnie Mae Certificates	\$ 62,500,000	360	346	9	7.750%
Group 2 Underlying Redeemable Certificate	\$ 34,489,157	360	357	2	8.030%
	51,733,733	360	334	22	8.020%
	10,777,861	360	313	39	8.080%
	10,777,861	360	288	63	8.020%
Group 3 MBS	\$250,000,000	180	164	15	6.937%
Group 4 MBS	\$ 83,028,496	360	357	2	7.500%
	81,689,324	360	349	9	7.500%
	99,098,524	360	310	42	7.610%
	70,975,970	360	274	72	7.510%

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 Underlying Redeemable Certificate

See the Trust 1999-R2 Prospectus attached to this prospectus supplement for the characteristics of the underlying redeemable certificate, including certain information about the underlying mortgage loans.

### Characteristics of the Group 5 Underlying REMIC Certificates

Exhibit A describes the underlying REMIC certificates, including certain information about the related mortgage loans. To learn more about the underlying REMIC certificates, you should obtain the

current principal factors and disclosure document for the underlying REMIC certificates from us 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 Group 1 Classes on the first business day following the 20th day of each calendar month, or on the 20th day, if the 19th and 20th days are both business days. We will make payments on the Group 2, Group 3, Group 4 and Group 5 Classes on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day.

### **Book-Entry and Physical Certificates**

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

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

<u>DTC Book-Entry</u>	<u>Fed Book-Entry</u>	<u>Physical</u>
All Group 1 Classes	All Group 2, 3, 4 and 5 Classes and the related RCR Classes	R, RB 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.

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below, except that the initial interest rates listed for the FD, SD, SE, SG and SV Classes are assumed rates. We will calculate actual initial interest rates for those classes on July 22, 1999 using the applicable formulas. 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 .....	5.65000%	8.50000%	0.45%	LIBOR + 45 basis points
SB .....	9.26250%	26.16250%	0.00%	26.1625% - (3.25 × LIBOR)
SO .....	9.26250%	26.16250%	0.00%	26.1625% - (3.25 × LIBOR)
SC .....	9.26250%	26.16250%	0.00%	26.1625% - (3.25 × LIBOR)
SH .....	15.25000%	40.25000%	0.00%	40.25% - (5 × LIBOR)
SI .....	3.05000%	8.05000%	0.00%	8.05% - LIBOR
FP .....	6.10000%	8.50000%	1.10%	LIBOR + 110 basis points
SP .....	20.00000%	70.00000%	0.00%	70% - (10 × LIBOR)
SQ .....	12.00000%	12.00000%	0.00%	222% - (30 × LIBOR)
FA .....	5.45000%	8.50000%	0.45%	LIBOR + 45 basis points
SJ .....	10.16488%	30.90956%	0.00%	30.90956% - (4.148935 × LIBOR)
SK .....	10.16488%	30.90956%	0.00%	30.90956% - (4.148935 × LIBOR)
SL .....	9.00000%	9.00000%	0.00%	120.75% - (15 × LIBOR)
SM .....	9.91250%	26.16250%	0.00%	26.1625% - (3.25 × LIBOR)
FD .....	5.88000%(2)	9.00000%	0.70%	LIBOR + 70 basis points
SD .....	3.12000%(2)	8.30000%	0.00%	8.3% - LIBOR
SE .....	1.05000%(2)	1.05000%	0.00%	8.3% - LIBOR
SG .....	8.11200%(2)	21.58000%	0.00%	21.58% - (2.6 × LIBOR)
SA .....	22.87499%	60.37497%	0.00%	60.37497% - (7.499996 × LIBOR)
SU .....	10.16488%	30.90956%	0.00%	30.90956% - (4.148935 × LIBOR)
ST .....	9.91250%	26.16250%	0.00%	26.1625% - (3.25 × LIBOR)
S .....	9.91250%	26.16250%	0.00%	26.1625% - (3.25 × LIBOR)
SV .....	10.92000%(2)	29.05000%	0.00%	29.05% - (3.5 × LIBOR)

(1) We will establish LIBOR on the basis of the “LIBO Method” in the case of the FD, SD, SE, SG and SV Classes, and on the basis of the “BBA Method” in the case of all other floating rate and inverse floating rate classes.

(2) Assumed initial interest rates.

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

### Components

The FA Class is made up of payment components. Each component will have the original principal balance and principal type set forth below.

<u>Component</u>	<u>Original Principal Balance</u>	<u>Principal Type</u>
FA1 .....	\$10,644,444	SUP
FA2 .....	\$39,355,556	SEG(SUP) / SEG

## Notional Classes

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

### Class

PF .....	3.5714285714% of PA Class 7.1428571429% of PA and PB Classes and Segment Groups III and IV
SI .....	250% of SH Class
SD .....	47.0155201807% of FD Class
SE .....	20.4844766693% of FD Class
PI .....	3.5714285714% of PB Class
AI .....	6.6666666667% of A Class

## Distributions of Principal

### *Group 1 Principal Distribution Amount*

- A. Beginning in August 2002, on each Distribution Date we will pay an amount of up to \$25,000 to the HH Class to zero.
- B. Beginning in August 1999, on each Distribution Date we will pay the excess of the Group 1 Principal Distribution Amount over the amount applied pursuant to A. above to the HA and HH Classes, in that order, to zero.

### *Group 2 Principal Distribution Amount*

To the AB, A and B Classes, in that order, to zero.

### *Group 3 Principal Distribution Amount*

1. To the Segment Group I to its Planned Balance.
2. So long as the PC Class is outstanding:
  - (a) 52.4481604528% of the remaining amount to the PC Class to its Planned Balance, and
  - (b) 47.5518395472% of such remaining amount to the PL, PM, PN and PG Classes, in that order, to their Planned Balances.
3. So long as the PD Class is outstanding, to the PD and PG Classes, in the proportions of 47.673447563% and 52.326552437%, respectively, to their Planned Balances.
4. To the PG, PW and PX Classes, in that order, to their Planned Balances.
5. To the Segment Group II to zero.
6. To the Segment Group I to zero.
7. So long as the PC Class is outstanding:
  - (a) 52.4481604528% of the remaining amount to the PC Class to zero, and
  - (b) 47.5518395472% of such remaining amount to the PL, PM and PN Classes, in that order, to zero, and thereafter to the PG Class.



8. To the PD and PG Classes, in the proportions of 47.673447563% and 52.326552437%, respectively, until the PD Class is reduced to zero.

9. To the PG, PW and PX Classes, in that order, to zero.

For a description of the Segment Groups, see “Description of the Certificates—Distributions of Principal” in this prospectus supplement.

*Group 4 Principal Distribution Amount*

*Z Accrual Amount*

To the Segment Group V to zero, and thereafter to the Z Class.

*Group 4 Cash Flow Distribution Amount*

1. To the Segment Group III to its Planned Balance.
2. To the PA Class and the Segment Group IV, pro rata, to their Planned Balances.
3. To the PB and PK Classes, in that order, to their Planned Balances.
4. To the C Class to its Targeted Balance.
5. (a) 50% of the remaining amount as follows:
  - first*, to the FA1 Component and the SH Class, pro rata, to zero;
  - second*, to the DB, FP, SP and SQ Classes, pro rata, to zero; and
  - third*, to the DC Class to zero, and
- (b) 50% of such remaining amount to the Segment Group V and the Z Class, in that order, to zero.
6. To the C Class to zero.
7. To the Segment Group III to zero.
8. To the PA Class and the Segment Group IV, pro rata, to zero.
9. To the PB and PK Classes, in that order, to zero.

For a description of the Segment Groups, see “Description of the Certificates—Distributions of Principal” in this prospectus supplement.

*Group 5 Principal Distribution Amount*

To the FD and SG Classes, pro rata, to zero.

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

**Effect of Redemption of the Group 2 Underlying Redeemable Certificate on the Group 2 Classes**

Under certain circumstances, the underlying redeemable certificate may be redeemed in full on any monthly distribution date beginning in January 2000. If a redemption occurs and you hold any of the Group 2 Classes, you will receive the unpaid balance of your certificates plus interest through the 24th day of the month in which the redemption occurs.



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

<u>Group 1 Classes</u>		<u>PSA Prepayment Assumption</u>						
		<u>0%</u>	<u>100%</u>	<u>142%</u>	<u>300%</u>	<u>500%</u>		
HH		24.5	18.7	16.0	9.4	5.8		
HA		18.3	6.0	4.5	2.4	1.6		
<u>Group 2 Classes</u>		<u>PSA Prepayment Assumption</u>						
		<u>0%</u>	<u>100%</u>	<u>191%</u>	<u>300%</u>	<u>500%</u>		
AB		1.7	0.2	0.2	0.1	0.1		
A, AD, AE, AG and AI		21.0	9.2	5.7	3.9	2.4		
B		29.5	24.9	20.0	14.6	9.0		
<u>Group 3 Classes</u>		<u>PSA Prepayment Assumption</u>						
		<u>0%</u>	<u>100%</u>	<u>152%</u>	<u>250%</u>	<u>500%</u>		
PL		3.0	1.2	1.2	1.2	1.2		
PM		5.6	2.5	2.5	2.5	1.7		
PN		7.9	4.0	4.0	4.0	2.4		
PC		6.2	3.0	3.0	3.0	2.0		
PD		10.2	6.0	6.0	6.0	3.5		
PG		10.1	6.0	6.0	6.0	3.5		
PW		11.5	8.0	8.0	8.0	4.8		
PX		12.6	11.0	11.0	11.0	7.6		
FB and SB		11.2	8.2	5.5	1.5	0.6		
PJ		12.1	9.6	9.6	9.6	6.3		
PH		5.7	2.7	2.7	2.7	1.8		
		<u>PSA Prepayment Assumption</u>						
		<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>152%</u>	<u>175%</u>	<u>250%</u>	<u>500%</u>
SO		9.3	6.0	3.8	3.8	3.8	1.8	0.7
SC		14.6	12.4	11.3	8.9	5.8	1.0	0.4
<u>Group 4 Classes</u>		<u>PSA Prepayment Assumption</u>						
		<u>0%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>		
PF		12.2	2.6	2.6	2.6	1.9		
PA		12.2	2.4	2.4	2.4	2.0		
PB, PR and PI		17.6	4.4	4.4	4.4	2.7		
PK		23.3	10.5	10.5	10.5	5.6		
C		27.4	13.5	2.8	2.8	1.3		
SH, SI and SA		28.5	18.8	6.4	0.9	0.3		
DB, FP, SP, SQ and DE		29.3	22.6	16.0	2.7	0.7		
DC		29.8	26.9	23.5	6.1	1.1		
FA		15.2	10.2	5.0	1.3	0.6		
SJ		6.0	2.0	1.9	1.1	0.6		
SK		17.8	16.3	11.9	3.1	1.7		
SL, SU and ST		8.8	5.4	4.2	1.5	0.8		
SM		24.9	19.4	6.3	0.7	0.2		
Z		29.1	24.1	20.5	6.2	1.1		
S		11.6	7.8	4.6	1.4	0.7		
<u>Group 5 Classes</u>		<u>PSA Prepayment Assumption</u>						
		<u>0%</u>	<u>100%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>		
FD, SD, SE, SG and SV		23.8	20.2	17.7	2.6	1.1		

\* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement. Prepayments will not occur at any assumed rate shown or any other constant rate, and the actual weighted average lives of the certificates are likely to differ from those shown, perhaps significantly.

## 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 Ginnie Mae certificates or MBS, including prepayments. Because borrowers generally may prepay their mortgage loans at any time without penalty, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

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

*Principal payments on certain classes will also be affected by payment priorities affecting the underlying REMIC certificates.* If you invest in any Group 5 Class, the rate at which you receive principal payments also will be affected by the priority sequence affecting principal payments on the related underlying REMIC certificates.

As described in the related disclosure documents, the underlying REMIC certificates are backed by support classes that are entitled to receive principal payments on any distribution date only if scheduled payments have been made on other classes in the related underlying REMIC trust. Accordingly, these underlying REMIC certificates may receive no principal payments for extended periods or may receive principal payments that vary widely from period to period.

You may obtain additional information about the underlying REMIC certificates by reviewing our current class factors in light of other information available in the related disclosure documents. You may obtain these documents from us as described on page S-3.

*Redemption of the Group 2 underlying redeemable certificate could affect yields on the Group 2 Classes.* The effective yields on the certificates of the Group 2 Classes will be sensitive to whether and when the Group 2 underlying redeemable certificate is redeemed since the

Group 2 Classes will be retired in full upon such redemption. A redemption can occur in any month beginning in January 2000. The holder of a Group 2 Class will not be reimbursed for any premium such holder may have paid or for any reduction in effective yield. A redemption is more likely to occur if prevailing mortgage interest rates have declined or if the MBS backing the underlying redeemable certificate have a market value that is greater than their total principal balance.

*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. In particular, investors in the Group 2 Classes must make assumptions regarding the likelihood and timing of a redemption of the underlying redeemable certificate.**

*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 Ginnie Mae certificates and the MBS underlying the Group 2, Group 3 and Group 4 Classes 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.

*Group 2 Classes are unlikely to be sold at a premium due to redemption feature.* Because of the redemption feature described in this prospectus supplement and the Trust 1999-R2 Prospectus, the ability of investors to resell certificates of the Group 2 Classes at a premium is likely to be limited.

*Delay classes have lower yields and market values.* Since certain classes do not receive interest immediately following each interest accrual period (except, in the case of the Group 2 Classes, upon a redemption of the underlying redeemable certificate), 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 authorities, 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 certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover (the “Trust”) and two separate trusts (each, a “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 each of the two Lower Tier REMICs 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, RB 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 REMICs other than the RL and RB Classes (the “Lower Tier Regular Interests”) will be the “regular interests” in the Lower Tier REMICs.
- The RL and RB Classes will be the “residual interests” in the respective Lower Tier REMICs.

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

- certain “fully modified pass-through” mortgage-backed securities guaranteed as to timely payment of principal and interest by Ginnie Mae (the “Group 1 Ginnie Mae Certificates”),
- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 3 MBS” and “Group 4 MBS” and, together, the “Trust MBS”), and
- certain previously issued REMIC certificates (the “Group 5 Underlying REMIC Certificates,” evidencing beneficial ownership interests in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A.

The assets of the second Lower Tier REMIC will consist of the Fannie Mae Class A1 Guaranteed Grantor Trust Redeemable Certificate in the principal amount of \$107,778,612 (the “Group 2 Underlying Redeemable Certificate”) evidencing a beneficial ownership interest in Fannie Mae Grantor Trust 1999-R2 (the “Underlying Grantor Trust”).

The assets of the Underlying REMIC Trust and the Underlying Grantor Trust evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”).

Each MBS represents a beneficial ownership interest in a pool of first lien, single-family, fixed-rate residential mortgage loans having the characteristics described herein.

Each Group 1 Ginnie Mae Certificate is based on and backed by a pool of mortgage loans (together with the pools and mortgage loans underlying the MBS, the “Pools” and “Mortgage Loans”) which are either insured or guaranteed by the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or the Rural Housing Service (“FmHA”).

*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 Group 1 Ginnie Mae Certificates or 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 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Document. Our guaranty obligations with respect to the Group 2 Underlying Redeemable Certificate are described in the Trust 1999-R2 Prospectus. 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, “Description of the Certificates—General—*Fannie Mae Guaranty*” in the Underlying REMIC Disclosure Document and “Description of the Certificates—General—*Fannie Mae Guaranty*” in the Trust 1999-R2 Prospectus.

*Characteristics of Certificates.* The Group 1 Classes will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a New York-chartered limited purpose trust company, or any successor or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the Certificates. DTC will maintain the DTC Certificates through its book-entry facilities.

We will issue the Certificates of the Group 2, Group 3, Group 4, and Group 5 Classes and the related RCR 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 the Certificates—Denominations and Form” in the REMIC Prospectus.

We will issue the R, RB and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R, RB or RL Certificate is its registered owner. The R, RB 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, RB or RL Certificate and may require payment to cover any tax or other governmental charge. See also “—Characteristics of the R, RB and RL Classes.”

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust, and the Holders of the RL and RB Classes will receive the proceeds of any remaining assets of the respective Lower Tier REMICs, 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, RB and RL Certificates, in minimum denominations of \$1,000 and whole dollar increments. We will issue each of the R, RB and RL Classes as a single Certificate with no principal balance.

*Distribution Dates.* We will make monthly payments on the Group 1 Classes on the first business day following the 20th day of each month (or, if the 19th and 20th days are both business days, on the 20th day). We will make monthly payments on the Group 2, Group 3, Group 4, and Group 5 Classes on the 25th day of each month (or, if the 25th day is not a business day, on the first business day after the 25th). We refer to each such date as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

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

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



*Redemption.* The Group 2 Underlying Redeemable Certificate can be redeemed as described in the Trust 1999-R2 Prospectus under the heading “Description of the Certificates—Redemption and Exchange.”

*Optional Termination.* We will not terminate either 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 Underlying Redeemable Certificate and the Underlying REMIC Certificates.* Holders of the Group 2 Underlying Redeemable Certificate and the Group 5 Underlying REMIC Certificates may be asked to vote on issues arising under the applicable trust agreement. If so, the Trustee will vote the Underlying Redeemable Certificate and the Underlying REMIC Certificates, as applicable, as instructed by Holders of Certificates of the Classes backed by such Underlying Redeemable Certificate and 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 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 A, PL, PM, PN, PW, PX, PB, SH, SI, FP, SP, SQ, SJ, SK, SL, SM, SD and SG 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.

## **Book-Entry Procedures**

*General.* The DTC Certificates will be registered at all times in the name of the nominee of DTC. Under its normal procedures, DTC will record the amount of DTC Certificates held by each firm which participates in the book-entry system of DTC (each, a "DTC Participant"), whether held for its own account or on behalf of another person. Initially, State Street Bank and Trust Company ("State Street") will act as paying agent for the DTC Certificates. State Street will also perform certain administrative functions in connection with the DTC Certificates.

A "beneficial owner" or an "investor" is anyone who acquires a beneficial ownership interest in the DTC Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains an account for you. In turn, the record ownership of the financial intermediary that holds your DTC Certificates will be recorded by DTC. If the intermediary is not a DTC Participant, the record ownership of the intermediary will be recorded by a DTC Participant acting on its behalf. Therefore, you must rely on these various arrangements to record your ownership of the DTC Certificates and to relay the payments to your account. You may transfer your beneficial ownership interest in the DTC Certificates only under the procedures of your financial intermediary and of DTC Participants. In general, ownership of DTC Certificates will be subject to the prevailing rules, regulations and procedures governing the DTC and DTC Participants.

The Fed Book-Entry Certificates will be issued and maintained only on the book-entry system of the Federal Reserve Banks. The Fed Book-Entry Certificates may be held of record only by entities eligible to maintain book-entry accounts with the Federal Reserve Banks. Beneficial owners ordinarily will hold Fed Book-Entry Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Holder that is not the beneficial owner of a Fed Book-Entry Certificate, and each other financial intermediary in the chain to the beneficial owner, will have to establish and maintain accounts for their respective customers. A beneficial owner's rights with respect to us and the Federal Reserve Banks may be exercised only through the Holder of such Certificate. Neither we nor the Federal Reserve Banks will have any direct obligation to a beneficial owner of a Fed Book-Entry Certificate that is not the Holder of such Certificate. The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of a Fed Book-Entry Certificate. See "Description of Certificates—Denominations and Form" in the REMIC Prospectus.



*Method of Payment.* State Street will direct payments on the DTC Certificates to DTC in immediately available funds. In turn, DTC will credit the payments to the accounts of the appropriate DTC Participants, in accordance with the DTC's procedures. These procedures currently provide for payments made in same-day funds to be settled through the New York Clearing House. DTC Participants and financial intermediaries will direct the payments to the investors in DTC Certificates that they represent.

Our fiscal agent for the Fed Book-Entry Certificates is the Federal Reserve Bank of New York. On each applicable Distribution Date, the Federal Reserve Banks will make payments on such Certificates on our behalf by crediting Holders' accounts at the Federal Reserve Banks.

### **The Group 1 Ginnie Mae Certificates**

The Group 1 Ginnie Mae Certificates will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the REMIC Prospectus. All of the Group 1 Ginnie Mae Certificates are Ginnie Mae II Certificates. See "Ginnie Mae and the Ginnie Mae Programs" in the REMIC Prospectus. We expect the characteristics of the Group 1 Ginnie Mae Certificates and the related Mortgage Loans as of July 1, 1999 (the "Issue Date") to be as follows:

<b>Group 1 Ginnie Mae Certificates</b>	
Aggregate Unpaid Principal Balance .....	\$62,500,000
Ginnie Mae Pass-Through Rate .....	7.00%
<b>Related Mortgage Loans</b>	
Range of WACs (per annum percentages) .....	7.50% to 8.50%
Range of WARMs .....	241 months to 360 months
Approximate Weighted Average WARM .....	346 months
Approximate Weighted Average WALA .....	9 months

### **The Group 2 Underlying Redeemable Certificate**

The Group 2 Underlying Redeemable Certificate has the characteristics described in the Trust 1999-R2 Prospectus and represents ownership interests in the Underlying Grantor Trust. The assets of the Underlying Grantor Trust consist of certain MBS held in the form of a Mega Certificate. The Group 2 Underlying Redeemable Certificate provides that principal and interest payments will be passed through to its holder each month beginning in the month after the Group 2 Underlying Redeemable Certificate was issued.

The following table contains certain information about the MBS underlying the Group 2 Underlying Redeemable Certificate. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans will be passed through monthly. The Mortgage Loans underlying the MBS will be conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on 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 MBS underlying the Group 2 Underlying Redeemable Certificate and the related Mortgage Loans as of the Issue Date to be as follows:

<b>Related MBS</b>	
Aggregate Unpaid Principal Balance .....	\$107,778,612
MBS Pass-Through Rate .....	7.50%

**Related Mortgage Loans**

Range of WACs (per annum percentages) .....	7.75% to 10.00%
Range of WAMs .....	171 months to 360 months
Approximate Weighted Average WAM .....	335 months
Approximate Weighted Average CAGE .....	21 months

**The Group 3 MBS and Group 4 MBS**

The following table contains certain information about the Group 3 MBS and Group 4 MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly. The Mortgage Loans underlying the 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 15 years in the case of the Group 3 MBS and 30 years in the case of the Group 4 MBS. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus. We expect the characteristics of the Group 3 MBS and Group 4 MBS and the related Mortgage Loans as of the Issue Date to be as follows:

**Group 3 MBS**

Aggregate Unpaid Principal Balance .....	\$250,000,000
MBS Pass-Through Rate .....	6.50%

**Related Mortgage Loans**

Range of WACs (per annum percentages) .....	6.75% to 9.00%
Range of WAMs .....	121 months to 180 months
Approximate Weighted Average WAM .....	164 months
Approximate Weighted Average CAGE .....	15 months

**Group 4 MBS**

Aggregate Unpaid Principal Balance .....	\$334,792,314
MBS Pass-Through Rate .....	7.00%

**Related Mortgage Loans**

Range of WACs (per annum percentages) .....	7.25% to 9.50%
Range of WAMs .....	171 months to 360 months
Approximate Weighted Average WAM .....	324 months
Approximate Weighted Average CAGE .....	30 months

**The Group 5 Underlying REMIC Certificates**

The Group 5 Underlying REMIC Certificates represent beneficial ownership interests in the Underlying REMIC Trust. The assets of this trust evidence direct or indirect beneficial ownership interests in 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. Distributions on the Group 5 Underlying REMIC Certificates will be passed through monthly. The general characteristics of the Group 5 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Document.

See Exhibit A for additional information about the Group 5 Underlying REMIC Certificates.

For further information about the Group 5 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 such 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 Group 5 Underlying REMIC Certificates as of the Issue Date and,

- (a) with respect to the Trust MBS and the MBS backing the Group 2 Underlying Redeemable Certificate, 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 that MBS, and
- (b) with respect to each Group 1 Ginnie Mae Certificate, the Pool number, the original unpaid principal balance, the unpaid principal balance as of the Issue Date, and the remaining term to maturity of the latest maturity Mortgage Loan underlying that Ginnie Mae Certificate as of the Issue Date.

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 3 MBS, Group 4 MBS and the MBS backing the Group 2 Underlying Redeemable Certificate 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	HH and HA
<b>Group 2 Classes</b>	
Fixed Rate	AB, A and B
RCR**	AD, AE, AG and AI
<b>Group 3 Classes</b>	
Fixed Rate	PL, PM, PN, PC, PD, PG, PW and PX
Floating Rate	FB
Inverse Floating Rate	SB, SO and SC
RCR**	PJ and PH
<b>Group 4 Classes</b>	
Fixed Rate	PF, PA, PB, PK, C, DB, DC and Z
Floating Rate	FP and FA
Inverse Floating Rate	SH, SI, SP, SQ, SJ, SK, SL and SM
Interest Only	PF and SI
Accrual	Z
RCR**	SA, SU, ST, S, DE, PR and PI
<b>Group 5 Classes</b>	
Floating Rate	FD
Inverse Floating Rate	SD, SE and SG
Interest Only	SD and SE
RCR**	SV
<b>No Payment Residual</b>	R, RB and RL

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

\*\* See “Description of the Certificates—Combination and Recombination” in this prospectus supplement 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.” In addition, if the Group 2 Underlying Redeemable Certificate is redeemed, the final distribution on the Group 2 Classes will include an amount representing interest accrued to the date of redemption. See “—Effect of Redemption of the Group 2 Underlying Redeemable Certificate on the Group 2 Classes” 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 and the FP, SP and SQ Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All Floating Rate and Inverse Floating Rate Classes other than the FP, SP and SQ Classes	One-month period beginning on the 25th day of the month preceding the month of the Distribution Date

See “Additional Risk Factors.”

*Accrual Class.* The Z Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate listed on the cover. 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.”

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.”

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 “LIBO Method” in the case of the FD, SD, SE, SG and SV Classes, and
- The “BBA Method” in the case of all other Floating Rate and Inverse Floating Rate Classes,

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 5.20% in the case of the FB, SB, SO and SC Classes, 5.00% in the case of the SH, SI, FP, SP, SQ, FA, SJ, SK, SL, SM, SA, SU, ST and S Classes and will be equal to LIBOR as determined for that Interest Accrual Period for the related Underlying REMIC Certificates in the case of the FD, SD, SE, SG and SV Classes.

## Distributions of Principal

### *Categories of Classes and Components*

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

<u>Principal Type*</u>	<u>Classes and Components</u>
<b>Group 1 Classes</b>	
Sequential Pay	HA and HH
Retail	HH
<b>Group 2 Classes</b>	
Redeemable/Sequential Pay	AB, A and B
RCR**	AD, AE, AG and AI
<b>Group 3 Classes</b>	
PAC	PL, PM, PN, PC, PD, PG, PW and PX
Segment (SUP) <sup>†</sup> /Scheduled	SO
Segment (SUP) <sup>†</sup> /Sequential	FB and SB
Segment (SUP) <sup>†</sup> /Support	SC
RCR**	PJ and PH
<b>Group 4 Classes and Components</b>	
PAC	PA, PB, PK
TAC	C
Segment (SUP) <sup>††</sup> /TAC	SJ, SK and SL
Segment (SUP) <sup>††</sup> /Support	SM
Segment (SUP) <sup>††</sup> /Sequential	FA2
Support	FA1, SH, DB, FP, SP, SQ, DC and Z
Notional	PF and SI
Component	FA
RCR**	SA, SU, ST, S, DE, PR and PI
<b>Group 5 Classes</b>	
Structured Collateral/Pass-Through	FD and SG
Notional	SD and SE
RCR**	SV
<b>No Payment Residual</b>	R, RB and RL

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

\*\* See "Description of the Certificates—Combination and Recombination" herein and Schedule 1 for a further description of the RCR Classes.

† The designated Classes are included in Segment Group I, which is a PAC Group, and Segment Group II, which is a Support Group.

†† The designated Classes and Component are included in Segment Group III and Segment Group IV, which are PAC Groups, and Segment Group V, which is a Support/Accretion Directed Group.

*Components.* For purposes of calculating the payments it receives, the FA Class consists of multiple payment Components having the designations and original principal balances specified in this prospectus supplement under "Reference Sheet—Components." The payment characteristics of the FA Class will reflect a combination of the payment characteristics of the related Components. Components are not separately transferable from the related Class of Certificates.



### *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 payable on the Group 1 Ginnie Mae Certificates, calculated as described below (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 Underlying Redeemable Certificate (the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 MBS (the “Group 4 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 4 Cash Flow Distribution Amount, the “Group 4 Principal Distribution Amount”), and
- the principal then paid on the Group 5 Underlying REMIC Certificates (the “Group 5 Principal Distribution Amount”).

The portion of each class of Group 5 Underlying REMIC Certificates held by the related Lower Tier REMIC is set forth in Exhibit A.

### *Certain Calculations Relating to the Group 1 Ginnie Mae Certificates*

On or about the eighth business day of each month, we will aggregate the amount of principal reported to be payable on the Group 1 Ginnie Mae Certificates that month based on published Ginnie Mae factors.

For any Group 1 Ginnie Mae Certificate for which a factor is not then available, we will calculate the amount of scheduled principal payments distributable in respect of that Certificate during that month based on the assumed amortization schedules of the related Mortgage Loans. The amortization schedules will be prepared on the assumptions that:

- each Mortgage Loan underlying a Group 1 Ginnie Mae Certificate amortizes on a level installment basis, had an original term to maturity of 360 months, and a remaining term to maturity equal to the remaining term to maturity of the latest maturing Mortgage Loan underlying that Group 1 Ginnie Mae Certificate at its origination, adjusted to the Issue Date; and
- each Mortgage Loan underlying a Group 1 Ginnie Mae Certificate bears an interest rate of 8.50% per annum.

All such amounts (whether reported in Ginnie Mae factors or calculated by us), will be reflected in the Class Factors for the Distribution Date in that month. We will pay those amounts to Holders of Certificates of the Group 1 Classes on that Distribution Date, whether or not we receive them. The Class Factors will also reflect (and we will also pay) the excess of

- (a) the distributions of principal of the Group 1 Ginnie Mae Certificates received during the month prior to the month of that Distribution Date,

over

- (b) the amount of principal that we calculated and paid previously in accordance with the Ginnie Mae factors and the assumed distribution schedules specified above.



### *Group 1 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount as principal of the Group 1 Classes as specified below.

A. Beginning in August 2002, on each Distribution Date we will pay an amount of up to \$25,000 to the HH Class, until its principal balance is reduced to zero.

B. Beginning in August 1999, on each Distribution Date we will pay the excess of the Group 1 Principal Distribution Amount over the amount applied pursuant to A. above, sequentially, to the HA and HH Classes, in that order, until their principal balances are reduced to zero.

} Sequential  
Pay  
Classes

### *Group 2 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount, sequentially, as principal of the AB, A and B Classes, in that order, until their principal balances are reduced to zero.

} Sequential  
Pay  
Classes

### *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 Segment Group I (as described below), until the Segment I Balance (as described below) is reduced to its Planned Balance for such Distribution Date;

(ii) to the following Classes as specified below, until the principal balance of the PC Class is reduced to zero:

(a) 52.4481604528% of the remaining amount to the PC Class, until its principal balance is reduced to its Planned Balance for such Distribution Date, and

(b) 47.5518395472% of such remaining amount, sequentially, to the PL, PM, PN and PG Classes, in that order, until their principal balances are reduced to their Planned Balances for such Distribution Date;

} PAC  
Group  
and  
Classes

(iii) so long as the PD Class is outstanding, concurrently, to the PD and PG Classes, in the proportions of 47.673447563% and 52.326552437%, respectively, until their principal balances are reduced to their Planned Balances for such Distribution Date;

(iv) sequentially, to the PG, PW and PX Classes, in that order, until their principal balances are reduced to their Planned Balances for such Distribution Date;

(v) to the Segment Group II (as described below), until the Segment II Balance (as described below) is reduced to zero;

} Support  
Group

(vi) to the Segment Group I, without regard to its Planned Balance and until the Segment I Balance is reduced to zero;

} PAC  
Group

- (vii) to the following Classes as specified below, until the principal balance of the PC Class is reduced to zero:
- (a) 52.4481604528% of the remaining amount to the PC Class, without regard to its Planned Balance and until its principal balance is reduced to zero, and
- (b) 47.5518395472% of such remaining amount, sequentially, to the PL, PM and PN Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero, and thereafter to the PG Class, without regard to its Planned Balance;
- (viii) concurrently, to the PD and PG Classes, in the proportions of 47.673447563% and 52.326552437%, respectively, without regard to their Planned Balances and until the principal balance of the PD Class is reduced to zero; and
- (ix) sequentially, to the PG, PW and PX Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero.

} PAC  
Classes

The “Segment Group I” and the “Segment Group II” consist of the FB, SB, SO and SC Classes. On each Distribution Date, we will apply payments of principal of Segment Group I and Segment Group II as follows:

- (a) 76.4705885862% of such amount to the FB Class, until its principal balance is reduced to zero,
- (b) 11.7647057069% of such amount to the SB Class, until its principal balance is reduced to zero, and
- (c) 11.7647057069% of such amount to the SO and SC Classes as follows:

*first*, to the SO Class, until its principal balance is reduced to its Scheduled Balance for such Distribution Date.

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

*third*, to the SO Class, without regard to its Scheduled Balance and until its principal balance is reduced to zero.

The “Segment I Balance” for any Distribution Date is equal to \$15,044,083 minus the sum of all amounts previously applied to it as specified above.

The “Segment II Balance” for any Distribution Date is equal to \$52,020,000 minus the sum of all amounts previously applied to it as specified above.

#### *Group 4 Principal Distribution Amount*

##### *Z Accrual Amount*

On each Distribution Date, we will pay the Z Accrual Amount as principal of the Segment Group V (as described below), until the Segment V Balance (as described below) is reduced to zero. Thereafter, we will pay the Z Accrual Amount as principal of the Z Class.

} Accretion  
Directed  
Group  
and  
Accrual  
Class

*Group 4 Cash Flow Distribution Amount*

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount as principal of the Group 4 Classes in the following priority:

- (i) to the Segment Group III (as described below), until the Segment III Balance (as described below) is reduced to its Planned Balance for such Distribution Date;
- (ii) concurrently, to the PA Class and Segment Group IV (as described below), pro rata (or 87.5672848452% and 12.4327151548%, respectively), until the principal balance of the PA Class and the Segment IV Balance (as described below) are reduced to their Planned Balances for such Distribution Date;
- (iii) sequentially, to the PB and PK Classes, in that order, until their principal balances are reduced to their Planned Balances for such Distribution Date;
- (iv) to the C Class, until its principal balance is reduced to its Targeted Balance for such Distribution Date;
- (v) (a) 50% of the remaining amount as follows:
  - first*, concurrently, to the FA1 Component and SH Class, pro rata (or 88.2352882664% and 11.7647117336%, respectively), until their principal balances are reduced to zero;
  - second*, concurrently, to the DB, FP, SP and SQ Classes, pro rata (or 9.3618407626%, 79.9748447339%, 7.9974835372% and 2.6658309663%, respectively), until their principal balances are reduced to zero; and
  - third*, to the DC Class, until its principal balance is reduced to zero, and
- (b) 50% of such remaining amount, sequentially, to the Segment Group V and Z Class, in that order, until the Segment V Balance and the principal balance of the Z Class are reduced to zero;
- (vi) to the C Class, without regard to its Targeted Balance and until its principal balance is reduced to zero;
- (vii) to the Segment Group III, without regard to its Planned Balance and until the Segment III Balance is reduced to zero;
- (viii) concurrently, to the PA Class and Segment Group IV, pro rata, without regard to their Planned Balances and until the principal balance of the PA Class and the Segment IV Balance are reduced to zero; and
- (ix) sequentially, to the PB and PK Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero.

PAC  
Groups  
and  
Classes

TAC  
Class

Support  
Group  
and  
Classes

TAC  
Class

PAC  
Groups  
and  
Classes

The “Segment Group III,” the “Segment Group IV” and the “Segment Group V” consist of the FA2 Component and the SJ, SK, SL and SM Classes. On each Distribution Date, we will apply payments of principal of Segment Group III, Segment Group IV and Segment Group V as follows:

- (a) 76.4705880067% of such amount to the FA2 Component, until its principal balance is reduced to zero, and
- (b) 23.5294119933% of such amount to the SJ, SK, SL and SM Classes as follows:
  - first*, (A) 78.33334% of such amount, sequentially, to the SJ and SK Classes, in that order, until their principal balances are reduced to their Targeted Balances for such Distribution Date, and

(B) 21.66666% of such amount to the SL Class, until its principal balance is reduced to its Targeted Balance for such Distribution Date;

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

*third*, (A) 78.33334% of such amount, sequentially, to the SJ and SK Classes, in that order, without regard to their Targeted Balances and until their principal balances are reduced to zero, and

(B) 21.66666% of such amount to the SL Class, without regard to its Targeted Balance and until its principal balance is reduced to zero.

The “Segment III Balance” for any Distribution Date is equal to \$20,188,660 minus the sum of all amounts previously applied to it as specified above.

The “Segment IV Balance” for any Distribution Date is equal to \$6,695,846 minus the sum of all amounts previously applied to it as specified above.

The “Segment V Balance” for any Distribution Date is equal to \$24,580,452 minus the sum of all amounts previously applied to it as specified above.

#### *Group 5 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount, concurrently, to the FD and SG Classes, pro rata (or 88.88883555% and 11.111164445%, respectively), until their principal balances are reduced to zero. } Structured Collateral/Pass-Through Classes

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

#### **Effect of Redemption of the Group 2 Underlying Redeemable Certificate on the Group 2 Classes**

Under certain conditions, the Group 2 Underlying Redeemable Certificate may be redeemed in full on any Distribution Date beginning with the Distribution Date in January 2000. See the Trust 1999-R2 Prospectus under the heading “Description of the Certificates—Redemption and Exchange” for additional information. The class factors for the Group 2 Classes for the month in which the Group 2 Underlying Redeemable Certificate is to be redeemed will be zero. At the time of redemption, the Holder of each Certificate of any Group 2 Class will receive an amount (the “Redemption Distribution Amount”) equal to the sum of:

- 100% of the outstanding principal balance of the Certificate, **plus**
- accrued interest at the applicable annual rate for the Certificate for the related Interest Accrual Period, **plus**
- accrued interest at the applicable annual rate for the Certificate for the period from the first day of the month in which the Group 2 Underlying Redeemable Certificate is redeemed through the 24th day of that month, calculated on the principal balance that would have remained outstanding immediately after the Distribution Date if the redemption had not occurred.

Payment of the Redemption Distribution Amount will be in lieu of any payment of principal and interest that otherwise would be made on that Distribution Date.

#### **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 Group 5 Underlying REMIC Certificates, the priority sequence affecting the

principal payments on such underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Group 1 Ginnie Mae Certificates, Group 3 MBS and Group 4 MBS have the original terms to maturity, remaining terms to maturity or WARMS, CAGEs or WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans underlying the Group 1 Ginnie Mae Certificates, Group 2 Underlying Redeemable Certificate and Group 3 and Group 4 MBS;
- the Mortgage Loans indirectly underlying the Group 2 Underlying Redeemable Certificate have the original term to maturity, remaining terms to maturity, CAGEs and interest rates described in the Trust 1999-R2 Prospectus attached to this prospectus supplement;
- we pay all payments (including prepayments) on the Mortgage Loans underlying the Group 1 Ginnie Mae Certificates in the month we receive them;
- 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 the Certificates—Prepayment Models” in the REMIC Prospectus. It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other constant rate.

*Structuring Ranges 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 related Mortgage Loans will prepay at a constant PSA rate within the applicable Structuring Ranges or at the applicable rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes and Groups (1)</u>	<u>Structuring Ranges and Rate</u>
Planned Balances	PL, PM, PN, PC, PD, PG, PW, PX, PA, PB, PK, PJ, PH, PR, Segment Group I, Segment Group III and Segment Group IV	Between 100% and 250%
Scheduled Balances	SO	Between 135% and 175%
Targeted Balances	C, SJ, SK, SL, SU and ST	169%

(1) The Structuring Range for the Segment Groups is associated with the Segment Balances but not with the individual balances of the related Classes and Component.

**We cannot assure you that the balance of any Class or Group 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 or Group listed above will begin or end on the Distribution Dates specified in the Principal Balance Schedules.** We will distribute any excess of principal payments over the amount needed to reduce a Class or Group to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce a Class or Group to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the applicable Structuring Range, principal distributions may be insufficient to reduce such Class or Group to its scheduled balance 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 and Groups specified above may not be reduced to

their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Ranges or at the rate specified above.

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

<u>Classes and Groups</u>	<u>Initial Effective Ranges</u>
PL	Between 100% and 396%
PM	Between 100% and 280%
PN	Between 100% and 251%
PC	Between 100% and 250%
PD	Between 100% and 250%
PG	Between 100% and 250%
PW	Between 93% and 250%
PX	Between 63% and 250%
PA	Between 100% and 317%
PB	Between 100% and 272%
PK	Between 100% and 250%
PJ	Between 93% and 250%
PH	Between 100% and 251%
PR	Between 100% and 272%
Segment Group I	Between 100% and 864%
Segment Group III	Between 100% and 749%
Segment Group IV	Between 100% and 317%
SO	Between 135% and 175%

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 and Groups might not be reduced to their scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Ranges. This is so particularly if 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 and Groups to their scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage Loans will prepay at any *constant* PSA rate. In general, the actual Effective Ranges may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The stability in principal payment of the PAC and Scheduled Classes and Groups will be supported in part by the related TAC and Support Classes and Groups. When the related TAC and Support Classes and Groups are retired, the PAC and Scheduled Classes and Groups, 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 Group 2 Classes. The yields to investors in the Group 2 Classes will be sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans and to any redemption of the Group 2 Underlying Redeemable Certificate. The Mortgage Loans generally can be prepaid at any time.***

The information in the following tables was prepared on the basis of the Pricing Assumptions and the assumptions that (i) redemption of the Group 2 Underlying Redeemable Certificate occurs on the January 2000 Distribution Date, as specified in the tables, (ii) interest is paid through the 24th day of the month in which the redemption, if any, is assumed to occur, and (iii) the aggregate purchase prices of the Group 2 Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
AB .....	99.750%
A .....	100.000%
B .....	97.750%
AD .....	99.475%
AE .....	99.750%
AG .....	100.000%
AI .....	10.000%

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



**Pre-Tax Yields to Maturity**  
**(Assuming Redemption of the Group 2 Underlying Redeemable Certificate**  
**on the January 2000 Distribution Date)**

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>50% PSA</u>	<u>100% PSA</u>	<u>191% PSA</u>	<u>300% PSA</u>	<u>500% PSA</u>
AB .....	7.2%	6.5%	5.9%	5.3%	4.3%
A .....	7.6%	7.6%	7.6%	7.5%	7.5%
B .....	12.5%	12.5%	12.5%	12.5%	12.5%
AD .....	8.2%	8.2%	8.2%	8.2%	8.1%
AE .....	7.9%	7.9%	7.8%	7.8%	7.8%
AG .....	7.5%	7.4%	7.4%	7.4%	7.3%
AI .....	*	*	*	*	*

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

***The Inverse Floating Rate Classes.*** The yields on the Inverse Floating Rate Classes will be sensitive in varying degrees to the rate of principal payments, including prepayments, of the related Mortgage Loans and to the level of the Index. The Mortgage Loans generally can be prepaid at any time without penalty. In addition, the rate of principal payments (including prepayments) of the Mortgage Loans is likely to vary, and may vary considerably, from Pool to Pool. As illustrated in the applicable table below, it is possible that investors in the SI, SD and SE 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>
SB .....	90.3250%
SO .....	93.2500%
SC .....	90.4375%
SH .....	100.0000%
SI .....	1.8750%
SP .....	94.9750%
SQ .....	95.7500%
SJ .....	98.7500%
SK .....	84.9375%
SL .....	98.8750%
SM .....	94.0000%
SD .....	12.0000%
SE .....	5.0000%
SG .....	78.2500%
SA .....	101.0000%
SU .....	95.5000%
ST .....	96.2500%
S .....	95.7500%
SV .....	88.9750%

\* 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 SB Class to Prepayments and LIBOR (Pre-Tax Yields to Maturity)**

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>152%</u>	<u>250%</u>	<u>500%</u>
3.20 .....	18.9%	19.0%	20.1%	25.0%	35.5%
5.20 .....	11.4%	11.6%	12.5%	17.7%	28.6%
7.20 .....	4.2%	4.3%	5.1%	10.6%	21.8%
8.05 .....	1.2%	1.4%	2.1%	7.6%	18.9%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>152%</u>	<u>175%</u>	<u>250%</u>	<u>500%</u>
3.20 .....	18.3%	18.5%	19.6%	19.6%	19.6%	21.3%	26.7%
5.20 .....	11.0%	11.3%	12.3%	12.3%	12.3%	14.2%	20.0%
7.20 .....	4.0%	4.2%	5.1%	5.1%	5.1%	7.3%	13.4%
8.05 .....	1.1%	1.3%	2.1%	2.1%	2.1%	4.4%	10.7%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>100%</u>	<u>135%</u>	<u>152%</u>	<u>175%</u>	<u>250%</u>	<u>500%</u>
3.20 .....	18.2%	18.2%	18.3%	18.8%	19.9%	28.2%	48.3%
5.20 .....	10.9%	10.9%	11.0%	11.4%	12.4%	21.1%	41.7%
7.20 .....	3.8%	3.8%	3.9%	4.2%	5.0%	14.2%	35.2%
8.05 .....	0.8%	0.9%	1.0%	1.2%	2.0%	11.3%	32.5%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 .....	26.4%	26.4%	26.3%	25.6%	23.7%
5.00 .....	15.7%	15.7%	15.7%	15.7%	15.7%
7.00 .....	5.4%	5.4%	5.4%	6.1%	8.0%
8.05 .....	0.0%	0.1%	0.2%	1.2%	4.0%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 .....	430.7%	430.7%	403.6%	248.5%	*
5.00 .....	228.5%	228.5%	208.6%	79.7%	*
7.00 .....	68.3%	68.3%	54.5%	(68.4)%	*
8.05 .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.0 .....	44.6%	44.6%	44.6%	45.2%	48.0%
5.0 .....	21.7%	21.7%	21.7%	22.9%	27.0%
7.0 and above .....	0.2%	0.2%	0.3%	2.0%	7.2%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
7.0 and below .....	12.8%	12.8%	12.8%	14.0%	17.7%
7.2 .....	6.4%	6.4%	6.5%	7.7%	11.8%
7.4 .....	0.2%	0.2%	0.3%	1.7%	6.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 .....	19.6%	19.7%	19.7%	20.0%	20.5%
5.00 .....	11.1%	11.2%	11.2%	11.7%	12.7%
7.00 .....	2.7%	2.9%	2.9%	3.6%	5.0%
7.45 and above .....	0.8%	1.0%	1.0%	1.9%	3.3%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 .....	22.7%	22.7%	22.9%	26.6%	31.8%
5.00 .....	12.6%	12.6%	13.0%	17.0%	22.1%
7.00 .....	3.0%	3.1%	3.5%	7.6%	12.8%
7.45 and above .....	1.0%	1.1%	1.5%	5.6%	10.7%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
7.45 and below .....	9.5%	9.5%	9.6%	10.0%	10.6%
7.75 .....	4.9%	4.9%	5.0%	5.6%	6.3%
8.05 .....	0.3%	0.3%	0.4%	1.1%	2.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 .....	18.0%	18.1%	19.0%	27.0%	50.0%
5.00 .....	10.9%	10.9%	11.8%	20.3%	44.7%
7.00 .....	3.9%	3.9%	4.8%	13.8%	39.5%
8.05 .....	0.3%	0.4%	1.1%	10.5%	36.8%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>
3.18 .....	46.1%	46.1%	46.0%	7.5%	(80.6)%
5.18 .....	27.3%	27.3%	27.1%	(22.7)%	*
7.18 .....	7.7%	7.3%	6.4%	(63.4)%	*
8.30 .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>
7.250 and below . . . . .	21.7%	21.6%	21.2%	(33.3)%	*
7.775 . . . . .	9.2%	8.9%	8.0%	(59.8)%	*
8.300 . . . . .	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>
3.18 . . . . .	17.7%	17.7%	17.8%	25.9%	39.6%
5.18 . . . . .	10.9%	11.0%	11.2%	19.6%	33.2%
7.18 . . . . .	4.6%	4.6%	4.8%	13.3%	27.0%
8.30 . . . . .	1.2%	1.3%	1.4%	9.9%	23.5%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 . . . . .	40.1%	40.1%	39.9%	37.8%	31.8%
5.00 . . . . .	23.7%	23.7%	23.6%	22.6%	19.7%
7.00 . . . . .	8.0%	8.0%	8.0%	8.0%	8.1%
8.05 . . . . .	0.0%	0.0%	0.1%	0.7%	2.2%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 . . . . .	21.0%	21.2%	21.3%	22.7%	25.0%
5.00 . . . . .	11.9%	12.0%	12.2%	13.9%	16.6%
7.00 . . . . .	2.9%	3.0%	3.3%	5.4%	8.3%
7.45 and above . . . . .	0.9%	1.0%	1.3%	3.5%	6.5%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 . . . . .	18.4%	18.5%	18.6%	19.8%	21.8%
5.00 . . . . .	11.3%	11.5%	11.6%	13.1%	15.2%
7.00 . . . . .	4.4%	4.5%	4.7%	6.4%	8.8%
8.05 . . . . .	0.8%	0.9%	1.1%	3.0%	5.5%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
3.00 .....	18.3%	18.4%	18.8%	20.6%	23.4%
5.00 .....	11.2%	11.3%	11.7%	13.8%	16.8%
7.00 .....	4.2%	4.3%	4.7%	7.1%	10.4%
8.05 .....	0.6%	0.7%	1.1%	3.7%	7.1%

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>350%</u>	<u>500%</u>
3.18 .....	20.9%	20.9%	21.0%	24.6%	30.8%
5.18 .....	12.7%	12.7%	12.8%	16.7%	23.0%
7.18 .....	4.8%	4.9%	4.9%	9.0%	15.5%
8.30 .....	0.6%	0.6%	0.7%	4.8%	11.3%

*The PF, PI and AI Classes.* The yields to investors in the PF, PI and AI 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 PF, PI and AI Classes would be 0% if prepayments of the related Mortgage Loans were to occur at constant rates of 510% PSA, 434% PSA and 853% PSA, respectively. If the actual prepayment rate of the related Mortgage Loans were to exceed the level specified with respect to any such Class for as little as one month while equaling such level for the remaining months, the investors in the PF, PI and AI 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 PF, PI and AI Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
PF .....	12.75%
PI .....	21.00%
AI .....	10.00%

\* 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 PF Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	39.8%	21.5%	21.5%	21.5%	1.3%

**Sensitivity of the PI Class to Prepayments**

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>169%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	29.2%	18.1%	18.1%	18.1%	(8.7)%

## Sensitivity of the AI Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	191%	300%	500%
Pre-Tax Yields to Maturity . . . . .	79.1%	75.3%	68.0%	58.7%	39.4%

### Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- (a) multiplying the amount of the reduction, if any, of the principal balance of 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,
- (b) summing the results, and
- (c) 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 the 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,
- the priority sequences of distributions of principal of the Group 1, Group 2, Group 3 and Group 4 Classes,
- in the case of the Group 2 Classes, whether and, if so, when a redemption of the Group 2 Underlying Redeemable Certificate occurs,
- in the case of certain Group 3 and Group 4 Classes, the payment of principal of such Classes in accordance with the Principal Balance Schedules, and
- in the case of the Group 5 Classes, the priority sequence affecting distributions on the Group 5 Underlying REMIC Certificates.

See “—Distributions of Principal” in this prospectus supplement and “Description of the Certificates—Distributions of Principal” in the Underlying REMIC Disclosure Document and in the Trust 1999-R2 Prospectus.

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.

As described under “—Distributions of Principal—Components” in this prospectus supplement, the FA Class consists of multiple payment components for purposes of calculating payments. Since these components are not divisible, the payment characteristics of that Class will reflect a combination of the payment characteristics of the related Components.



## 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 and the assumption that no redemption of the Group 2 Underlying Redeemable Certificate will occur. 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 Ginnie Mae Certificates	360 months	360 months	8.5%
Group 2 Underlying Redeemable Certificate	360 months	360 months	10.0%
Group 3 MBS	180 months	180 months	9.0%
Group 4 MBS	360 months	360 months	9.5%
Group 5 Underlying REMIC Certificates	360 months	292 months	9.0%

It is unlikely

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

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs or WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions. Finally, it is uncertain whether and, if so, when a redemption of the Group 2 Underlying Redeemable Certificate will occur.

## Percent of Original Principal Balances Outstanding

Date	HH Class					HA Class					AB Class					A, AD, AE, AG and AI† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	142%	300%	500%	0%	100%	142%	300%	500%	0%	100%	191%	300%	500%	0%	100%	191%	300%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	100	100	100	100	100	99	93	91	83	73	72	0	0	0	0	100	96	92	86	76
July 2001 .....	100	100	100	100	100	97	83	77	57	34	42	0	0	0	0	100	89	80	69	52
July 2002 .....	100	100	100	100	100	96	72	64	34	3	8	0	0	0	0	100	82	68	54	32
July 2003 .....	99	99	99	99	72	95	63	52	16	0	0	0	0	0	0	99	75	58	41	18
July 2004 .....	98	98	98	98	50	94	55	41	1	0	0	0	0	0	0	98	68	49	31	8
July 2005 .....	96	96	96	80	34	93	47	31	0	0	0	0	0	0	0	97	62	41	22	2
July 2006 .....	95	95	95	64	24	92	39	23	0	0	0	0	0	0	0	96	57	34	15	0
July 2007 .....	94	94	94	52	16	90	32	15	0	0	0	0	0	0	0	95	51	28	10	0
July 2008 .....	93	93	93	42	11	89	25	7	0	0	0	0	0	0	0	93	46	22	5	0
July 2009 .....	92	92	92	33	8	87	19	1	0	0	0	0	0	0	0	92	41	17	2	0
July 2010 .....	90	90	83	27	5	84	13	0	0	0	0	0	0	0	0	90	36	13	0	0
July 2011 .....	89	89	74	21	4	82	8	0	0	0	0	0	0	0	0	88	32	10	0	0
July 2012 .....	88	88	66	17	2	79	3	0	0	0	0	0	0	0	0	86	28	6	0	0
July 2013 .....	87	83	58	13	2	76	0	0	0	0	0	0	0	0	0	84	24	3	0	0
July 2014 .....	86	75	51	11	1	73	0	0	0	0	0	0	0	0	0	81	20	1	0	0
July 2015 .....	84	68	45	8	1	69	0	0	0	0	0	0	0	0	0	78	17	0	0	0
July 2016 .....	83	61	39	6	*	65	0	0	0	0	0	0	0	0	0	75	14	0	0	0
July 2017 .....	82	54	34	5	*	61	0	0	0	0	0	0	0	0	0	72	11	0	0	0
July 2018 .....	81	48	29	4	*	56	0	0	0	0	0	0	0	0	0	68	8	0	0	0
July 2019 .....	80	42	25	3	*	50	0	0	0	0	0	0	0	0	0	64	5	0	0	0
July 2020 .....	78	36	21	2	*	44	0	0	0	0	0	0	0	0	0	59	2	0	0	0
July 2021 .....	77	31	17	2	*	38	0	0	0	0	0	0	0	0	0	54	0	0	0	0
July 2022 .....	76	25	14	1	*	30	0	0	0	0	0	0	0	0	0	48	0	0	0	0
July 2023 .....	75	21	11	1	*	22	0	0	0	0	0	0	0	0	0	42	0	0	0	0
July 2024 .....	74	16	8	1	*	13	0	0	0	0	0	0	0	0	0	35	0	0	0	0
July 2025 .....	72	11	6	*	*	4	0	0	0	0	0	0	0	0	0	27	0	0	0	0
July 2026 .....	61	7	4	*	*	0	0	0	0	0	0	0	0	0	0	18	0	0	0	0
July 2027 .....	42	3	2	*	*	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0
July 2028 .....	22	0	0	0	0	0	0	0	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	0	0
Weighted Average Life (years)** .....	24.5	18.7	16.0	9.4	5.8	18.3	6.0	4.5	2.4	1.6	1.7	0.2	0.2	0.1	0.1	21.0	9.2	5.7	3.9	2.4

Date	B Class					PL Class					PM Class					PN Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	191%	300%	500%	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	100	100	100	100	100	100	73	73	73	73	100	100	100	100	100	100	100	100	100	100
July 2001 .....	100	100	100	100	100	91	0	0	0	0	100	81	81	81	4	100	100	100	100	100
July 2002 .....	100	100	100	100	100	50	0	0	0	0	100	15	15	15	0	100	100	100	100	0
July 2003 .....	100	100	100	100	100	5	0	0	0	0	100	0	0	0	0	100	49	49	49	0
July 2004 .....	100	100	100	100	100	0	0	0	0	0	70	0	0	0	0	100	0	0	0	0
July 2005 .....	100	100	100	100	100	0	0	0	0	0	34	0	0	0	0	100	0	0	0	0
July 2006 .....	100	100	100	100	78	0	0	0	0	0	0	0	0	0	0	93	0	0	0	0
July 2007 .....	100	100	100	100	53	0	0	0	0	0	0	0	0	0	0	46	0	0	0	0
July 2008 .....	100	100	100	100	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2009 .....	100	100	100	100	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2010 .....	100	100	100	90	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2011 .....	100	100	100	71	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2012 .....	100	100	100	57	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2013 .....	100	100	100	45	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2014 .....	100	100	100	35	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2015 .....	100	100	91	28	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2016 .....	100	100	76	21	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2017 .....	100	100	63	16	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2018 .....	100	100	52	13	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2019 .....	100	100	42	9	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2020 .....	100	100	34	7	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2021 .....	100	96	27	5	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022 .....	100	78	20	4	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023 .....	100	60	15	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024 .....	100	45	10	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025 .....	100	30	7	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026 .....	100	18	4	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027 .....	100	8	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2028 .....	88	3	1	*	*	0	0	0	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	0	0
Weighted Average Life (years)** .....	29.5	24.9	20.0	14.6	9.0	3.0	1.2	1.2	1.2	1.2	5.6	2.5	2.5	2.5	1.7	7.9	4.0	4.0	4.0	2.4

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

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

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

Date	PC Class					PD Class					PG Class					PW Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	100	94	94	94	94	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2001 .....	98	70	70	70	45	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2002 .....	88	48	48	48	4	100	100	100	100	100	100	100	100	100	83	100	100	100	100	100
July 2003 .....	78	27	27	27	0	100	100	100	100	0	100	100	100	100	12	100	100	100	100	100
July 2004 .....	67	7	7	7	0	100	100	100	100	0	100	90	90	90	0	100	100	100	100	34
July 2005 .....	54	0	0	0	0	100	46	46	46	0	100	48	48	48	0	100	100	100	100	0
July 2006 .....	41	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	99	99	99	0
July 2007 .....	26	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	46	46	46	0
July 2008 .....	10	0	0	0	0	100	0	0	0	0	96	0	0	0	0	100	3	3	3	0
July 2009 .....	0	0	0	0	0	62	0	0	0	0	56	0	0	0	0	100	0	0	0	0
July 2010 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95	0	0	0	0
July 2011 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0
July 2012 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2013 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2014 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2015 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2016 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2017 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2018 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2019 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2020 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2021 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027 .....	0	0	0	0	0	0	0	0	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	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	0	0
Weighted Average Life (years)** .....	6.2	3.0	3.0	3.0	2.0	10.2	6.0	6.0	6.0	3.5	10.1	6.0	6.0	6.0	3.5	11.5	8.0	8.0	8.0	4.8

Date	PX Class					FB and SB Classes					SO Class						
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption						
	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%	0%	100%	135%	152%	175%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	100	100	100	100	100	88	78	70	55	16	81	66	58	58	58	58	25
July 2001 .....	100	100	100	100	100	78	78	61	30	0	66	66	48	48	48	46	0
July 2002 .....	100	100	100	100	100	78	78	54	14	0	66	66	42	42	42	21	0
July 2003 .....	100	100	100	100	100	78	78	50	4	0	66	66	37	37	37	7	0
July 2004 .....	100	100	100	100	100	78	78	47	*	0	66	66	34	34	34	*	0
July 2005 .....	100	100	100	100	84	78	77	46	0	0	66	65	32	32	32	0	0
July 2006 .....	100	100	100	100	53	78	73	43	0	0	66	59	28	28	28	0	0
July 2007 .....	100	100	100	100	32	78	66	38	0	0	66	48	23	23	23	0	0
July 2008 .....	100	100	100	100	19	78	57	32	0	0	66	35	16	16	16	0	0
July 2009 .....	100	71	71	71	11	78	47	26	0	0	66	19	9	9	9	0	0
July 2010 .....	100	45	45	45	6	78	35	19	0	0	66	1	1	1	1	0	0
July 2011 .....	100	25	25	25	3	78	22	12	0	0	66	0	0	0	0	0	0
July 2012 .....	13	9	9	9	1	78	9	5	0	0	66	0	0	0	0	0	0
July 2013 .....	0	0	0	0	0	43	0	0	0	0	13	0	0	0	0	0	0
July 2014 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2015 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2016 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2017 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2018 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2019 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2020 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2021 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027 .....	0	0	0	0	0	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	0	0	0	0	0
July 2029 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	12.6	11.0	11.0	11.0	7.6	11.2	8.2	5.5	1.5	0.6	9.3	6.0	3.8	3.8	3.8	1.8	0.7

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

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

Date	SC Class							PJ Class					PH Class				
	PSA Prepayment Assumption							PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	135%	152%	175%	250%	500%	0%	100%	152%	250%	500%	0%	100%	152%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000	100	100	100	92	82	49	0	100	100	100	100	100	100	93	93	93	93
July 2001	100	100	100	84	63	0	0	100	100	100	100	100	98	66	66	66	37
July 2002	100	100	100	78	50	0	0	100	100	100	100	100	87	41	41	41	0
July 2003	100	100	100	75	41	0	0	100	100	100	100	100	75	17	17	17	0
July 2004	100	100	100	73	37	0	0	100	100	100	100	68	62	0	0	0	0
July 2005	100	100	100	72	37	0	0	100	100	100	100	44	48	0	0	0	0
July 2006	100	100	97	70	37	0	0	100	100	100	100	27	33	0	0	0	0
July 2007	100	100	92	67	37	0	0	100	74	74	74	17	16	0	0	0	0
July 2008	100	100	85	63	37	0	0	100	54	54	54	10	0	0	0	0	0
July 2009	100	100	76	58	37	0	0	100	37	37	37	6	0	0	0	0	0
July 2010	100	100	67	53	37	0	0	98	24	24	24	3	0	0	0	0	0
July 2011	100	65	43	34	24	0	0	54	13	13	13	1	0	0	0	0	0
July 2012	100	26	17	14	9	0	0	7	5	5	5	*	0	0	0	0	0
July 2013	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027	0	0	0	0	0	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	0	0	0	0	0
July 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.6	12.4	11.3	8.9	5.8	1.0	0.4	12.1	9.6	9.6	9.6	6.3	5.7	2.7	2.7	2.7	1.8

Date	PF† Class					PA Class					PB, PR and PI† Classes					PK Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000	98	86	86	86	86	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2001	97	63	63	63	53	100	65	65	65	48	100	100	100	100	100	100	100	100	100	100
July 2002	95	39	39	39	0	100	25	25	25	0	100	100	100	100	0	100	100	100	100	98
July 2003	93	18	18	18	0	100	0	0	0	0	100	76	76	76	0	100	100	100	100	68
July 2004	90	3	3	3	0	100	0	0	0	0	100	12	12	12	0	100	100	100	100	47
July 2005	88	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	89	89	89	32
July 2006	85	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	76	76	76	22
July 2007	80	0	0	0	0	94	0	0	0	0	100	0	0	0	0	100	64	64	64	15
July 2008	75	0	0	0	0	86	0	0	0	0	100	0	0	0	0	100	53	53	53	10
July 2009	70	0	0	0	0	77	0	0	0	0	100	0	0	0	0	100	44	44	44	7
July 2010	64	0	0	0	0	67	0	0	0	0	100	0	0	0	0	100	36	36	36	5
July 2011	57	0	0	0	0	56	0	0	0	0	100	0	0	0	0	100	29	29	29	3
July 2012	50	0	0	0	0	44	0	0	0	0	100	0	0	0	0	100	24	24	24	2
July 2013	42	0	0	0	0	31	0	0	0	0	100	0	0	0	0	100	19	19	19	1
July 2014	34	0	0	0	0	16	0	0	0	0	100	0	0	0	0	100	16	16	16	1
July 2015	24	0	0	0	0	1	0	0	0	0	100	0	0	0	0	100	12	12	12	1
July 2016	17	0	0	0	0	0	0	0	0	0	70	0	0	0	0	100	10	10	10	*
July 2017	8	0	0	0	0	0	0	0	0	0	36	0	0	0	0	100	8	8	8	*
July 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	6	6	6	*
July 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90	4	4	4	*
July 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80	3	3	3	*
July 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69	2	2	2	*
July 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56	1	1	1	*
July 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42	1	1	1	*
July 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27	*	*	*	*
July 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	*	*	*	*
July 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	*
July 2027	0	0	0	0	0	0	0	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	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	0	0
Weighted Average Life (years)**	12.2	2.6	2.6	2.6	1.9	12.2	2.4	2.4	2.4	2.0	17.6	4.4	4.4	4.4	2.7	23.3	10.5	10.5	10.5	5.6

\* 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” herein.

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

Date	C Class					SH, SI† and SA Classes					DB, FP, SP, SQ and DE Classes					DC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	100	100	81	81	81	100	100	90	43	0	100	100	100	100	0	100	100	100	100	77
July 2001 .....	100	100	60	60	0	100	100	80	0	0	100	100	100	84	0	100	100	100	100	0
July 2002 .....	100	100	41	41	0	100	100	70	0	0	100	100	100	29	0	100	100	100	100	0
July 2003 .....	100	100	25	25	0	100	100	63	0	0	100	100	100	0	0	100	100	100	86	0
July 2004 .....	100	100	13	13	0	100	100	58	0	0	100	100	100	0	0	100	100	100	48	0
July 2005 .....	100	100	4	4	0	100	100	55	0	0	100	100	100	0	0	100	100	100	27	0
July 2006 .....	100	100	0	0	0	100	100	49	0	0	100	100	100	0	0	100	100	100	13	0
July 2007 .....	100	100	0	0	0	100	100	42	0	0	100	100	100	0	0	100	100	100	4	0
July 2008 .....	100	98	0	0	0	100	100	35	0	0	100	100	100	0	0	100	100	100	4	0
July 2009 .....	100	93	0	0	0	100	100	27	0	0	100	100	100	0	0	100	100	100	4	0
July 2010 .....	100	84	0	0	0	100	100	16	0	0	100	100	100	0	0	100	100	100	4	0
July 2011 .....	100	73	0	0	0	100	100	4	0	0	100	100	100	0	0	100	100	100	4	0
July 2012 .....	100	60	0	0	0	100	100	0	0	0	100	100	91	0	0	100	100	100	4	0
July 2013 .....	100	46	0	0	0	100	100	0	0	0	100	100	77	0	0	100	100	100	4	0
July 2014 .....	100	31	0	0	0	100	100	0	0	0	100	100	62	0	0	100	100	100	4	0
July 2015 .....	100	15	0	0	0	100	100	0	0	0	100	100	48	0	0	100	100	100	4	0
July 2016 .....	100	0	0	0	0	100	98	0	0	0	100	100	34	0	0	100	100	100	4	0
July 2017 .....	100	0	0	0	0	100	71	0	0	0	100	100	21	0	0	100	100	100	4	0
July 2018 .....	100	0	0	0	0	100	45	0	0	0	100	100	9	0	0	100	100	100	4	0
July 2019 .....	100	0	0	0	0	100	19	0	0	0	100	100	0	0	0	100	100	96	4	0
July 2020 .....	100	0	0	0	0	100	0	0	0	0	100	92	0	0	0	100	100	79	4	0
July 2021 .....	100	0	0	0	0	100	0	0	0	0	100	63	0	0	0	100	100	63	4	0
July 2022 .....	100	0	0	0	0	100	0	0	0	0	100	36	0	0	0	100	100	48	4	0
July 2023 .....	100	0	0	0	0	100	0	0	0	0	100	15	0	0	0	100	100	38	4	0
July 2024 .....	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	92	28	4	0
July 2025 .....	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	63	20	4	0
July 2026 .....	75	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	45	14	3	0
July 2027 .....	6	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	26	8	2	0
July 2028 .....	0	0	0	0	0	0	0	0	0	0	87	0	0	0	0	100	7	2	*	0
July 2029 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	27.4	13.5	2.8	2.8	1.3	28.5	18.8	6.4	0.9	0.3	29.3	22.6	16.0	2.7	0.7	29.8	26.9	23.5	6.1	1.1

Date	FA Class					SJ Class					SK Class					SL, SU and ST Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2000 .....	96	72	68	49	13	93	44	44	44	0	100	100	100	100	89	94	57	57	57	21
July 2001 .....	92	64	56	22	5	85	29	29	14	0	100	100	100	100	33	88	45	45	34	8
July 2002 .....	88	60	48	8	0	76	19	19	0	0	100	100	100	55	0	81	38	38	13	0
July 2003 .....	83	57	42	0	0	66	13	13	0	0	100	100	100	0	0	74	33	33	0	0
July 2004 .....	78	56	39	0	0	56	12	12	0	0	100	100	100	0	0	66	32	32	0	0
July 2005 .....	72	55	37	0	0	44	10	10	0	0	100	100	100	0	0	57	31	31	0	0
July 2006 .....	66	55	34	0	0	31	9	9	0	0	100	100	100	0	0	47	30	30	0	0
July 2007 .....	63	54	30	0	0	26	7	5	0	0	100	100	100	0	0	44	29	27	0	0
July 2008 .....	62	53	27	0	0	23	5	1	0	0	100	100	100	0	0	41	28	24	0	0
July 2009 .....	60	52	23	0	0	19	4	0	0	0	100	100	88	0	0	38	26	21	0	0
July 2010 .....	58	51	18	0	0	15	2	0	0	0	100	100	69	0	0	35	25	16	0	0
July 2011 .....	56	50	12	0	0	11	0	0	0	0	100	98	48	0	0	32	23	11	0	0
July 2012 .....	53	49	8	0	0	6	0	0	0	0	100	91	25	0	0	28	21	6	0	0
July 2013 .....	51	48	4	0	0	1	0	0	0	0	100	83	2	0	0	24	20	1	0	0
July 2014 .....	48	46	1	0	0	0	0	0	0	0	86	75	0	0	0	20	18	0	0	0
July 2015 .....	45	45	0	0	0	0	0	0	0	0	67	66	0	0	0	16	16	0	0	0
July 2016 .....	44	43	0	0	0	0	0	0	0	0	57	54	0	0	0	13	13	0	0	0
July 2017 .....	42	31	0	0	0	0	0	0	0	0	47	12	0	0	0	11	3	0	0	0
July 2018 .....	40	19	0	0	0	0	0	0	0	0	36	0	0	0	0	8	0	0	0	0
July 2019 .....	39	6	0	0	0	0	0	0	0	0	25	0	0	0	0	6	0	0	0	0
July 2020 .....	37	0	0	0	0	0	0	0	0	0	12	0	0	0	0	3	0	0	0	0
July 2021 .....	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022 .....	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023 .....	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024 .....	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025 .....	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026 .....	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027 .....	21	0	0	0	0	0	0	0	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	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	0	0
Weighted Average Life (years)** .....	15.2	10.2	5.0	1.3	0.6	6.0	2.0	1.9	1.1	0.6	17.8	16.3	11.9	3.1	1.7	8.8	5.4	4.2	1.5	0.8

\* 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” herein.

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

Date	SM Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	169%	250%	500%	0%	100%	169%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
July 2000	100	100	87	24	0	107	107	107	107	105
July 2001	100	100	73	0	0	114	114	114	114	0
July 2002	100	100	60	0	0	121	121	121	121	0
July 2003	100	100	51	0	0	130	130	130	118	0
July 2004	100	100	44	0	0	138	138	138	66	0
July 2005	100	100	39	0	0	148	148	148	37	0
July 2006	100	100	31	0	0	157	157	157	17	0
July 2007	100	100	28	0	0	168	168	168	5	0
July 2008	100	100	28	0	0	179	179	179	5	0
July 2009	100	100	28	0	0	191	191	191	5	0
July 2010	100	100	28	0	0	204	204	204	5	0
July 2011	100	100	28	0	0	218	218	218	5	0
July 2012	100	100	28	0	0	232	232	232	5	0
July 2013	100	100	28	0	0	248	248	248	5	0
July 2014	100	100	4	0	0	264	264	264	5	0
July 2015	100	100	0	0	0	282	282	241	5	0
July 2016	100	100	0	0	0	301	301	211	5	0
July 2017	100	100	0	0	0	321	321	183	5	0
July 2018	100	66	0	0	0	343	343	156	5	0
July 2019	100	18	0	0	0	366	366	131	5	0
July 2020	100	0	0	0	0	390	335	108	5	0
July 2021	99	0	0	0	0	416	274	86	5	0
July 2022	84	0	0	0	0	444	215	66	5	0
July 2023	68	0	0	0	0	474	170	52	5	0
July 2024	50	0	0	0	0	506	127	38	5	0
July 2025	31	0	0	0	0	539	87	27	5	0
July 2026	11	0	0	0	0	576	61	19	4	0
July 2027	0	0	0	0	0	596	35	10	2	0
July 2028	0	0	0	0	0	324	10	3	1	0
July 2029	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	24.9	19.4	6.3	0.7	0.2	29.1	24.1	20.5	6.2	1.1

Date	S Class					FD, SD†, SE†, SG and SV Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	169%	250%	500%	0%	100%	150%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
July 2000	95	64	62	51	17	100	100	100	100	63
July 2001	90	55	50	28	6	100	100	100	73	0
July 2002	85	49	42	11	0	100	100	100	30	0
July 2003	79	45	36	0	0	100	100	100	4	0
July 2004	72	44	34	0	0	100	100	100	0	0
July 2005	65	43	33	0	0	100	100	100	0	0
July 2006	57	42	30	0	0	100	100	100	0	0
July 2007	53	41	28	0	0	100	100	100	0	0
July 2008	51	40	25	0	0	100	100	100	0	0
July 2009	49	39	22	0	0	100	100	100	0	0
July 2010	46	38	18	0	0	100	100	100	0	0
July 2011	44	36	14	0	0	100	100	100	0	0
July 2012	41	35	10	0	0	100	100	100	0	0
July 2013	38	34	5	0	0	100	100	94	0	0
July 2014	34	32	1	0	0	100	100	81	0	0
July 2015	30	30	0	0	0	100	100	68	0	0
July 2016	28	28	0	0	0	100	100	55	0	0
July 2017	26	20	0	0	0	100	90	44	0	0
July 2018	24	12	0	0	0	100	70	33	0	0
July 2019	22	3	0	0	0	100	52	23	0	0
July 2020	20	0	0	0	0	100	33	14	0	0
July 2021	17	0	0	0	0	100	16	6	0	0
July 2022	15	0	0	0	0	100	1	0	0	0
July 2023	12	0	0	0	0	28	0	0	0	0
July 2024	9	0	0	0	0	0	0	0	0	0
July 2025	5	0	0	0	0	0	0	0	0	0
July 2026	2	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)**	11.6	7.8	4.6	1.4	0.7	23.8	20.2	17.7	2.6	1.1

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

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



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

The R, RB 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 first Lower Tier REMIC remain after the principal balances of the related Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. If any assets of the second Lower Tier REMIC remain after the principal balances of the related Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RB Class. Fannie Mae does not expect that any material assets will remain in any such case.

The R, RB and RL Classes will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R, RB or RL Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R, RB 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, RB and RL Classes will constitute noneconomic residual interests under the Regulations. Any transferee of an R, RB 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 the 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, RB 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, the Holder of the RL Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the first Lower Tier REMIC, and the Holder of the RB Class will be considered to be the holder of the “residual interest” in the REMIC constituted by the second 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, RB 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 REMICs and the Trust as REMICs for federal income tax purposes. The REMIC Certificates, other than the R, RB 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 RB and RL Classes will be designated as the “residual interests” in the respective Lower Tier REMICs.

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

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	142%
2	191%
3	152%
4	169%
5	150%

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 or the Group 1 Ginnie Mae Certificates 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 the 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 either of the Lower Tier REMICs) that generally will not be treated as excess inclusions, the rate to be used is 7.15% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

As the owner of the Group 2 Underlying Redeemable Certificate, the second Lower Tier REMIC will be treated as (i) owning an undivided interest in the related MBS and (ii) writing a call option on that interest when it acquires that interest. For a discussion of the tax consequences associated with such treatment, see “Certain Federal Income Tax Consequences” in the Trust 1999-R2 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 will represent the beneficial ownership of the underlying REMIC Certificates set forth in Schedule 1. The ownership interest represented by RCR Class Certificates will be one of two types. A Certificate of a Strip RCR Class (a “Strip RCR Certificate”) will represent the right to receive a disproportionate part of the principal or interest payments on an underlying REMIC Certificate. A Certificate of a Combination RCR Class (a “Combination RCR Certificate”) will represent beneficial ownership of undivided interests in two or more underlying REMIC Certificates.

The PR, PI, AD, AE, AG and AI Classes are Strip RCR Classes. The SA, SU, ST, S, DE, PJ, PH and SV Classes are Combination RCR Classes.

*Strip RCR Classes.* The tax consequences to a beneficial owner of a Strip RCR Certificate will be determined under section 1286 of the Code, except as discussed below. Under section 1286, a beneficial owner of a Strip RCR Certificate will be treated as owning “stripped bonds” to the extent of its share of principal payments and “stripped coupons” to the extent of its share of interest payments on the underlying REMIC Certificates. If a Strip RCR Certificate entitles the holder to payments of principal and interest on an underlying REMIC Certificate, the IRS could contend that the Strip RCR Certificate should be treated (i) as an interest in the underlying REMIC Certificate to the extent that the Strip RCR Certificate represents an equal pro rata portion of principal and interest on the underlying REMIC Certificate, and (ii) with respect to the remainder, as an installment obligation consisting of “stripped bonds” to the extent of its share of principal payments or “stripped coupons” to the extent of its share of interest payments. For purposes of information reporting, however, Fannie Mae intends to treat each Strip RCR Certificate as a single debt instrument, regardless of whether it entitles the holder to payments of principal and interest. You should consult your own tax advisors as to the proper treatment of a Strip RCR Certificate in this regard.

Under section 1286, the beneficial owner of a Strip RCR Certificate must treat the Strip RCR Certificate as a debt instrument originally issued on the date the owner acquires it and as having OID equal to the excess, if any, of its “stated redemption price at maturity” over the price paid by the owner to acquire it. The stated redemption price at maturity for a Strip RCR Certificate is determined in the same manner as described with respect to Regular Certificates under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus.

If a Strip RCR Certificate has OID, the beneficial owner must include the OID in its ordinary income for federal income tax purposes as the OID accrues, which may be prior to the receipt of the cash attributable to that income. Although the matter is not entirely clear, a beneficial owner should accrue OID using a method similar to that described with respect to the accrual of OID on a Regular Certificate under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. A beneficial owner, however, determines its yield to maturity based on its purchase price. For a particular beneficial owner, it is not clear whether the prepayment assumption used for calculating OID would be one determined at the time the Strip RCR Certificate is acquired or would be the original Prepayment Assumption for the underlying REMIC Certificates. For purposes of information reporting, Fannie Mae will use the original yield to maturity of the Strip RCR Certificate, calculated based on the original Prepayment Assumption. You should consult your own tax advisors regarding the proper method for accruing OID on a Strip RCR Certificate.

The rules of section 1286 of the Code also apply if (i) a beneficial owner of a REMIC Certificate exchanges it for Strip RCR Certificates, (ii) the beneficial owner sells some, but not all, of the Strip RCR Certificates, and (iii) the combination of retained Strip RCR Certificates cannot be exchanged for the related REMIC Certificate. As of the date of such a sale, the beneficial owner must allocate its basis in the REMIC Certificate between the part of the REMIC Certificate underlying the Strip RCR Certificates sold and the part of the REMIC Certificate underlying the Strip RCR Certificates retained in proportion to their relative fair market values. Section 1286 of the Code treats the beneficial owner as purchasing the Strip RCR Certificates retained for the amount of the basis allocated to the retained Certificates, and the beneficial owner must then accrue any OID with respect to the retained Certificates as described above. Section 1286 does not apply, however, if a beneficial owner exchanges a REMIC Certificate for the related RCR Certificates and retains all the RCR Certificates. See “—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*.”

Upon the sale of a Strip RCR Certificate, a beneficial owner will realize gain or loss on the sale in an amount equal to the difference between the amount realized and its adjusted basis in the Certificate. The owner’s adjusted basis generally is equal to the owner’s cost of the Certificate (or portion of the cost of a REMIC Certificate allocable to the RCR Certificate), increased by income previously included, and reduced (but not below zero) by distributions previously received and by any amortized premium. If the beneficial owner holds the Certificate as a capital asset, any gain or loss realized will be capital gain or loss, except to the extent provided under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Sales and Other Dispositions of Regular Certificates” in the REMIC Prospectus.

Although the matter is not free from doubt, if a beneficial owner acquires in one transaction (other than an exchange described under “—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*”) a combination of Strip RCR Certificates that may be exchanged for underlying REMIC Certificates, the owner should be treated as owning the underlying REMIC Certificates, in which case section 1286 would not apply. If a beneficial owner acquires such a combination in separate transactions, the law is unclear as to whether the combination should be aggregated or each Strip RCR Certificate should be treated as a separate debt instrument. You should consult your tax advisors regarding the proper treatment of Strip RCR Certificates in this regard. For the treatment of Strip RCR Certificates received in exchange for a REMIC Certificate, see “—Taxation of Beneficial Owners of RCR Certificates—*Exchanges*.”

*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.

## **ADDITIONAL ERISA CONSIDERATIONS RELATING TO THE GROUP 2 CLASSES**

The Certificates of the Group 2 Classes would appear to qualify as “guaranteed governmental mortgage pool certificates” as defined in the Department of Labor regulation discussed under the heading “ERISA Considerations” in the REMIC Prospectus. However, the acquisition or exercise of the right to cause redemption of the Underlying Redemption Certificate (the “Redemption Right”) might be characterized under ERISA as a principal transaction between the owner of a Certificate of the Group 2 Classes and the beneficial owner of the Redemption Right. Thus, in theory, the acquisition or exercise of the Redemption Right could be characterized under certain circumstances as a prohibited transaction under ERISA between a Plan and “party in interest” (assuming that the Plan holds a Certificate of the Group 2 Classes and the “party in interest” holds the related Redemption Right, or vice versa), unless a prohibited transaction exemption under ERISA (such as PTE 84-14 for Transactions by Independent Qualified Professional Asset Managers) is available. Plan fiduciaries should consult their counsel concerning these issues.

## **PLAN OF DISTRIBUTION**

*General.* We are obligated to deliver the Certificates to PaineWebber Incorporated (the “Dealer”) in exchange for the Group 1 Ginnie Mae Certificates, the Group 2 Underlying Redeemable Certificate, the Group 3 MBS, the Group 4 MBS and the Group 5 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, Group 2, Group 3 or Group 4 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Group 1 Ginnie Mae Certificates, the Group 2 Underlying Redeemable Certificate, the Group 3 MBS or the Group 4 MBS in principal balance, but we expect that all these additional MBS or Certificates will have the same characteristics as described under “Description of the Certificates—The Group 1 Ginnie Mae Certificates,” “—The Group 2 Underlying Redeemable Certificate” and “—The Group 3 and Group 4 MBS,” as applicable. The proportion that the original principal balance of each Group 1, Group 2, Group 3 or Group 4 Class bears to the aggregate original principal balance of all Group 1, Group 2, Group 3 or Group 4 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. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

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## Underlying REMIC Certificates

Underlying REMIC 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 Class Factor	Principal or Notional Balance in the Related Trust REMIC as of Issue Date	Approximate Weighted Average WAC (in months)	Approximate Weighted Average CAGR (in months)	Underlying Security Type	Class Group
1999-12	FD	February 1999	31359VNM1	(2)	FLT	November 2023	SC/PT	\$12,499,968	1.0%	\$12,499,968	71	71	MBS	5
1999-12	SC	February 1999	31359VNL3	(2)	INV/IO	November 2023	NTL	10,223,921	1.0	10,223,921	276	71	MBS	5

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

(2) These Classes bear interest during their respective interest accrual periods, subject to the applicable maximum and minimum interest rates, as further described in the related Underlying REMIC Disclosure Document.

## 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 A	\$93,423,040	AD AI	\$93,423,040 6,228,202	7.000% 7.500	FIX FIX/IO	RDM/SEQ NTL	31359WUA7 31359WUD1	July 2028 July 2028
Recombination 2 A	93,423,040	AE AI	93,423,040 3,114,101	7.250 7.500	FIX FIX/IO	RDM/SEQ NTL	31359WUB5 31359WUD1	July 2028 July 2028
Recombination 3 A	93,423,040	AG AI	93,423,040 1,557,050	7.375 7.500	FIX FIX/IO	RDM/SEQ NTL	31359WUC3 31359WUD1	July 2028 July 2028
Recombination 4 PW PX	24,461,000 26,633,429	PJ	51,094,429	6.500	FIX	PAC	31359WUE9	August 2014
Recombination 5 PL PM PN	11,542,000 16,824,000 15,499,000	PH	43,865,000	6.500	FIX	PAC	31359WUF6	January 2010
Recombination 6 SH SI	1,419,260 3,548,150	SA	1,419,260	(3)	INV	SUP	31359WUG4	July 2028
Recombination 7 SJ SK	6,000,000 1,833,334	SU	7,833,334	(3)	INV	SEG(SUP)/TAC	31359WUH2	August 2021
Recombination 8 SJ SK SL	6,000,000 1,833,334 2,166,666	ST	10,000,000	(3)	INV	SEG(SUP)/TAC	31359WUJ8	August 2021
Recombination 9 SJ SK SL SM	6,000,000 1,833,334 2,166,666 2,109,402	S	12,109,402	(3)	INV	SEG(SUP)/SUP	31359WUK5	March 2027
Recombination 10 FP SP SQ	8,542,641 854,264 284,755	DE	9,681,660	7.500	FIX	SUP	31359WUL3	April 2029
Recombination 11 PB	30,213,636	PR PI	30,213,636 1,079,058	6.250 7,000	FIX FIX/IO	PAC NTL	31359WUM1 31359WUN9	September 2021 September 2021
Recombination 12 SG SD	1,388,886 1,249,997	SV	1,388,886	(3)	INV	SC/PT	31359WUP4	November 2023

- (1) The principal balance 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 balance of the related Classes.
- (2) See “Description of the Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” herein.
- (3) For a description of this interest rate, see “Description of the Certificates—Distributions of Interest” herein.

## Principal Balance Schedules

### *PL 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 March 2000 .....	\$11,542,000.00	August 2000 .....	\$ 7,437,680.06	January 2001 .....	\$ 2,506,956.75
April 2000 .....	11,209,039.91	September 2000 .....	6,457,096.35	February 2001 .....	1,531,408.80
May 2000 .....	10,289,732.63	October 2000 .....	5,462,319.38	March 2001 .....	560,606.03
June 2000 .....	9,354,445.12	November 2000 .....	4,472,387.15	April 2001 and thereafter .....	0.00
July 2000 .....	8,403,613.16	December 2000 .....	3,487,274.60		

### *PM 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 March 2001 .....	\$16,824,000.00	October 2001 .....	\$10,719,803.96	May 2002 .....	\$ 4,278,080.14
April 2001 .....	16,418,523.88	November 2001 .....	9,786,088.73	June 2002 .....	3,375,576.38
May 2001 .....	15,457,137.92	December 2001 .....	8,856,902.05	July 2002 .....	2,477,439.48
June 2001 .....	14,500,423.81	January 2002 .....	7,932,220.46	August 2002 .....	1,583,646.82
July 2001 .....	13,548,357.37	February 2002 .....	7,012,020.63	September 2002 .....	694,175.89
August 2001 .....	12,600,914.52	March 2002 .....	6,096,279.35	October 2002 and thereafter .....	0.00
September 2001 .....	11,658,071.33	April 2002 .....	5,184,973.51		

### *PN 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 September 2002 .....	\$15,499,000.00	April 2003 .....	\$10,086,021.12	December 2003 .....	\$ 3,354,761.76
October 2002 .....	15,308,004.29	May 2003 .....	9,230,327.43	January 2004 .....	2,531,469.77
November 2002 .....	14,427,109.75	June 2003 .....	8,378,758.01	February 2004 .....	1,712,134.07
December 2002 .....	13,550,470.10	July 2003 .....	7,531,291.50	March 2004 .....	896,734.14
January 2003 .....	12,678,063.30	August 2003 .....	6,687,906.61	April 2004 .....	85,249.57
February 2003 .....	11,809,867.39	September 2003 .....	5,848,582.19	May 2004 and thereafter .....	0.00
March 2003 .....	10,945,860.57	October 2003 .....	5,013,297.18		
		November 2003 .....	4,182,030.65		

### *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 March 2000 .....	\$55,000,000.00	July 2001 .....	\$38,656,613.38	December 2002 .....	\$21,564,041.62
April 2000 .....	54,632,755.65	August 2001 .....	37,611,614.17	January 2003 .....	20,601,804.77
May 2000 .....	53,618,789.08	September 2001 .....	36,571,688.24	February 2003 .....	19,644,212.42
June 2000 .....	52,587,196.83	October 2001 .....	35,536,809.30	March 2003 .....	18,691,240.48
July 2000 .....	51,538,459.54	November 2001 .....	34,506,951.22	April 2003 .....	17,742,865.02
August 2000 .....	50,473,066.18	December 2001 .....	33,482,087.98	May 2003 .....	16,799,062.21
September 2000 .....	49,391,513.66	January 2002 .....	32,462,193.72	June 2003 .....	15,859,808.34
October 2000 .....	48,294,306.43	February 2002 .....	31,447,242.70	July 2003 .....	14,925,079.84
November 2000 .....	47,202,442.80	March 2002 .....	30,437,209.30	August 2003 .....	13,994,853.24
December 2000 .....	46,115,895.11	April 2002 .....	29,432,068.07	September 2003 .....	13,069,105.21
January 2001 .....	45,034,635.83	May 2002 .....	28,431,793.64	October 2003 .....	12,147,812.52
February 2001 .....	43,958,637.59	June 2002 .....	27,436,360.81	November 2003 .....	11,230,952.09
March 2001 .....	42,887,873.14	July 2002 .....	26,445,744.49	December 2003 .....	10,318,500.91
April 2001 .....	41,822,315.39	August 2002 .....	25,459,919.73	January 2004 .....	9,410,436.14
May 2001 .....	40,761,937.37	September 2002 .....	24,478,861.70	February 2004 .....	8,506,735.03
June 2001 .....	39,706,712.26	October 2002 .....	23,502,545.70	March 2004 .....	7,607,374.95
		November 2002 .....	22,530,947.15	April 2004 .....	6,712,333.38

**PC 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>
May 2004 .....	\$ 5,821,587.93	August 2004 .....	\$ 3,174,906.05	November 2004 .....	\$ 566,093.93
June 2004 .....	4,935,116.31	September 2004 .....	2,301,123.40	December 2004 and thereafter .....	0.00
July 2004 .....	4,052,896.37	October 2004 .....	1,431,526.60		

**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 November 2004 .....	\$10,000,000.00	May 2005 .....	\$ 6,000,079.98	November 2005 .....	\$ 1,908,861.49
December 2004 .....	9,731,677.51	June 2005 .....	5,289,786.51	December 2005 .....	1,265,615.94
January 2005 .....	8,960,738.59	July 2005 .....	4,591,089.19	January 2006 .....	632,971.53
February 2005 .....	8,202,292.57	August 2005 .....	3,903,816.21	February 2006 .....	10,770.54
March 2005 .....	7,456,154.96	September 2005 .....	3,227,798.19	March 2006 and thereafter .....	0.00
April 2005 .....	6,722,143.87	October 2005 .....	2,562,868.15		

**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 April 2004 .....	\$22,976,488.00	January 2005 .....	\$15,835,339.83	November 2005 .....	\$ 8,095,173.44
May 2004 .....	22,254,148.05	February 2005 .....	15,002,866.68	December 2005 .....	7,389,144.74
June 2004 .....	21,450,433.38	March 2005 .....	14,183,903.28	January 2006 .....	6,694,751.89
July 2004 .....	20,650,573.46	April 2005 .....	13,378,249.99	February 2006 .....	6,011,821.78
August 2004 .....	19,854,548.31	May 2005 .....	12,585,709.99	March 2006 .....	4,739,041.31
September 2004 .....	19,062,338.02	June 2005 .....	11,806,089.25	April 2006 .....	3,476,748.90
October 2004 .....	18,273,922.81	July 2005 .....	11,039,196.49	May 2006 .....	2,235,398.19
November 2004 .....	17,489,282.99	August 2005 .....	10,284,843.11	June 2006 .....	1,014,676.77
December 2004 .....	16,681,525.25	September 2005 .....	9,542,843.23	July 2006 and thereafter .....	0.00
		October 2005 .....	8,813,013.56		

**PW 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 June 2006 .....	\$24,461,000.00	March 2007 .....	\$15,368,105.78	January 2008 .....	\$ 5,816,960.19
July 2006 .....	24,275,276.69	April 2007 .....	14,337,442.19	February 2008 .....	4,949,629.04
August 2006 .....	23,094,894.35	May 2007 .....	13,324,251.39	March 2008 .....	4,097,303.47
September 2006 .....	21,934,230.50	June 2007 .....	12,328,270.37	April 2008 .....	3,259,755.78
October 2006 .....	20,792,990.13	July 2007 .....	11,349,239.87	May 2008 .....	2,436,761.49
November 2006 .....	19,670,882.41	August 2007 .....	10,386,904.36	June 2008 .....	1,628,099.37
December 2006 .....	18,567,620.70	September 2007 .....	9,441,011.94	July 2008 .....	833,551.35
January 2007 .....	17,482,922.40	October 2007 .....	8,511,314.32	August 2008 .....	52,902.49
February 2007 .....	16,416,508.96	November 2007 .....	7,597,566.73	September 2008 and thereafter .....	0.00
		December 2007 .....	6,699,527.95		

**PX 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 August 2008 .....	\$26,633,429.00	December 2008 .....	\$23,698,536.02	June 2009 .....	\$19,599,162.41
September 2008 .....	25,919,369.94	January 2009 .....	22,984,265.41	July 2009 .....	18,958,070.94
October 2008 .....	25,165,886.89	February 2009 .....	22,282,667.65	August 2009 .....	18,328,528.16
November 2008 .....	24,425,676.54	March 2009 .....	21,593,548.52	September 2009 .....	17,710,356.07
		April 2009 .....	20,916,716.60	October 2009 .....	17,103,379.22
		May 2009 .....	20,251,983.21	November 2009 .....	16,507,424.69

### ***PX 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 2009 .....	\$15,922,322.08	February 2011 .....	\$ 8,780,561.98	April 2012 .....	\$ 3,325,453.86
January 2010 .....	15,347,903.43	March 2011 .....	8,339,384.85	May 2012 .....	2,990,993.97
February 2010 .....	14,784,003.23	April 2011 .....	7,906,645.78	June 2012 .....	2,663,278.26
March 2010 .....	14,230,458.35	May 2011 .....	7,482,211.85	July 2012 .....	2,342,198.63
April 2010 .....	13,687,108.03	June 2011 .....	7,065,952.10	August 2012 .....	2,027,648.54
May 2010 .....	13,153,793.84	July 2011 .....	6,657,737.47	September 2012 .....	1,719,523.02
June 2010 .....	12,630,359.64	August 2011 .....	6,257,440.80	October 2012 .....	1,417,718.66
July 2010 .....	12,116,651.56	September 2011 .....	5,864,936.75	November 2012 .....	1,122,133.57
August 2010 .....	11,612,517.95	October 2011 .....	5,480,101.86	December 2012 .....	832,667.34
September 2010 .....	11,117,809.39	November 2011 .....	5,102,814.44	January 2013 .....	549,221.07
October 2010 .....	10,632,378.59	December 2011 .....	4,732,954.59	February 2013 .....	271,697.29
November 2010 .....	10,156,080.43	January 2012 .....	4,370,404.17	March 2013 and thereafter .....	0.00
December 2010 .....	9,688,771.90	February 2012 .....	4,015,046.76		
January 2011 .....	9,230,312.04	March 2012 .....	3,666,767.67		

### ***SO Class Scheduled Balances***

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
Initial Balance .....	\$5,168,000.00	October 2002 .....	\$2,074,830.01	January 2006 .....	\$1,576,904.49
August 1999 .....	4,953,087.26	November 2002 .....	2,053,022.02	February 2006 .....	1,559,064.65
September 1999 .....	4,731,144.94	December 2002 .....	2,031,976.42	March 2006 .....	1,540,556.19
October 1999 .....	4,503,080.97	January 2003 .....	2,011,685.76	April 2006 .....	1,521,398.69
November 1999 .....	4,269,034.28	February 2003 .....	1,992,142.67	May 2006 .....	1,501,611.39
December 1999 .....	4,029,147.99	March 2003 .....	1,973,339.83	June 2006 .....	1,481,213.13
January 2000 .....	3,783,569.29	April 2003 .....	1,955,269.96	July 2006 .....	1,460,222.45
February 2000 .....	3,532,449.23	May 2003 .....	1,937,925.88	August 2006 .....	1,438,657.50
March 2000 .....	3,275,942.65	June 2003 .....	1,921,300.45	September 2006 .....	1,416,536.10
April 2000 .....	3,096,584.94	July 2003 .....	1,905,386.59	October 2006 .....	1,393,875.74
May 2000 .....	3,057,227.90	August 2003 .....	1,890,177.28	November 2006 .....	1,370,693.57
June 2000 .....	3,016,923.26	September 2003 .....	1,875,665.56	December 2006 .....	1,347,006.41
July 2000 .....	2,975,731.36	October 2003 .....	1,861,844.54	January 2007 .....	1,322,830.77
August 2000 .....	2,933,713.57	November 2003 .....	1,848,707.37	February 2007 .....	1,298,182.83
September 2000 .....	2,890,932.22	December 2003 .....	1,836,247.27	March 2007 .....	1,273,078.47
October 2000 .....	2,847,450.48	January 2004 .....	1,824,457.51	April 2007 .....	1,247,533.25
November 2000 .....	2,804,939.18	February 2004 .....	1,813,331.43	May 2007 .....	1,221,562.46
December 2000 .....	2,763,389.13	March 2004 .....	1,802,862.42	June 2007 .....	1,195,181.05
January 2001 .....	2,722,791.23	April 2004 .....	1,793,043.91	July 2007 .....	1,168,403.71
February 2001 .....	2,683,136.44	May 2004 .....	1,783,869.40	August 2007 .....	1,141,244.84
March 2001 .....	2,644,415.81	June 2004 .....	1,775,332.46	September 2007 .....	1,113,718.54
April 2001 .....	2,606,620.46	July 2004 .....	1,767,426.69	October 2007 .....	1,085,838.66
May 2001 .....	2,569,741.57	August 2004 .....	1,760,145.76	November 2007 .....	1,057,618.75
June 2001 .....	2,533,770.40	September 2004 .....	1,753,483.38	December 2007 .....	1,029,072.11
July 2001 .....	2,498,698.31	October 2004 .....	1,747,433.32	January 2008 .....	1,000,211.77
August 2001 .....	2,464,516.68	November 2004 .....	1,741,989.42	February 2008 .....	971,050.49
September 2001 .....	2,431,217.02	December 2004 .....	1,737,145.54	March 2008 .....	941,600.80
October 2001 .....	2,398,790.86	January 2005 .....	1,730,872.97	April 2008 .....	911,874.96
November 2001 .....	2,367,229.83	February 2005 .....	1,723,024.98	May 2008 .....	881,884.97
December 2001 .....	2,336,525.62	March 2005 .....	1,713,943.98	June 2008 .....	851,642.63
January 2002 .....	2,306,669.99	April 2005 .....	1,703,952.91	July 2008 .....	821,159.45
February 2002 .....	2,277,654.78	May 2005 .....	1,693,075.81	August 2008 .....	790,446.75
March 2002 .....	2,249,471.88	June 2005 .....	1,681,336.26	September 2008 .....	759,515.58
April 2002 .....	2,222,113.27	July 2005 .....	1,668,757.44	October 2008 .....	728,376.79
May 2002 .....	2,195,570.97	August 2005 .....	1,655,362.09	November 2008 .....	697,041.01
June 2002 .....	2,169,837.08	September 2005 .....	1,641,172.52	December 2008 .....	665,518.61
July 2002 .....	2,144,903.77	October 2005 .....	1,626,210.66	January 2009 .....	633,819.80
August 2002 .....	2,120,763.29	November 2005 .....	1,610,498.02	February 2009 .....	601,954.54
September 2002 .....	2,097,407.91	December 2005 .....	1,594,055.72	March 2009 .....	569,932.58

### ***SO Class (Continued)***

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
April 2009 .....	\$ 537,763.48	November 2009 .....	\$ 309,221.02	May 2010 .....	\$ 110,170.08
May 2009 .....	505,456.60	December 2009 .....	276,195.27	June 2010 .....	76,837.18
June 2009 .....	473,021.09	January 2010 .....	243,099.68	July 2010 .....	43,478.03
July 2009 .....	440,465.91	February 2010 .....	209,941.94	August 2010 .....	10,099.35
August 2009 .....	407,799.83	March 2010 .....	176,729.56	September 2010 and thereafter .....	0.00
September 2009 .....	375,031.42	April 2010 .....	143,469.88		
October 2009 .....	342,169.08				

### ***Segment Group I Planned Balance***

<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 .....	\$15,044,083.00	November 1999 .....	\$ 8,431,200.79	March 2000 .....	\$ 1,198,563.66
August 1999 .....	13,451,990.19	December 1999 .....	6,679,098.34	April 2000 and thereafter .....	0.00
September 1999 .....	11,818,422.42	January 2000 .....	4,889,070.33		
October 1999 .....	10,144,570.91	February 2000 .....	3,061,943.45		

### ***PA 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 August 2000 .....	\$47,160,821.00	July 2001 .....	\$30,654,650.14	June 2002 .....	\$13,197,632.44
September 2000 .....	46,125,909.21	August 2001 .....	29,057,302.65	July 2002 .....	11,650,901.42
October 2000 .....	44,648,524.92	September 2001 .....	27,455,890.84	August 2002 .....	10,111,788.64
November 2000 .....	43,153,420.86	October 2001 .....	25,850,551.36	September 2002 .....	8,580,254.54
December 2000 .....	41,640,840.69	November 2001 .....	24,241,425.82	October 2002 .....	7,056,259.78
January 2001 .....	40,111,039.23	December 2001 .....	22,640,242.37	November 2002 .....	5,539,765.21
February 2001 .....	38,564,282.23	January 2002 .....	21,046,959.80	December 2002 .....	4,030,731.87
March 2001 .....	37,000,846.16	February 2002 .....	19,461,537.12	January 2003 .....	2,529,121.03
April 2001 .....	35,421,018.04	March 2002 .....	17,883,933.52	February 2003 .....	1,034,894.12
May 2001 .....	33,836,631.44	April 2002 .....	16,314,108.42	March 2003 and thereafter .....	0.00
June 2001 .....	32,247,801.83	May 2002 .....	14,752,021.45		

### ***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 through February 2003 .....	\$30,213,636.00	September 2003 .....	\$19,683,287.14	May 2004 .....	\$ 6,782,450.95
March 2003 .....	29,697,476.13	October 2003 .....	18,042,811.95	June 2004 .....	5,205,186.03
April 2003 .....	28,007,833.84	November 2003 .....	16,410,382.90	July 2004 .....	3,635,638.70
May 2003 .....	26,326,493.15	December 2003 .....	14,785,958.18	August 2004 .....	2,073,768.80
June 2003 .....	24,653,410.93	January 2004 .....	13,169,496.19	September 2004 .....	519,536.44
July 2003 .....	22,988,544.27	February 2004 .....	11,560,955.53	October 2004 and thereafter .....	0.00
August 2003 .....	21,331,850.50	March 2004 .....	9,960,295.05		
		April 2004 .....	8,367,473.77		

### ***PK 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 September 2004 .....	\$132,961,479.00	January 2005 .....	\$127,339,669.94	July 2005 .....	\$118,350,117.93
October 2004 .....	131,934,380.88	February 2005 .....	125,823,033.50	August 2005 .....	116,877,321.32
November 2004 .....	130,395,304.62	March 2005 .....	124,313,799.32	September 2005 .....	115,411,698.85
December 2004 .....	128,863,747.34	April 2005 .....	122,811,928.89	October 2005 .....	113,953,213.18
		May 2005 .....	121,317,383.89	November 2005 .....	112,501,827.16
		June 2005 .....	119,830,126.21	December 2005 .....	111,057,503.83



**PK 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>
January 2006 .....	\$109,620,206.43	November 2010 .....	\$ 44,617,269.87	September 2015 .....	\$ 15,943,631.53
February 2006 .....	108,189,898.38	December 2010 .....	43,882,378.44	October 2015 .....	15,638,454.91
March 2006 .....	106,766,543.27	January 2011 .....	43,158,299.42	November 2015 .....	15,337,990.92
April 2006 .....	105,350,104.92	February 2011 .....	42,444,880.65	December 2015 .....	15,042,171.74
May 2006 .....	103,940,547.29	March 2011 .....	41,741,972.04	January 2016 .....	14,750,930.52
June 2006 .....	102,537,834.56	April 2011 .....	41,049,425.59	February 2016 .....	14,464,201.33
July 2006 .....	101,141,931.07	May 2011 .....	40,367,095.32	March 2016 .....	14,181,919.17
August 2006 .....	99,752,801.36	June 2011 .....	39,694,837.27	April 2016 .....	13,904,019.94
September 2006 .....	98,370,410.13	July 2011 .....	39,032,509.47	May 2016 .....	13,630,440.41
October 2006 .....	96,994,722.29	August 2011 .....	38,379,971.90	June 2016 .....	13,361,118.28
November 2006 .....	95,625,702.90	September 2011 .....	37,737,086.48	July 2016 .....	13,095,992.07
December 2006 .....	94,263,317.23	October 2011 .....	37,103,717.01	August 2016 .....	12,835,001.18
January 2007 .....	92,907,530.69	November 2011 .....	36,479,729.19	September 2016 .....	12,578,085.87
February 2007 .....	91,558,308.91	December 2011 .....	35,864,990.57	October 2016 .....	12,325,187.20
March 2007 .....	90,215,617.67	January 2012 .....	35,259,370.52	November 2016 .....	12,076,247.08
April 2007 .....	88,879,422.93	February 2012 .....	34,662,740.21	December 2016 .....	11,831,208.21
May 2007 .....	87,549,690.83	March 2012 .....	34,074,972.61	January 2017 .....	11,590,014.12
June 2007 .....	86,226,387.67	April 2012 .....	33,495,942.40	February 2017 .....	11,352,609.09
July 2007 .....	84,909,479.93	May 2012 .....	32,925,526.04	March 2017 .....	11,118,938.21
August 2007 .....	83,598,934.28	June 2012 .....	32,363,601.66	April 2017 .....	10,888,947.32
September 2007 .....	82,297,714.50	July 2012 .....	31,810,049.09	May 2017 .....	10,662,583.02
October 2007 .....	81,015,229.77	August 2012 .....	31,264,749.81	June 2017 .....	10,439,792.67
November 2007 .....	79,751,219.15	September 2012 .....	30,727,586.94	July 2017 .....	10,220,524.34
December 2007 .....	78,505,425.24	October 2012 .....	30,198,445.22	August 2017 .....	10,004,726.86
January 2008 .....	77,277,594.20	November 2012 .....	29,677,210.98	September 2017 .....	9,792,349.74
February 2008 .....	76,067,475.64	December 2012 .....	29,163,772.11	October 2017 .....	9,583,343.23
March 2008 .....	74,874,822.63	January 2013 .....	28,658,018.07	November 2017 .....	9,377,658.25
April 2008 .....	73,699,391.59	February 2013 .....	28,159,839.84	December 2017 .....	9,175,246.42
May 2008 .....	72,540,942.32	March 2013 .....	27,669,129.89	January 2018 .....	8,976,060.03
June 2008 .....	71,399,237.88	April 2013 .....	27,185,782.21	February 2018 .....	8,780,052.06
July 2008 .....	70,274,044.59	May 2013 .....	26,709,692.22	March 2018 .....	8,587,176.12
August 2008 .....	69,165,131.98	June 2013 .....	26,240,756.82	April 2018 .....	8,397,386.49
September 2008 .....	68,072,272.73	July 2013 .....	25,778,874.33	May 2018 .....	8,210,638.08
October 2008 .....	66,995,242.66	August 2013 .....	25,323,944.44	June 2018 .....	8,026,886.44
November 2008 .....	65,933,820.63	September 2013 .....	24,875,868.29	July 2018 .....	7,846,087.74
December 2008 .....	64,887,788.57	October 2013 .....	24,434,548.34	August 2018 .....	7,668,198.76
January 2009 .....	63,856,931.38	November 2013 .....	23,999,888.42	September 2018 .....	7,493,176.90
February 2009 .....	62,841,036.91	December 2013 .....	23,571,793.69	October 2018 .....	7,320,980.16
March 2009 .....	61,839,895.95	January 2014 .....	23,150,170.62	November 2018 .....	7,151,567.10
April 2009 .....	60,853,302.13	February 2014 .....	22,734,926.99	December 2018 .....	6,984,896.89
May 2009 .....	59,881,051.93	March 2014 .....	22,325,971.84	January 2019 .....	6,820,929.27
June 2009 .....	58,922,944.63	April 2014 .....	21,923,215.48	February 2019 .....	6,659,624.54
July 2009 .....	57,978,782.23	May 2014 .....	21,526,569.47	March 2019 .....	6,500,943.57
August 2009 .....	57,048,369.51	June 2014 .....	21,135,946.57	April 2019 .....	6,344,847.76
September 2009 .....	56,131,513.87	July 2014 .....	20,751,260.79	May 2019 .....	6,191,299.07
October 2009 .....	55,228,025.41	August 2014 .....	20,372,427.30	June 2019 .....	6,040,259.99
November 2009 .....	54,337,716.79	September 2014 .....	19,999,362.46	July 2019 .....	5,891,693.54
December 2009 .....	53,460,403.29	October 2014 .....	19,631,983.79	August 2019 .....	5,745,563.25
January 2010 .....	52,595,902.70	November 2014 .....	19,270,209.95	September 2019 .....	5,601,833.18
February 2010 .....	51,744,035.31	December 2014 .....	18,913,960.74	October 2019 .....	5,460,467.90
March 2010 .....	50,904,623.91	January 2015 .....	18,563,157.07	November 2019 .....	5,321,432.45
April 2010 .....	50,077,493.70	February 2015 .....	18,217,720.93	December 2019 .....	5,184,692.39
May 2010 .....	49,262,472.29	March 2015 .....	17,877,575.43	January 2020 .....	5,050,213.75
June 2010 .....	48,459,389.68	April 2015 .....	17,542,644.72	February 2020 .....	4,917,963.06
July 2010 .....	47,668,078.18	May 2015 .....	17,212,854.01	March 2020 .....	4,787,907.31
August 2010 .....	46,888,372.42	June 2015 .....	16,888,129.55	April 2020 .....	4,660,013.94
September 2010 .....	46,120,109.32	July 2015 .....	16,568,398.63	May 2020 .....	4,534,250.88
October 2010 .....	45,363,128.01	August 2015 .....	16,253,589.53	June 2020 .....	4,410,586.50

***PK 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>
July 2020 .....	\$ 4,288,989.60	July 2022 .....	\$ 1,943,002.02	June 2024 .....	\$ 676,374.71
August 2020 .....	4,169,429.45	August 2022 .....	1,876,693.96	July 2024 .....	632,215.64
September 2020 .....	4,051,875.74	September 2022 .....	1,811,518.28	August 2024 .....	588,853.96
October 2020 .....	3,936,298.59	October 2022 .....	1,747,458.03	September 2024 .....	546,277.49
November 2020 .....	3,822,668.54	November 2022 .....	1,684,496.46	October 2024 .....	504,474.20
December 2020 .....	3,710,956.55	December 2022 .....	1,622,617.08	November 2024 .....	463,432.23
January 2021 .....	3,601,134.00	January 2023 .....	1,561,803.62	December 2024 .....	423,139.90
February 2021 .....	3,493,172.65	February 2023 .....	1,502,040.05	January 2025 .....	383,585.70
March 2021 .....	3,387,044.70	March 2023 .....	1,443,310.58	February 2025 .....	344,758.27
April 2021 .....	3,282,722.70	April 2023 .....	1,385,599.62	March 2025 .....	306,646.43
May 2021 .....	3,180,179.63	May 2023 .....	1,328,891.81	April 2025 .....	269,239.15
June 2021 .....	3,079,388.82	June 2023 .....	1,273,172.01	May 2025 .....	232,525.56
July 2021 .....	2,980,324.00	July 2023 .....	1,218,425.31	June 2025 .....	207,334.22
August 2021 .....	2,882,959.27	August 2023 .....	1,164,636.99	July 2025 .....	182,591.51
September 2021 .....	2,787,269.08	September 2023 .....	1,111,792.55	August 2025 .....	158,290.57
October 2021 .....	2,693,228.27	October 2023 .....	1,059,877.70	September 2025 .....	134,424.68
November 2021 .....	2,600,812.02	November 2023 .....	1,008,878.34	October 2025 .....	110,987.19
December 2021 .....	2,509,995.87	December 2023 .....	958,780.60	November 2025 .....	87,971.56
January 2022 .....	2,420,755.70	January 2024 .....	909,570.76	December 2025 .....	65,371.34
February 2022 .....	2,333,067.74	February 2024 .....	861,235.36	January 2026 .....	43,180.17
March 2022 .....	2,246,908.56	March 2024 .....	813,761.06	February 2026 .....	21,391.78
April 2022 .....	2,162,255.06	April 2024 .....	767,134.78	March 2026 and thereafter .....	0.00
May 2022 .....	2,079,084.47	May 2024 .....	721,343.58		
June 2022 .....	2,010,459.71				

***C 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 .....	\$38,501,116.00	October 2001 .....	\$21,257,451.57	January 2004 .....	\$ 7,283,317.06
August 1999 .....	37,931,501.41	November 2001 .....	20,605,574.89	February 2004 .....	6,897,455.18
September 1999 .....	37,355,784.45	December 2001 .....	19,964,938.93	March 2004 .....	6,520,069.18
October 1999 .....	36,773,225.13	January 2002 .....	19,335,428.61	April 2004 .....	6,151,069.30
November 1999 .....	36,183,868.30	February 2002 .....	18,716,929.87	May 2004 .....	5,790,366.61
December 1999 .....	35,587,777.86	March 2002 .....	18,109,329.73	June 2004 .....	5,437,872.99
January 2000 .....	34,985,036.65	April 2002 .....	17,512,516.21	July 2004 .....	5,093,501.14
February 2000 .....	34,375,746.28	May 2002 .....	16,926,378.35	August 2004 .....	4,757,164.59
March 2000 .....	33,760,027.00	June 2002 .....	16,350,806.21	September 2004 .....	4,428,777.64
April 2000 .....	33,138,017.43	July 2002 .....	15,785,690.87	October 2004 .....	4,108,255.40
May 2000 .....	32,509,874.34	August 2002 .....	15,230,924.36	November 2004 .....	3,795,513.76
June 2000 .....	31,875,772.37	September 2002 .....	14,686,399.75	December 2004 .....	3,490,469.39
July 2000 .....	31,235,903.76	October 2002 .....	14,152,011.04	January 2005 .....	3,193,039.74
August 2000 .....	30,590,477.98	November 2002 .....	13,627,653.23	February 2005 .....	2,903,143.02
September 2000 .....	29,939,721.38	December 2002 .....	13,113,222.26	March 2005 .....	2,620,698.21
October 2000 .....	29,283,876.83	January 2003 .....	12,608,615.03	April 2005 .....	2,345,625.03
November 2000 .....	28,623,203.27	February 2003 .....	12,113,729.40	May 2005 .....	2,077,843.95
December 2000 .....	27,957,975.27	March 2003 .....	11,628,464.13	June 2005 .....	1,817,276.18
January 2001 .....	27,288,482.60	April 2003 .....	11,152,718.95	July 2005 .....	1,563,843.68
February 2001 .....	26,615,029.69	May 2003 .....	10,686,394.48	August 2005 .....	1,317,469.12
March 2001 .....	25,937,935.13	June 2003 .....	10,229,392.26	September 2005 .....	1,078,075.89
April 2001 .....	25,257,531.14	July 2003 .....	9,781,614.73	October 2005 .....	845,588.10
May 2001 .....	24,580,873.31	August 2003 .....	9,342,965.24	November 2005 .....	619,930.57
June 2001 .....	23,908,059.25	September 2003 .....	8,913,348.02	December 2005 .....	401,028.83
July 2001 .....	23,239,194.15	October 2003 .....	8,492,668.17	January 2006 .....	188,809.09
August 2001 .....	22,574,390.45	November 2003 .....	8,080,831.69	February 2006 and thereafter .....	0.00
September 2001 .....	21,913,767.56	December 2003 .....	7,677,745.42		

### ***SJ 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 .....	\$6,000,000.00	September 2002.....	\$1,061,248.70	November 2005 .....	\$ 581,194.19
August 1999 .....	5,740,440.09	October 2002 .....	1,015,293.72	December 2005 .....	573,736.08
September 1999.....	5,476,528.53	November 2002 .....	969,502.11	January 2006 .....	566,237.56
October 1999 .....	5,208,421.65	December 2002 .....	923,872.67	February 2006 .....	558,698.43
November 1999 .....	4,936,137.37	January 2003 .....	878,404.22	March 2006 .....	551,118.46
December 1999 .....	4,659,696.27	February 2003 .....	833,095.55	April 2006.....	543,497.44
January 2000 .....	4,379,121.62	March 2003 .....	799,773.39	May 2006 .....	535,835.13
February 2000 .....	4,094,439.32	April 2003.....	793,499.25	June 2006 .....	528,131.32
March 2000 .....	3,805,677.93	May 2003 .....	787,191.12	July 2006 .....	520,385.78
April 2000.....	3,512,868.61	June 2003 .....	780,848.82	August 2006 .....	512,598.29
May 2000 .....	3,216,045.13	July 2003 .....	774,472.17	September 2006.....	504,768.61
June 2000 .....	2,915,243.81	August 2003 .....	768,060.97	October 2006 .....	493,321.61
July 2000 .....	2,610,503.53	September 2003.....	761,615.05	November 2006 .....	471,948.07
August 2000 .....	2,301,865.68	October 2003 .....	755,134.22	December 2006 .....	451,056.57
September 2000.....	2,180,122.61	November 2003 .....	748,618.28	January 2007 .....	430,641.09
October 2000 .....	2,136,125.95	December 2003 .....	742,067.04	February 2007 .....	410,695.68
November 2000 .....	2,091,636.69	January 2004 .....	735,480.32	March 2007 .....	391,214.44
December 2000 .....	2,046,661.04	February 2004 .....	728,857.92	April 2007.....	372,191.50
January 2001 .....	2,001,205.52	March 2004 .....	722,199.65	May 2007 .....	353,621.07
February 2001 .....	1,955,276.92	April 2004.....	715,505.32	June 2007 .....	335,497.39
March 2001 .....	1,908,882.32	May 2004 .....	708,774.72	July 2007 .....	317,814.77
April 2001.....	1,862,029.08	June 2004 .....	702,007.66	August 2007 .....	300,567.54
May 2001 .....	1,815,026.69	July 2004 .....	695,203.96	September 2007.....	283,473.93
June 2001 .....	1,767,878.02	August 2004 .....	688,363.39	October 2007 .....	265,658.20
July 2001 .....	1,720,586.07	September 2004.....	681,485.78	November 2007 .....	247,135.89
August 2001 .....	1,673,153.97	October 2004 .....	674,570.91	December 2007 .....	227,922.24
September 2001.....	1,625,585.02	November 2004 .....	667,618.58	January 2008 .....	208,032.24
October 2001 .....	1,577,882.62	December 2004 .....	660,628.60	February 2008 .....	187,480.62
November 2001 .....	1,530,050.30	January 2005 .....	653,600.75	March 2008 .....	166,281.87
December 2001 .....	1,482,394.82	February 2005 .....	646,534.84	April 2008.....	144,450.22
January 2002 .....	1,434,914.92	March 2005 .....	639,430.65	May 2008 .....	121,999.63
February 2002 .....	1,387,609.36	April 2005.....	632,287.99	June 2008 .....	98,943.86
March 2002 .....	1,340,476.91	May 2005 .....	625,106.63	July 2008 .....	75,296.41
April 2002.....	1,293,516.33	June 2005 .....	617,886.37	August 2008 .....	51,070.53
May 2002 .....	1,246,726.39	July 2005 .....	610,627.01	September 2008.....	26,279.25
June 2002 .....	1,200,105.88	August 2005 .....	603,328.32	October 2008 .....	935.39
July 2002 .....	1,153,653.57	September 2005.....	595,990.10	November 2008 and thereafter .....	0.00
August 2002 .....	1,107,368.24	October 2005 .....	588,612.13		

### ***SK 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 through October 2008 .....	\$1,833,334.00	October 2009 .....	\$1,491,403.69	November 2010 .....	\$1,054,231.70
November 2008 .....	1,808,385.51	November 2009 .....	1,459,943.20	December 2010 .....	1,018,340.98
December 2008 .....	1,781,973.98	December 2009 .....	1,428,087.17	January 2011 .....	982,168.34
January 2009 .....	1,755,046.93	January 2010 .....	1,395,845.37	February 2011 .....	945,721.40
February 2009 .....	1,727,616.28	February 2010 .....	1,363,227.38	March 2011 .....	909,007.63
March 2009 .....	1,699,693.75	March 2010 .....	1,330,242.59	April 2011.....	872,034.39
April 2009.....	1,671,290.83	April 2010.....	1,296,900.24	May 2011 .....	834,808.85
May 2009 .....	1,642,418.81	May 2010 .....	1,263,209.38	June 2011 .....	797,338.07
June 2009 .....	1,613,088.80	June 2010 .....	1,229,178.90	July 2011 .....	759,628.96
July 2009 .....	1,583,311.68	July 2010 .....	1,194,817.51	August 2011 .....	721,688.30
August 2009 .....	1,553,098.16	August 2010 .....	1,160,133.78	September 2011.....	683,522.74
September 2009.....	1,522,458.72	September 2010.....	1,125,136.11	October 2011 .....	645,138.78
		October 2010 .....	1,089,832.72	November 2011 .....	606,542.81

***SK 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>
December 2011 .....	\$ 567,741.09	June 2012 .....	\$ 330,944.44	December 2012 .....	\$ 88,181.61
January 2012 .....	528,739.73	July 2012 .....	290,867.19	January 2013 .....	47,219.44
February 2012 .....	489,544.75	August 2012 .....	250,629.84	February 2013 .....	6,126.68
March 2012 .....	450,162.03	September 2012 .....	210,237.59	March 2013 and	
April 2012 .....	410,597.33	October 2012 .....	169,695.50	thereafter .....	0.00
May 2012 .....	370,856.29	November 2012 .....	129,008.55		

***SL 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 .....	\$2,166,666.00	June 2003 .....	\$ 723,071.56	May 2007 .....	\$ 604,902.23
August 1999 .....	2,094,872.86	July 2003 .....	721,307.80	June 2007 .....	599,889.30
September 1999 .....	2,021,876.08	August 2003 .....	719,534.50	July 2007 .....	594,998.36
October 1999 .....	1,947,718.88	September 2003 .....	717,751.58	August 2007 .....	590,227.85
November 1999 .....	1,872,406.24	October 2003 .....	715,959.01	September 2007 .....	585,499.84
December 1999 .....	1,795,943.84	November 2003 .....	714,156.73	October 2007 .....	580,572.08
January 2000 .....	1,718,338.11	December 2003 .....	712,344.69	November 2007 .....	575,448.89
February 2000 .....	1,639,596.23	January 2004 .....	710,522.83	December 2007 .....	570,134.48
March 2000 .....	1,559,726.09	February 2004 .....	708,691.10	January 2008 .....	564,632.99
April 2000 .....	1,478,736.31	March 2004 .....	706,849.46	February 2008 .....	558,948.51
May 2000 .....	1,396,636.23	April 2004 .....	704,997.83	March 2008 .....	553,085.02
June 2000 .....	1,313,435.90	May 2004 .....	703,136.18	April 2008 .....	547,046.48
July 2000 .....	1,229,146.07	June 2004 .....	701,264.44	May 2008 .....	540,836.75
August 2000 .....	1,143,778.19	July 2004 .....	699,382.56	June 2008 .....	534,459.63
September 2000 .....	1,110,104.58	August 2004 .....	697,490.49	July 2008 .....	527,918.84
October 2000 .....	1,097,935.30	September 2004 .....	695,588.18	August 2008 .....	521,218.07
November 2000 .....	1,085,629.76	October 2004 .....	693,675.55	September 2008 .....	514,360.91
December 2000 .....	1,073,189.70	November 2004 .....	691,752.57	October 2008 .....	507,350.91
January 2001 .....	1,060,616.90	December 2004 .....	689,819.17	November 2008 .....	500,191.54
February 2001 .....	1,047,913.25	January 2005 .....	687,875.30	December 2008 .....	492,886.23
March 2001 .....	1,035,080.70	February 2005 .....	685,920.90	January 2009 .....	485,438.32
April 2001 .....	1,022,121.30	March 2005 .....	683,955.91	February 2009 .....	477,851.12
May 2001 .....	1,009,120.64	April 2005 .....	681,980.28	March 2009 .....	470,127.87
June 2001 .....	996,079.53	May 2005 .....	679,993.95	April 2009 .....	462,271.75
July 2001 .....	982,998.78	June 2005 .....	677,996.86	May 2009 .....	454,285.88
August 2001 .....	969,879.27	July 2005 .....	675,988.95	June 2009 .....	446,173.32
September 2001 .....	956,721.91	August 2005 .....	673,970.16	July 2009 .....	437,937.10
October 2001 .....	943,527.63	September 2005 .....	671,940.44	August 2009 .....	429,580.17
November 2001 .....	930,297.42	October 2005 .....	669,899.73	September 2009 .....	421,105.44
December 2001 .....	917,116.12	November 2005 .....	667,847.96	October 2009 .....	412,515.75
January 2002 .....	903,983.39	December 2005 .....	665,785.08	November 2009 .....	403,813.92
February 2002 .....	890,898.88	January 2006 .....	663,711.02	December 2009 .....	395,002.68
March 2002 .....	877,862.25	February 2006 .....	661,625.73	January 2010 .....	386,084.74
April 2002 .....	864,873.15	March 2006 .....	659,529.15	February 2010 .....	377,062.74
May 2002 .....	851,931.26	April 2006 .....	657,421.20	March 2010 .....	367,939.30
June 2002 .....	839,036.23	May 2006 .....	655,301.84	April 2010 .....	358,716.95
July 2002 .....	826,187.73	June 2006 .....	653,171.00	May 2010 .....	349,398.20
August 2002 .....	813,385.41	July 2006 .....	651,028.62	June 2010 .....	339,985.52
September 2002 .....	800,628.94	August 2006 .....	648,874.63	July 2010 .....	330,481.31
October 2002 .....	787,918.00	September 2006 .....	646,708.98	August 2010 .....	320,887.94
November 2002 .....	775,252.24	October 2006 .....	643,542.79	September 2010 .....	311,207.74
December 2002 .....	762,631.33	November 2006 .....	637,630.96	October 2010 .....	301,442.97
January 2003 .....	750,054.96	December 2006 .....	631,852.46	November 2010 .....	291,595.89
February 2003 .....	737,522.78	January 2007 .....	626,205.63	December 2010 .....	281,668.67
March 2003 .....	728,306.01	February 2007 .....	620,688.82	January 2011 .....	271,663.48
April 2003 .....	726,570.61	March 2007 .....	615,300.39	February 2011 .....	261,582.41
May 2003 .....	724,825.81	April 2007 .....	610,038.73	March 2011 .....	251,427.54

***SL 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>
April 2011.....	\$ 241,200.91	January 2012 .....	\$ 146,247.10	September 2012.....	\$ 58,150.80
May 2011 .....	230,904.48	February 2012 .....	135,405.94	October 2012 .....	46,937.03
June 2011 .....	220,540.23	March 2012 .....	124,512.85	November 2012 .....	35,683.20
July 2011 .....	210,110.05	April 2012.....	113,569.43	December 2012 .....	24,390.65
August 2011 .....	199,615.83	May 2012 .....	102,577.23	January 2013 .....	13,060.69
September 2011.....	189,059.41	June 2012 .....	91,537.79	February 2013 .....	1,694.61
October 2011 .....	178,442.57	July 2012 .....	80,452.59	March 2013 and thereafter .....	0.00
November 2011 .....	167,767.10	August 2012 .....	69,323.12		
December 2011 .....	157,034.71				

***Segment Group III Planned Balance***

<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 .....	\$20,188,660.00	January 2000 .....	\$11,557,765.02	June 2000 .....	\$ 3,755,576.61
August 1999 .....	18,807,248.77	February 2000 .....	10,040,935.64	July 2000 .....	2,130,681.02
September 1999.....	17,402,372.85	March 2000 .....	8,502,125.18	August 2000 .....	484,793.34
October 1999 .....	15,974,881.28	April 2000.....	6,941,503.54	September 2000 and thereafter .....	0.00
November 1999 .....	14,524,872.03	May 2000 .....	5,359,254.70		
December 1999 .....	13,052,457.61				

***Segment Group IV Planned Balance***

<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 August 2000 .....	\$6,695,846.00	July 2001 .....	\$4,352,316.44	June 2002 .....	\$1,873,786.60
September 2000.....	6,548,910.26	August 2001 .....	4,125,526.65	July 2002 .....	1,654,183.28
October 2000 .....	6,339,152.73	September 2001.....	3,898,159.81	August 2002 .....	1,435,661.60
November 2000 .....	6,126,879.35	October 2001 .....	3,670,235.32	September 2002.....	1,218,215.92
December 2000 .....	5,912,124.74	November 2001 .....	3,441,773.29	October 2002 .....	1,001,840.68
January 2001 .....	5,694,925.06	December 2001 .....	3,214,438.87	November 2002 .....	786,530.30
February 2001 .....	5,475,318.06	January 2002 .....	2,988,226.21	December 2002 .....	572,279.26
March 2001 .....	5,253,342.98	February 2002 .....	2,763,129.49	January 2003 .....	359,082.06
April 2001.....	5,029,040.57	March 2002 .....	2,539,142.92	February 2003 .....	146,933.23
May 2001 .....	4,804,090.95	April 2002.....	2,316,260.73	March 2003 and thereafter .....	0.00
June 2001 .....	4,578,510.52	May 2002 .....	2,094,477.19		

***PJ 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 June 2006 .....	\$51,094,429.00	August 2007 .....	\$37,020,333.36	November 2008 .....	\$24,425,676.54
July 2006 .....	50,908,705.69	September 2007.....	36,074,440.94	December 2008 .....	23,698,536.02
August 2006 .....	49,728,323.35	October 2007 .....	35,144,743.32	January 2009 .....	22,984,265.41
September 2006.....	48,567,659.50	November 2007 .....	34,230,995.73	February 2009 .....	22,282,667.65
October 2006 .....	47,426,419.13	December 2007 .....	33,332,956.95	March 2009 .....	21,593,548.52
November 2006 .....	46,304,311.41	January 2008 .....	32,450,389.19	April 2009.....	20,916,716.60
December 2006 .....	45,201,049.70	February 2008 .....	31,583,058.04	May 2009 .....	20,251,983.21
January 2007 .....	44,116,351.40	March 2008 .....	30,730,732.47	June 2009 .....	19,599,162.41
February 2007 .....	43,049,937.96	April 2008.....	29,893,184.78	July 2009 .....	18,958,070.94
March 2007 .....	42,001,534.78	May 2008 .....	29,070,190.49	August 2009 .....	18,328,528.16
April 2007.....	40,970,871.19	June 2008 .....	28,261,528.37	September 2009.....	17,710,356.07
May 2007 .....	39,957,680.39	July 2008 .....	27,466,980.35	October 2009 .....	17,103,379.22
June 2007 .....	38,961,699.37	August 2008 .....	26,686,331.49	November 2009 .....	16,507,424.69
July 2007 .....	37,982,668.87	September 2008.....	25,919,369.94	December 2009 .....	15,922,322.08
		October 2008 .....	25,165,886.89	January 2010 .....	15,347,903.43



### ***PJ 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>
February 2010 .....	\$14,784,003.23	March 2011 .....	\$ 8,339,384.85	April 2012 .....	\$ 3,325,453.86
March 2010 .....	14,230,458.35	April 2011 .....	7,906,645.78	May 2012 .....	2,990,993.97
April 2010 .....	13,687,108.03	May 2011 .....	7,482,211.85	June 2012 .....	2,663,278.26
May 2010 .....	13,153,793.84	June 2011 .....	7,065,952.10	July 2012 .....	2,342,198.63
June 2010 .....	12,630,359.64	July 2011 .....	6,657,737.47	August 2012 .....	2,027,648.54
July 2010 .....	12,116,651.56	August 2011 .....	6,257,440.80	September 2012 .....	1,719,523.02
August 2010 .....	11,612,517.95	September 2011 .....	5,864,936.75	October 2012 .....	1,417,718.66
September 2010 .....	11,117,809.39	October 2011 .....	5,480,101.86	November 2012 .....	1,122,133.57
October 2010 .....	10,632,378.59	November 2011 .....	5,102,814.44	December 2012 .....	832,667.34
November 2010 .....	10,156,080.43	December 2011 .....	4,732,954.59	January 2013 .....	549,221.07
December 2010 .....	9,688,771.90	January 2012 .....	4,370,404.17	February 2013 .....	271,697.29
January 2011 .....	9,230,312.04	February 2012 .....	4,015,046.76	March 2013 and thereafter .....	0.00
February 2011 .....	8,780,561.98	March 2012 .....	3,666,767.67		

### ***PH 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 March 2000 .....	\$43,865,000.00	August 2001 .....	\$28,099,914.52	February 2003 .....	\$11,809,867.39
April 2000 .....	43,532,039.91	September 2001 .....	27,157,071.33	March 2003 .....	10,945,860.57
May 2000 .....	42,612,732.63	October 2001 .....	26,218,803.96	April 2003 .....	10,086,021.12
June 2000 .....	41,677,445.12	November 2001 .....	25,285,088.73	May 2003 .....	9,230,327.43
July 2000 .....	40,726,613.16	December 2001 .....	24,355,902.05	June 2003 .....	8,378,758.01
August 2000 .....	39,760,680.06	January 2002 .....	23,431,220.46	July 2003 .....	7,531,291.50
September 2000 .....	38,780,096.35	February 2002 .....	22,511,020.63	August 2003 .....	6,687,906.61
October 2000 .....	37,785,319.38	March 2002 .....	21,595,279.35	September 2003 .....	5,848,582.19
November 2000 .....	36,795,387.15	April 2002 .....	20,683,973.51	October 2003 .....	5,013,297.18
December 2000 .....	35,810,274.60	May 2002 .....	19,777,080.14	November 2003 .....	4,182,030.65
January 2001 .....	34,829,956.75	June 2002 .....	18,874,576.38	December 2003 .....	3,354,761.76
February 2001 .....	33,854,408.80	July 2002 .....	17,976,439.48	January 2004 .....	2,531,469.77
March 2001 .....	32,883,606.03	August 2002 .....	17,082,646.82	February 2004 .....	1,712,134.07
April 2001 .....	31,917,523.88	September 2002 .....	16,193,175.89	March 2004 .....	896,734.14
May 2001 .....	30,956,137.92	October 2002 .....	15,308,004.29	April 2004 .....	85,249.57
June 2001 .....	29,999,423.81	November 2002 .....	14,427,109.75	May 2004 and thereafter .....	0.00
July 2001 .....	29,047,357.37	December 2002 .....	13,550,470.10		
		January 2003 .....	12,678,063.30		

### ***SU 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 .....	\$7,833,334.00	November 2000 .....	\$3,924,970.69	March 2002 .....	\$3,173,810.91
August 1999 .....	7,573,774.09	December 2000 .....	3,879,995.04	April 2002 .....	3,126,850.33
September 1999 .....	7,309,862.53	January 2001 .....	3,834,539.52	May 2002 .....	3,080,060.39
October 1999 .....	7,041,755.65	February 2001 .....	3,788,610.92	June 2002 .....	3,033,439.88
November 1999 .....	6,769,471.37	March 2001 .....	3,742,216.32	July 2002 .....	2,986,987.57
December 1999 .....	6,493,030.27	April 2001 .....	3,695,363.08	August 2002 .....	2,940,702.24
January 2000 .....	6,212,455.62	May 2001 .....	3,648,360.69	September 2002 .....	2,894,582.70
February 2000 .....	5,927,773.32	June 2001 .....	3,601,212.02	October 2002 .....	2,848,627.72
March 2000 .....	5,639,011.93	July 2001 .....	3,553,920.07	November 2002 .....	2,802,836.11
April 2000 .....	5,346,202.61	August 2001 .....	3,506,487.97	December 2002 .....	2,757,206.67
May 2000 .....	5,049,379.13	September 2001 .....	3,458,919.02	January 2003 .....	2,711,738.22
June 2000 .....	4,748,577.81	October 2001 .....	3,411,216.62	February 2003 .....	2,666,429.55
July 2000 .....	4,443,837.53	November 2001 .....	3,363,384.30	March 2003 .....	2,633,107.39
August 2000 .....	4,135,199.68	December 2001 .....	3,315,728.82	April 2003 .....	2,626,833.25
September 2000 .....	4,013,456.61	January 2002 .....	3,268,248.92	May 2003 .....	2,620,525.12
October 2000 .....	3,969,459.95	February 2002 .....	3,220,943.36	June 2003 .....	2,614,182.82



### ***SU 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>
July 2003 .....	\$2,607,806.17	November 2006 .....	\$2,305,282.07	February 2010 .....	\$1,363,227.38
August 2003 .....	2,601,394.97	December 2006 .....	2,284,390.57	March 2010 .....	1,330,242.59
September 2003 .....	2,594,949.05	January 2007 .....	2,263,975.09	April 2010 .....	1,296,900.24
October 2003 .....	2,588,468.22	February 2007 .....	2,244,029.68	May 2010 .....	1,263,209.38
November 2003 .....	2,581,952.28	March 2007 .....	2,224,548.44	June 2010 .....	1,229,178.90
December 2003 .....	2,575,401.04	April 2007 .....	2,205,525.50	July 2010 .....	1,194,817.51
January 2004 .....	2,568,814.32	May 2007 .....	2,186,955.07	August 2010 .....	1,160,133.78
February 2004 .....	2,562,191.92	June 2007 .....	2,168,831.39	September 2010 .....	1,125,136.11
March 2004 .....	2,555,533.65	July 2007 .....	2,151,148.77	October 2010 .....	1,089,832.72
April 2004 .....	2,548,839.32	August 2007 .....	2,133,901.54	November 2010 .....	1,054,231.70
May 2004 .....	2,542,108.72	September 2007 .....	2,116,807.93	December 2010 .....	1,018,340.98
June 2004 .....	2,535,341.66	October 2007 .....	2,098,992.20	January 2011 .....	982,168.34
July 2004 .....	2,528,537.96	November 2007 .....	2,080,469.89	February 2011 .....	945,721.40
August 2004 .....	2,521,697.39	December 2007 .....	2,061,256.24	March 2011 .....	909,007.63
September 2004 .....	2,514,819.78	January 2008 .....	2,041,366.24	April 2011 .....	872,034.39
October 2004 .....	2,507,904.91	February 2008 .....	2,020,814.62	May 2011 .....	834,808.85
November 2004 .....	2,500,952.58	March 2008 .....	1,999,615.87	June 2011 .....	797,338.07
December 2004 .....	2,493,962.60	April 2008 .....	1,977,784.22	July 2011 .....	759,628.96
January 2005 .....	2,486,934.75	May 2008 .....	1,955,333.63	August 2011 .....	721,688.30
February 2005 .....	2,479,868.84	June 2008 .....	1,932,277.86	September 2011 .....	683,522.74
March 2005 .....	2,472,764.65	July 2008 .....	1,908,630.41	October 2011 .....	645,138.78
April 2005 .....	2,465,621.99	August 2008 .....	1,884,404.53	November 2011 .....	606,542.81
May 2005 .....	2,458,440.63	September 2008 .....	1,859,613.25	December 2011 .....	567,741.09
June 2005 .....	2,451,220.37	October 2008 .....	1,834,269.39	January 2012 .....	528,739.73
July 2005 .....	2,443,961.01	November 2008 .....	1,808,385.51	February 2012 .....	489,544.75
August 2005 .....	2,436,662.32	December 2008 .....	1,781,973.98	March 2012 .....	450,162.03
September 2005 .....	2,429,324.10	January 2009 .....	1,755,046.93	April 2012 .....	410,597.33
October 2005 .....	2,421,946.13	February 2009 .....	1,727,616.28	May 2012 .....	370,856.29
November 2005 .....	2,414,528.19	March 2009 .....	1,699,693.75	June 2012 .....	330,944.44
December 2005 .....	2,407,070.08	April 2009 .....	1,671,290.83	July 2012 .....	290,867.19
January 2006 .....	2,399,571.56	May 2009 .....	1,642,418.81	August 2012 .....	250,629.84
February 2006 .....	2,392,032.43	June 2009 .....	1,613,088.80	September 2012 .....	210,237.59
March 2006 .....	2,384,452.46	July 2009 .....	1,583,311.68	October 2012 .....	169,695.50
April 2006 .....	2,376,831.44	August 2009 .....	1,553,098.16	November 2012 .....	129,008.55
May 2006 .....	2,369,169.13	September 2009 .....	1,522,458.72	December 2012 .....	88,181.61
June 2006 .....	2,361,465.32	October 2009 .....	1,491,403.69	January 2013 .....	47,219.44
July 2006 .....	2,353,719.78	November 2009 .....	1,459,943.20	February 2013 .....	6,126.68
August 2006 .....	2,345,932.29	December 2009 .....	1,428,087.17	March 2013 and thereafter .....	0.00
September 2006 .....	2,338,102.61	January 2010 .....	1,395,845.37		
October 2006 .....	2,326,655.61				

### ***ST 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 .....	\$10,000,000.00	August 2000 .....	\$ 5,278,977.87	September 2001 .....	\$ 4,415,640.93
August 1999 .....	9,668,646.95	September 2000 .....	5,123,561.19	October 2001 .....	4,354,744.25
September 1999 .....	9,331,738.61	October 2000 .....	5,067,395.25	November 2001 .....	4,293,681.72
October 1999 .....	8,989,474.53	November 2000 .....	5,010,600.45	December 2001 .....	4,232,844.94
November 1999 .....	8,641,877.61	December 2000 .....	4,953,184.74	January 2002 .....	4,172,232.31
December 1999 .....	8,288,974.11	January 2001 .....	4,895,156.42	February 2002 .....	4,111,842.24
January 2000 .....	7,930,793.73	February 2001 .....	4,836,524.17	March 2002 .....	4,051,673.16
February 2000 .....	7,567,369.55	March 2001 .....	4,777,297.02	April 2002 .....	3,991,723.48
March 2000 .....	7,198,738.02	April 2001 .....	4,717,484.38	May 2002 .....	3,931,991.65
April 2000 .....	6,824,938.92	May 2001 .....	4,657,481.33	June 2002 .....	3,872,476.11
May 2000 .....	6,446,015.36	June 2001 .....	4,597,291.55	July 2002 .....	3,813,175.30
June 2000 .....	6,062,013.71	July 2001 .....	4,536,918.85	August 2002 .....	3,754,087.65
July 2000 .....	5,672,983.60	August 2001 .....	4,476,367.24	September 2002 .....	3,695,211.64

### ST 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>
October 2002 .....	\$ 3,636,545.72	May 2006 .....	\$ 3,024,470.97	November 2009 .....	\$ 1,863,757.12
November 2002 .....	3,578,088.35	June 2006 .....	3,014,636.32	December 2009 .....	1,823,089.85
December 2002 .....	3,519,838.00	July 2006 .....	3,004,748.40	January 2010 .....	1,781,930.11
January 2003 .....	3,461,793.18	August 2006 .....	2,994,806.92	February 2010 .....	1,740,290.12
February 2003 .....	3,403,952.33	September 2006 .....	2,984,811.59	March 2010 .....	1,698,181.89
March 2003 .....	3,361,413.40	October 2006 .....	2,970,198.40	April 2010 .....	1,655,617.19
April 2003 .....	3,353,403.86	November 2006 .....	2,942,913.03	May 2010 .....	1,612,607.58
May 2003 .....	3,345,350.93	December 2006 .....	2,916,243.03	June 2010 .....	1,569,164.42
June 2003 .....	3,337,254.38	January 2007 .....	2,890,180.72	July 2010 .....	1,525,298.82
July 2003 .....	3,329,113.97	February 2007 .....	2,864,718.50	August 2010 .....	1,481,021.72
August 2003 .....	3,320,929.47	March 2007 .....	2,839,848.83	September 2010 .....	1,436,343.85
September 2003 .....	3,312,700.63	April 2007 .....	2,815,564.23	October 2010 .....	1,391,275.69
October 2003 .....	3,304,427.23	May 2007 .....	2,791,857.30	November 2010 .....	1,345,827.59
November 2003 .....	3,296,109.01	June 2007 .....	2,768,720.69	December 2010 .....	1,300,009.65
December 2003 .....	3,287,745.73	July 2007 .....	2,746,147.13	January 2011 .....	1,253,831.82
January 2004 .....	3,279,337.15	August 2007 .....	2,724,129.39	February 2011 .....	1,207,303.81
February 2004 .....	3,270,883.02	September 2007 .....	2,702,307.77	March 2011 .....	1,160,435.17
March 2004 .....	3,262,383.11	October 2007 .....	2,679,564.28	April 2011 .....	1,113,235.30
April 2004 .....	3,253,837.15	November 2007 .....	2,655,918.78	May 2011 .....	1,065,713.33
May 2004 .....	3,245,244.90	December 2007 .....	2,631,390.72	June 2011 .....	1,017,878.30
June 2004 .....	3,236,606.10	January 2008 .....	2,605,999.23	July 2011 .....	969,739.01
July 2004 .....	3,227,920.52	February 2008 .....	2,579,763.13	August 2011 .....	921,304.13
August 2004 .....	3,219,187.88	March 2008 .....	2,552,700.89	September 2011 .....	872,582.15
September 2004 .....	3,210,407.96	April 2008 .....	2,524,830.70	October 2011 .....	823,581.35
October 2004 .....	3,201,580.46	May 2008 .....	2,496,170.38	November 2011 .....	774,309.91
November 2004 .....	3,192,705.15	June 2008 .....	2,466,737.49	December 2011 .....	724,775.80
December 2004 .....	3,183,781.77	July 2008 .....	2,436,549.25	January 2012 .....	674,986.83
January 2005 .....	3,174,810.05	August 2008 .....	2,405,622.60	February 2012 .....	624,950.69
February 2005 .....	3,165,789.74	September 2008 .....	2,373,974.16	March 2012 .....	574,674.88
March 2005 .....	3,156,720.56	October 2008 .....	2,341,620.30	April 2012 .....	524,166.76
April 2005 .....	3,147,602.27	November 2008 .....	2,308,577.05	May 2012 .....	473,433.52
May 2005 .....	3,138,434.58	December 2008 .....	2,274,860.21	June 2012 .....	422,482.23
June 2005 .....	3,129,217.23	January 2009 .....	2,240,485.25	July 2012 .....	371,319.78
July 2005 .....	3,119,949.96	February 2009 .....	2,205,467.40	August 2012 .....	319,952.96
August 2005 .....	3,110,632.48	March 2009 .....	2,169,821.62	September 2012 .....	268,388.39
September 2005 .....	3,101,264.54	April 2009 .....	2,133,562.58	October 2012 .....	216,632.53
October 2005 .....	3,091,845.86	May 2009 .....	2,096,704.69	November 2012 .....	164,691.75
November 2005 .....	3,082,376.15	June 2009 .....	2,059,262.12	December 2012 .....	112,572.26
December 2005 .....	3,072,855.16	July 2009 .....	2,021,248.78	January 2013 .....	60,280.13
January 2006 .....	3,063,282.58	August 2009 .....	1,982,678.33	February 2013 .....	7,821.29
February 2006 .....	3,053,658.16	September 2009 .....	1,943,564.16	March 2013 and thereafter .....	0.00
March 2006 .....	3,043,981.61	October 2009 .....	1,903,919.44		
April 2006 .....	3,034,252.64				

### PR 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 2003 .....	\$30,213,636.00	September 2003 .....	\$19,683,287.14	May 2004 .....	\$ 6,782,450.95
March 2003 .....	29,697,476.13	October 2003 .....	18,042,811.95	June 2004 .....	5,205,186.03
April 2003 .....	28,007,833.84	November 2003 .....	16,410,382.90	July 2004 .....	3,635,638.70
May 2003 .....	26,326,493.15	December 2003 .....	14,785,958.18	August 2004 .....	2,073,768.80
June 2003 .....	24,653,410.93	January 2004 .....	13,169,496.19	September 2004 .....	519,536.44
July 2003 .....	22,988,544.27	February 2004 .....	11,560,955.53	October 2004 and thereafter .....	0.00
August 2003 .....	21,331,850.50	March 2004 .....	9,960,295.05		
		April 2004 .....	8,367,473.77		

Supplement to Prospectus dated June 22, 1999



**\$200,000,000**

**Guaranteed Grantor Trust Redeemable/Redemption Certificates  
Fannie Mae Grantor Trust 1999-R2**

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This is a Supplement to the Prospectus dated June 22, 1999 (the "Prospectus"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Prospectus.

Notwithstanding anything set forth on the cover of the Prospectus, the CUSIP Numbers for the Classes are as follows:

<u>Class</u>	<u>CUSIP Number</u>
A1	31359WSH5
B1	31359WSG7
A2	31359WTX9
B2	31359V7K3

See "Risk Factors" on page 5 for a discussion of certain risks that should be considered in connection with an investment in the Certificates.

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The certificates may not be suitable investments for all investors. No investor should purchase certificates unless such investor understands and is able to bear the prepayment, yield, liquidity and other risks associated with such certificates.

The certificates, together with any interest thereon, are not guaranteed by the United States. The obligations of Fannie Mae under its guaranty of the certificates are obligations solely of Fannie Mae and do not constitute an obligation of the United States or any agency or instrumentality thereof other than Fannie Mae. The certificates are exempt from the registration requirements of the Securities Act of 1933 and are "exempted securities" within the meaning of the Securities Exchange Act of 1934.

The date of this Supplement is July 28, 1999

**\$200,000,000**



**Guaranteed Grantor Trust Redeemable/Redemption Certificates  
Fannie Mae Grantor Trust 1999-R2**

**Carefully consider the risk factors starting on page 5 of this prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

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

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

**The Certificates**

We, the Federal National Mortgage Association or Fannie Mae, will issue and guarantee the classes of redeemable and redemption certificates listed in the chart on this page.

**Payments to Holders of Redeemable Certificates**

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

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

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

The redemption certificates will receive no payments of principal or interest.

**Redemption Feature**

The holder of each redemption class has the right to direct us to redeem the related redeemable class on any distribution date beginning in January 2000. If the right is exercised, the holder of the related redeemable class is entitled to receive a redemption price equal to

- the outstanding class balance of the related redeemable class, plus
- any unpaid interest through the 24th day of the month in which the redemption occurs.

Upon redemption, the holder of each redemption class will exchange its class for a portion of the Fannie Mae Guaranteed MBS Pass-Through Certificate and other amounts described in this prospectus.

**The Fannie Mae Guaranty**

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

We will also guarantee that upon a redemption, the holder of each redemption class will receive all proceeds due to it in connection with the related exchange.

**The Trust and its Assets**

The trust will indirectly own Fannie Mae MBS.

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

Class	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A1 .....	\$140,000,000	Redeemable/PT	7.5%	FIX	31359V6N8	August 2029
B1 .....	(1)	Redemption	(1)	(1)	31359V6P3	N/A
A2 .....	\$ 60,000,000	Redeemable/PT	7.5%	FIX	31359V6Q1	August 2029
B2 .....	(1)	Redemption	(1)	(1)	31359V7K3	N/A

(1) We will not pay principal or interest on the B1 and B2 Classes. To facilitate the redemption and exchange of those classes, the B1 Class will have a notional principal balance that is always equal to the principal balance of the A1 Class and the B2 Class will have a notional principal balance that is always equal to the principal balance of the A2 Class.

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

**PaineWebber Incorporated**

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## AVAILABLE INFORMATION

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

- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1998 (the “MBS Prospectus”),
- our Prospectus for Guaranteed MBS Pass-Through Certificates dated October 1, 1998 (the “Mega Prospectus”), and
- our Information Statement dated March 31, 1999 and its supplements (the “Information Statement”).

You can obtain all 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).

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

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

PaineWebber Incorporated  
Prospectus Department  
1000 Harbor Boulevard  
Weehawken, New Jersey 07087  
(telephone 201-902-6858).



## 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 and each of the additional disclosure documents listed on page 3.**

### Assumed Mortgage Loan Characteristics (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>
\$64,000,000	360	357	2	8.030%
96,000,000	360	334	22	8.020%
20,000,000	360	313	39	8.080%
20,000,000	360	288	63	8.020%

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.

### Interest Rates

The Redeemable Classes will bear interest at the annual interest rate shown on the cover.

The Redemption Classes will not bear interest.

### Distributions of Principal

#### *Principal Distribution Amount*

To the A1 and A2 Classes, pro rata, to zero.

We will not pay principal to the B1 and B2 Classes.

### Redemption

If you are a holder of a redemption class, you will have the right to direct us to redeem all (and not less than all) of the related redeemable class on any distribution date beginning in January 2000. However, we will be obligated to redeem a redemption class (x) prior to the distribution date in January 2002 only if, as of the date we receive your direction, the underlying Mega Certificate has a market value that is greater than 102% of its remaining principal balance and (y) on or after the distribution date in January 2002, only if, as of the date we receive your direction, the underlying Mega Certificate has a market value that is greater than 100% of its remaining principal balance.

If redemption occurs, the price we must pay for a redeemable class will be equal to its remaining principal balance, plus interest to the date of redemption. We will not redeem a redeemable class until the holder of the related redemption class has paid us the redemption amount and exchange fee. At that time, we will deliver a proportionate share of the underlying Mega Certificate to the holder of the related redemption class in exchange for such redemption class.

### Weighted Average Life (years) \*

<u>Class</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>191%</u>	<u>300%</u>	<u>500%</u>
A1 and A2 .....	21.6	10.8	7.2	5.0	3.1

\* Determined as specified under "Weighted Average Life" and "Decrement Table" in this prospectus, and subject to the assumptions and qualifications in those sections, including the assumption that no redemption occurs.

## RISK FACTORS

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

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

*Redeemable certificates are subject to redemption.* In general, the redeemable certificates may be redeemed on any distribution date beginning in January 2000. In no event will you be entitled to reimbursement for any premium you may have paid or for any reduction in your effective yield. A redemption will be more likely to occur if prevailing mortgage rates have declined or the underlying MBS have a market value that is greater than their total principal balance.

The holder of a redeemable certificate or the holders of any indirect interest in a redeemable class (including, in the case of the A1 Class, certain certificates that we issue from Fannie Mae REMIC Trust 1999-40) may obtain the right to exercise the redemption of a redeemable class or otherwise try to influence when the redemption right is exercised. Whether and, if so, when any such holders exercise the redemption right may depend on whether they purchased their interests at a premium or at a discount.

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

- if you bought your redeemable certificate at a premium and a redemption of your redeemable certificate occurs,

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

**You must make your own decisions about the various applicable assumptions, including prepayment assumptions, when deciding whether to purchase the certificates. In particular, investors in the redeemable certificates must make assumptions regarding the likelihood and timing of an early redemption of the redeemable certificates.**

*Value of redemption classes depends on MBS value.* The value of the redemption classes will depend primarily on

- the market value of the underlying MBS,
- market expectations of the likely future value of the underlying MBS, and
- the costs associated with exercising the redemption right.

The market value of the underlying MBS, in turn, will depend on prevailing interest rates and other market and economic conditions.

In a low interest rate environment, prepayments on the underlying mortgage loans can be expected to increase, which would tend to reduce the amount of any premium for the underlying MBS and, in turn, reduce the corresponding value of the related redemption class. The right of the holder of a redemption class to cause the redemption of the redeemable class may not be exercised before January 2000.

If you purchase a redemption class, you should consider the risk that you could lose all or part of your investment.

*Weighted average life and yield on the redeemable certificates are affected by actual characteristics of the underlying mortgage loans.* We have assumed that the mortgage loans underlying the MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we as-

sumed. As a result, your yield 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 life of the classes of redeemable certificates.

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

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

*Unpredictable timing of last payment affects yields on redeemable certificates.* The actual final payment of the redeemable certificates is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page, especially if a redemption oc-

curs. 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 the certificates.* Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy the 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 certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae Grantor Trust specified on the cover (the “Trust”) pursuant to a trust agreement dated as of July 1, 1999 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue two classes of Guaranteed Grantor Trust Redeemable Certificates (the “Redeemable Certificates,” “Redeemable Classes” or “A Classes”) and two classes of Guaranteed Grantor Trust Redemption Certificates (the “Redemption Certificates,” “Redemption Classes” or “B Classes” and, together with the Redeemable Certificates, the “Certificates”) pursuant to the Trust Agreement. In general, the term “Classes” includes the Classes of Redeemable Certificates and the Classes of Redemption Certificates. The assets of the Trust will consist primarily of certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”) held in the form of a Fannie Mae Guaranteed MBS Pass-Through Certificate (the “Mega Certificate”). The terms “MBS” and “Mega Certificate” refer to the assets transferred to the Trust, regardless of whether certain of those assets are redeemed as provided in this prospectus supplement. Each MBS represents a beneficial ownership interest in a pool of first lien,

single-family, fixed-rate residential mortgage loans having the characteristics described herein (the “Mortgage Loans”).

*Fannie Mae Guaranty.* We guarantee that we will distribute to Holders of Redeemable Certificates:

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

We also guarantee that we will remit to the Holders of the Redemption Certificates all proceeds due to them in exchange for the Redemption Amount as described in this Prospectus.

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

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

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

*Characteristics of Certificates.* We will issue the Certificates of the Redeemable Certificates 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 Redeemable Certificate. Beneficial owners ordinarily will hold Redeemable Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations.

We will issue the Redemption Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of a Redemption Certificate is its registered owner. A Redemption 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 a Redemption Certificate and may require payment to cover any tax or other governmental charge.

The Holder of a Redemption Certificate will receive its proportionate share of the Mega Certificate in a redemption and exchange transaction only by presenting and surrendering the Redemption Certificate at the office of the Paying Agent. State Street will be the initial Paying Agent.

*Authorized Denominations.* We will issue the Redeemable Certificates in minimum denominations of \$1,000 and whole dollar increments. We will issue each Redemption Certificate as a single Certificate with no principal balance. Each Redemption Class must be maintained and transferred in a denomination equal to the total notional principal balance of such Class, which will be equal at any time to the principal balance of the related Redeemable Class.

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

*Record Date.* On each Distribution Date, we will make each monthly payment on the Redeemable 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 the Redeemable Classes. When the factor is multiplied by the original principal balance of a Redeemable Certificate, the product will equal the current principal balance of that Certificate after taking into account payments on the Distribution Date in the same month.

*Redemption.* A redemption of each Redeemable Class may be effected as described in this prospectus under “—Redemption and Exchange.”

*Optional Termination.* We will not terminate 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.

## The MBS

The following table contains certain information about the MBS. The MBS will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS are held in the form of a Mega Certificate, the general characteristics of which are described in the Mega Prospectus. The MBS will provide that principal and interest on the related Mortgage Loans will be passed through monthly, beginning in the month after we issue the MBS. The Mortgage Loans underlying the 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 MBS and the related Mortgage Loans as of July 1, 1999 (the “Issue Date”) to be as follows:

### **MBS Underlying the Certificates (Mega Certificate CL-323900)**

Aggregate Unpaid Principal Balance .....	\$200,000,000
MBS Pass-Through Rate .....	7.50%

### **Related Mortgage Loans**

Range of WACs (per annum percentages) (1) .....	7.75% to 10.00%
Range of WAMs (2) .....	241 months to 360 months
Approximate Weighted Average WAM .....	335 months
Approximate Weighted Average CAGE (3) .....	21 months

(1) “WAC” is defined as the weighted average coupon of the Mortgage Loans in each Pool.

(2) “WAM” is defined as the weighted average remaining term to maturity (in months) of the Mortgage Loans in each Pool. “Adjusted WAM” is defined as the WAM of the Mortgage Loans in each Pool at the issue date of the related MBS, less the number of months elapsed from that issue date through the Issue Date.

(3) “CAGE” is defined as the weighted average calculated loan age of the Mortgage Loans in each Pool. The CAGE of such Mortgage Loans is determined by subtracting the original WAM for a Pool from the original term to maturity (in months) of such Mortgage Loans, and then adding the number of months elapsed since the issue date of the MBS.



## Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the 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 the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

## Distributions of Interest

### *Category of Classes*

For the purpose of interest payments, the A1 and A2 Classes will be categorized as Fixed Rate Classes. See “—Certain Definitions and Abbreviations” in this prospectus.

The B1 and B2 Classes will bear no interest.

*General.* We will pay interest on the Redeemable Certificates at the applicable annual interest rate shown on the cover. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

We will not pay interest on the Redemption Classes.

Interest to be paid on each Redeemable Certificate on a Distribution Date will consist of one month's interest on the outstanding balance of that Redeemable Certificate immediately prior to such Distribution Date. In addition, if a Redeemable Class is redeemed, the final distribution on that Class will include an amount representing interest accrued and unpaid to the date of redemption. See “—Redemption and Exchange” below.

*Interest Accrual Period.* Interest to be paid on each Distribution Date will accrue on each Redeemable Class during the calendar month preceding the month in which the Distribution Date occurs (the “Interest Accrual Period”). See “Risk Factors.”

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
Redeemable/Pass-Through	A1 and A2
Redemption	B1 and B2

\* See “—Certain Definitions and Abbreviations” in this prospectus.



### *Principal Distribution Amounts*

On each Distribution Date, for so long as the A1 Class is outstanding, we will pay an amount equal to 70% of the aggregate payment of principal concurrently made on the MBS as principal of the A1 Class, until its principal balance is reduced to zero.

On each Distribution Date, for so long as the A2 Class is outstanding, we will pay an amount equal to 30% of the aggregate payment of principal concurrently made on the MBS as principal of the A2 Class, until its principal balance is reduced to zero.

} Redeemable/  
Pass-Through  
Classes

### *The Redemption Classes*

We will not pay principal or interest on the B Classes. To facilitate a redemption, the B1 Class will have a notional principal balance that is always equal to the principal balance of the A1 Class and the B2 Class will have a notional principal balance that is always equal to the principal balance of the A2 Class. See “—Redemption and Exchange” below.

### **Redemption and Exchange**

Beginning in January 2000, the Holder of a Redemption Class will have the right to direct us to redeem the related Redeemable Class, in whole but not in part, on any Distribution Date. (The related Redemption Class and Redeemable Class bear the same number as part of their class designations.) However, we will redeem a Redeemable Class (x) prior to the Distribution Date in January 2002 only if the market value of the Mega Certificate exceeds 102% of its outstanding principal balance as of the date we receive the notice directing us to redeem (the “redemption notice”) and (y) on or after the Distribution Date in January 2002 only if the market value of the Mega Certificate exceeds 100% of its outstanding principal balance as of the date we receive the redemption notice. We will determine the market value of the Mega Certificate by referring to bid quotations we obtain as of the date we receive the redemption notice. Our determination of the market value will be final and binding in the absence of manifest error.

The price we will pay for a Redeemable Class upon redemption will be equal to its outstanding principal balance plus accrued and unpaid interest to the date of redemption, calculated as described below. We will redeem a Redeemable Class only when the Holder of the related Redemption Class pays

- the Redemption Amount (as defined below) for that Redeemable Class, and
- an exchange fee (the “Exchange Fee”) equal to the greater of
  - \$5,000 or
  - the lesser of \$15,000 or 1/32 of 1% of the outstanding principal balance of the related Redeemable Class.

The Holder of a Redemption Class must notify us when it proposes to effect a redemption and exchange. We must be notified no sooner than the first business day and no later than 11:00 a.m. on the fifth business day of the month of the Distribution Date proposed for redemption. By the end of the fifth business day in the month of redemption, the Holder of a Redemption Class must deposit the Redemption Amount with us. The “Redemption Amount” shall equal the sum of

- 100% of the outstanding principal balance of the related Redeemable Class based on the Class Factor (defined herein) published for that Redeemable Class for the month prior to the month of redemption, and
- an amount equal to interest on that Redeemable Class, for the period from the 1st through 24th calendar days calculated based on the Class Factor published for that Redeemable Class for the month prior to the month of redemption.

Upon delivery of the Redemption Amount and the Exchange Fee, and determination of a satisfactory market value for the Mega Certificate as described above, the redemption notice will become irrevocable. We will then redeem the related Redeemable Class on the related Distribution Date.

For a Redeemable Class and the related Redemption Class, the Class Factor for the month of redemption will be zero. The price we will pay for the redemption of a Redeemable Class (the “Redemption Price”) will be equal to the sum of:

- 100% of the outstanding principal balance of that Redeemable Class, **plus**
- accrued interest at the annual rate for that Redeemable Class for the related Interest Accrual Period, **plus**
- accrued interest at the applicable annual rate for that Redeemable Class for the period from the 1st through 24th calendar days of the month of redemption, calculated on the principal balance of that Redeemable Class that would have remained outstanding immediately after the Distribution Date if the redemption had not occurred.

We will pay the Redemption Price to the Holder of the related Redeemable Class in lieu of paying any principal and interest that would otherwise be paid on the Distribution Date on which the redemption occurs.

On the day we receive the Redemption Amount, subject to the conditions described above, we will exchange a proportionate share of the Mega Certificate for the related Redemption Class and the Exchange Fee. The proportionate share of the Mega Certificate to be so exchanged is 70% in the case of the B1 Class, and 30% in the case of the B2 Class. On the Distribution Date in the month of redemption, we will pay the Holder of the related Redemption Class

(a) the excess of

(i) the Redemption Amount paid to us by the Holder of that Redemption Class and the payments received on the MBS in the month of redemption **over**

(ii) the Redemption Price for the related Redeemable Class, **and**

(b) interest on the Redemption Amount from the date the Redemption Amount is received by Fannie Mae through the 24th day of the month in which the redemption of the related Redeemable Class occurs. Such interest will be calculated for each day at an annual rate equal to the prevailing daily Federal Funds rate determined as of the close of business on the date of calculation, less 25 basis points. We will provide instructions for delivery of the related Redemption Class and the Exchange Fee to the dealer through which delivery will be made.

The first payment on the MBS delivered in an exchange for a Redemption Class will be made on the related distribution date in the month following the month of exchange. That payment will be made to the holder of record as of the close of business on the last day of the month of exchange.

## Certain Definitions and Abbreviations

The following chart identifies and generally defines the categories specified on the cover of this Prospectus.

<u>Abbreviation</u>	<u>Category</u>	<u>Definition</u>
<b>PRINCIPAL TYPE</b>		
PT	Pass-Through	Is designed to receive principal payments in direct relation to actual or scheduled payments on the underlying securities.
<b>INTEREST TYPE</b>		
FIX	Fixed Rate	Has an interest rate that is fixed throughout the life of the Class.
<b>OTHER TYPE</b>		
REDEEMABLE	Redeemable	A Certificate that is redeemable by Fannie Mae at the direction of the Holder of the related Redemption Class.
REDEMPTION	Redemption	A Certificate whose Holder has the right, if certain conditions are satisfied, (i) to cause Fannie Mae to redeem the related Redeemable Class and (ii) after the Redemption Amount and Exchange Fee are paid, to receive a proportionate share of the Mega Certificate underlying the related Redeemable Class.

## Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus has been prepared on the basis of the following assumptions (the “Pricing Assumptions”):

- the Mortgage Loans have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates specified under “Reference Sheet—Assumed Mortgage Loan Characteristics”;
- 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”). PSA represents an assumed rate at which a pool of new mortgage loans will prepay. When we refer to “100% PSA,” we mean an annual prepayment rate of 0.2% of the then unpaid principal balance of the pool in the first month after the origination of those mortgage loans and an additional 0.2% each month until the 30th month. (For example, the assumed annual prepayment rate would be 0.4% in month 2, 0.6% in month 3, and so on, and would level out at 6% at month 30 for the remaining term.) Beginning in month 30 and for all later months, “100% PSA” means a constant annual prepayment rate of 6%.

Multiples of PSA are calculated in the same way. Thus, “150% PSA” means an annual prepayment rate of 0.3% in month 1, 0.6% in month 2, 0.9% in month 3 and 9% in month 30 and afterwards. Similarly, “200% PSA” means an annual prepayment rate of 0.4% in month 1, 0.8% in month 2, 1.2% in month 3 and 12% in month 30 and afterwards.

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

## Yield Tables

The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the Redeemable Classes to various constant percentages of PSA. We calculated the yields set forth in the tables by

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the Redeemable 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 payments on the Redeemable Certificates. Accordingly, these calculations do not illustrate the return on any investment in the Redeemable Certificates when such reinvestment rates are taken into account.

We cannot assure you that

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

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 Redeemable Certificates are likely to differ from those assumed. This would be the case even if all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

Finally, we do not know whether a redemption of the Redeemable Classes will occur or, if it does, when it will occur.

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

- redemption of each Redeemable Class either does not occur or occurs on the Distribution Date shown,
- we pay interest through the 24th day of the month in which a redemption occurs, 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>
A1 .....	100%
A2 .....	100%

\* 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.

**A1 Class**  
**(Pre-Tax Yields to Maturity)**

<u>Distribution Date On Which Assumed Redemption Occurs</u>	<u>50% PSA</u>	<u>100% PSA</u>	<u>191% PSA</u>	<u>300% PSA</u>	<u>500% PSA</u>
January 2000 . . . . .	7.6%	7.6%	7.5%	7.5%	7.5%
No Redemption . . . . .	7.6%	7.5%	7.5%	7.5%	7.4%

**A2 Class**  
**(Pre-Tax Yields to Maturity)**

<u>Distribution Date On Which Assumed Redemption Occurs</u>	<u>50% PSA</u>	<u>100% PSA</u>	<u>191% PSA</u>	<u>300% PSA</u>	<u>500% PSA</u>
January 2000 . . . . .	7.6%	7.6%	7.5%	7.5%	7.5%
No Redemption . . . . .	7.6%	7.5%	7.5%	7.5%	7.4%

**Weighted Average Life**

The weighted average life of a Certificate is determined by

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

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

- the timing of changes in such rate of principal payments, and
- whether a redemption of that Class occurs, and if so, when it occurs.

See “Risk Factors” in this prospectus.

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

**Final Distribution Date**

The Final Distribution Date for a Redeemable Class is the date by which we must pay Holders the full outstanding principal balance of such Class, assuming no prepayments on the Mortgage Loans and no redemption. We determine the Final Distribution Date based on the payments scheduled to be received on the MBS. A Redeemable Class could be retired substantially earlier than the Final Distribution Date, especially if a redemption occurs.

## Decrement Table

The following table indicates the percentage of original principal balance of the Redeemable Classes that would be outstanding after each date shown at various constant PSA rates and the corresponding weighted average lives of such Classes. The table has been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth under 0% PSA, we assumed that the underlying Mortgage Loans have original and remaining terms to maturity of 360 months and bear interest at an annual rate of 10.0%, and that no redemption is made.

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 level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the table 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.

Finally, we do not know whether a redemption of any Redeemable Class will occur or, if it does, when it will occur.

### Percent of Original Principal Balance Outstanding (Assuming No Redemption of Redeemable Certificates)

Date	A1 and A2 Classes				
	PSA Prepayment Assumption				
	0%	100%	191%	300%	500%
Initial Percent .....	100	100	100	100	100
July 2000 .....	99	95	91	86	77
July 2001 .....	99	89	80	71	56
July 2002 .....	98	82	70	58	39
July 2003 .....	97	76	62	47	27
July 2004 .....	97	71	54	38	19
July 2005 .....	96	65	47	31	13
July 2006 .....	95	60	41	25	9
July 2007 .....	94	56	35	20	6
July 2008 .....	92	51	31	16	4
July 2009 .....	91	47	26	13	3
July 2010 .....	89	43	23	10	2
July 2011 .....	88	39	20	8	1
July 2012 .....	86	36	17	6	1
July 2013 .....	84	32	14	5	1
July 2014 .....	82	29	12	4	*
July 2015 .....	79	26	10	3	*
July 2016 .....	76	23	9	2	*
July 2017 .....	73	20	7	2	*
July 2018 .....	70	18	6	1	*
July 2019 .....	66	15	5	1	*
July 2020 .....	62	13	4	1	*
July 2021 .....	58	11	3	1	*
July 2022 .....	53	9	2	*	*
July 2023 .....	47	7	2	*	*
July 2024 .....	41	5	1	*	*
July 2025 .....	35	3	1	*	*
July 2026 .....	27	2	*	*	*
July 2027 .....	19	1	*	*	*
July 2028 .....	10	*	*	*	*
July 2029 .....	0	0	0	0	0
Weighted Average Life (years) ** .....	21.6	10.8	7.2	5.0	3.1

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

\*\* Determined as specified under "Weighted Average Lives of the Certificates" herein.



## **THE TRUST AGREEMENT**

In the sections below, we summarize certain provisions of the Trust Agreement that are not discussed elsewhere in this Prospectus. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement. These summaries are, by definition, not complete. If there is ever a conflict between what we have summarized in this Prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

### **Reports to Certificateholders**

As soon as practicable after the 11th calendar day of each month, we will publish (in print or otherwise) the Class Factor for the Redeemable Classes. The “Class Factor” is a number (carried to eight decimal places) which, when multiplied by the original principal balance of a Redeemable Certificate, will equal the amount of principal of that Certificate that will still be outstanding after the principal to be paid on the next Distribution Date has been paid.

Within a reasonable time after the end of each calendar year, we will also furnish to each person who was a Certificateholder at any time during that year a statement containing any information required by the federal income tax laws.

We, or a special agent that we engage, will make all the necessary numerical calculations.

### **Certain Matters Regarding Fannie Mae**

The Trust Agreement provides that we may not resign from our obligations and duties unless they are no longer permissible under applicable law. Our resignation will be effective only after a successor has assumed our obligations and duties. However, no successor may succeed to our guaranty obligations, and we will continue to be responsible under our guaranty even if we are terminated or have resigned from our other duties and responsibilities under the Trust Agreement.

The Trust Agreement also provides that neither we nor any of our directors, officers, employees or agents will be under any liability to the Trust or to the Certificateholders for errors in judgment or for any action we take, or refrain from taking, in good faith pursuant to the Trust Agreement. However, neither we nor any such person will be protected against any liability due to willful misfeasance, bad faith, gross negligence or willful disregard of obligations and duties.

In addition, the Trust Agreement also provides that we are not under any obligation to appear in, prosecute or defend any legal action that is not incidental to our responsibilities under the Trust Agreement and that in our opinion may involve us in any expense or liability. However, in our discretion, we may undertake any legal action that we deem necessary or desirable in the interests of the Certificateholders. In that event, we will pay the legal expenses and costs of the action, which will not be reimbursable out of the trust fund.

Any corporation into which we are merged or consolidated, any corporation that results from a merger, conversion or consolidation to which we are a party or any corporation that succeeds to our business will be our successor under the Trust Agreement.

### **Events of Default**

Any of the following will be considered an “Event of Default” under the Trust Agreement:

- if we fail to make a required payment to the Holders of Redeemable Certificates and our failure continues uncorrected for 15 days after we receive written notice of such failure from Holders of Redeemable Certificates who represent ownership interests totaling at least 5% of the trust fund; or
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after we receive written notice of our failure

from Holders of Redeemable Certificates who represent ownership interests totaling at least 25% of the trust fund or from the Holders of the Redemption Certificates; or

- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

### **Rights Upon Event of Default**

If one of the Events of Default listed above has occurred and continues uncorrected, Holders of Redeemable Certificates who represent ownership interests totaling at least 25% of the trust fund or the Holders of the Redemption Certificates have the right to terminate, in writing, our obligations under the Trust Agreement both as Trustee and in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders that has the right to terminate us may also appoint, in writing, a successor to all of our terminated obligations. In addition, the successor that they appoint will take legal title to the Mega Certificate and any other assets of the Trust.

### **Amendment**

We may amend the Trust Agreement for any of the following purposes without notifying the Certificateholders:

- to add to our duties;
- to evidence that another party has become our successor and has assumed our duties under the Trust Agreement in our capacity as trustee or in our corporate capacity or both;
- to eliminate any of our rights in our corporate capacity under the Trust Agreement; and
- to cure any ambiguity or correct or add to any provision in the Trust Agreement, so long as no Certificateholder is adversely affected in the case of an addition to any provision.

If the Holders of Redeemable Certificates that represent ownership interests totaling at least 66% of the trust fund and the Holders of the Redemption Certificates consent, we may amend the Trust Agreement to eliminate, change or add to the terms of the Trust Agreement or to waive our compliance with any of those terms. Nevertheless, we may not terminate or change our guaranty obligations or reduce the percentage of Certificateholders who must consent to the types of amendments listed in the previous sentence. In addition, unless each affected Certificateholder consents, no amendment may reduce or delay the funds that are required to be distributed on any Certificate.

### **Termination**

The Trust Agreement will terminate when we have paid to the Certificateholders all amounts we are required to pay them under the Trust Agreement. In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the person named in the Trust Agreement.

## **CERTAIN 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 discussion describes certain U.S. federal income tax consequences to beneficial owners of Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for one of the following, or other, reasons:

- This discussion is based on federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below.

- This discussion addresses only Certificates acquired at original issuance and held as “capital assets” (generally, property held for investment).
- This discussion does not address tax consequences to persons subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.
- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, 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. If you are a thrift, real estate mortgage investment conduit, real estate investment trust or regulated investment company, you are particularly advised to consult your own tax advisors before investing in a Certificate.

## **The Trust**

The arrangement pursuant to which the Trust will be administered by Fannie Mae and the Certificates will be issued will be classified as a grantor trust under subpart E, part I of subchapter J of the Internal Revenue Code of 1986, as amended (the “Code”), and not as an association taxable as a corporation.

## **The Redeemable Classes**

*Status.* A beneficial owner of an interest in a Redeemable Class will be treated as (i) owning an undivided interest in the MBS and (ii) writing a call option on that undivided interest when the beneficial owner purchases the interest in that Redeemable Class. The beneficial owner will be treated as having written the call option in exchange for an option premium in an amount equal to the fair market value of the call option.

*Allocations.* A beneficial owner should be considered to have purchased its interest in a Redeemable Class for an amount equal to the cost of that interest plus the option premium it is deemed to have received. Accordingly, the beneficial owner’s basis in its interest in the MBS will be greater than the amount the owner paid directly for its interest in a Redeemable Class.

When a beneficial owner sells an interest in a Redeemable Class, the owner will be deemed to have sold its interest in the MBS for a price equal to the sales price for its interest in that Redeemable Class plus an amount equal to the fair market value, at the time of the sale, of the call option, which amount the owner is deemed to have paid to be relieved from the obligation under the call option. Accordingly, the amount realized by the owner upon the sale of its interest in the MBS will be greater than the amount received directly for its interest in a Redeemable Class.

*Taxation of an Interest in the MBS.* The anticipated federal income tax consequences to a beneficial owner of the purchase, ownership and disposition of an interest in the MBS are as described under “Certain Federal Income Tax Consequences” in the MBS Prospectus.

*Taxation of Redemption Option Premium.* A beneficial owner of an interest in a Redeemable Class will not be required to include immediately in income the option premium that it is deemed to receive when it purchases that interest. Instead, the beneficial owner must account for the premium when the right to redeem a Redeemable Class lapses, is exercised or is otherwise terminated with respect to the owner. As discussed under “Allocations,” a beneficial owner’s basis in the MBS includes an amount equal to the option premium the owner is deemed to have received. A beneficial owner’s recovery of basis in the MBS may not occur at the same rate as its inclusion in income of the option premium.

A beneficial owner of an interest in a Redeemable Class will include the option premium in income as short-term capital gain when the right to redeem that Redeemable Class lapses. It is expected that the MBS will be reduced over time through principal payments prior to the expiration of the right to redeem a Redeemable Class. Under existing authorities, it is not entirely clear whether the right to redeem a Redeemable Class would thus be deemed to lapse as the MBS pay down, and if so, at what rate. Fannie Mae intends to assume that the right to redeem a Redeemable Class lapses, and the related premium is recognized by the beneficial owner proportionately as principal (including both scheduled and unscheduled payments) is paid on the MBS after the first date on which the right to redeem that Redeemable Class may be exercised. There is no assurance that the Internal Revenue Service (“IRS”) would agree with this method of determining income from the lapse of the right to redeem the Redeemable Class. You should consult your own tax advisors regarding these matters.

If the right to redeem a Redeemable Class is exercised, a beneficial owner of an interest in that Redeemable Class will include in its amount realized from the sale of the MBS an amount equal to the unamortized portion of the option premium. If a beneficial owner transfers its interest in a Redeemable Class, such transfer will be treated as a “closing transaction” with respect to the call option the owner is deemed to have written. Accordingly, the owner will recognize a short-term capital gain or loss equal to the difference between the unamortized amount of option premium and the amount the owner is deemed to pay to be relieved from the obligation under the call option.

*Application of the Straddle Rules.* The IRS might take the position that a beneficial owner’s interest in the MBS and call option constitute positions in a straddle. If this position were sustained, the straddle rules of section 1092 of the Code would apply. Under those rules, a beneficial owner selling its interest in the Redeemable Class would be treated as selling its interest in the MBS at a gain or loss. Such gain or loss would be short-term because the beneficial owner’s holding period would be tolled. In addition, the straddle rules might require a beneficial owner to capitalize, rather than deduct, a portion of any interest and carrying charges allocable to the owner’s interest in the Redeemable Class. Further, if the IRS were to take the position that a beneficial owner’s interest in the MBS and the call option constituted a “conversion transaction” as well as a straddle, then a portion of the gain with respect to the MBS or the call option might be characterized as ordinary income. You should consult your own tax advisors regarding these issues.

## **The Redemption Classes**

*Status.* The beneficial owner of a Redemption Class will be treated as having purchased a call option on all of the MBS for an option premium in an amount equal to the price paid for the Redemption Class. It would appear that if the beneficial owner of a Redemption Class acquired an interest in the related Redeemable Class, the call option would be proportionately extinguished for at least as long as the owner of that Redemption Class held such interest, and the owner would be treated as holding solely its proportionate share of the MBS.

*Taxation of Redemption Option Premium.* Because the price paid by the beneficial owner of a Redemption Class to purchase that Class will be treated as an option premium for the right to redeem the related Redeemable Class, it will be added to the purchase price of the MBS (in addition to the exchange fee, as discussed under “Description of the Certificates—Redemption and Exchange”) if the MBS are purchased upon exercise of the right to redeem that Redeemable Class, and will be treated as a loss when the right to redeem that Redeemable Class lapses. For a discussion of when the right to redeem the Redeemable Class may be deemed to lapse, see “The Redeemable Classes—*Taxation of Redemption Option Premium*” above. If the MBS, if acquired, would be a capital asset in the hands of the beneficial owner of a Redemption Class, then loss recognized with respect to the lapse of the right to redeem the related Redeemable Class will be a capital loss.

## LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities, you may be subject to restrictions on investment in the Certificates. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority, you should review the rules, guidelines and regulations that apply to you prior to purchasing any Certificates. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any Certificate. **Investors should consult their own legal advisors in determining whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the Certificates can be used as collateral for various types of borrowings.**

## LEGAL OPINION

If you purchase Certificates, we will send you, upon request, an opinion of our General Counsel (or one of our Deputy General Counsels) as to the validity of the Certificates and the Trust Agreement.

## ERISA CONSIDERATIONS

On November 13, 1986, the U.S. Department of Labor issued a final regulation covering the acquisition by a Plan of a “guaranteed governmental mortgage pool certificate,” defined to include certificates which are “backed by, or evidencing an interest in, specified mortgages or participation interests therein” and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the regulation, investment by a Plan in a “guaranteed governmental mortgage pool certificate” does not cause the assets of the Plan to include the mortgages underlying the certificate or the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool.

The Redeemable Classes would appear to qualify as “guaranteed governmental mortgage pool certificates” as defined in the Department of Labor regulation discussed under the heading “ERISA Considerations” in the REMIC Prospectus. However, the acquisition or exercise of a Redemption Right by the beneficial owner of a Redemption Class might be characterized under ERISA as a principal transaction between the beneficial owner of the related Redeemable Class and the beneficial owner of that Redemption Class. Thus, in theory, the acquisition or exercise of a Redemption Right could be characterized under certain circumstances as a prohibited transaction under ERISA between a Plan and a “party in interest” (assuming that the Plan holds the related Redeemable Class or that Redemption Class and the “party in interest” holds the other), unless a prohibited transaction exemption under ERISA (such as PTE 84-14 for Transactions by Independent Qualified Professional Asset Managers) is available.

Each Redemption Class may be deemed to be an option to acquire a “guaranteed governmental mortgage pool certificate” rather than an actual “guaranteed governmental mortgage pool certificate.”

Plan fiduciaries should consult their counsel concerning these issues.

## PLAN OF DISTRIBUTION

*General.* We are obligated to deliver the Certificates to PaineWebber Incorporated (the “Dealer”) in exchange for the MBS. The Dealer proposes to sell Class A1 Certificates in the principal amount of \$107,778,612 to us. We intend to include those certificates in the assets of Fannie Mae

REMIC Trust 1999-40. The Dealer proposes to offer the remaining Redeemable Certificates and all of the Redemption Certificates in negotiated transactions at prices to be determined at the time of sale. The Dealer may effect such transactions to or through other dealers.

*Increase in Certificates.* Before the Settlement Date, we and the Dealer may agree to offer Certificates in addition to those contemplated as of the date of this prospectus. In this event, we will increase the MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS.” The proportion that the original principal balance of each Class of Redeemable Certificates bears to the aggregate original principal balance of all Redeemable Certificates will remain the same.

## **LEGAL MATTERS**

Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.



No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in this Prospectus Supplement and the additional Disclosure Documents. You must not rely on any unauthorized information or representation. This Prospectus Supplement and the additional Disclosure Documents do not constitute an offer or solicitation with regard to the Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this Prospectus Supplement and the additional Disclosure Documents at any time, no one implies that the information contained herein or therein is correct after the date hereof or thereof.

The Securities and Exchange Commission has not approved or disapproved the Certificates or determined if this Prospectus Supplement is truthful and complete. Any representation to the contrary is a criminal offense.

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**\$767,570,894**



**FannieMae**

## Guaranteed REMIC Pass-Through Certificates

**Fannie Mae REMIC Trust  
1999-40**

## PROSPECTUS SUPPLEMENT

**PaineWebber Incorporated**

**June 22, 1999**