

\$648,786,018



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2001-34**

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.

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 own

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
FR	1	\$ 66,777,444	PT	(1)	FLT	313920PE4	August 2031
SR	1	66,777,444 (2)	NTL	(1)	INV/IO	313920PF1	August 2031
VM	2	6,097,000	SC/SEQ/AD	6.5%	FIX	313920PG9	January 2009
VN	2	12,601,000	SC/SEQ/AD	6.5	FIX	313920PH7	December 2017
ZN	2	10,000,000	SC/SEQ	6.5	FIX/Z	313920PJ3	June 2031
FM	3	141,827,172	PT	(1)	FLT	313920PK0	August 2031
SM	3	141,827,172 (2)	NTL	(1)	INV/IO	313920PL8	August 2031
FV	4	33,532,095	PT	(1)	FLT	313920PM6	August 2031
SV	4	33,532,095 (2)	NTL	(1)	INV/IO	313920PN4	August 2031
FB	5	65,166,062	PT	(1)	FLT	313920PP9	December 2028
SB	5	65,166,062 (2)	NTL	(1)	INV/IO	313920PQ7	December 2028
IO	5	65,166,062 (2)	NTL	(3)	WAC/IO	313920PR5	December 2028
A	6	50,000,000	SEQ	6.0	FIX	313920PS3	July 2029
AD	6	70,004,000	SEQ	6.0	FIX	313920PT1	December 2027
AE	6	11,199,000	SEQ	6.0	FIX	313920PU8	July 2029
VA	6	7,879,000	SEQ/AD	6.0	FIX	313920PV6	October 2010
VB	6	10,038,000	SEQ/AD	6.0	FIX	313920PW4	December 2017
Z	6	10,880,000	SEQ	6.0	FIX/Z	313920PX2	August 2031
SK	7,8	64,572,318 (2)	NTL	(1)	INV/IO	313920PZ7	August 2031
KO	7,8	13,836,927	PT	(4)	PO	313920QB9	August 2031
FK	7	45,260,382	PT	(1)	FLT	313920PY0	August 2031
FL	8	19,311,936	PT	(1)	FLT	313920QA1	August 2031
V	9	35,376,000	SC/SEQ/AD	6.0	FIX	313920QC7	June 2012
ZD	9	39,000,000	SC/SEQ	6.0	FIX/Z	313920QD5	May 2029
R		0	NPR	0	NPR	313920QE3	August 2031

(1) Based on LIBOR.

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

(3) Weighted average coupon class. This class bears interest at the variable interest rate described in this prospectus supplement. During the initial interest accrual period, the IO Class is expected to bear interest at the annual rate of approximately 1.008%.

(4) Principal only class.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be July 30, 2001.

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.

Goldman, Sachs & Co.

The date of this Prospectus Supplement is June 8, 2001

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AVAILABLE INFORMATION

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

- our Prospectus for 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”);
- if you are purchasing any Group 2 or Group 9 Classes or the R Class, the disclosure documents relating to the underlying REMIC and RCR certificates (the “Underlying REMIC Disclosure Documents”);
- if you are purchasing any Group 3 or Group 4 Classes or the R Class, our Prospectus for Stripped Mortgage-Backed Securities dated March 30, 2000 (the “SMBS Prospectus”); and
- our Information Statement dated March 30, 2001 and its supplements (the “Information Statement”).

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 Documents, by writing or calling the dealer at:

Goldman, Sachs & Co.
Prospectus Department
85 Broad Street, SC Level
New York, New York 10004
(telephone 212-902-1171).

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	Class 2001-26-KC REMIC Certificate
3	Group 3 SMBS
4	Group 4 SMBS
5	Group 5 MBS
6	Group 6 MBS
7	Group 7 MBS
8	Group 8 MBS
9	Class 2001-19-LC RCR Certificate

Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS and the SMBS (as of July 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 1 MBS	\$ 66,777,444	360	215	140	9.1800%
Group 3 SMBS*	\$141,827,172	360	321	31	6.6540%
Group 4 SMBS**	\$ 33,532,095	360	324	29	6.6730%
Group 5 MBS	\$ 65,166,062	355	177	160	10.6720%
Group 6 MBS	\$160,000,000	360	326	26	6.6800%
Group 7 MBS	\$ 54,959,036	360	275	64	7.5959%
Group 8 MBS	\$ 23,450,209	360	289	71	7.6050%

* The Group 3 SMBS will represent ownership of (i) interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$200,921,827 and (ii) principal payments on an initial principal amount of \$141,827,172 of MBS. See “Description of the Certificates—The SMBS” in this prospectus supplement.

** The Group 4 SMBS will represent ownership of (i) interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$47,503,801 and (ii) principal payments on an initial principal amount of \$33,532,095 of MBS. See “Description of the Certificates—The SMBS” in this prospectus supplement.

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.

Characteristics of the Underlying REMIC and RCR Certificates

Exhibit A describes the underlying REMIC and RCR certificates, including certain information about the related mortgage loans. To learn more about the underlying REMIC and RCR certificates, you should obtain the current class factors and disclosure documents for the underlying REMIC and RCR 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 July 30, 2001.

Distribution Dates

We will make payments on the Group 1 and Group 5 Classes on the 18th day of each calendar month, or on the next business day if the 18th day is not a business day. We will make payments on the Group 2, Group 3, Group 4, Group 6, Group 7, Group 8 and Group 9 Classes on the 25th day of each calendar month or on the next business day if the 25th day is not a business day.

Book-Entry and Physical Certificates

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

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

<u>Fed Book-Entry</u>	<u>Physical</u>
All Classes other than the R Class	R Class

Interest Rates

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

During the initial interest accrual period, the weighted average coupon class is expected to bear interest at the applicable annual rate specified on the cover of this prospectus supplement. During subsequent interest accrual periods, this class will bear interest at the variable annual interest rate described in this prospectus supplement.

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FR	4.30%	8.5%	0.4%	LIBOR + 40 basis points
SR	4.20%	8.1%	0.0%	8.1% - LIBOR
FM	4.33%	8.5%	0.5%	LIBOR + 50 basis points
SM	4.17%	8.0%	0.0%	8% - LIBOR
FV	4.33%	8.5%	0.5%	LIBOR + 50 basis points
SV	4.17%	8.0%	0.0%	8% - LIBOR
FB	4.13%	9.0%	0.3%	LIBOR + 30 basis points
SB	4.87%	8.7%	0.0%	8.7% - LIBOR
FK	4.29%	8.5%	0.5%	LIBOR + 50 basis points
SK	4.21%	8.0%	0.0%	8% - LIBOR
FL	4.29%	8.5%	0.5%	LIBOR + 50 basis points

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

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

SR	100% of the FR Class
SM	100% of the FM Class
SV	100% of the FV Class
SB	100% of the FB Class
IO	100% of the FB Class
SK	100% of the FK and FL Classes

Distributions of Principal

Group 1 Principal Distribution Amount

To the FR Class to zero.

Group 2 Principal Distribution Amount

ZN Accrual Amount

To the VM and VN Classes, in that order, to zero, and thereafter to the ZN Class.

Group 2 Cash Flow Distribution Amount

To the VM, VN and ZN Classes, in that order, to zero.

Group 3 Principal Distribution Amount

To the FM Class to zero.

Group 4 Principal Distribution Amount

To the FV Class to zero.

Group 5 Principal Distribution Amount

To the FB Class to zero.

Group 6 Principal Distribution Amount

Z Accrual Amount

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

Group 6 Cash Flow Distribution Amount

1. (a) 38.1088847054% of such amount to the A Class to zero, and
(b) 61.8911152946% of such amount to the AD and AE Classes, in that order, to zero.
2. To the VA, VB and Z Classes, in that order, to zero.

Group 7 Principal Distribution Amount

To the FK and KO Classes, in the proportions of 82.3529401062% and 17.6470598938%, respectively, to zero.

Group 8 Principal Distribution Amount

To the FL and KO Classes, in the proportions of 82.3529376646% and 17.6470623354%, respectively, to zero.

Group 9 Principal Distribution Amount

ZD Accrual Amount

To the V Class to zero, and thereafter to the ZD Class.

Group 9 Cash Flow Distribution Amount

To the V and ZD Classes, in that order, to zero.

Weighted Average Lives (years) *

		PSA Prepayment Assumption					
Group 1 Classes		0%	100%	375%	500%	600%	
FR and SR		22.0	7.8	3.4	2.6	2.1	
Group 2 Classes		PSA Prepayment Assumption					
		0%	100%	188%	300%	500%	
VM		4.0	4.0	4.0	4.0	3.6	
VN		12.3	12.3	11.6	9.1	5.9	
ZN		28.9	22.8	18.4	14.2	9.3	
Group 3 Classes		PSA Prepayment Assumption					
		0%	100%	159%	250%	500%	
FM and SM		20.8	10.0	7.6	5.4	2.7	
Group 4 Classes		PSA Prepayment Assumption					
		0%	100%	170%	300%	500%	
FV and SV		20.8	10.0	7.3	4.6	2.7	
Group 5 Classes		0%	100%	250%	400%	550%	700%
FB, SB and IO		9.2	6.7	4.4	3.1	2.3	1.7
Group 6 Classes		PSA Prepayment Assumption					
		0%	100%	170%	300%	500%	
A		19.0	7.4	5.0	3.0	1.7	
AD		17.7	6.1	4.0	2.3	1.4	
AE		27.1	16.0	11.2	6.8	3.9	
VA		5.0	5.0	5.0	4.9	3.8	
VB		13.0	13.0	12.3	8.9	5.6	
Z		29.0	22.2	18.8	13.7	8.8	
Group 7 and 8 Classes		PSA Prepayment Assumption					
		0%	100%	229%	350%	500%	
FK		21.3	9.1	5.6	3.9	2.7	
SK and KO		21.3	9.2	5.6	3.9	2.7	
FL		21.3	9.5	5.7	3.9	2.7	
Group 9 Classes		PSA Prepayment Assumption					
		0%	100%	155%	250%	500%	
V		6.0	6.0	5.9	5.0	3.3	
ZD		26.2	15.8	12.1	8.6	4.8	

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

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 governing the related underlying REMIC and RCR certificates. If you invest in the Group 2 or Group 9 Classes, the rate at which you receive principal payments also will be affected by the priority sequences governing principal payments on the related underlying REMIC and RCR certificates.

As described in the related disclosure documents, the underlying REMIC and RCR certificates are subsequent in payment priority to certain other classes issued from the related underlying REMIC trusts. As a result, such other classes may receive principal before principal is paid on the underlying REMIC and RCR certificates, possibly for long periods.

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

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.

In addition, if you buy certificates of the IO Class and a disproportionately high rate of prepayments occurs on the Group 5 MBS with pass-through rates higher than 9.0%, the yield on your certificates will decrease and may be lower than you expect.

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 5, Group 6, Group 7 and Group 8 MBS and the Group 3 and Group 4 SMBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

Unpredictable timing of last payment affects yields on certificates. The actual final payment of your class is likely to occur earlier, and could occur much earlier, than the final distribution date listed on the cover page 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 authori-

ties, 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 (the “Trust”) pursuant to a trust agreement (the “Trust Agreement”) dated as of July 1, 2001 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the Certificates”), pursuant to the Trust Agreement. We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”).

The Trust 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 Class) will be “regular interests” in the Trust.
- The R Class will be the “residual interest” in the Trust.

The assets of the Trust will consist of

- five groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 5 MBS,” “Group 6 MBS,” “Group 7 MBS” and “Group 8 MBS” and, together, the “Trust MBS”),
- two groups of previously issued REMIC or Recombinable REMIC (“RCR”) certificates (the “Group 2 Underlying REMIC Certificate,” and “Group 9 Underlying RCR Certificate” and, together, the “Underlying REMIC Certificates”) evidencing beneficial ownership interests in the related REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A, and

- two groups of Fannie Mae Stripped Mortgage-Backed Securities (the “Group 3 SMBS” and “Group 4 SMBS” and, together, the “SMBS”).

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

The SMBS represent beneficial ownership interests in certain interest and principal distributions on certain MBS.

Each MBS represents a beneficial ownership interest in a pool of first lien, one- to four-family (“single-family”), fixed-rate residential 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 Documents. Our guarantees are not backed by the full faith and credit of the United States. See “Description of Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus, “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus, “Description of the Certificates—General—Fannie Mae Guaranty” in the related Underlying REMIC Disclosure Documents and “The SMBS Certificates—Fannie Mae Obligations” in the SMBS Prospectus.

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

The Holder of the R Class will receive the proceeds of any remaining assets of the Trust 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 Class, in minimum denominations of \$1,000 and whole dollar increments. We will issue the R Class as a single Certificate with no principal balance.

Distribution Dates. We will make monthly payments on the Group 1 and Group 5 Classes on the 18th day of each month (or, if the 18th day is not a business day, on the first business day after the 18th). We will make monthly payments on the Group 2, Group 3, Group 4, Group 6, Group 7, Group 8 and Group 9 Classes on the 25th day of each month (or, if the 25th day is not a business day, on the first business day after the 25th). We refer to each 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 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 and the SMBS. Holders of the Underlying REMIC Certificates and the SMBS may be asked to vote on issues arising under the applicable trust agreements. If so, the Trustee will vote the related Underlying REMIC Certificates or SMBS as instructed by Holders of Certificates of the Classes backed by those Underlying REMIC Certificates or SMBS. 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.

The Trust MBS

General

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. Except as specified below in the case of the Group 5 MBS, the Mortgage Loans underlying the Trust MBS are conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties. All of the Mortgage Loans underlying the Group 1, Group 6, Group 7 and Group 8 MBS, and substantially all of the Mortgage Loans underlying the Group 5 MBS 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 the Issue Date to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$66,777,444
MBS Pass-Through Rate	8.50%
Range of WACs (annual percentages)	8.75% to 11.00%
Approximate Weighted Average WAM	215 months
Approximate Weighted Average WALA (Weighted Average Loan Age)	140 months

Group 5 MBS

Aggregate Unpaid Principal Balance	\$65,166,062
Initial Weighted Average MBS Pass-Through Rate	10.008%
Range of WACs (annual percentages)	9.25% to 16.5%
Approximate Weighted Average WAM	177 months
Approximate Weighted Average WALA	160 months

Group 6 MBS

Aggregate Unpaid Principal Balance	\$160,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Approximate Weighted Average WAM	326 months
Approximate Weighted Average WALA	26 months

Group 7 MBS

Aggregate Unpaid Principal Balance	\$54,959,036
MBS Pass-Through Rate	7.00%
Range of WACs (annual percentages)	7.25% to 9.50%
Approximate Weighted Average WAM	275 months
Approximate Weighted Average WALA	64 months

Group 8 MBS

Aggregate Unpaid Principal Balance	\$23,450,209
MBS Pass-Through Rate	7.00%
Range of WACs (annual percentages)	7.25% to 9.50%
Approximate Weighted Average WAM	289 months
Approximate Weighted Average WALA	71 months

Additional Considerations Relating to the Group 5 MBS

Approximately 48% of the Mortgage Loans underlying the Group 5 MBS (by aggregate unpaid principal balance as of the Issue Date) are either insured or guaranteed by the Federal Housing Administration (“FHA”), the Department of Veterans Affairs (“VA”) or the Rural Housing Service (“RHS”). In particular:

- approximately 27.5% of the related Mortgage Loans were originated in accordance with FHA or VA underwriting guidelines and were subsequently included in Ginnie Mae pools. However, each such Mortgage Loan was repurchased from the applicable Ginnie Mae pool following an uncured delinquency of at least 90 days. Although, these Mortgage Loans are currently performing in accordance with their payment terms, the related servicers have the right to repurchase any such Mortgage Loan that again becomes delinquent for at least 90 days; and
- approximately 15.2% of the related Mortgage Loans are held in the form of Fannie Mae Mega Certificates that are backed by “fully modified pass-through” mortgage-backed securities guaranteed as to timely payment of principal and interest by Ginnie Mae (“Ginnie Mae Certificates”).

The Underlying REMIC Certificates

The Underlying REMIC Certificates represent beneficial ownership interests in the related Underlying REMIC Trusts. The assets of these trusts evidence direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth 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 related Underlying REMIC Disclosure Documents. See Exhibit A for additional information about the Underlying REMIC Certificates.

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.

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 dates we prepared the Underlying REMIC Disclosure Documents. 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 those documents may be limited.

The SMBS

The general characteristics of the SMBS are described in the SMBS Prospectus. The SMBS provide that certain payments on the related MBS will be passed through monthly. The general characteristics of the MBS are described in the MBS Prospectus. Each MBS evidences beneficial ownership interests in a pool of conventional Level Payment Mortgage Loans secured by first mortgages or deed of trust on single-family residential properties, as described under “the mortgage pools” and “Yield Considerations” in the MBS Prospectus.

Group 3 SMBS

The Group 3 SMBS represent ownership of:

- interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$200,921,827, and
- principal payments on an initial principal amount of \$141,827,172 of MBS held in the form of a Mega Certificate and included in a Fannie Mae Stripped Mortgage-Backed Security.

We expect the characteristics of the Mortgage Loans underlying the Group 3 SMBS as of the Issue Date to be as follows:

Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	321 months
Approximate Weighted Average WALA	31 months

Group 4 SMBS

The Group 4 SMBS represent ownership of:

- interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$47,503,801, and
- principal payments on an initial principal amount of \$33,532,095 of MBS held in the form of a Mega Certificate and included in a Fannie Mae Stripped Mortgage-Backed Security.

We expect the characteristics of the Mortgage Loans underlying the Group 4 SMBS as of the Issue Date to be as follows:

Range of WACS (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	324 months
Approximate Weighted Average WALA	29 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Underlying REMIC Certificates as of the Issue Date and, with respect to the Trust MBS and the SMBS, 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 and the SMBS as of the Issue Date. The Final Data Statement will also include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Trust MBS and the SMBS 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	
Floating Rate	FR
Inverse Floating Rate	SR
Interest Only	SR
Group 2 Classes	
Fixed Rate	VM, VN and ZN
Accrual	ZN
Group 3 Classes	
Floating Rate	FM
Inverse Floating Rate	SM
Interest Only	SM
Group 4 Classes	
Floating Rate	FV
Inverse Floating Rate	SV
Interest Only	SV
Group 5 Classes	
Floating Rate	FB
Inverse Floating Rate	SB
Weighted Average Coupon	IO
Interest Only	SB and IO
Group 6 Classes	
Fixed Rate	A, AD, AE, VA, VB and Z
Accrual	Z

<u>Interest Type*</u>	<u>Classes</u>
Group 7 Classes	
Floating Rate	FK
Inverse Floating Rate	SK†
Interest Only	SK†
Principal Only	KO††
Group 8 Classes	
Floating Rate	FL
Inverse Floating Rate	SK†
Interest Only	SK†
Principal Only	KO††
Group 9 Classes	
Fixed Rate	V and ZD
Accrual	ZD
No Payment Residual	R

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

† The notional principal balance of the SK Class will decline based on reductions in the principal balances of the FK Class in Group 7 and the FL Class in Group 8.

†† The KO Class will receive payments of principal from both the Group 7 Principal Distribution Amount and the Group 8 Principal Distribution Amount.

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

<u>Classes</u>	<u>Interest Accrual Periods</u>
All Fixed Rate Classes and the IO Class (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
The FR, SR, FB and SB Classes (collectively, the “18th pay No-Delay Classes”)	One-month period beginning on the 18th day of the month preceding the month in which the Distribution Date occurs
All other Floating Rate and Inverse Floating Rate Classes (collectively, the “25th pay No-Delay 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 KO Class as a Delay Class for the sole purpose of facilitating trading.

Accrual Classes. The ZN, Z and ZD 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” above.

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

Weighted Average Coupon Class. The IO Class will bear interest during each Interest Accrual Period at an annual rate equal to the **excess**, if any, of

- the weighted average pass-through rate of the Group 5 MBS
- over**
- 9.0%.

During the initial Interest Accrual Period, the IO Class will bear interest at the annual rate specified on the cover.

Our determination of the rate of interest for the IO Class for each related Interest Accrual Period shall (in the absence of manifest error) be final and binding. You may obtain each such rate of interest by telephoning us at 1-800-237-8627 or 202-752-6547.

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 such 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 3.9% in the case of the FR and SR Classes, 3.83% in the case of the FM, SM, FV, SV, FB and SB Classes, and 3.79% in the case of the FK, SK and FL 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	
Pass-Through	FR
Notional	SR
Group 2 Classes	
Structured Collateral/Sequential Pay	VM, VN and ZN
Accretion Directed	VM and VN
Group 3 Classes	
Pass-Through	FM
Notional	SM
Group 4 Classes	
Pass-Through	FV
Notional	SV
Group 5 Classes	
Pass-Through	FB
Notional	SB and IO
Group 6 Classes	
Sequential Pay	A, AD, AE, VA, VB and Z
Accretion Directed	VA and VB
Group 7 Classes	
Pass-Through	FK and KO†
Notional	SK††
Group 8 Classes	
Pass-Through	FL and KO†
Notional	SK††
Group 9 Classes	
Structured Collateral/Sequential Pay	V and ZD
Accretion Directed	V
No Payment Residual	R and RL

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

† The KO Class will receive payments of principal from both the Group 7 Principal Distribution Amount and the Group 8 Principal Distribution Amount.

†† The notional principal balance of the SK Class will decline based on reductions in the principal balances of the FK Class in Group 7 and the FL Class in Group 8.

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 to be paid on the Group 1 MBS in the month of such Distribution Date (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 Underlying REMIC Certificate (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZN Class (the “ZN Accrual Amount,” and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),

- the principal then paid on the Group 3 SMBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 SMBS (the “Group 4 Principal Distribution Amount”),
- the principal to be paid on the Group 5 MBS in the month of such Distribution Date (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 Z Class (the “Z Accrual Amount,” and together with the Group 6 Cash Flow Distribution Amount, the “Group 6 Principal Distribution Amount”),
- the principal then paid on the Group 7 MBS (the “Group 7 Principal Distribution Amount”),
- the principal then paid on the Group 8 MBS (the “Group 8 Principal Distribution Amount”), and
- the principal then paid on the Group 9 Underlying REMIC Certificate (the “Group 9 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZD Class (the “ZD Accrual Amount,” and together with the Group 9 Cash Flow Distribution Amount, the “Group 9 Principal Distribution Amount”).

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

Group 1 Principal Distribution Amount

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount as principal of the FR Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 2 Principal Distribution Amount

ZN Accrual Amount

On each Distribution Date, we will pay the ZN Accrual Amount, sequentially, as principal of the VM and VN Classes, in that order, until their principal balances are reduced to zero. Thereafter, we will pay the ZN Accrual Amount as principal of the ZN 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, sequentially, as principal of the VM, VN and ZN Classes, in that order, until their principal balances are reduced to zero. } Structured Collateral/ Sequential Pay Classes

Group 3 Principal Distribution Amount

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount as principal of the FM Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 4 Principal Distribution Amount

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount as principal of the FV Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 5 Principal Distribution Amount

On each Distribution Date, we will pay the Group 5 Principal Distribution Amount as principal of the FB Class, until its principal balance is reduced to zero. } Pass-Through Class

Group 6 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 6 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 6 Cash Flow Distribution Amount as principal of the Group 6 Classes in the following priority:

- (i) (a) 38.1088847054% of such amount to the A Class, until its principal balance is reduced to zero, and
- (b) 61.8911152946% of such amount, sequentially, to the AD and AE 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 7 Principal Distribution Amount

On each Distribution Date, we will pay the Group 7 Principal Distribution Amount, concurrently, as principal of the FK and KO Classes, in the proportions of 82.3529401062% and 17.6470598938%, respectively, until their principal balances are reduced to zero. } Pass-Through Classes

Group 8 Principal Distribution Amount

On each Distribution Date, we will pay the Group 8 Principal Distribution Amount, concurrently, as principal of the FL and KO Classes, in the proportions of 82.3529376646% and 17.6470623354%, respectively, until their principal balances are reduced to zero. } Pass-Through Classes

Group 9 Principal Distribution Amount

ZD Accrual Amount

On each Distribution Date, we will pay the ZD Accrual Amount as principal of the V Class, until its principal balance is reduced to zero. Thereafter, we will pay the ZD Accrual Amount as principal of the ZD Class. } Accretion Directed Class and Accrual Class

Group 9 Cash Flow Distribution Amount

On each Distribution Date, we will pay the Group 9 Cash Flow Distribution Amount, sequentially, as principal of the V and ZD Classes, in that order, until their principal balances are reduced to zero. } Structured Collateral / 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 actual characteristics of each Pool of Mortgage Loans backing the Underlying REMIC Certificates, the priority sequences 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 and the SMBS 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 Trust MBS and the SMBS”;
- 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 July 30, 2001;
- each Distribution Date occurs on the 18th day of a month in the case of the Group 1 and Group 5 Classes and on the 25th day of a month in the case of all other Classes; 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 tables below, it is possible that investors in the Inverse Floating Rate Classes would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” 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 the applicable Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SR	8.0000%
SM	9.5000%
SV	9.5625%
SB	8.7500%
SK	6.8750%

* 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 SR 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>375%</u>	<u>500%</u>	<u>600%</u>
1.9%	82.1%	77.8%	53.2%	41.1%	30.9%
3.9%	51.2%	47.4%	25.2%	14.3%	5.2%
5.9%	21.8%	18.4%	(1.4)%	(11.1)%	(19.2)%
7.9%	(17.2)%	(20.1)%	(36.5)%	(44.6)%	(51.4)%
8.1%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>159%</u>	<u>250%</u>	<u>500%</u>
1.83%	67.3%	63.3%	58.5%	50.9%	28.6%
3.83%	42.5%	38.8%	34.4%	27.4%	7.0%
5.83%	18.7%	15.3%	11.3%	4.9%	(13.7)%
7.83%	(12.0)%	(15.0)%	(18.5)%	(24.0)%	(40.2)%
8.00%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>170%</u>	<u>300%</u>	<u>500%</u>
1.83%	66.8%	62.8%	57.1%	46.2%	28.2%
3.83%	42.2%	38.5%	33.3%	23.2%	6.8%
5.83%	18.6%	15.2%	10.4%	1.2%	(13.8)%
7.83%	(11.9)%	(14.8)%	(19.0)%	(27.0)%	(40.1)%
8.00%	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>400%</u>	<u>550%</u>	<u>700%</u>
1.83%	82.4%	78.1%	65.0%	51.1%	36.3%	20.5%
3.83%	53.9%	50.1%	38.1%	25.5%	12.1%	(2.2)%
5.83%	26.5%	23.1%	12.3%	1.0%	(11.1)%	(24.0)%
7.83%	(4.1)%	(7.1)%	(16.5)%	(26.4)%	(36.9)%	(48.1)%
8.70%	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>229%</u>	<u>350%</u>	<u>500%</u>
1.79%	99.8%	95.4%	83.7%	72.2%	57.1%
3.79%	63.3%	59.4%	48.9%	38.6%	25.2%
5.79%	29.1%	25.6%	16.4%	7.3%	(4.6)%
7.79%	(10.1)%	(13.1)%	(20.9)%	(28.6)%	(38.6)%
8.00%	*	*	*	*	*

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

The IO Class. The yield to investors in the IO Class will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assump-

tions described below, the yield to maturity on the IO Class would be 0% if prepayments of the related Mortgage Loans were to occur at a constant rate of 1,015% PSA. If the actual prepayment rate of the related Mortgage Loans were to exceed that level for as little as one month while equaling that level for the remaining months, the investors in the IO Class would lose money on their initial investments.

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 IO Class (expressed as a percentage of the original principal balance) is as follows:

<u>Class</u>	<u>Price*</u>
IO	1.0%

* 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 IO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>400%</u>	<u>550%</u>	<u>700%</u>
Pre-Tax Yields to Maturity	108.2%	103.6%	89.4%	74.4%	58.4%	41.2%

The Principal Only Class. **The KO 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 yield to investors in the KO Class.**

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

<u>Class</u>	<u>Price</u>
KO	80.0%

Sensitivity of the KO Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>229%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	2.0%	2.6%	4.4%	6.5%	9.5%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

- multiplying the amount of the reduction, if any, of the principal balance of 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, Group 6 and Group 9 Classes, and
- in the case of the Group 2 and Group 9 Classes, the priority sequences 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 Documents.

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 specified below 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>Group</u>	<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>
1	Group 1 MBS	360 months	360 months	11.0%
2	Class 2001-26-KC REMIC Certificate	360 months	358 months	9.0%
3	Group 3 SMBS	360 months	360 months	8.5%
4	Group 4 SMBS	360 months	360 months	8.5%
6	Group 6 MBS	360 months	360 months	8.5%
7	Group 7 MBS	360 months	360 months	9.5%
8	Group 8 MBS	360 months	360 months	9.5%
9	Class 2001-19-LC RCR Certificate	360 months	357 months	8.5%

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 weighted average WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

Date	FR and SR† Classes					VM Class					VN Class					ZN Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	375%	500%	600%	0%	100%	188%	300%	500%	0%	100%	188%	300%	500%	0%	100%	188%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2002	100	92	76	68	63	89	89	89	89	89	100	100	100	100	100	107	107	107	107	107
July 2003	99	84	57	47	39	77	77	77	77	77	100	100	100	100	100	114	114	114	114	114
July 2004	98	77	43	32	24	65	65	65	65	65	100	100	100	100	100	121	121	121	121	121
July 2005	98	70	32	21	15	51	51	51	51	51	100	100	100	100	100	130	130	130	130	130
July 2006	97	63	24	14	9	37	37	37	37	37	100	100	100	100	100	138	138	138	138	138
July 2007	96	57	18	10	6	22	22	22	22	0	100	100	100	100	39	148	148	148	148	148
July 2008	96	51	13	6	3	6	6	6	6	0	100	100	100	100	0	157	157	157	157	135
July 2009	95	45	10	4	2	0	0	0	0	0	94	94	94	94	0	168	168	168	168	93
July 2010	93	40	7	3	1	0	0	0	0	0	86	86	86	54	0	179	179	179	179	63
July 2011	92	34	5	2	1	0	0	0	0	0	76	76	76	5	0	191	191	191	191	43
July 2012	91	29	4	1	*	0	0	0	0	0	66	66	66	0	0	204	204	204	157	29
July 2013	89	25	2	1	*	0	0	0	0	0	55	55	55	0	0	218	218	218	124	20
July 2014	88	20	2	*	*	0	0	0	0	0	43	43	27	0	0	232	232	232	98	13
July 2015	86	16	1	*	*	0	0	0	0	0	31	31	0	0	0	248	248	226	77	9
July 2016	84	11	1	*	*	0	0	0	0	0	18	18	0	0	0	264	264	191	60	6
July 2017	81	7	*	*	*	0	0	0	0	0	4	4	0	0	0	282	282	161	47	4
July 2018	79	3	*	*	*	0	0	0	0	0	0	0	0	0	0	287	287	135	36	3
July 2019	76	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	287	111	28	2
July 2020	73	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	268	91	21	1
July 2021	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	229	74	16	1
July 2022	65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	193	59	12	*
July 2023	61	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	158	45	8	*
July 2024	56	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	126	34	6	*
July 2025	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	95	24	4	*
July 2026	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	66	16	2	*
July 2027	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	39	9	1	*
July 2028	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287	22	5	1	*
July 2029	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	264	12	2	*	*
July 2030	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	125	4	1	*	*
July 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)**	22.0	7.8	3.4	2.6	2.1	4.0	4.0	4.0	4.0	3.6	12.3	12.3	11.6	9.1	5.9	28.9	22.8	18.4	14.2	9.3

* 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	FM and SM† Classes					FV and SV† Classes					A Class					AD Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	159%	250%	500%	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2002	99	93	89	84	69	99	93	89	81	69	99	91	86	77	63	99	90	84	73	57
July 2003	98	86	79	70	48	98	86	78	65	48	98	83	74	58	37	98	80	70	51	26
July 2004	98	79	71	59	33	98	79	69	53	33	97	75	63	43	18	96	71	57	33	5
July 2005	97	73	63	49	23	97	73	61	42	23	96	68	53	30	6	95	62	45	19	0
July 2006	95	67	56	41	15	95	68	54	34	15	95	61	44	20	0	94	54	35	7	0
July 2007	94	62	49	34	11	94	62	47	27	11	93	54	36	12	0	92	47	26	0	0
July 2008	93	57	44	28	7	93	57	42	22	7	92	48	29	5	0	90	40	18	0	0
July 2009	92	52	38	23	5	92	52	36	18	5	90	42	23	0	0	88	33	10	0	0
July 2010	90	48	34	19	3	90	48	32	14	3	88	37	17	0	0	86	27	4	0	0
July 2011	89	44	30	16	2	89	44	28	11	2	86	32	12	0	0	84	21	0	0	0
July 2012	87	40	26	13	2	87	40	24	9	2	84	27	8	0	0	81	15	0	0	0
July 2013	85	36	23	11	1	85	36	21	7	1	82	22	4	0	0	79	10	0	0	0
July 2014	83	32	20	9	1	83	33	18	6	1	79	18	*	0	0	76	5	0	0	0
July 2015	81	29	17	7	*	81	29	15	4	*	76	14	0	0	0	72	*	0	0	0
July 2016	78	26	14	6	*	78	26	13	3	*	73	10	0	0	0	69	0	0	0	0
July 2017	75	23	12	5	*	75	23	11	3	*	70	7	0	0	0	65	0	0	0	0
July 2018	72	20	10	4	*	72	20	9	2	*	66	3	0	0	0	61	0	0	0	0
July 2019	69	17	9	3	*	69	18	8	2	*	63	0	0	0	0	57	0	0	0	0
July 2020	66	15	7	2	*	66	15	6	1	*	58	0	0	0	0	52	0	0	0	0
July 2021	62	13	6	2	*	62	13	5	1	*	54	0	0	0	0	46	0	0	0	0
July 2022	58	10	5	1	*	58	11	4	1	*	49	0	0	0	0	40	0	0	0	0
July 2023	53	8	4	1	*	53	9	3	*	*	43	0	0	0	0	34	0	0	0	0
July 2024	49	6	3	1	*	49	7	2	*	*	37	0	0	0	0	27	0	0	0	0
July 2025	43	5	2	*	*	43	5	2	*	*	31	0	0	0	0	20	0	0	0	0
July 2026	37	3	1	*	*	37	3	1	*	*	24	0	0	0	0	12	0	0	0	0
July 2027	31	1	*	*	*	31	2	*	*	*	16	0	0	0	0	3	0	0	0	0
July 2028	24	0	0	0	0	24	0	0	0	0	8	0	0	0	0	0	0	0	0	0
July 2029	17	0	0	0	0	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2030	9	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 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)**	20.8	10.0	7.6	5.4	2.7	20.8	10.0	7.3	4.6	2.7	19.0	7.4	5.0	3.0	1.7	17.7	6.1	4.0	2.3	1.4

Date	AE Class					VA Class					VB Class					Z Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%	0%	100%	170%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2002	100	100	100	100	100	91	91	91	91	91	100	100	100	100	100	106	106	106	106	106
July 2003	100	100	100	100	100	82	82	82	82	82	100	100	100	100	100	113	113	113	113	113
July 2004	100	100	100	100	100	73	73	73	73	73	100	100	100	100	100	120	120	120	120	120
July 2005	100	100	100	100	42	63	63	63	63	63	100	100	100	100	100	127	127	127	127	127
July 2006	100	100	100	100	0	52	52	52	52	3	100	100	100	100	100	135	135	135	135	135
July 2007	100	100	100	85	0	40	40	40	40	0	100	100	100	100	15	143	143	143	143	143
July 2008	100	100	100	36	0	28	28	28	28	0	100	100	100	100	0	152	152	152	152	108
July 2009	100	100	100	0	0	15	15	15	9	0	100	100	100	100	0	161	161	161	161	74
July 2010	100	100	100	0	0	1	1	1	0	0	100	100	100	39	0	171	171	171	171	50
July 2011	100	100	87	0	0	0	0	0	0	0	90	90	90	0	0	182	182	182	165	34
July 2012	100	100	55	0	0	0	0	0	0	0	78	78	78	0	0	193	193	193	131	23
July 2013	100	100	26	0	0	0	0	0	0	0	65	65	65	0	0	205	205	205	104	16
July 2014	100	100	1	0	0	0	0	0	0	0	51	51	51	0	0	218	218	218	82	10
July 2015	100	100	0	0	0	0	0	0	0	0	36	36	0	0	0	231	231	228	64	7
July 2016	100	73	0	0	0	0	0	0	0	0	21	21	0	0	0	245	245	195	50	5
July 2017	100	47	0	0	0	0	0	0	0	0	4	4	0	0	0	261	261	165	39	3
July 2018	100	23	0	0	0	0	0	0	0	0	0	0	0	0	0	265	265	139	30	2
July 2019	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	264	116	23	1
July 2020	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	228	96	17	1
July 2021	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	194	78	13	1
July 2022	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	162	62	9	*
July 2023	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	131	48	7	*
July 2024	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	103	36	4	*
July 2025	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	76	25	3	*
July 2026	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	50	16	2	*
July 2027	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	26	8	1	*
July 2028	56	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265	4	1	*	*
July 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	249	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	130	0	0	0	0
July 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)**	27.1	16.0	11.2	6.8	3.9	5.0	5.0	5.0	4.9	3.8	13.0	13.0	12.3	8.9	5.6	29.0	22.2	18.8	13.7	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.

Date	V Class					ZD Class					FB, SB† and IO† Classes							FK Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption							PSA Prepayment Assumption				
	0%	100%	155%	250%	500%	0%	100%	155%	250%	500%	0%	100%	250%	400%	550%	700%		0%	100%	229%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		100	100	100	100	100
July 2002	93	93	93	93	93	106	106	106	106	106	97	91	82	74	65	56		99	92	85	78	69
July 2003	86	86	86	86	86	113	113	113	113	113	94	83	68	54	42	32		99	85	72	60	47
July 2004	78	78	78	78	78	120	120	120	120	120	90	75	55	40	27	18		98	79	61	47	32
July 2005	70	70	70	70	5	127	127	127	127	127	86	67	45	29	17	10		97	72	51	36	22
July 2006	62	62	62	62	0	135	135	135	135	43	82	60	36	21	11	5		96	66	43	28	15
July 2007	52	52	52	52	0	143	143	143	143	0	76	53	29	15	7	3		95	60	36	21	10
July 2008	43	43	43	0	0	152	152	152	145	0	71	46	23	10	4	2		94	55	30	16	7
July 2009	32	32	32	0	0	161	161	161	95	0	65	39	18	7	3	1		93	50	25	12	5
July 2010	21	21	21	0	0	171	171	171	53	0	58	33	13	5	2	*		92	45	21	9	3
July 2011	10	10	0	0	0	182	182	156	18	0	50	27	10	3	1	*		90	41	17	7	2
July 2012	0	0	0	0	0	191	191	120	0	0	42	21	7	2	1	*		89	37	14	5	1
July 2013	0	0	0	0	0	191	191	87	0	0	32	15	5	1	*	*		87	33	12	4	1
July 2014	0	0	0	0	0	191	172	58	0	0	21	10	3	1	*	*		85	29	9	3	1
July 2015	0	0	0	0	0	191	142	31	0	0	10	4	1	*	*	*		83	25	8	2	*
July 2016	0	0	0	0	0	191	113	8	0	0	0	0	0	0	0	0		81	22	6	2	*
July 2017	0	0	0	0	0	191	86	0	0	0	0	0	0	0	0	0		78	18	5	1	*
July 2018	0	0	0	0	0	191	61	0	0	0	0	0	0	0	0	0		75	15	4	1	*
July 2019	0	0	0	0	0	191	37	0	0	0	0	0	0	0	0	0		72	12	3	1	*
July 2020	0	0	0	0	0	191	15	0	0	0	0	0	0	0	0	0		69	10	2	*	*
July 2021	0	0	0	0	0	191	0	0	0	0	0	0	0	0	0	0		65	7	1	*	*
July 2022	0	0	0	0	0	191	0	0	0	0	0	0	0	0	0	0		61	4	1	*	*
July 2023	0	0	0	0	0	191	0	0	0	0	0	0	0	0	0	0		56	2	*	*	*
July 2024	0	0	0	0	0	191	0	0	0	0	0	0	0	0	0	0		51	0	0	0	0
July 2025	0	0	0	0	0	191	0	0	0	0	0	0	0	0	0	0		46	0	0	0	0
July 2026	0	0	0	0	0	167	0	0	0	0	0	0	0	0	0	0		40	0	0	0	0
July 2027	0	0	0	0	0	110	0	0	0	0	0	0	0	0	0	0		33	0	0	0	0
July 2028	0	0	0	0	0	47	0	0	0	0	0	0	0	0	0	0		26	0	0	0	0
July 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		18	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		10	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
Weighted Average Life (years)**	6.0	6.0	5.9	5.0	3.3	26.2	15.8	12.1	8.6	4.8	9.2	6.7	4.4	3.1	2.3	1.7		21.3	9.1	5.6	3.9	2.7

Date	SK† and KO Classes					FL Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	229%	350%	500%	0%	100%	229%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
July 2002	99	92	85	78	69	99	93	85	78	69
July 2003	99	85	72	60	47	99	86	72	60	47
July 2004	98	79	61	47	32	98	79	61	47	33
July 2005	97	72	51	36	22	97	73	52	36	22
July 2006	96	66	43	28	15	96	67	44	28	15
July 2007	95	61	36	21	10	95	61	37	22	10
July 2008	94	55	30	16	7	94	56	31	17	7
July 2009	93	50	25	13	5	93	51	26	13	5
July 2010	92	46	21	10	3	92	47	21	10	3
July 2011	90	41	17	7	2	90	42	18	7	2
July 2012	89	37	14	5	1	89	38	15	6	1
July 2013	87	33	12	4	1	87	34	12	4	1
July 2014	85	29	10	3	1	85	30	10	3	1
July 2015	83	26	8	2	*	83	27	8	2	*
July 2016	81	22	6	2	*	81	23	6	2	*
July 2017	78	19	5	1	*	78	20	5	1	*
July 2018	75	16	4	1	*	75	17	4	1	*
July 2019	72	13	3	1	*	72	14	3	1	*
July 2020	69	10	2	*	*	69	12	2	*	*
July 2021	65	8	1	*	*	65	9	2	*	*
July 2022	61	5	1	*	*	61	7	1	*	*
July 2023	56	3	*	*	*	56	4	1	*	*
July 2024	51	1	*	*	*	51	2	*	*	*
July 2025	46	*	*	*	*	46	*	*	*	*
July 2026	40	0	0	0	0	40	0	0	0	0
July 2027	33	0	0	0	0	33	0	0	0	0
July 2028	26	0	0	0	0	26	0	0	0	0
July 2029	18	0	0	0	0	18	0	0	0	0
July 2030	10	0	0	0	0	10	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	21.3	9.2	5.6	3.9	2.7	21.3	9.5	5.7	3.9	2.7

* 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.

Characteristics of the R Class

The R Class will not have a principal balance 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. Fannie Mae does not expect that any material assets will remain in that case.

The R Class will be subject to certain transfer restrictions. We will not permit transfer of record or beneficial ownership of the R Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of the R Certificate to any person that is not a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. Any transferee of the R Certificate must execute and deliver an affidavit and an Internal Revenue Service Form W-9 (or, if applicable, a Form W-8ECI) on which the transferee provides its taxpayer identification number. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus. The affidavit must also state that the transferee is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate and that, if the transferee is a partnership for U.S. federal income tax purposes, each person or entity that holds an interest (directly, or indirectly through a pass-through entity) in the partnership is a “U.S. Person” or a foreign person subject to United States income taxation on a net basis on income derived from that Certificate. In addition, the transferee must receive an affidavit containing these same representations from any new transferee. Transferors of the R Certificate should consult with their own tax advisors for further information regarding such transfers.

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R Class will constitute a noneconomic residual interest 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 detail 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. See “Certain Federal Income Tax Consequences” in the REMIC Prospectus. Pursuant to the Trust Agreement, we will be obligated to provide to this Holder (i) information necessary to enable it to prepare its federal income tax returns and (ii) any reports regarding the R 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 Election and Special Tax Attributes

We will elect to treat the Trust as a REMIC for federal income tax purposes. The Certificates, other than the R Class, 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.

Because the Trust will qualify as a REMIC, 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 Class, as “qualified mortgages” for other REMICs. See “Certain Federal Income Tax Consequences—*REMIC Election and Special Tax Attributes*” in the REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

The Notional Classes, the Principal Only Class 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>
1	375%
2	188%
3	159%
4	170%
5	400%
6	170%
7	229%
8	229%
9	155%

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 that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about June 20, 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 Goldman, Sachs & Co. (the “Dealer”) in exchange for the Trust MBS, the Underlying REMIC Certificates and the SMBS. 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, 5, 6, 7 or 8 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.” The proportion that the original principal balance of each Group 1, 5, 6, 7 or 8 Class bears to the aggregate original principal balance of all Group 1, 5, 6, 7 or 8 Classes, respectively, will remain the same.

LEGAL MATTERS

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Cadwalader, Wickersham & Taft will provide legal representation for the Dealer.

Exhibit A

Underlying REMIC and RCR 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	July 2001 Class Factor	Principal Balance in the Trust as of Issue Date	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WALA (in months)	Underlying Security Type	Class Group
2001-026	KC	May 2001	31359SY79	6.5%	FIX	June 2031	SEQ	\$28,698,000	1.00000000	\$28,698,000	7.091%	23	MBS	2
2001-019	LC	April 2001	31359SVK3	6.0	FIX	May 2029	SEQ	74,376,000	1.00000000	74,376,000	6.756	4	MBS	9

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

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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\$648,786,018



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2001-34**

PROSPECTUS SUPPLEMENT

Goldman, Sachs & Co.

June 8, 2001
