

\$849,736,842



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2001-12
(The Group 2, 3 and Residual Classes Only)**

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.

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
CS	2	\$250,000,000	TAC	6.500%	FIX	31359SC65	June 2027
CZ	2	23,026,316	SUP	7.000	FIX/Z	31359SC73	October 2027
CA	2	13,000,000	SEQ	6.500	FIX	31359SC81	October 2019
CB	2	36,300,000	SEQ	6.625	FIX	31359SC99	November 2024
VA	2	23,730,000	SEQ/AD	6.125	FIX	31359SD23	May 2011
VB	2	13,500,000	SEQ	6.500	FIX	31359SD31	December 2014
VG	2	11,500,000	SEQ	6.500	FIX	31359SD49	June 2017
CI	2	25,482,321(1)	NLT	7.000	FIX/IO	31359SD56	June 2027
ZA	2	23,680,526	SEQ	7.000	FIX/Z	31359SD64	May 2031
AK	3	250,000,000	PAC	6.500	FIX	31359SD72	May 2026
AB	3	59,600,000	PAC	6.500	FIX	31359SD80	May 2028
AC	3	47,600,000	PAC	6.500	FIX	31359SD98	October 2029
AZ	3	21,500,000	SUP	7.000	FIX/Z	31359SE22	August 2029
AD	3	14,000,000	SUP	7.000	FIX	31359SE30	December 2029
VC	3	24,500,000	SEQ/AD	6.500	FIX	31359SE48	December 2011
VD	3	15,300,000	SEQ	6.500	FIX	31359SE55	January 2016
AI	3	28,357,143(1)	NLT	7.000	FIX/IO	31359SE63	October 2029
ZB	3	22,500,000	SEQ	7.000	FIX/Z	31359SE71	May 2031
R		0	NPR	0	NPR	31359SWG1	May 2031
RL		0	NPR	0	NPR	31359SE89	May 2031

(1) 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.

Only the classes listed in the chart above are offered by this prospectus supplement. The Group 1 Classes are offered by a separate prospectus supplement.

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.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date for the certificates offered by this prospectus supplement to be April 27, 2001.

Carefully consider the risk factors starting on page S-7 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.

Salomon Smith Barney

The date of this Prospectus Supplement is March 15, 2001.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
AVAILABLE INFORMATION	S- 3	<i>Group 3 Principal Distribution</i>	
REFERENCE SHEET	S- 4	<i>Amount</i>	S-13
ADDITIONAL RISK FACTORS	S- 7	<i>AZ Accrual Amount</i>	S-13
DESCRIPTION OF THE		<i>ZB Accrual Amount</i>	S-13
CERTIFICATES	S- 8	<i>Group 3 Cash Flow Distribution</i>	
GENERAL	S- 8	<i>Amount</i>	S-13
<i>Structure</i>	S- 8	STRUCTURING ASSUMPTIONS	S-14
<i>Fannie Mae Guaranty</i>	S- 8	<i>Pricing Assumptions</i>	S-14
<i>Characteristics of Certificates</i>	S- 8	<i>Prepayment Assumptions</i>	S-14
<i>Authorized Denominations</i>	S- 9	<i>Structuring Range and Rate</i>	S-14
<i>Distribution Dates</i>	S- 9	<i>Initial Effective Ranges</i>	S-14
<i>Record Date</i>	S- 9	YIELD TABLES	S-15
<i>Class Factors</i>	S- 9	<i>General</i>	S-15
<i>Optional Termination</i>	S- 9	<i>The CI and AI Classes</i>	S-16
THE MBS	S- 9	WEIGHTED AVERAGE LIVES OF THE	
FINAL DATA STATEMENT	S-10	CERTIFICATES	S-16
DISTRIBUTIONS OF INTEREST	S-10	DECREMENT TABLES	S-18
<i>Categories of Classes</i>	S-10	CHARACTERISTICS OF THE R AND RL	
<i>General</i>	S-10	CLASSES	S-21
<i>Interest Accrual Periods</i>	S-11	CERTAIN ADDITIONAL FEDERAL	
<i>Accrual Classes</i>	S-11	INCOME TAX CONSEQUENCES	S-22
<i>Notional Classes</i>	S-11	REMIC ELECTIONS AND SPECIAL TAX	
DISTRIBUTIONS OF PRINCIPAL	S-12	ATTRIBUTES	S-22
<i>Categories of Classes</i>	S-12	TAXATION OF BENEFICIAL OWNERS OF	
<i>Principal Distribution Amount</i>	S-12	REGULAR CERTIFICATES	S-22
<i>Group 2 Principal Distribution</i>		TAXATION OF BENEFICIAL OWNERS OF	
<i>Amount</i>	S-12	RESIDUAL CERTIFICATES	S-23
<i>CZ Accrual Amount</i>	S-12	PLAN OF DISTRIBUTION	S-23
<i>ZA Accrual Amount</i>	S-12	<i>General</i>	S-23
<i>Group 2 Cash Flow Distribution</i>		<i>Increase in Certificates</i>	S-23
<i>Amount</i>	S-13	LEGAL MATTERS	S-24
		PRINCIPAL BALANCE SCHEDULES ..	A- 1

AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated September 18, 1998 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”);
- our Information Statement dated March 30, 2001 and its supplements (the “Information Statement”); and
- if you are purchasing the R or RL Class, the Prospectus Supplement for Fannie Mae Guaranteed REMIC Pass-Through Certificates, Fannie Mae REMIC Trust 2001-12 (Group 1 Classes Only), dated March 15, 2001 (the “Related Prospectus Supplement”).

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 by writing or calling the dealer at:

Salomon Smith Barney Inc.
Prospectus Department
Brooklyn Army Terminal
140 58th Street, Suite 8-G
Brooklyn, New York 11220
(telephone 718-765-6732)

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>
2	Group 2 MBS
3	Group 3 MBS

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of April 1, 2001)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 2 MBS	\$394,736,842	360	340	16	7.70%
Group 3 MBS	\$455,000,000	360	356	3	7.69%

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

Class Factors

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

Settlement Date

We expect to issue the certificates offered by this prospectus supplement on April 27, 2001.

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

Interest Rates

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

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

CI	7.1428571429% of the CS, CA, VB and VG Classes 5.3571428571% of the CB Class 12.5000000000% of the VA Class
AI	7.1428571429% of the AK, AB, AC, VC and VD Classes

Distributions of Principal

Group 2 Principal Distribution Amount

CZ Accrual Amount

To the CS Class to its Targeted Balance, and thereafter to the CZ Class.

ZA Accrual Amount

To the VA, VB, VG, CA and CB Classes, in that order, to zero and thereafter to the ZA Class.

Group 2 Cash Flow Distribution Amount

1. To the CS Class to its Targeted Balance.
2. To the CZ Class to zero.
3. To the CS Class to zero.
4. To the CA, CB, VB, VG, VA and ZA Classes, in that order, to zero.

Group 3 Principal Distribution Amount

AZ Accrual Amount

To the AK, AB and AC Classes, in that order, to their Planned Balances, and thereafter to the AZ Class.

ZB Accrual Amount

To the VC and VD Classes, in that order, to zero, and thereafter to the ZB Class.

Group 3 Cash Flow Distribution Amount

1. To the AK, AB and AC Classes, in that order, to their Planned Balances.
2. To the AZ and AD Classes, in that order, to zero.
3. To the AK, AB and AC Classes, in that order, to zero.
4. To the VD, VC and ZB Classes, in that order, to zero.

Weighted Average Lives (years)*

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>150%</u>	<u>306%</u>	<u>400%</u>	<u>600%</u>
CS	14.1	3.9	2.7	2.1	1.4
CZ	24.3	9.6	0.5	0.3	0.2
CA	17.3	11.3	6.0	4.6	3.0
CB	21.1	13.3	7.1	5.5	3.6
VA	5.6	5.6	5.6	5.3	4.2
VB	11.9	11.9	8.5	6.5	4.2
VG	14.8	14.7	9.5	7.3	4.7
CI	13.7	5.7	3.9	3.1	2.2
ZA	28.3	20.4	14.0	11.4	7.8

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>281%</u>	<u>311%</u>	<u>341%</u>	<u>600%</u>
AK	13.6	2.7	2.7	2.7	2.0
AB	22.1	5.9	5.9	5.9	3.7
AC	23.9	7.8	7.8	7.8	4.7
AZ	26.5	9.0	3.4	1.6	0.5
AD	28.4	10.4	9.5	4.4	1.1
VC	6.0	6.0	6.0	6.0	4.9
VD	12.7	11.3	10.6	9.7	5.7
AI	15.6	4.3	4.3	4.3	2.9
ZB	29.3	16.2	15.1	14.1	8.8

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

ADDITIONAL RISK FACTORS

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

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

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

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

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

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

Weighted average lives 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 2 and Group 3 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.

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

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

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

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

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of April 1, 2001 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Guaranteed REMIC Pass-Through Certificates pursuant to the Trust Agreement. We refer to the classes and certificates offered by this prospectus supplement as the “Classes” and “Certificates,” respectively.

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

- The Certificates (except the R and RL Classes) 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 that underlie the Classes will consist of two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 2 MBS” and “Group 3 MBS” and, together, the “MBS”).

Each MBS represents a beneficial ownership interest in 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 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 and “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus.

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

beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. 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 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 an Accrual Class).

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

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

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

The MBS

The following table contains certain information about the MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the MBS are conventional 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 MBS and the related Mortgage Loans as of April 1, 2001 (the “Issue Date”) to be as follows:

Group 2 MBS

Aggregate Unpaid Principal Balance	\$394,736,842
MBS Pass-Through Rate	7.00%

Related Mortgage Loans

Range of WACs (annual percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	340 months
Approximate Weighted Average Loan Age (“WALA”)	16 months

Group 3 MBS

Aggregate Unpaid Principal Balance	\$455,000,000
MBS Pass-Through Rate	7.00%

Related Mortgage Loans

Range of WACs (annual percentages)	7.25% to 9.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	356 months
Approximate WALA	3 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying the MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 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 2 Classes	
Fixed Rate	CS, CZ, CA, CB, VA, VB, VG, CI and ZA
Accrual	CZ and ZA
Interest Only	CI
Group 3 Classes	
Fixed Rate	AK, AB, AC, AZ, AD, VC, VD, AI and ZB
Accrual	AZ and ZB
Interest Only	AI
No Payment Residual	R and RL

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

General. We will pay interest on the Certificates at the applicable annual interest rates specified on the cover of 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 Accrual Periods. Interest to be paid on each Distribution Date will accrue on the Certificates during the 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

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

Accrual Classes. The CZ, ZA, AZ and ZB 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 each Accrual Class will be added as principal to its principal balance 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.

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 2 Classes	
TAC	CS
Support	CZ
Sequential Pay	CA, CB, VA, VB, VG and ZA
Accretion Directed	CS, VA, VB, VG, CA and CB
Notional	CI
Group 3 Classes	
PAC	AK, AB and AC
Support	AZ and AD
Sequential Pay	VC, VD and ZB
Accretion Directed	AK, AB, AC, VC and VD
Notional	AI
No Payment Residual	R and RL

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

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 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the CZ and ZA Classes (the “CZ Accrual Amount” and the “ZA Accrual Amount,” respectively, and, together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”), and
- the principal then paid on the Group 3 MBS (the “Group 3 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balances of the AZ and ZB Classes (the “AZ Accrual Amount” and the “ZB Accrual Amount,” respectively, and, together with the Group 3 Cash Flow Distribution Amount, the “Group 3 Principal Distribution Amount”).

Group 2 Principal Distribution Amount

CZ Accrual Amount

On each Distribution Date, we will pay the CZ Accrual Amount as principal of the CS Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date. Thereafter, we will pay the CZ Accrual Amount as principal of the CZ Class.

Accretion
Directed
Class and
Accrual
Class

ZA Accrual Amount

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

Accretion
Directed
Classes and
Accrual
Class

Group 2 Cash Flow Distribution Amount

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

- | | | |
|---|---|------------------------|
| (i) to the CS Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; | } | TAC Class |
| (ii) to the CZ Class, until its principal balance is reduced to zero; | | Support Class |
| (iii) to the CS Class, without regard to its Targeted Balance and until its principal balance is reduced to zero; and | } | TAC Class |
| (iv) sequentially, to the CA, CB, VB, VG, VA and ZA Classes, in that order, until their principal balances are reduced to zero. | | Sequential Pay Classes |

Group 3 Principal Distribution Amount

AZ Accrual Amount

On each Distribution Date, we will pay the AZ Accrual Amount, sequentially, as principal of the AK, AB and AC Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date. Thereafter, we will pay the AZ Accrual Amount as principal of the AZ Class.

Accretion
Directed
Classes and
Accrual
Class

ZB Accrual Amount

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

Accretion
Directed
Classes and
Accrual
Class

Group 3 Cash Flow Distribution Amount

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

- | | | |
|---|---|------------------------|
| (i) sequentially, to the AK, AB and AC Classes, in that order, until their principal balances are reduced to their Planned Balances for that Distribution Date; | } | PAC Classes |
| (ii) sequentially, to the AZ and AD Classes, in that order, until their principal balances are reduced to zero; | | Support Classes |
| (iii) sequentially, to the AK, AB and AC Classes, in that order, without regard to their Planned Balances and until their principal balances are reduced to zero; and | } | PAC Classes |
| (iv) sequentially, to the VD, VC and ZB Classes, in that order, until their principal balances are reduced to zero. | | Sequential Pay Classes |

Structuring Assumptions

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

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is April 27, 2001;
- 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.

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

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range and Rate</u>
Planned Balances	AK, AB and AC	Between 281% and 341%
Targeted Balances	CS	150%

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

Initial Effective Ranges. The Effective Range for a Class is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Class to its scheduled balance on each

Distribution Date. The Initial Effective Ranges shown in the table below are based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Classes</u>	<u>Initial Effective Ranges</u>
AK	273% to 345%
AB	267% to 341%
AC	259% to 341%

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

Yield Tables

General. The tables below illustrate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the applicable Classes to various constant percentages of PSA. 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, 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, or
- all of the Mortgage Loans will prepay at the same rate.

The CI and AI Classes. The yields on the CI and AI Classes 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 CI and AI Classes would be 0% if prepayments of the related Mortgage Loans were to occur at a constant rate of 592% PSA and 731% PSA, respectively. 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 CI 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 CI and AI Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
CI	15.0%
AI	17.0%

* 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 CI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>150%</u>	<u>306%</u>	<u>400%</u>	<u>600%</u>
Pre-Tax Yields to Maturity	42.1%	33.7%	25.8%	17.9%	(0.8)%

Sensitivity of the AI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>281%</u>	<u>311%</u>	<u>341%</u>	<u>600%</u>
Pre-Tax Yields to Maturity	37.7%	22.9%	22.9%	22.8%	8.3%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 2 and Group 3 Classes, and

- the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each date shown at various constant PSA rates 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 2 MBS	360 months	360 months	9.50%
Group 3 MBS	360 months	360 months	9.50%

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, WALAs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA 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 WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	CS Class					CZ Class					CA Class					CB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	150%	306%	400%	600%	0%	150%	306%	400%	600%	0%	150%	306%	400%	600%	0%	150%	306%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	98	87	86	79	65	107	107	0	0	0	100	100	100	100	100	100	100	100	100	100
April 2003	97	72	60	48	24	115	115	0	0	0	100	100	100	100	100	100	100	100	100	100
April 2004	95	58	39	24	0	123	123	0	0	0	100	100	100	100	41	100	100	100	100	100
April 2005	93	45	22	6	0	132	132	0	0	0	100	100	100	100	0	100	100	100	100	0
April 2006	90	33	8	0	0	142	142	0	0	0	100	100	100	0	0	100	100	100	80	0
April 2007	88	22	0	0	0	152	152	0	0	0	100	100	42	0	0	100	100	100	10	0
April 2008	85	12	0	0	0	163	163	0	0	0	100	100	0	0	0	100	100	53	0	0
April 2009	82	3	0	0	0	175	175	0	0	0	100	100	0	0	0	100	100	3	0	0
April 2010	79	0	0	0	0	187	127	0	0	0	100	100	0	0	0	100	100	0	0	0
April 2011	75	0	0	0	0	201	54	0	0	0	100	100	0	0	0	100	100	0	0	0
April 2012	71	0	0	0	0	215	0	0	0	0	100	79	0	0	0	100	100	0	0	0
April 2013	67	0	0	0	0	231	0	0	0	0	100	0	0	0	0	100	90	0	0	0
April 2014	63	0	0	0	0	248	0	0	0	0	100	0	0	0	0	100	56	0	0	0
April 2015	58	0	0	0	0	266	0	0	0	0	100	0	0	0	0	100	25	0	0	0
April 2016	52	0	0	0	0	285	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2017	46	0	0	0	0	305	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2018	40	0	0	0	0	328	0	0	0	0	60	0	0	0	0	100	0	0	0	0
April 2019	33	0	0	0	0	351	0	0	0	0	17	0	0	0	0	100	0	0	0	0
April 2020	25	0	0	0	0	377	0	0	0	0	0	0	0	0	0	90	0	0	0	0
April 2021	17	0	0	0	0	404	0	0	0	0	0	0	0	0	0	72	0	0	0	0
April 2022	8	0	0	0	0	433	0	0	0	0	0	0	0	0	0	53	0	0	0	0
April 2023	0	0	0	0	0	438	0	0	0	0	0	0	0	0	0	32	0	0	0	0
April 2024	0	0	0	0	0	353	0	0	0	0	0	0	0	0	0	10	0	0	0	0
April 2025	0	0	0	0	0	260	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	158	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	14.1	3.9	2.7	2.1	1.4	24.3	9.6	0.5	0.3	0.2	17.3	11.3	6.0	4.6	3.0	21.1	13.3	7.1	5.5	3.6

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

Date	VA Class					VB Class					VG Class					CI† Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	150%	306%	400%	600%	0%	150%	306%	400%	600%	0%	150%	306%	400%	600%	0%	150%	306%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	93	93	93	93	93	100	100	100	100	100	100	100	100	100	100	98	90	89	85	75
April 2003	85	85	85	85	85	100	100	100	100	100	100	100	100	100	100	96	79	70	62	45
April 2004	77	77	77	77	77	100	100	100	100	100	100	100	100	100	100	94	68	55	44	25
April 2005	68	68	68	68	68	100	100	100	100	97	100	100	100	100	100	91	58	42	30	15
April 2006	58	58	58	58	50	100	100	100	100	0	100	100	100	100	0	88	48	31	20	6
April 2007	48	48	48	48	0	100	100	100	100	0	100	100	100	100	0	85	40	22	13	0
April 2008	37	37	37	37	0	100	100	100	0	0	100	100	100	81	0	82	31	15	7	0
April 2009	25	25	25	4	0	100	100	100	0	0	100	100	100	0	0	79	23	10	*	0
April 2010	13	13	13	0	0	100	100	0	0	0	100	100	97	0	0	75	20	5	0	0
April 2011	0	0	0	0	0	99	99	0	0	0	100	100	0	0	0	71	18	0	0	0
April 2012	0	0	0	0	0	73	73	0	0	0	100	100	0	0	0	67	17	0	0	0
April 2013	0	0	0	0	0	46	46	0	0	0	100	100	0	0	0	63	12	0	0	0
April 2014	0	0	0	0	0	17	17	0	0	0	100	100	0	0	0	59	8	0	0	0
April 2015	0	0	0	0	0	0	0	0	0	0	83	83	0	0	0	54	5	0	0	0
April 2016	0	0	0	0	0	0	0	0	0	0	43	31	0	0	0	49	1	0	0	0
April 2017	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	44	0	0	0	0
April 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38	0	0	0	0
April 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	0	0	0	0
April 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24	0	0	0	0
April 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17	0	0	0	0
April 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0
April 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
April 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
April 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	5.6	5.6	5.6	5.3	4.2	11.9	11.9	8.5	6.5	4.2	14.8	14.7	9.5	7.3	4.7	13.7	5.7	3.9	3.1	2.2

Date	ZA Class					AK Class					AB Class					AC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	150%	306%	400%	600%	0%	281%	311%	341%	600%	0%	281%	311%	341%	600%	0%	281%	311%	341%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	107	107	107	107	107	98	89	89	89	89	100	100	100	100	100	100	100	100	100	100
April 2003	115	115	115	115	115	96	67	67	67	49	100	100	100	100	100	100	100	100	100	100
April 2004	123	123	123	123	123	94	40	40	40	7	100	100	100	100	100	100	100	100	100	100
April 2005	132	132	132	132	132	92	19	19	19	0	100	100	100	100	13	100	100	100	100	100
April 2006	142	142	142	142	142	90	*	*	*	0	100	100	100	100	0	100	100	100	100	25
April 2007	152	152	152	152	121	87	0	0	0	0	100	40	40	40	0	100	100	100	100	0
April 2008	163	163	163	163	76	84	0	0	0	0	100	0	0	0	0	100	88	88	88	0
April 2009	175	175	175	175	48	81	0	0	0	0	100	0	0	0	0	100	39	39	39	0
April 2010	187	187	187	133	30	77	0	0	0	0	100	0	0	0	0	100	1	1	1	0
April 2011	201	201	197	99	19	73	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2012	215	215	157	73	12	69	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2013	231	231	124	54	7	65	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2014	248	248	98	40	4	60	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2015	266	266	77	29	3	55	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2016	285	285	61	21	2	49	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2017	305	261	47	15	1	42	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2018	328	225	37	11	1	35	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2019	351	193	28	8	*	28	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2020	377	164	22	6	*	19	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2021	404	138	16	4	*	10	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2022	433	114	12	3	*	*	0	0	0	0	100	0	0	0	0	100	0	0	0	0
April 2023	464	93	9	2	*	0	0	0	0	0	55	0	0	0	0	100	0	0	0	0
April 2024	498	74	6	1	*	0	0	0	0	0	5	0	0	0	0	100	0	0	0	0
April 2025	514	57	4	1	*	0	0	0	0	0	0	0	0	0	0	38	0	0	0	0
April 2026	514	41	3	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2027	514	27	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2028	438	15	1	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2029	305	3	*	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2030	160	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.3	20.4	14.0	11.4	7.8	13.6	2.7	2.7	2.7	2.0	22.1	5.9	5.9	5.9	3.7	23.9	7.8	7.8	7.8	4.7

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

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

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

Date	AZ Class					AD Class					VC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	281%	311%	341%	600%	0%	281%	311%	341%	600%	0%	281%	311%	341%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	107	100	88	76	0	100	100	100	100	56	93	93	93	93	93
April 2003	115	100	64	29	0	100	100	100	100	0	86	86	86	86	86
April 2004	123	100	41	0	0	100	100	100	74	0	79	79	79	79	79
April 2005	132	100	27	0	0	100	100	100	34	0	70	70	70	70	70
April 2006	142	100	21	0	0	100	100	100	18	0	62	62	62	62	62
April 2007	152	99	19	0	0	100	100	100	15	0	52	52	52	52	52
April 2008	163	94	15	0	0	100	100	100	15	0	42	42	42	42	0
April 2009	175	84	10	0	0	100	100	100	15	0	31	31	31	31	0
April 2010	187	72	4	0	0	100	100	100	15	0	20	20	20	20	0
April 2011	201	0	0	0	0	100	92	0	0	0	7	7	7	7	0
April 2012	215	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2013	231	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2014	248	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2015	266	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2016	285	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2017	305	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2018	328	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2019	351	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2020	377	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2021	404	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2022	433	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2023	464	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2024	498	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2025	534	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2026	492	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2027	353	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2028	201	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2029	33	0	0	0	0	100	0	0	0	0	0	0	0	0	0
April 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.5	9.0	3.4	1.6	0.5	28.4	10.4	9.5	4.4	1.1	6.0	6.0	6.0	6.0	4.9

Date	VD Class					AI† Class					ZB Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	281%	311%	341%	600%	0%	281%	311%	341%	600%	0%	281%	311%	341%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
April 2002	100	100	100	100	100	98	92	92	92	92	107	107	107	107	107
April 2003	100	100	100	100	100	97	78	78	78	67	115	115	115	115	115
April 2004	100	100	100	100	100	95	61	61	61	40	123	123	123	123	123
April 2005	100	100	100	100	100	93	47	47	47	22	132	132	132	132	132
April 2006	100	100	100	100	100	91	35	35	35	11	142	142	142	142	142
April 2007	100	100	100	100	0	89	25	25	25	3	152	152	152	152	152
April 2008	100	100	100	100	0	86	17	17	17	0	163	163	163	163	131
April 2009	100	100	100	100	0	84	10	10	10	0	175	175	175	175	83
April 2010	100	100	100	100	0	81	5	5	5	0	187	187	187	187	52
April 2011	100	100	96	23	0	78	4	4	1	0	201	201	201	201	33
April 2012	90	82	4	0	0	74	3	*	0	0	215	215	215	175	20
April 2013	67	0	0	0	0	70	0	0	0	0	231	220	173	135	13
April 2014	43	0	0	0	0	66	0	0	0	0	248	178	137	105	8
April 2015	16	0	0	0	0	62	0	0	0	0	266	143	108	81	5
April 2016	0	0	0	0	0	58	0	0	0	0	277	115	85	62	3
April 2017	0	0	0	0	0	54	0	0	0	0	277	92	66	47	2
April 2018	0	0	0	0	0	49	0	0	0	0	277	73	52	36	1
April 2019	0	0	0	0	0	44	0	0	0	0	277	58	40	27	1
April 2020	0	0	0	0	0	39	0	0	0	0	277	45	31	21	*
April 2021	0	0	0	0	0	33	0	0	0	0	277	35	23	15	*
April 2022	0	0	0	0	0	27	0	0	0	0	277	27	18	11	*
April 2023	0	0	0	0	0	20	0	0	0	0	277	21	13	8	*
April 2024	0	0	0	0	0	13	0	0	0	0	277	16	10	6	*
April 2025	0	0	0	0	0	5	0	0	0	0	277	11	7	4	*
April 2026	0	0	0	0	0	0	0	0	0	0	277	8	5	3	*
April 2027	0	0	0	0	0	0	0	0	0	0	277	5	3	2	*
April 2028	0	0	0	0	0	0	0	0	0	0	277	3	2	1	*
April 2029	0	0	0	0	0	0	0	0	0	0	277	2	1	1	*
April 2030	0	0	0	0	0	0	0	0	0	0	194	1	*	*	*
April 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	12.7	11.3	10.6	9.7	5.7	15.6	4.3	4.3	4.3	2.9	29.3	16.2	15.1	14.1	8.8

* 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.

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

Characteristics of the R and RL Classes

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

The R and RL Classes will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of an R or RL Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an R or RL Certificate to any person that is not a “U.S. Person.” 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. The affidavit must also state that the transferee is a “U.S. Person” and that, if the transferee is a partnership for U.S. federal income tax purposes, each person or entity that holds an interest (directly, or indirectly through a pass-through entity) in the partnership is a “U.S. Person.” In addition, the transferee must receive an affidavit containing these same representations from any new transferee. 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 IRS has since issued a Revenue Procedure creating a safe harbor that may be used for transfers of noneconomic residual interests pending the finalization of the proposed amendment. Under this safe harbor, a transferor of a noneconomic residual interest will be presumed not to have improper knowledge if, in addition to meeting the two conditions contained in the Regulations, either (i) the terms of the proposed amendment are complied with or (ii) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer), the transferee is an “eligible corporation” as defined in section 860L(a)(2) of the Code, the transferee agrees in writing that any subsequent transfer of the residual interest will be to an

eligible corporation and will comply with the safe harbor, and the facts and circumstances known to the transferor do not reasonably indicate that the taxes associated with the residual interest will not be paid. The Revenue Procedure contains additional details regarding its application, and you should consult your own tax advisor regarding the application of the Revenue Procedure to an actual 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 Certificates, other than the R and RL Classes, will be designated as “regular interests,” and the R Class will be designated as the “residual interest,” in the REMIC constituted by the Trust. The Lower Tier Regular Interests will be designated as the “regular interests” and the RL Class will be designated as the “residual interest” in the Lower Tier REMIC.

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

Under the Regulations, a REMIC may issue its regular and residual interests over any ten-day period and designate any of those ten days as the REMIC’s startup day. Fannie Mae intends to designate April 27, 2001 as the startup day for the Trust and the Lower Tier REMIC.

Taxation of Beneficial Owners of Regular Certificates

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

Beneficial Owners of Regular Certificates—Regular Certificates Purchased at a Premium” in the 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>
2	306%
3	311%

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 either 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

In addition to the MBS described in this prospectus supplement, the assets of the Lower Tier REMIC will include the MBS backing the Group 1 Classes (the “Group 1 MBS”), and the Lower Tier REMIC will issue Lower Tier Regular Interests in respect of the Group 1 MBS. Likewise, the assets of the REMIC constituted by the Trust will include the Lower Tier Regular Interests in respect of the Group 1 MBS, and the REMIC constituted by the Trust will issue the Group 1 Classes, in addition to the Group 2 and 3 Classes described in this prospectus supplement. Therefore, in considering the tax consequences of holding a Residual Certificate, you should take into account the Group 1 MBS, the Group 1 Classes, and the Lower Tier Regular Interests issued in respect of the Group 1 MBS and the Group 1 Classes. See the Related Prospectus Supplement for a description of the Group 1 MBS and the Group 1 Classes, and see the discussion under “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus for a discussion of certain federal income tax consequences of holding a Residual Certificate.

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 March 20, 2001. 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.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Salomon Smith Barney Inc. (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Group 2 or Group 3 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 2 or Group 3 Class bears to the aggregate original principal balance of all Group 2 or Group 3 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.

Principal Balance Schedules

CS 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	\$250,000,000.00	March 2004	\$147,466,693.47	January 2007	\$ 62,391,898.23
May 2001	247,824,169.75	April 2004	144,660,097.25	February 2007	60,182,210.40
June 2001	245,552,720.19	May 2004	141,873,681.60	March 2007	57,987,516.17
July 2001	243,186,968.06	June 2004	139,107,274.73	April 2007	55,807,681.54
August 2001	240,728,301.95	July 2004	136,360,706.17	May 2007	53,642,573.45
September 2001	238,178,180.96	August 2004	133,633,806.65	June 2007	51,492,059.81
October 2001	235,538,133.18	September 2004	130,926,408.17	July 2007	49,356,009.46
November 2001	232,809,754.11	October 2004	128,238,343.99	August 2007	47,234,292.17
December 2001	229,994,705.00	November 2004	125,569,448.56	September 2007	45,126,778.66
January 2002	227,094,711.10	December 2004	122,919,557.57	October 2007	43,033,340.52
February 2002	224,111,559.79	January 2005	120,288,507.92	November 2007	40,953,850.28
March 2002	221,047,098.70	February 2005	117,676,137.71	December 2007	38,888,181.37
April 2002	217,903,233.66	March 2005	115,082,286.21	January 2008	36,836,208.12
May 2002	214,681,926.65	April 2005	112,506,793.88	February 2008	34,797,805.73
June 2002	211,385,193.62	May 2005	109,949,502.35	March 2008	32,772,850.28
July 2002	208,112,763.34	June 2005	107,410,254.41	April 2008	30,761,218.74
August 2002	204,864,433.30	July 2005	104,888,894.00	May 2008	28,762,788.93
September 2002	201,640,002.55	August 2005	102,385,266.19	June 2008	26,777,439.53
October 2002	198,439,271.63	September 2005	99,899,217.20	July 2008	24,805,050.07
November 2002	195,262,042.56	October 2005	97,430,594.34	August 2008	22,845,500.90
December 2002	192,108,118.85	November 2005	94,979,246.08	September 2008	20,898,673.25
January 2003	188,977,305.49	December 2005	92,545,021.94	October 2008	18,964,449.16
February 2003	185,869,408.91	January 2006	90,127,772.56	November 2008	17,042,711.47
March 2003	182,784,237.00	February 2006	87,727,349.68	December 2008	15,133,343.84
April 2003	179,721,599.08	March 2006	85,343,606.08	January 2009	13,236,230.76
May 2003	176,681,305.90	April 2006	82,976,395.64	February 2009	11,351,257.49
June 2003	173,663,169.62	May 2006	80,625,573.28	March 2009	9,478,310.12
July 2003	170,667,003.80	June 2006	78,290,994.96	April 2009	7,617,275.49
August 2003	167,692,623.38	July 2006	75,972,517.71	May 2009	5,768,041.24
September 2003	164,739,844.67	August 2006	73,669,999.58	June 2009	3,930,495.77
October 2003	161,808,485.38	September 2006	71,383,299.61	July 2009	2,104,528.26
November 2003	158,898,364.54	October 2006	69,112,277.91	August 2009	290,028.63
December 2003	156,009,302.56	November 2006	66,856,795.56	September 2009 and thereafter	0.00
January 2004	153,141,121.13	December 2006	64,616,714.64		
February 2004	150,293,643.32				

AK 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	\$250,000,000.00	March 2002	\$225,167,285.61	February 2003	\$177,075,932.92
May 2001	248,804,939.69	April 2002	221,682,364.06	March 2003	171,754,771.21
June 2001	247,393,217.52	May 2002	218,006,178.88	April 2003	166,301,009.28
July 2001	245,765,601.72	June 2002	214,142,823.37	May 2003	160,721,235.15
August 2001	243,923,171.86	July 2002	210,096,665.86	June 2003	155,022,192.92
September 2001	241,867,319.28	August 2002	205,872,342.03	July 2003	149,210,768.87
October 2001	239,599,746.74	September 2002	201,474,746.48	August 2003	143,490,895.34
November 2001	237,122,467.38	October 2002	196,909,023.68	September 2003	137,861,149.20
December 2001	234,437,802.91	November 2002	192,180,558.26	October 2003	132,320,129.29
January 2002	231,548,381.06	December 2002	187,294,964.61	November 2003	126,866,456.07
February 2002	228,457,132.26	January 2003	182,258,075.98	December 2003	121,498,771.27

AK 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 2004	\$116,215,737.59	November 2004	\$ 67,761,362.26	September 2005	\$ 26,444,904.81
February 2004	111,016,038.37	December 2004	63,326,910.81	October 2005	22,664,525.76
March 2004	105,898,377.27	January 2005	58,962,585.29	November 2005	18,944,077.59
April 2004	100,861,477.95	February 2005	54,667,293.29	December 2005	15,282,625.43
May 2004	95,904,083.77	March 2005	50,439,959.28	January 2006	11,679,248.86
June 2004	91,024,957.50	April 2005	46,279,524.35	February 2006	8,133,041.69
July 2004	86,222,881.01	May 2005	42,184,945.93	March 2006	4,643,111.73
August 2004	81,496,654.96	June 2005	38,155,197.57	April 2006	1,208,580.60
September 2004	76,845,098.55	July 2005	34,189,268.69	May 2006 and thereafter	0.00
October 2004	72,267,049.19	August 2005	30,286,164.30		

AB 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 2006	\$59,600,000.00	December 2006	\$35,229,796.52	August 2007	\$13,130,927.44
May 2006	57,428,583.49	January 2007	32,271,791.57	September 2007	10,607,363.85
June 2006	54,102,268.98	February 2007	29,371,883.43	October 2007	8,133,475.43
July 2006	50,828,798.80	March 2007	26,528,946.56	November 2007	5,708,298.44
August 2006	47,607,347.66	April 2007	23,741,877.02	December 2007	3,330,887.68
September 2006	44,437,103.03	May 2007	21,009,592.10	January 2008	1,000,316.12
October 2006	41,317,264.96	June 2007	18,331,029.87	February 2008 and thereafter	0.00
November 2006	38,247,045.86	July 2007	15,705,148.82		

AC 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 January 2008	\$47,600,000.00	November 2008	\$27,679,126.07	September 2009	\$10,544,485.63
February 2008	46,315,674.55	December 2008	25,807,463.90	October 2009	9,012,149.96
March 2008	44,076,071.24	January 2009	23,972,813.91	November 2009	7,510,218.62
April 2008	41,880,631.61	February 2009	22,174,455.99	December 2009	6,038,098.83
May 2008	39,728,497.92	March 2009	20,411,683.90	January 2010	4,595,209.24
June 2008	37,618,828.91	April 2009	18,683,804.99	February 2010	3,180,979.70
July 2008	35,550,799.51	May 2009	16,990,139.97	March 2010	1,794,851.08
August 2008	33,523,600.54	June 2009	15,330,022.63	April 2010	436,275.02
September 2008	31,536,438.37	July 2009	13,702,799.59	May 2010 and thereafter	0.00
October 2008	29,588,534.67	August 2009	12,107,830.07		

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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.

\$849,736,842



Guaranteed REMIC Pass-Through Certificates

**Fannie Mae REMIC Trust 2001-12
(The Group 2, 3 and Residual
Classes Only)**

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	S- 2
Available Information	S- 3
Reference Sheet	S- 4
Additional Risk Factors	S- 7
Description of the Certificates	S- 8
Certain Additional Federal Income Tax Consequences	S-22
Plan of Distribution	S-23
Legal Matters	S-24
Principal Balance Schedules	A- 1

Salomon Smith Barney

**Prospectus Supplement
March 15, 2001**