

\$838,697,358



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2000-28**

The Certificates

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

Payments to Certificateholders

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

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A	1	\$132,178,424	SEQ	7.50%	FIX	31358SGZ8	March 2028
AB	1	4,378,000	SEQ	7.50	FIX	31358SHA2	August 2014
AG	1	15,000,000	SEQ	7.50	FIX	31358SHB0	June 2027
AH	1	1,711,576	SEQ	7.50	FIX	31358SHC8	March 2028
VA	1	8,343,000	SEQ/AD	7.50	FIX	31358SHD6	April 2006
VB	1	22,139,000	SEQ/AD	7.50	FIX	31358SHE4	November 2014
Z	1	16,250,000	SEQ	7.50	FIX/Z	31358SHF1	September 2030
BC(1)	2	102,143,000	SEQ	6.50	FIX	31358SHG9	October 2026
BD(1)	2	13,689,000	SEQ	6.50	FIX	31358SHH7	February 2028
BE	2	34,168,000	SEQ	6.50	FIX	31358SHJ3	September 2030
FD	3	133,333,334	PT	(2)	FLT	31358SHK0	September 2030
PO	3	16,666,666	PT	(3)	PO	31358SHL8	September 2030
SD	3	133,333,334(4)	NLT	(2)	INV/IO	31358SHM6	September 2030
BA	4	120,780,933	SEQ	7.25	FIX	31358SHN4	December 2019
IB	4	4,866,666(4)	NLT	7.50	FIX/IO	31358SHP9	September 2030
ZA	4	25,219,067	SEQ	7.25	FIX/Z	31358SHQ7	September 2030
FG(1)	5	15,432,776	SC/PT	(2)	FLT	31358SHR5	January 2030
SG(1)	5	5,935,683	SC/PT	(2)	INV	31358SHS3	January 2030
KA	6	101,104,000	SEQ	6.00	FIX	31358SHT1	October 2027
VK	6	8,109,000	SEQ/AD	6.00	FIX	31358SHU8	February 2008
VL	6	9,189,440	SEQ/AD	6.00	FIX	31358SHV6	October 2013
ZK	6	14,597,560	SEQ	6.00	FIX/Z	31358SHW4	September 2030
FC	7	38,328,899	SC/PT	(2)	FLT	31358SHX2	May 2029
R		0	NPR	0	NPR	31358SHY0	September 2030
RL		0	NPR	0	NPR	31358SHZ7	September 2030

- (1) Exchangeable classes.
(2) Based on LIBOR.

- (3) Principal only class.
(4) Notional balances. These classes are interest only classes.

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will indirectly own

- Fannie Mae MBS and
- underlying REMIC certificates backed directly or indirectly by Fannie Mae MBS.

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The BG and GK 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 August 30, 2000.

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

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

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

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

Merrill Lynch & Co.

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AVAILABLE INFORMATION

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

- the Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- the Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”);
- our Information Statement dated March 30, 2000 and its supplements (the “Information Statement”); and
- the disclosure document relating to the underlying REMIC certificates (the “Underlying REMIC Disclosure Document”).

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

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

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

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

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Prospectus Department
44B Colonial Drive
Piscataway, New Jersey 08854
(telephone 732-885-2760).

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS
5	Class 1999-64-GK REMIC Certificate
6	Group 6 MBS
7	Class 1999-64-SJ REMIC Certificate Class 1999-64-FJ REMIC Certificate

Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS (as of August 1, 2000)

	<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>
Group 1 MBS	\$200,000,000	360	346	12	8.100%
Group 2 MBS	\$150,000,000	360	337	20	7.040%
Group 3 MBS	\$150,000,000	360	357	3	8.500%
Group 4 MBS	\$146,000,000	360	273	87	7.962%
Group 6 MBS	\$133,000,000	360	333	23	6.629%

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 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 class factors and the 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 principal payments in the same month). We publish the class factors on or shortly after the 11th day of each month.

Settlement Date

We expect to issue the certificates on August 30, 2000.

Distribution Dates

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

Book-Entry and Physical Certificates

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

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

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

Exchanging Certificates Through Combination and Recombination

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

Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FD	7.020%	9.0%	0.40%	LIBOR + 40 basis points
SD	1.980%	8.6%	0.00%	8.6% – LIBOR
FG	7.120%	9.0%	0.50%	LIBOR + 50 basis points
SG	4.888%	22.1%	0.00%	22.1% – (2.59999969 × LIBOR)
FC	6.970% (2)	8.5%	0.35%	LIBOR + 35 basis points

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

(2) Assumed initial interest rate. We will calculate the actual initial interest rate for the FC Class on August 23, 2000, using the applicable formula.

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

Notional Classes

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

Class

SD	100% of the FD Class
IB	3.333333333% of the BA and ZA Classes

Distributions of Principal

Group 1 Principal Distribution Amount

Z Accrual Amount

To the VA and VB Classes, in that order, to zero and thereafter to the Z Class.

Group 1 Cash Flow Distribution Amount

1. (a) 86.2400657672% to the A Class to zero, and
(b) 13.7599342328% to the AB, AG and AH Classes, in that order, to zero.
2. To the VA, VB and Z Classes, in that order, to zero.

Group 2 Principal Distribution Amount

To the BC, BD and BE Classes, in that order, to zero.

Group 3 Principal Distribution Amount

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

Group 4 Principal Distribution Amount

ZA Accrual Amount

To the BA Class to zero and thereafter to the ZA Class.

Group 4 Cash Flow Distribution Amount

To the BA and ZA Classes, in that order, to zero.

Group 5 Principal Distribution Amount

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

Group 6 Principal Distribution Amount

ZK Accrual Amount

To the VK and VL Classes, in that order, to zero and thereafter to the ZK Class.

Group 6 Cash Flow Distribution Amount

To the KA, VK, VL and ZK Classes, in that order, to zero.

Group 7 Principal Distribution Amount

To the FC Class to zero.

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

Weighted Average Lives (years) *

		PSA Prepayment Assumption				
Group 1 Classes		0%	100%	153%	250%	500%
A	.....	19.4	7.5	5.5	3.6	2.0
AB	.....	8.5	1.5	1.1	0.8	0.5
AG	.....	21.6	8.3	6.0	3.9	2.1
AH	.....	27.1	16.3	12.2	8.0	4.1
VA	.....	3.0	3.0	3.0	3.0	2.9
VB	.....	10.3	10.3	10.3	8.8	5.3
Z	.....	28.8	22.6	19.3	15.1	8.7
		PSA Prepayment Assumption				
Group 2 Classes		0%	100%	128%	250%	500%
BC	.....	17.7	6.0	5.0	2.8	1.4
BD	.....	26.7	15.2	13.0	7.4	3.7
BE	.....	28.7	21.9	20.0	13.3	6.8
BG	.....	18.8	7.1	5.9	3.3	1.7
		PSA Prepayment Assumption				
Group 3 Classes		0%	100%	200%	350%	500%
FD, PO and SD	.....	21.8	11.7	7.7	5.0	3.7
		PSA Prepayment Assumption				
Group 4 Classes		0%	100%	160%	250%	500%
BA	.....	12.1	5.2	4.0	2.9	1.6
IB	.....	21.6	9.1	7.2	5.2	2.7
ZA	.....	25.6	16.2	14.1	11.3	6.5
		PSA Prepayment Assumption				
Group 5 Classes		0%	100%	130%	250%	500%
FG, SG and GK	.....	25.9	11.3	4.2	3.2	1.0
		PSA Prepayment Assumption				
Group 6 Classes		0%	100%	119%	250%	500%
KA	.....	18.3	6.8	6.0	3.2	1.6
VK	.....	4.0	4.0	4.0	4.0	3.1
VL	.....	10.4	10.4	10.4	8.5	4.7
ZK	.....	28.6	21.2	20.0	13.9	7.8
		PSA Prepayment Assumption				
Group 7 Class		0%	100%	120%	250%	500%
FC	.....	24.8	10.4	7.2	3.1	0.8

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

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

Principal payments on certain classes also will be affected by payment priorities directly or indirectly affecting the underlying REMIC certificates. If you invest in the Group 5 and Group 7 Classes, the rate at which you receive principal payments also will be affected by the priority sequence directly or indirectly affecting principal payments on the related underlying REMIC certificates.

As described in the related disclosure document, the underlying REMIC certificate backing the Group 5 Classes is subsequent in payment priority to certain other classes issued from the related underlying REMIC trust. Similarly, the underlying REMIC certificates backing the Group 7 Classes are in turn indirectly backed by a REMIC certificate that is subsequent in priority to certain other classes issued from the related REMIC trust. As a result, in each case such other classes may receive principal before principal is paid on the related underlying REMIC certificates, possibly for long periods.

In addition, the underlying REMIC certificate backing the Group 5 Classes has a principal balance schedule and the REMIC certificate indirectly backing the Group 7 Classes has a principal balance schedule. As a result, the related underlying REMIC certificates may receive principal payments at rates faster or slower than would otherwise have been the case. They may receive no principal payments for extended periods. Prepayments on the related mortgage loans

may have occurred at a rate faster or slower than the rate initially assumed. This prospectus supplement contains no information as to whether

- the underlying REMIC certificate directly backing the Group 5 Classes and the REMIC certificate indirectly backing the Group 7 Classes have adhered to their respective principal balance schedules, or
- any related Support classes remain outstanding.

Only limited information is available about the underlying REMIC certificates. This prospectus supplement contains no information as to whether the underlying REMIC certificates have otherwise performed as originally anticipated.

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

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

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

Furthermore, in the case of interest only certificates and certificates purchased at a premium, you could lose money on your investment if prepayments occur at a rapid rate.

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

Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans. We have assumed that the mortgage loans underlying the

Group 1, Group 2, Group 3, Group 4, and Group 6 MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

Unpredictable timing of last payment affects yields on certificates. The actual final pay-

ment of your class is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page of this prospectus supplement. If you assume that the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

Some investors may be unable to buy certain classes. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should obtain legal advice to determine whether you may purchase the certificates.

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of August 1, 2000. 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 August 1, 2000 (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”).

We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

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

The assets of the Lower Tier REMIC will consist of

- five groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS,” “Group 4 MBS” and “Group 6 MBS” and, together, the “Trust MBS”), and
- certain previously issued REMIC certificates (the “Group 5 Underlying REMIC Certificate” and “Group 7 Underlying REMIC Certificates” and, together, the “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 Underlying REMIC 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 (each, a “Pool”) of first lien, single-family, fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described in this prospectus supplement.

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

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

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

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

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

Characteristics of Certificates. We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial

intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

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

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

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

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

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

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

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

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

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

Voting the Underlying REMIC Certificates. Holders of the Underlying REMIC Certificates may be asked to vote on issues arising under the applicable trust agreements. If so, the Trustee will vote the related Underlying REMIC Certificates as instructed by Holders of Certificates of the Classes backed by those 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 the related Classes outstanding. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

Combination and Recombination

General. You are permitted to exchange all or a portion of the BC, BD, FG 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 of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. The 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 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 of the Certificates to be exchanged. In no event, however, will our fee be less than \$2,000.

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

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

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

The Trust MBS

The following table contains certain information about the Trust MBS. The Trust 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 Trust MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Trust MBS are 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 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 Trust MBS and the related Mortgage Loans as of August 1, 2000 (the “Issue Date”) to be as follows:

Group 1 MBS

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

Related Mortgage Loans

Range of WACs (annual percentages)	7.75% to 10.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	346 months
Approximate Weighted Average CAGE	12 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$150,000,000
MBS Pass-Through Rate	6.50%

Related Mortgage Loans

Range of WACs (annual percentages)	6.75% to 9.00%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	337 months
Approximate Weighted Average CAGE	20 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$150,000,000
MBS Pass-Through Rate	8.00%

Related Mortgage Loans

Range of WACs (annual percentages)	8.25% to 10.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	357 months
Approximate Weighted Average CAGE	3 months

Group 4 MBS

Aggregate Unpaid Principal Balance	\$146,000,000
MBS Pass-Through Rate	7.50%

Related Mortgage Loans

Range of WACs (annual percentages)	7.75% to 10.00%
Range of WAMs	180 months to 360 months
Approximate Weighted Average WAM.....	273 months
Approximate Weighted Average CAGE	87 months

Group 6 MBS

Aggregate Unpaid Principal Balance	\$133,000,000
MBS Pass-Through Rate	6.00%

Related Mortgage Loans

Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM.....	333 months
Approximate Weighted Average CAGE	23 months

The Underlying REMIC Certificates

The Group 5 and Group 7 Underlying REMIC Certificates represent beneficial ownership interests in the Underlying REMIC Trust. The assets of that 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 Underlying REMIC Certificates will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Document.

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

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

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Group 5 and Group 7 Underlying REMIC Certificates as of the Issue Date and, with respect to the Trust MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the Trust MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Trust MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	A, AB, AG, AH, VA, VB and Z
Accrual	Z
Group 2 Classes	
Fixed Rate	BC, BD and BE
RCR**	BG
Group 3 Classes	
Floating Rate	FD
Inverse Floating Rate	SD
Interest Only	SD
Principal Only	PO
Group 4 Classes	
Fixed Rate	BA, IB and ZA
Accrual	ZA
Interest Only	IB
Group 5 Classes	
Floating Rate	FG
Inverse Floating Rate	SG
RCR**	GK

<u>Interest Type*</u>	<u>Classes</u>
Group 6 Classes	
Fixed Rate	KA, VK, VL and ZK
Accrual	ZK
Group 7 Class	
Floating Rate	FC
No Payment Residual	R and RL

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

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

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or described in this prospectus supplement. We calculate interest based on an assumed 360-day year consisting of twelve 30-day months. We pay interest monthly (except in the case of the Accrual Classes) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

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

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 Certificates during the applicable one-month periods set forth below (each, an “Interest Accrual Period”).

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

See “Additional Risk Factors—*Delay classes have lower yields and market values*” in this prospectus supplement.

The Dealer will treat the PO Class as a Delay Class for the sole purpose of facilitating trading.

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

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

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

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

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

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

Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to LIBOR as determined for that Interest Accrual Period for the related Underlying REMIC Certificate in the case of the FC Class, and will be equal to 6.62% in the case of the FG, SG, FD and SD Classes.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Sequential Pay	A, AB, AG, AH, VA, VB and Z
Accretion Directed	VA and VB
Group 2 Classes	
Sequential Pay	BC, BD, and BE
RCR**	BG
Group 3 Classes	
Pass-Through	FD and PO
Notional	SD
Group 4 Classes	
Sequential Pay	BA and ZA
Accretion Directed	BA
Notional	IB
Group 5 Classes	
Structured Collateral/Pass-Through	FG and SG
RCR**	GK
Group 6 Classes	
Sequential Pay	KA, VK, VL and ZK
Accretion Directed	VK and VL

Principal Type*

Classes

Group 7 Class

Structured Collateral/Pass-Through

FC

No Payment Residual

R and RL

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

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the Z Class (the “Z Accrual Amount” and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (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 ZA Class (the “ZA Accrual Amount” and, together with the Group 4 Cash Flow Distribution Amount, the “Group 4 Principal Distribution Amount”),
- the principal then paid on the Group 5 Underlying REMIC Certificate (the “Group 5 Principal Distribution Amount”),
- the principal then paid on the Group 6 MBS (the “Group 6 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZK Class (the “ZK Accrual Amount” and, together with the Group 6 Cash Flow Distribution Amount, the “Group 6 Principal Distribution Amount”), and
- the principal then paid on the Group 7 Underlying REMIC Certificates (the “Group 7 Principal Distribution Amount”).

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

Group 1 Principal Distribution Amount

Z Accrual Amount

On each Distribution Date, we will pay the Z Accrual Amount, sequentially, as principal of the VA and VB Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the Z Accrual Amount as principal of the Z Class.

} Accretion
Directed
Classes
and
Accrual
Class

Group 1 Cash Flow Distribution Amount

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

- (i) (a) 86.2400657672% of such amount to the A Class, until its principal balance is reduced to zero, and
- (b) 13.7599342328% of such amount, sequentially, to the AB, AG and AH Classes, in that order, until their principal balances are reduced to zero; and
- (ii) sequentially, to the VA, VB and Z 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 BC, BD and BE 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, concurrently, as principal of the PO and FD Classes, pro rata (or 11.1111106667% and 88.8888893333%, respectively), until their principal balances are reduced to zero.

Pass-
Through
Classes

Group 4 Principal Distribution Amount

ZA Accrual Amount

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

Accretion
Directed
Class
and
Accrual
Class

Group 4 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 4 Cash Flow Distribution Amount, sequentially, as principal of the BA and ZA Classes, in that order, until their principal balances are reduced to zero.

Sequential
Pay
Classes

Group 5 Principal Distribution Amount

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount, concurrently, as principal of the FG and SG Classes, pro rata (or 72.2222224822% and 27.7777775178%, respectively), until their principal balances are reduced to zero.

Structured
Collateral/
Pass-
Through
Classes

Group 6 Principal Distribution Amount

ZK Accrual Amount

On each Distribution Date, we will pay the ZK Accrual Amount, sequentially, as principal of the VK and VL Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the ZK Accrual Amount as principal of the ZK Class.

Accretion
Directed
Classes and
Accrual
Class

Group 6 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 6 Cash Flow Distribution Amount, sequentially, as principal of the KA, VK, VL and ZK Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 7 Principal Distribution Amount

On each Distribution Date, we will pay the Group 7 Principal Distribution Amount as principal of the FC Class, until its principal balance is reduced to zero. } Structured Collateral / Pass-Through Class

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 backing the Underlying REMIC Certificates, the priority sequence directly or indirectly affecting the principal payments on the Underlying REMIC Certificates and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, CAGEs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is August 30, 2000;
- each Distribution Date occurs on the 25th day of a month; and
- the Fannie Mae repurchase option is not exercised.

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

Yield Tables

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

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

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

We cannot assure you that

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

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

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

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

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

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

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

<u>Class</u>	<u>Price*</u>
SD	5.343750%
SG	87.234375%

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

**Sensitivity of the 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>200%</u>	<u>350%</u>	<u>500%</u>
4.62%	81.2%	78.9%	74.2%	67.1%	59.9%
6.62%	36.3%	33.8%	28.6%	20.7%	12.6%
8.60%	*	*	*	*	*

* 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>130%</u>	<u>250%</u>	<u>500%</u>
4.62%	12.2%	12.7%	15.3%	16.4%	25.6%
6.62%	6.2%	6.7%	9.2%	10.4%	19.9%
8.50%	0.8%	1.3%	3.6%	4.8%	14.6%

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

The information shown in the yield table has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase price of the PO Class (expressed as a percentage of its original principal balance) is as follows:

<u>Class</u>	<u>Price</u>
PO	73.34375%

Sensitivity of the PO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>200%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.2%	2.9%	4.5%	7.0%	9.4%

The IB Class. **The yields on the IB Class will be 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 yield to maturity on the IB Class would be 0% if prepayments of the related Mortgage Loans were to occur at a constant rate of 337% PSA. If the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling such level for the remaining months, the investors in the IB Class 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 price of the IB Class (expressed as a percentage of the original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
IB	29.50%

* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table below.

Sensitivity of the IB Class to Prepayments

	PSA Prepayment Assumption				
	50%	100%	160%	250%	500%
Pre-Tax Yields to Maturity	20.1%	16.8%	12.7%	6.3%	(12.4)%

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, Group 2, Group 4 and Group 6 Classes, and
- in the case of the Group 5 and Group 7 Classes, the priority sequences directly or indirectly affecting distributions on the related Underlying REMIC Certificates.

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

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

Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	360 months	360 months	10.00%
Group 2 MBS	360 months	360 months	9.00%
Group 3 MBS	360 months	360 months	10.50%
Group 4 MBS	360 months	360 months	10.00%
Group 5 Underlying REMIC Certificate	360 months	352 months	9.00%
Group 6 MBS	360 months	360 months	8.50%
Group 7 Underlying REMIC Certificates	360 months	344 months	8.50%

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 tables at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average CAGEs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	A Class					AB Class					AG Class					AH Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	153%	250%	500%	0%	100%	153%	250%	500%	0%	100%	153%	250%	500%	0%	100%	153%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2001	99	94	91	87	75	97	71	59	37	0	100	100	100	100	94	100	100	100	100	100
August 2002	98	86	80	69	44	93	31	2	0	0	100	100	100	86	50	100	100	100	100	100
August 2003	98	78	68	53	21	88	0	0	0	0	100	98	85	63	18	100	100	100	100	100
August 2004	97	70	58	40	5	84	0	0	0	0	100	87	71	44	0	100	100	100	100	62
August 2005	96	63	49	28	0	78	0	0	0	0	100	77	58	29	0	100	100	100	100	0
August 2006	94	56	41	19	0	73	0	0	0	0	100	67	46	15	0	100	100	100	100	0
August 2007	93	49	33	11	0	66	0	0	0	0	100	58	35	4	0	100	100	100	100	0
August 2008	92	43	26	4	0	59	0	0	0	0	100	49	26	0	0	100	100	100	49	0
August 2009	90	37	20	0	0	52	0	0	0	0	100	41	17	0	0	100	100	100	0	0
August 2010	88	32	14	0	0	43	0	0	0	0	100	34	9	0	0	100	100	100	0	0
August 2011	86	27	9	0	0	34	0	0	0	0	100	26	2	0	0	100	100	100	0	0
August 2012	84	22	5	0	0	23	0	0	0	0	100	20	0	0	0	100	100	59	0	0
August 2013	82	17	1	0	0	12	0	0	0	0	100	13	0	0	0	100	100	8	0	0
August 2014	79	13	0	0	0	0	0	0	0	0	100	7	0	0	0	100	100	0	0	0
August 2015	76	9	0	0	0	0	0	0	0	0	96	1	0	0	0	100	100	0	0	0
August 2016	73	5	0	0	0	0	0	0	0	0	91	0	0	0	0	100	63	0	0	0
August 2017	69	1	0	0	0	0	0	0	0	0	86	0	0	0	0	100	18	0	0	0
August 2018	65	0	0	0	0	0	0	0	0	0	80	0	0	0	0	100	0	0	0	0
August 2019	61	0	0	0	0	0	0	0	0	0	74	0	0	0	0	100	0	0	0	0
August 2020	56	0	0	0	0	0	0	0	0	0	68	0	0	0	0	100	0	0	0	0
August 2021	51	0	0	0	0	0	0	0	0	0	60	0	0	0	0	100	0	0	0	0
August 2022	45	0	0	0	0	0	0	0	0	0	52	0	0	0	0	100	0	0	0	0
August 2023	38	0	0	0	0	0	0	0	0	0	43	0	0	0	0	100	0	0	0	0
August 2024	31	0	0	0	0	0	0	0	0	0	33	0	0	0	0	100	0	0	0	0
August 2025	23	0	0	0	0	0	0	0	0	0	21	0	0	0	0	100	0	0	0	0
August 2026	15	0	0	0	0	0	0	0	0	0	9	0	0	0	0	100	0	0	0	0
August 2027	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	62	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.4	7.5	5.5	3.6	2.0	8.5	1.5	1.1	0.8	0.5	21.6	8.3	6.0	3.9	2.1	27.1	16.3	12.2	8.0	4.1

Date	VA Class					VB Class					Z Class					BC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	153%	250%	500%	0%	100%	153%	250%	500%	0%	100%	153%	250%	500%	0%	100%	128%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2001	85	85	85	85	85	100	100	100	100	100	108	108	108	108	108	99	91	89	79	60
August 2002	69	69	69	69	69	100	100	100	100	100	116	116	116	116	116	98	81	77	59	27
August 2003	51	51	51	51	51	100	100	100	100	100	125	125	125	125	125	97	71	65	42	4
August 2004	32	32	32	32	32	100	100	100	100	100	135	135	135	135	135	95	63	55	27	0
August 2005	12	12	12	12	0	100	100	100	100	63	145	145	145	145	145	94	54	46	15	0
August 2006	0	0	0	0	0	96	96	96	96	2	157	157	157	157	157	92	47	37	5	0
August 2007	0	0	0	0	0	87	87	87	87	0	169	169	169	169	110	91	39	29	0	0
August 2008	0	0	0	0	0	78	78	78	78	0	182	182	182	182	76	89	32	22	0	0
August 2009	0	0	0	0	0	67	67	67	55	0	196	196	196	196	52	87	26	15	0	0
August 2010	0	0	0	0	0	56	56	56	11	0	211	211	211	211	36	84	20	9	0	0
August 2011	0	0	0	0	0	44	44	44	0	0	228	228	228	187	24	82	14	3	0	0
August 2012	0	0	0	0	0	31	31	31	0	0	245	245	245	155	17	79	9	0	0	0
August 2013	0	0	0	0	0	17	17	17	0	0	264	264	264	128	11	76	3	0	0	0
August 2014	0	0	0	0	0	2	2	0	0	0	285	285	258	105	8	73	0	0	0	0
August 2015	0	0	0	0	0	0	0	0	0	0	288	288	226	86	5	70	0	0	0	0
August 2016	0	0	0	0	0	0	0	0	0	0	288	288	197	70	3	66	0	0	0	0
August 2017	0	0	0	0	0	0	0	0	0	0	288	288	170	57	2	62	0	0	0	0
August 2018	0	0	0	0	0	0	0	0	0	0	288	268	147	46	2	57	0	0	0	0
August 2019	0	0	0	0	0	0	0	0	0	0	288	237	125	37	1	52	0	0	0	0
August 2020	0	0	0	0	0	0	0	0	0	0	288	207	106	29	1	46	0	0	0	0
August 2021	0	0	0	0	0	0	0	0	0	0	288	179	88	23	*	40	0	0	0	0
August 2022	0	0	0	0	0	0	0	0	0	0	288	152	73	17	*	34	0	0	0	0
August 2023	0	0	0	0	0	0	0	0	0	0	288	127	58	13	*	27	0	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0	288	103	46	10	*	19	0	0	0	0
August 2025	0	0	0	0	0	0	0	0	0	0	288	79	34	7	*	10	0	0	0	0
August 2026	0	0	0	0	0	0	0	0	0	0	288	57	24	4	*	1	0	0	0	0
August 2027	0	0	0	0	0	0	0	0	0	0	288	36	15	3	*	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	234	16	6	1	*	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	123	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	3.0	3.0	3.0	3.0	2.9	10.3	10.3	10.3	8.8	5.3	28.8	22.6	19.3	15.1	8.7	17.7	6.0	5.0	2.8	1.4

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

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

Date	BD Class					BE Class					BG Class					FD, PO and SD† Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	128%	250%	500%	0%	100%	128%	250%	500%	0%	100%	128%	250%	500%	0%	100%	200%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2001	100	100	100	100	100	100	100	100	100	100	99	92	90	82	65	99	97	95	93	90
August 2002	100	100	100	100	100	100	100	100	100	100	98	83	79	64	36	99	92	86	78	70
August 2003	100	100	100	100	100	100	100	100	100	100	97	75	70	49	15	98	86	75	61	49
August 2004	100	100	100	100	13	100	100	100	100	100	96	67	61	36	2	98	80	66	48	34
August 2005	100	100	100	100	0	100	100	100	100	72	95	60	52	25	0	97	74	57	37	23
August 2006	100	100	100	100	0	100	100	100	100	50	93	53	45	16	0	96	69	50	29	16
August 2007	100	100	100	73	0	100	100	100	100	34	92	46	38	9	0	95	64	43	23	11
August 2008	100	100	100	18	0	100	100	100	100	23	90	40	31	2	0	94	59	37	18	8
August 2009	100	100	100	0	0	100	100	100	89	16	88	35	25	0	0	93	55	32	14	5
August 2010	100	100	100	0	0	100	100	100	74	11	86	29	20	0	0	92	51	28	11	4
August 2011	100	100	100	0	0	100	100	100	61	7	84	24	15	0	0	90	47	24	8	2
August 2012	100	100	84	0	0	100	100	100	50	5	82	19	10	0	0	89	43	21	6	2
August 2013	100	100	48	0	0	100	100	100	41	3	79	15	6	0	0	87	39	18	5	1
August 2014	100	89	14	0	0	100	100	100	34	2	76	11	2	0	0	85	36	15	4	1
August 2015	100	55	0	0	0	100	100	93	27	2	73	7	0	0	0	83	33	13	3	1
August 2016	100	23	0	0	0	100	100	82	22	1	70	3	0	0	0	80	30	11	2	*
August 2017	100	0	0	0	0	100	97	72	18	1	66	0	0	0	0	78	27	9	2	*
August 2018	100	0	0	0	0	100	86	62	14	*	62	0	0	0	0	75	24	8	1	*
August 2019	100	0	0	0	0	100	75	53	11	*	58	0	0	0	0	71	21	7	1	*
August 2020	100	0	0	0	0	100	65	45	9	*	53	0	0	0	0	68	19	5	1	*
August 2021	100	0	0	0	0	100	55	38	7	*	47	0	0	0	0	64	17	4	1	*
August 2022	100	0	0	0	0	100	46	31	5	*	42	0	0	0	0	59	14	4	*	*
August 2023	100	0	0	0	0	100	37	25	4	*	35	0	0	0	0	54	12	3	*	*
August 2024	100	0	0	0	0	100	29	19	3	*	28	0	0	0	0	49	10	2	*	*
August 2025	100	0	0	0	0	100	21	14	2	*	21	0	0	0	0	43	8	2	*	*
August 2026	100	0	0	0	0	100	14	9	1	*	12	0	0	0	0	36	6	1	*	*
August 2027	28	0	0	0	0	100	7	4	*	*	3	0	0	0	0	28	5	1	*	*
August 2028	0	0	0	0	0	77	1	*	*	*	0	0	0	0	0	20	3	*	*	*
August 2029	0	0	0	0	0	40	0	0	0	0	0	0	0	0	0	10	1	*	*	*
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.7	15.2	13.0	7.4	3.7	28.7	21.9	20.0	13.3	6.8	18.8	7.1	5.9	3.3	1.7	21.8	11.7	7.7	5.0	3.7

Date	BA Class					IB† Class					ZA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	160%	250%	500%	0%	100%	160%	250%	500%	0%	100%	160%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2001	98	89	85	79	61	99	92	89	84	69	107	107	107	107	107
August 2002	95	79	71	60	33	99	85	79	70	47	116	116	116	116	116
August 2003	93	69	59	44	13	98	79	70	58	32	124	124	124	124	124
August 2004	90	60	47	31	0	97	72	62	48	22	134	134	134	134	129
August 2005	87	50	36	19	0	97	66	55	40	15	144	144	144	144	88
August 2006	83	41	26	8	0	96	61	48	33	10	154	154	154	154	60
August 2007	80	32	16	0	0	95	55	42	27	7	166	166	166	158	41
August 2008	76	24	7	0	0	94	50	37	22	5	178	178	178	130	28
August 2009	72	15	0	0	0	92	46	32	18	3	192	192	186	107	19
August 2010	67	7	0	0	0	91	41	28	15	2	206	206	161	87	12
August 2011	62	0	0	0	0	89	37	24	12	1	221	213	138	70	8
August 2012	56	0	0	0	0	88	33	20	10	1	238	189	118	57	6
August 2013	50	0	0	0	0	86	29	17	8	1	256	167	101	45	4
August 2014	44	0	0	0	0	84	25	15	6	*	275	146	84	36	2
August 2015	37	0	0	0	0	82	22	12	5	*	296	126	70	28	2
August 2016	29	0	0	0	0	79	18	10	4	*	318	107	57	21	1
August 2017	21	0	0	0	0	76	15	8	3	*	342	89	46	16	1
August 2018	12	0	0	0	0	73	12	6	2	*	367	71	35	12	*
August 2019	2	0	0	0	0	70	10	5	1	*	395	55	26	8	*
August 2020	0	0	0	0	0	66	7	3	1	*	384	39	18	5	*
August 2021	0	0	0	0	0	62	4	2	1	*	361	24	11	3	*
August 2022	0	0	0	0	0	58	2	1	*	*	335	10	4	1	*
August 2023	0	0	0	0	0	53	0	0	0	0	306	0	0	0	0
August 2024	0	0	0	0	0	47	0	0	0	0	274	0	0	0	0
August 2025	0	0	0	0	0	41	0	0	0	0	239	0	0	0	0
August 2026	0	0	0	0	0	35	0	0	0	0	200	0	0	0	0
August 2027	0	0	0	0	0	27	0	0	0	0	157	0	0	0	0
August 2028	0	0	0	0	0	19	0	0	0	0	110	0	0	0	0
August 2029	0	0	0	0	0	10	0	0	0	0	58	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.1	5.2	4.0	2.9	1.6	21.6	9.1	7.2	5.2	2.7	25.6	16.2	14.1	11.3	6.5

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

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

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

Date	FG, SG and GK Classes					KA Class					VK Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	130%	250%	500%	0%	100%	119%	250%	500%	0%	100%	119%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2001	98	84	72	71	71	99	91	90	80	62	89	89	89	89	89
August 2002	98	84	59	57	0	98	82	79	62	33	77	77	77	77	77
August 2003	98	84	49	47	0	97	74	70	47	13	65	65	65	65	65
August 2004	98	84	41	38	0	95	66	61	34	0	51	51	51	51	38
August 2005	98	84	35	25	0	94	58	53	23	0	37	37	37	37	0
August 2006	98	84	30	11	0	93	51	45	14	0	22	22	22	22	0
August 2007	98	84	27	4	0	91	44	38	6	0	6	6	6	6	0
August 2008	98	84	25	2	0	89	38	32	0	0	0	0	0	0	0
August 2009	98	84	20	2	0	87	32	26	0	0	0	0	0	0	0
August 2010	98	82	14	2	0	85	27	20	0	0	0	0	0	0	0
August 2011	98	73	5	1	0	83	22	15	0	0	0	0	0	0	0
August 2012	98	62	0	1	0	80	17	10	0	0	0	0	0	0	0
August 2013	98	49	0	1	0	77	12	6	0	0	0	0	0	0	0
August 2014	98	35	0	1	0	74	8	2	0	0	0	0	0	0	0
August 2015	98	21	0	1	0	71	4	0	0	0	0	0	0	0	0
August 2016	98	5	0	1	0	68	0	0	0	0	0	0	0	0	0
August 2017	98	0	0	1	0	64	0	0	0	0	0	0	0	0	0
August 2018	98	0	0	1	0	60	0	0	0	0	0	0	0	0	0
August 2019	98	0	0	*	0	55	0	0	0	0	0	0	0	0	0
August 2020	98	0	0	*	0	50	0	0	0	0	0	0	0	0	0
August 2021	98	0	0	*	0	45	0	0	0	0	0	0	0	0	0
August 2022	98	0	0	*	0	39	0	0	0	0	0	0	0	0	0
August 2023	98	0	0	*	0	32	0	0	0	0	0	0	0	0	0
August 2024	98	0	0	*	0	25	0	0	0	0	0	0	0	0	0
August 2025	98	0	0	*	0	18	0	0	0	0	0	0	0	0	0
August 2026	73	0	0	*	0	9	0	0	0	0	0	0	0	0	0
August 2027	9	0	0	*	0	*	0	0	0	0	0	0	0	0	0
August 2028	0	0	0	*	0	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	25.9	11.3	4.2	3.2	1.0	18.3	6.8	6.0	3.2	1.6	4.0	4.0	4.0	4.0	3.1

Date	VL Class					ZK Class					FC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	119%	250%	500%	0%	100%	119%	250%	500%	0%	100%	120%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2001	100	100	100	100	100	106	106	106	106	106	97	74	68	63	31
August 2002	100	100	100	100	100	113	113	113	113	113	97	74	64	56	0
August 2003	100	100	100	100	100	120	120	120	120	120	97	74	60	46	0
August 2004	100	100	100	100	100	127	127	127	127	127	97	74	58	29	0
August 2005	100	100	100	100	16	135	135	135	135	135	97	74	56	18	0
August 2006	100	100	100	100	0	143	143	143	143	100	97	74	54	11	0
August 2007	100	100	100	100	0	152	152	152	152	68	97	74	53	8	0
August 2008	91	91	91	89	0	161	161	161	161	47	97	74	51	6	0
August 2009	75	75	75	14	0	171	171	171	171	32	97	73	47	5	0
August 2010	58	58	58	0	0	182	182	182	149	22	97	68	42	4	0
August 2011	40	40	40	0	0	193	193	193	123	15	97	62	36	3	0
August 2012	21	21	21	0	0	205	205	205	101	10	97	54	29	3	0
August 2013	1	1	1	0	0	218	218	218	82	7	97	46	22	2	0
August 2014	0	0	0	0	0	219	219	219	67	4	97	38	14	1	0
August 2015	0	0	0	0	0	219	219	204	54	3	97	29	8	1	0
August 2016	0	0	0	0	0	219	218	180	44	2	97	20	4	1	0
August 2017	0	0	0	0	0	219	193	157	35	1	97	11	1	1	0
August 2018	0	0	0	0	0	219	170	136	28	1	97	1	0	*	0
August 2019	0	0	0	0	0	219	148	117	22	1	97	0	0	*	0
August 2020	0	0	0	0	0	219	127	99	17	*	97	0	0	*	0
August 2021	0	0	0	0	0	219	107	83	13	*	97	0	0	0	0
August 2022	0	0	0	0	0	219	88	67	10	*	97	0	0	0	0
August 2023	0	0	0	0	0	219	71	53	7	*	97	0	0	0	0
August 2024	0	0	0	0	0	219	54	40	5	*	97	0	0	0	0
August 2025	0	0	0	0	0	219	39	28	3	*	69	0	0	0	0
August 2026	0	0	0	0	0	219	24	17	2	*	35	0	0	0	0
August 2027	0	0	0	0	0	219	10	7	1	*	0	0	0	0	0
August 2028	0	0	0	0	0	154	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	80	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.4	10.4	10.4	8.5	4.7	28.6	21.2	20.0	13.9	7.8	24.8	10.4	7.2	3.1	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” above.

Characteristics of the R and RL Classes

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

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

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”). As discussed under the caption “Special Characteristics of Residual Certificates” in the REMIC Prospectus, the Regulations presume that a transferor does not have improper knowledge if two conditions are met. The Treasury Department has proposed an amendment to the Regulations that would add a third condition, effective February 4, 2000. According to the proposed amendment, a transferor of a Residual Certificate would be presumed not to have improper knowledge only if the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The application of the proposed amendment to an actual transfer is uncertain, and you should consult your own tax advisor regarding its effect on the transfer of a Residual Certificate.

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following tax discussion supplements the discussion under the caption “Certain Federal Income Tax Consequences” in the REMIC Prospectus. When read together, the two discussions describe the current federal income tax treatment of beneficial owners of Certificates. These two tax discussions do

not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

REMIC Elections and Special Tax Attributes

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

Because the Lower Tier REMIC and the Trust will qualify as REMICs, the REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the R and RL Classes, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	153%
2	128%
3	200%
4	160%
5	130%
6	119%
7	120%

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

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about July 20, 2000. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

Taxation of Beneficial Owners of RCR Certificates

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

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

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

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

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer”) in exchange for the Trust MBS and the 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, Group 4 or Group 6 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Trust MBS in principal balance, but we expect that all these additional Trust MBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” in this prospectus supplement.

The proportion that the original principal balance of each Group 1, Group 2, Group 3, Group 4 or Group 6 Class bears to the aggregate original principal balance of all Group 1, Group 2, Group 3, Group 4 or Group 6 Classes, respectively, will remain the same.

LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae. Milbank, Tweed, Hadley & McCloy LLP will provide legal representation for the Dealer.

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 Balance of Class	August 2000 Class Factor	Principal Balance in the Underlying REMIC as of Issue Date	Approximate Weighted Average WAC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average CAGE (in months)	Underlying Security Type	Class Group
1999-64	GK	December 1999	31359XQW2	6.5%	FIX	January 2030	SCH	\$42,933,000	0.761174790	\$21,368,459	6.994%	337	19	MBS	5
1999-64	SJ	December 1999	31359XPH6	(2)	INV	May 2029	SC/PT	2,669,635	0.797630890	2,129,383	6.764	325	28	MBS	7
1999-64	FJ	December 1999	31359XPG8	(2)	FLT	May 2029	SC/PT	45,383,794	0.797630890	36,199,516	6.764	325	28	MBS	7

(1) See "Description of 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 Underlying REMIC Disclosure Document.

Available Recombination (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal Balances	RCR Classes	Original Principal Balance	Interest Rate	Interest Type(2)	Principal Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
BC	\$102,143,000	BG	\$115,832,000	6.5%	FIX	SEQ	31358SJA0	February 2028
BD	13,689,000							
Recombination 2								
FG	15,432,776	GK	21,368,459	6.5%	FIX	SC/PT	31358SJB8	January 2030
SG	5,935,683							

(1) The 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 of the related Classes.

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

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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\$838,697,358



**Guaranteed REMIC
Pass-Through Certificates**

Fannie Mae REMIC Trust 2000-28

PROSPECTUS SUPPLEMENT

Merrill Lynch & Co.

July 5, 2000
