

**\$584,483,553**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2002-4**

**The Certificates**

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

**Payments to Certificateholders**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will own

- Fannie Mae MBS, and
- Fannie Mae Stripped MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
P .....	1	\$ 57,769,000	PAC	6.0%	FIX	31392BWK8	February 2017
CA .....	1	30,000,000	TAC/AD	6.0	FIX	31392BWL6	February 2017
CZ .....	1	4,232,048	SUP	6.0	FIX/Z	31392BWM4	February 2017
DA .....	2	199,915,246	SEQ	6.5	FIX	31392BWN2	November 2029
VA(1) .....	2	11,780,401	SEQ/AD	6.5	FIX	31392BWP7	September 2012
VB(1) .....	2	15,679,122	SEQ/AD	6.5	FIX	31392BWQ5	July 2020
VC(1) .....	2	10,625,231	SEQ/AD	6.5	FIX	31392BWR3	March 2024
ZA .....	2	12,000,000	SEQ	6.5	FIX/Z	31392BWS1	February 2032
BA .....	3	75,000,000	SEQ	6.0	FIX	31392BWT9	September 2015
BC .....	3	14,492,645	SEQ	6.0	FIX	31392BWU6	February 2017
FC(1) .....	4	44,365,133	PT	(2)	FLT	31392BWW4	February 2032
SD(1) .....	4	44,365,133(3)	NTL	(2)	INV/IO	31392BWW2	February 2032
ST(1) .....	4	44,365,133(3)	NTL	(2)	INV/IO	31392BWX0	February 2032
FA .....	5	14,000,000	PT	(2)	FLT	31392BWW8	February 2032
SA .....	5	14,000,000(3)	NTL	(2)	INV/IO	31392BWZ5	February 2032
FJ(1) .....	6	94,624,727	PT	(2)	FLT	31392BXA9	February 2032
SJ .....	6	94,624,727(3)	NTL	(2)	INV/IO	31392BXXB7	February 2032
SI(1) .....	6	94,624,727(3)	NTL	(2)	INV/IO	31392BXC5	February 2032
R .....		0	NPR	0	NPR	31392BXD3	February 2032

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

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The VE, SC, FD and FH Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 30, 2002.

**Carefully consider the risk factors 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.

**Credit Suisse First Boston**

The date of this Prospectus Supplement is January 11, 2002

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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”);
- our Information Statement dated March 30, 2001 and its supplements (the “Information Statement”); and
- if you are purchasing any Group 4 or Group 5 Class or the R Class, our Prospectus for Fannie Mae Stripped Mortgage-Backed Securities dated March 30, 2000 (the “SMBS Prospectus”).

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:

Credit Suisse First Boston Corporation  
Prospectus Department  
11 Madison Avenue  
New York, New York 10010  
(telephone 212-325-2580).

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 SMBS
5	Group 5 SMBS
6	Group 6 MBS

### Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS and the SMBS (as of January 1, 2002)

	<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	\$ 92,001,048	180	176	3	6.6000%
Group 2 MBS	\$250,000,000	360	356	3	7.0500%
Group 3 MBS	\$ 89,492,645	180	174	6	6.6000%
Group 4 SMBS*	\$ 44,365,133	360	314	37	6.6513%
Group 5 SMBS**	\$ 14,000,000	360	317	35	6.6720%
Group 6 MBS	\$ 94,624,727	360	352	6	9.7458%

\* 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 \$66,547,700 and (ii) principal payments on an initial principal amount of \$44,365,133 of MBS. See "Description of the Certificates—The SMBS" in this prospectus supplement.

\*\* The Group 5 SMBS will represent ownership of (i) interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$19,833,334 and (ii) principal payments on an initial principal amount of \$14,000,000 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.

### 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 January 30, 2002.

### 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 other than the R Class	R Class

### Exchanging Certificates Through Combination and Recombination

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

### Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FC .....	2.3956%	9.00%	0.50%	LIBOR + 50 basis points
SD .....	6.5544%	8.45%	0.00%	8.45% – LIBOR
ST .....	0.0500%	0.05%	0.00%	8.5% – LIBOR
FA .....	2.5456%	8.50%	0.65%	LIBOR + 65 basis points
SA .....	5.9544%	7.85%	0.00%	7.85% – LIBOR
FJ .....	2.2700%	8.50%	0.45%	LIBOR + 45 basis points
SJ .....	6.1800%	8.00%	0.00%	8.0% – LIBOR
SI .....	0.0500%	0.05%	0.00%	8.05% – LIBOR
SC .....	6.6044%	8.50%	0.00%	8.5% – LIBOR
FD .....	2.4456%	9.00%	0.55%	LIBOR + 55 basis points
FH .....	2.3200%	8.50%	0.50%	LIBOR + 50 basis points

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

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

### Notional Classes

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

<u>Class</u>	
SD .....	100% of the FC Class
ST .....	100% of the FC Class
SA .....	100% of the FA Class
SJ .....	100% of the FJ Class
SI .....	100% of the FJ Class
SC .....	100% of the FC Class

## **Distributions of Principal**

### *Group 1 Principal Distribution Amount*

#### *CZ Accrual Amount*

To the CA Class to zero, and thereafter to the CZ Class.

#### *Group 1 Cash Flow Distribution Amount*

1. To the P Class to its Planned Balance.
2. To the CA Class to its Targeted Balance.
3. To the CZ Class to zero.
4. To the CA Class to zero.
5. To the P Class to zero.

### *Group 2 Principal Distribution Amount*

#### *ZA Accrual Amount*

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

#### *Group 2 Cash Flow Distribution Amount*

To the DA, VA, VB, VC and ZA Classes, in that order, to zero.

### *Group 3 Principal Distribution Amount*

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

### *Group 4 Principal Distribution Amount*

To the FC Class to zero.

### *Group 5 Principal Distribution Amount*

To the FA Class to zero.

### *Group 6 Principal Distribution Amount*

To the FJ Class to zero.

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

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

		<b>PSA Prepayment Assumption</b>					
		<b><u>0%</u></b>	<b><u>115%</u></b>	<b><u>120%</u></b>	<b><u>271%</u></b>	<b><u>350%</u></b>	<b><u>500%</u></b>
<b><u>Group 1 Classes</u></b>							
P .....	7.5	5.4	5.4	5.4	5.4	4.4	
CA .....	10.1	6.5	6.3	3.9	2.0	1.4	
CZ .....	14.6	13.4	13.4	0.9	0.7	0.5	
<b><u>Group 2 Classes</u></b>							
		<b>PSA Prepayment Assumption</b>					
		<b><u>0%</u></b>	<b><u>100%</u></b>	<b><u>231%</u></b>	<b><u>400%</u></b>	<b><u>600%</u></b>	
DA .....	19.1	8.3	4.6	3.0	2.2		
VA .....	5.9	5.9	5.9	5.0	3.9		
VB .....	14.8	14.8	11.5	7.6	5.3		
VC .....	20.3	19.3	13.0	8.8	6.2		
ZA .....	28.9	24.4	18.3	12.7	8.9		
VE .....	13.6	13.3	10.2	7.1	5.2		
<b><u>Group 3 Classes</u></b>							
		<b>PSA Prepayment Assumption</b>					
		<b><u>0%</u></b>	<b><u>100%</u></b>	<b><u>228%</u></b>	<b><u>400%</u></b>	<b><u>600%</u></b>	
BA .....	8.1	5.3	3.7	2.6	2.0		
BC .....	14.3	12.9	11.1	8.5	6.3		
<b><u>Group 4 Classes</u></b>							
		<b>PSA Prepayment Assumption</b>					
		<b><u>0%</u></b>	<b><u>100%</u></b>	<b><u>178%</u></b>	<b><u>250%</u></b>	<b><u>500%</u></b>	
FC, SD, ST, SC and FD .....	20.8	9.8	7.0	5.3	2.7		
<b><u>Group 5 Classes</u></b>							
		<b>PSA Prepayment Assumption</b>					
		<b><u>0%</u></b>	<b><u>100%</u></b>	<b><u>178%</u></b>	<b><u>250%</u></b>	<b><u>500%</u></b>	
FA and SA .....	20.8	9.9	7.0	5.4	2.7		
<b><u>Group 6 Classes</u></b>							
		<b>PSA Prepayment Assumption</b>					
		<b><u>0%</u></b>	<b><u>200%</u></b>	<b><u>400%</u></b>	<b><u>640%</u></b>	<b><u>800%</u></b>	<b><u>1000%</u></b>
FJ, SJ, SI and FH .....	22.1	7.6	4.3	2.8	2.3	1.9	

\* 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 Trust MBS and the 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 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”) pursuant to a trust agreement dated as of January 1, 2002 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”), pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

- The REMIC Certificates (except the R 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

- four groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS,” “Group 2 MBS,” “Group 3 MBS” and “Group 6 MBS” and, collectively, the “Trust MBS”), and
- two groups of Fannie Mae Stripped Mortgage-Backed Securities (the “Group 4 SMBS” and “Group 5 SMBS,” respectively, and, together, the “SMBS”).

The SMBS represent beneficial ownership interests in certain interest and principal distributions on certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, the “MBS”).

Each MBS represents a beneficial ownership interest in a pool of first lien, one- to four-family (“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, “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus 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 Certificates on the 25th day of each month (or, if the 25th day is not a business day, on the first business day after the 25th). We refer to each such date as a “Distribution Date.” We will make the first payments to Certificateholders the month after we issue the Certificates.

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

*Class Factors.* On or shortly after the eleventh calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of 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 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 SMBS.* Holders of the SMBS may be asked to vote on issues arising under the related trust agreement. If so, the Trustee will vote the related SMBS as instructed by Holders of the Certificates of the Classes backed by those 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.

## **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the VA, VB, VC, FC, SD, ST, FJ and SI Classes of REMIC Certificates for a proportionate interest in the related Combinable and Recombinable REMIC Certificates (“RCR Certificates”) in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

The Classes of REMIC Certificates and RCR Certificates that are outstanding at any given time, and the outstanding principal balances (or notional principal balances) of these Classes, will depend upon any related distributions of principal, as well as any exchanges that occur. REMIC Certificates and RCR Certificates in any combination may be exchanged only in the proportions shown on Schedule 1.

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

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

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

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

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

## **The Trust MBS**

The following table contains certain information about the Trust MBS. The Trust MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Trust MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Trust MBS are conventional Level Payment Mortgage Loans secured by first mortgages or deeds of trust on single-family residential properties. The Mortgage Loans have original maturities of up to 15 years in the case of the Group 1 MBS and Group 3 MBS, and up to 30 years in the case of the Group 2 MBS and Group 6 MBS. 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 .....	\$92,001,048
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	121 months to 180 months
Approximate Weighted Average WAM.....	176 months
Approximate Weighted Average WALA (Weighted Average Loan Age) .....	3 months

**Group 2 MBS**

Aggregate Unpaid Principal Balance .....	\$250,000,000
MBS Pass-Through Rate .....	6.50%
Range of WACs (annual percentages) .....	6.75% to 9.00%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM.....	356 months
Approximate Weighted Average WALA.....	3 months

**Group 3 MBS**

Aggregate Unpaid Principal Balance .....	\$89,492,645
MBS Pass-Through Rate .....	6.00%
Range of WACs (annual percentages) .....	6.25% to 8.50%
Range of WAMs .....	121 months to 180 months
Approximate Weighted Average WAM.....	174 months
Approximate Weighted Average WALA.....	6 months

**Group 6 MBS**

Aggregate Unpaid Principal Balance .....	\$94,624,727
MBS Pass-Through Rate .....	8.50%
Range of WACs (annual percentages) .....	8.75% to 11.00%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM.....	352 months
Approximate Weighted Average WALA.....	6 months

**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 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 \$66,547,700, and
- principal payments on an initial principal amount of \$44,365,133 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.....	314 months
Approximate Weighted Average WALA.....	37 months

#### *Group 5 SMBS*

The Group 5 SMBS represent ownership of:

- interest payments at a pass-through rate of 6.0% on an initial notional principal amount of \$19,833,334, and
- principal payments on an initial principal amount of \$14,000,000 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 5 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.....	317 months
Approximate Weighted Average WALA.....	35 months

### **Final Data Statement**

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, with respect to the Trust MBS and the SMBS, 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 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 MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

### **Distributions of Interest**

#### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Fixed Rate	P, CA and CZ
Accrual	CZ
<b>Group 2 Classes</b>	
Fixed Rate	DA, VA, VB, VC and ZA
Accrual	ZA
RCR**	VE
<b>Group 3 Classes</b>	
Fixed Rate	BA and BC

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 4 Classes</b>	
Floating Rate	FC
Inverse Floating Rate	SD and ST
Interest Only	SD and ST
RCR**	SC and FD
<b>Group 5 Classes</b>	
Floating Rate	FA
Inverse Floating Rate	SA
Interest Only	SA
<b>Group 6 Classes</b>	
Floating Rate	FJ
Inverse Floating Rate	SJ and SI
Interest Only	SJ and SI
RCR**	FH
<b>No Payment Residual</b>	R

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

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

*General.* We will pay interest on the Certificates at the applicable annual interest rates specified on the cover or on Schedule 1 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 an Accrual Class) 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 an Accrual Class) 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.

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

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

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

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

*Accrual Classes.* The CZ and ZA Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on an Accrual Class. Instead, interest accrued on an 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 respective notional principal balances



at the applicable interest rates. The notional principal balances of the Notional Classes will be calculated as specified under “Reference Sheet—Notional Classes” in this prospectus supplement.

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

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

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

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

## Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 1.8956% in the case of the FC, SD, ST, SC, FD, FA and SA Classes and 1.82% in the case of the FJ, SJ, SI and FH Classes.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	P
TAC	CA
Support	CZ
Accretion Directed	CA
<b>Group 2 Classes</b>	
Sequential Pay	DA, VA, VB, VC and ZA
Accretion Directed	VA, VB and VC
RCR**	VE
<b>Group 3 Classes</b>	
Sequential Pay	BA and BC



<u>Principal Type*</u>	<u>Classes</u>
<b>Group 4 Classes</b>	
Pass-Through	FC
Notional	SD and ST
RCR**	SC and FD
<b>Group 5 Classes</b>	
Pass-Through	FA
Notional	SA
<b>Group 6 Classes</b>	
Pass-Through	FJ
Notional	SJ and SI
RCR**	FH
<b>No Payment Residual</b>	R

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

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

### *Principal Distribution Amount*

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the “CZ Class (the “CZ Accrual Amount”) and, together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”) plus any interest then accrued and added to the principal balance of the ZA Class (the “ZA Accrual Amount”) and, together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),
- the principal then paid on the Group 3 MBS (the “Group 3 Principal Distribution Amount”),
- the principal then paid on the Group 4 SMBS (the “Group 4 Principal Distribution Amount”),
- the principal then paid on the Group 5 SMBS (the “Group 5 Principal Distribution Amount”), and
- the principal then paid on the Group 6 MBS (the “Group 6 Principal Distribution Amount”).

### *Group 1 Principal Distribution Amount*

#### *CZ Accrual Amount*

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

#### *Group 1 Cash Flow Distribution Amount*

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

- (i) to the P Class, until its principal balance is reduced to its Planned Balance for that Distribution Date; } PAC  
Class

- (ii) to the CA Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } TAC Class
- (iii) to the CZ Class, until its principal balance is reduced to zero; } Support Class
- (iv) to the CA Class, without regard to its Targeted Balance and until its principal balance is reduced to zero; and } TAC Class
- (v) to the P Class, without regard to its Planned Balance and until its principal balance is reduced to zero. } PAC Class

#### *Group 2 Principal Distribution Amount*

##### *ZA Accrual Amount*

On each Distribution Date, we will pay the ZA Accrual Amount, sequentially, as principal of the VA, VB and VC 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, sequentially, as principal of the DA, VA, VB, VC and ZA Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

#### *Group 3 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 3 Principal Distribution Amount, sequentially, as principal of the BA and BC Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

#### *Group 4 Principal Distribution Amount*

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

#### *Group 6 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 6 Principal Distribution Amount as principal of the FJ Class, until its principal balance is reduced to zero. } Pass-Through Class

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

## Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (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” 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 January 30, 2002;
- 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 B-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 applicable rate set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Classes</u>	<u>Structuring Range and Rate</u>
Planned Balances	P	Between 115% and 350%
Targeted Balances	CA	120%

**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 applicable 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 applicable Structuring Range or at the applicable rate specified above.

*Initial Effective Range.* 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 Range shown in the table below is based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Class</u>	<u>Initial Effective Range</u>
P	Between 115% and 350%

The actual Effective Range 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 Range calculated on the basis of the actual characteristics is likely to differ from the Initial Effective Range. As a result, the PAC Class might not be reduced to its scheduled balance even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range. This is so particularly if the rate were at the lower or higher end of that range. In addition, even if prepayments occur at rates falling within the actual Effective Range, principal distributions may be insufficient to reduce the PAC Class to its scheduled balance 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 Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The stability in principal payment of the PAC Class will be supported in part by the related TAC and Support Classes. When the related TAC and Support Classes are retired, the PAC Class, if still outstanding, may no longer have an Effective Range and will be more sensitive to prepayments.

## Yield Tables

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

- determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable Classes, would cause the discounted present values of 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 of the 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 the 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 SD, ST, SA, SJ, SI and SC 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 those Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
SD .....	12.30469%
ST .....	0.04688%
SA .....	12.00000%
SJ .....	7.09375%
SI .....	0.12500%
SC .....	12.40625%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>178%</u>	<u>250%</u>	<u>500%</u>
0.8956% .....	63.4%	59.4%	53.2%	47.2%	25.2%
1.8956% .....	53.7%	49.9%	43.8%	38.0%	16.8%
3.8956% .....	34.8%	31.2%	25.6%	20.2%	0.3%
5.8956% .....	16.3%	13.0%	7.7%	2.7%	(15.7)%
7.8956% .....	(5.3)%	(8.4)%	(13.2)%	(17.7)%	(34.5)%
8.4500% and above .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>178%</u>	<u>250%</u>	<u>500%</u>
8.45% and below .....	126.2%	121.5%	113.9%	106.8%	80.3%
8.47% .....	69.5%	65.5%	59.1%	53.0%	30.6%
8.50% .....	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>178%</b>	<b>250%</b>	<b>500%</b>
0.8956% .....	59.1%	55.2%	49.0%	43.2%	21.5%
1.8956% .....	49.3%	45.5%	39.5%	33.9%	12.9%
3.8956% .....	30.1%	26.6%	21.1%	15.8%	(3.7)%
5.8956% .....	11.2%	7.9%	2.7%	(2.2)%	(20.2)%
7.8500% .....	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>					
	<b>50%</b>	<b>200%</b>	<b>400%</b>	<b>640%</b>	<b>800%</b>	<b>1000%</b>
0.82% .....	120.1%	112.2%	101.4%	87.9%	78.6%	66.6%
1.82% .....	100.9%	93.0%	82.2%	68.7%	59.3%	47.2%
3.82% .....	64.5%	56.5%	45.4%	31.5%	21.8%	9.3%
5.82% .....	30.4%	22.0%	10.3%	(4.5)%	(14.9)%	(28.6)%
8.00% and above .....	*	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>					
	<b>50%</b>	<b>200%</b>	<b>400%</b>	<b>640%</b>	<b>800%</b>	<b>1000%</b>
8.00% and below .....	39.8%	31.5%	20.0%	5.5%	(4.6)%	(17.9)%
8.02% .....	21.6%	13.0%	1.1%	(14.1)%	(24.9)%	(39.1)%
8.05% .....	*	*	*	*	*	*

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

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

<b>LIBOR</b>	<b>PSA Prepayment Assumption</b>				
	<b>50%</b>	<b>100%</b>	<b>178%</b>	<b>250%</b>	<b>500%</b>
0.8956% .....	63.2%	59.3%	53.0%	47.1%	25.1%
1.8956% .....	53.6%	49.8%	43.7%	38.0%	16.7%
3.8956% .....	34.9%	31.4%	25.7%	20.3%	0.4%
5.8956% .....	16.6%	13.3%	8.0%	3.0%	(15.5)%
7.8956% .....	(4.6)%	(7.7)%	(12.5)%	(17.0)%	(33.9)%
8.5000% .....	*	*	*	*	*

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

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

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, Group 2 and Group 3 Classes, and
- in the case of the Group 1 Classes, 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 those Classes. The tables have been prepared on the basis of the Pricing Assumptions. However, in the case of the information set forth for each Class under 0% PSA, we assumed that the underlying Mortgage Loans have the original and remaining terms to maturity and bear interest at the annual rates specified in the table below.

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	180 months	180 months	8.50%
Group 2 MBS	360 months	360 months	9.00%
Group 3 MBS	180 months	180 months	8.50%
Group 4 SMBS	360 months	360 months	8.50%
Group 5 SMBS	360 months	360 months	8.50%
Group 6 MBS	360 months	360 months	11.00%

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	P Class						CA Class						CZ Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	115%	120%	271%	350%	500%	0%	115%	120%	271%	350%	500%	0%	115%	120%	271%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2003	100	100	100	100	100	100	89	80	80	80	80	73	106	106	106	46	15	0
January 2004	96	91	91	91	91	91	83	69	68	59	46	23	113	113	113	0	0	0
January 2005	90	76	76	76	76	69	82	68	66	41	21	0	120	120	120	0	0	0
January 2006	83	61	61	61	61	45	81	67	65	30	7	0	127	127	127	0	0	0
January 2007	75	47	47	47	47	30	80	65	63	24	1	0	135	135	135	0	0	0
January 2008	67	35	35	35	35	19	79	64	61	22	0	0	143	143	143	0	0	0
January 2009	58	25	25	25	25	12	77	58	56	20	0	0	152	152	152	0	0	0
January 2010	48	18	18	18	18	8	76	50	47	17	0	0	161	161	161	0	0	0
January 2011	37	12	12	12	12	5	75	39	37	14	0	0	171	171	171	0	0	0
January 2012	25	8	8	8	8	3	73	27	25	11	0	0	182	182	182	0	0	0
January 2013	12	5	5	5	5	2	72	15	13	8	0	0	193	193	193	0	0	0
January 2014	3	3	3	3	3	1	61	1	*	5	0	0	205	205	205	0	0	0
January 2015	2	2	2	2	2	*	33	0	0	3	0	0	218	133	127	0	0	0
January 2016	1	1	1	1	1	*	1	0	0	1	0	0	231	52	50	0	0	0
January 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.5	5.4	5.4	5.4	5.4	4.4	10.1	6.5	6.3	3.9	2.0	1.4	14.6	13.4	13.4	0.9	0.7	0.5

Date	DA Class					VA Class					VB Class					VC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	231%	400%	600%	0%	100%	231%	400%	600%	0%	100%	231%	400%	600%	0%	100%	231%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2003	99	96	93	89	84	93	93	93	93	93	100	100	100	100	100	100	100	100	100	100
January 2004	98	90	80	68	55	86	86	86	86	86	100	100	100	100	100	100	100	100	100	100
January 2005	97	82	65	45	26	78	78	78	78	78	100	100	100	100	100	100	100	100	100	100
January 2006	96	74	51	28	7	70	70	70	70	70	100	100	100	100	100	100	100	100	100	100
January 2007	95	67	40	14	0	61	61	61	61	0	100	100	100	100	85	100	100	100	100	100
January 2008	94	60	30	5	0	52	52	52	52	0	100	100	100	100	0	100	100	100	100	74
January 2009	92	53	21	0	0	42	42	42	0	0	100	100	100	94	0	100	100	100	100	0
January 2010	90	47	14	0	0	31	31	31	0	0	100	100	100	14	0	100	100	100	100	0
January 2011	89	42	8	0	0	19	19	19	0	0	100	100	100	0	0	100	100	100	29	0
January 2012	87	36	3	0	0	7	7	7	0	0	100	100	100	0	0	100	100	100	0	0
January 2013	85	31	0	0	0	0	0	0	0	0	96	96	76	0	0	100	100	100	0	0
January 2014	82	26	0	0	0	0	0	0	0	0	85	85	17	0	0	100	100	100	0	0
January 2015	80	22	0	0	0	0	0	0	0	0	74	74	0	0	0	100	100	47	0	0
January 2016	77	18	0	0	0	0	0	0	0	0	62	62	0	0	0	100	100	0	0	0
January 2017	74	14	0	0	0	0	0	0	0	0	49	49	0	0	0	100	100	0	0	0
January 2018	71	10	0	0	0	0	0	0	0	0	36	36	0	0	0	100	100	0	0	0
January 2019	67	6	0	0	0	0	0	0	0	0	21	21	0	0	0	100	100	0	0	0
January 2020	63	3	0	0	0	0	0	0	0	0	6	6	0	0	0	100	100	0	0	0
January 2021	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	84	78	0	0	0
January 2022	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	58	0	0	0	0
January 2023	49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	0	0	0	0
January 2024	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
January 2025	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.1	8.3	4.6	3.0	2.2	5.9	5.9	5.9	5.0	3.9	14.8	14.8	11.5	7.6	5.3	20.3	19.3	13.0	8.8	6.2

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

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

Date	ZA Class					VE Class					BA Class					BC Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	231%	400%	600%	0%	100%	231%	400%	600%	0%	100%	228%	400%	600%	0%	100%	228%	400%	600%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2003	107	107	107	107	107	98	98	98	98	98	96	92	88	83	78	100	100	100	100	100
January 2004	114	114	114	114	114	96	96	96	96	96	91	82	72	59	46	100	100	100	100	100
January 2005	121	121	121	121	121	93	93	93	93	93	87	70	55	37	20	100	100	100	100	100
January 2006	130	130	130	130	130	91	91	91	91	91	81	60	41	21	4	100	100	100	100	100
January 2007	138	138	138	138	138	88	88	88	88	63	75	50	29	9	0	100	100	100	100	73
January 2008	148	148	148	148	148	85	85	85	85	21	69	41	19	1	0	100	100	100	100	43
January 2009	157	157	157	157	134	82	82	82	66	0	62	32	11	0	0	100	100	100	72	25
January 2010	168	168	168	168	84	79	79	79	34	0	55	24	4	0	0	100	100	100	49	14
January 2011	179	179	179	179	53	75	75	75	8	0	47	16	0	0	0	100	100	91	32	8
January 2012	191	191	191	152	33	71	71	71	0	0	38	9	0	0	0	100	100	66	21	4
January 2013	204	204	204	113	21	67	67	59	0	0	28	2	0	0	0	100	100	46	13	2
January 2014	218	218	218	83	13	63	63	35	0	0	18	0	0	0	0	100	76	29	7	1
January 2015	232	232	232	61	8	58	58	13	0	0	7	0	0	0	0	100	44	16	3	*
January 2016	248	248	228	45	5	53	53	0	0	0	0	0	0	0	0	70	14	5	1	*
January 2017	264	264	190	33	3	48	48	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2018	282	282	157	24	2	43	43	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2019	301	301	129	18	1	37	37	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2020	321	321	105	13	1	30	30	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2021	343	343	86	9	*	24	22	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2022	366	362	69	6	*	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2023	390	315	55	5	*	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2024	416	270	43	3	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2025	417	228	33	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2026	417	188	25	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2027	417	151	19	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2028	417	115	13	1	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	417	81	8	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	367	49	5	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	192	19	2	*	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	28.9	24.4	18.3	12.7	8.9	13.6	13.3	10.2	7.1	5.2	8.1	5.3	3.7	2.6	2.0	14.3	12.9	11.1	8.5	6.3

Date	FC, SD†, ST†, SC† and FD Classes					FA and SA† Classes					FJ, SJ†, SI† and FH Classes					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	178%	250%	500%	0%	100%	178%	250%	500%	0%	200%	400%	640%	800%	1000%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2003	99	93	88	84	69	99	93	88	84	69	100	94	89	83	79	74
January 2004	98	86	77	70	48	98	86	77	70	48	99	85	71	57	48	37
January 2005	98	79	68	59	33	98	79	68	59	33	98	74	54	35	25	15
January 2006	97	73	60	49	22	97	73	60	49	22	98	64	41	21	13	6
January 2007	95	67	52	41	15	95	67	52	41	15	97	56	31	13	7	2
January 2008	94	62	45	34	11	94	62	46	34	11	96	49	23	8	3	1
January 2009	93	57	40	28	7	93	57	40	28	7	96	43	17	5	2	*
January 2010	92	52	34	23	5	92	52	35	23	5	95	37	13	3	1	*
January 2011	90	47	30	19	3	90	48	30	19	3	93	32	10	2	*	*
January 2012	89	43	26	16	2	89	43	26	16	2	92	28	7	1	*	*
January 2013	87	39	22	13	2	87	39	22	13	2	91	24	5	1	*	*
January 2014	85	35	19	11	1	85	35	19	11	1	89	21	4	*	*	*
January 2015	83	32	16	9	1	83	32	16	9	1	88	18	3	*	*	*
January 2016	81	28	14	7	*	81	29	14	7	*	86	15	2	*	*	*
January 2017	78	25	12	6	*	78	25	12	6	*	84	13	2	*	*	*
January 2018	75	22	10	4	*	75	22	10	4	*	81	11	1	*	*	*
January 2019	72	19	8	3	*	72	20	8	4	*	79	9	1	*	*	*
January 2020	69	17	7	3	*	69	17	7	3	*	76	8	1	*	*	*
January 2021	66	14	5	2	*	66	15	6	2	*	73	7	*	*	*	*
January 2022	62	12	4	2	*	62	12	4	2	*	69	5	*	*	*	*
January 2023	58	10	3	1	*	58	10	3	1	*	65	4	*	*	*	*
January 2024	53	8	2	1	*	53	8	3	1	*	61	4	*	*	*	*
January 2025	49	6	2	1	*	49	6	2	1	*	56	3	*	*	*	*
January 2026	43	4	1	*	*	43	4	1	*	*	50	2	*	*	*	0
January 2027	37	2	1	*	*	37	2	1	*	*	44	2	*	*	*	0
January 2028	31	*	*	*	*	31	1	*	*	*	37	1	*	*	*	0
January 2029	24	0	0	0	0	24	0	0	0	0	29	1	*	*	*	0
January 2030	17	0	0	0	0	17	0	0	0	0	20	*	*	*	*	0
January 2031	9	0	0	0	0	9	0	0	0	0	11	*	*	*	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	20.8	9.8	7.0	5.3	2.7	20.8	9.9	7.0	5.4	2.7	22.1	7.6	4.3	2.8	2.3	1.9

\* 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 an R Certificate to a “disqualified organization.” In addition, we will not permit transfer of record or beneficial ownership of an 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 an 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 an 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 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. 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 REMIC 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 REMIC Certificates and any related RCR Certificates generally will be treated as “regular or residual interests in a REMIC” for domestic building and loan associations, as “real estate assets” for real estate investment trusts, and, except for the R 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 and the Accrual Classes will be issued with original issue discount (“OID”), and certain other Classes of REMIC Certificates may be issued with OID. If a Class is issued with OID, a beneficial owner of a Certificate of that Class generally must recognize some taxable income in advance of the receipt of the cash attributable to that income. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Treatment of Original Issue Discount” in the REMIC Prospectus. In addition, certain Classes of REMIC Certificates may be treated as having been issued at a premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

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

<u>Certificate Group</u>	<u>PSA Prepayment Assumption</u>
1	271%
2	231%
3	228%
4	178%
5	178%
6	640%

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 6.42% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates—Treatment of Excess Inclusions*” and “—*Foreign Investors—Residual Certificates*” in the REMIC Prospectus.

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

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

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

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



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

## **PLAN OF DISTRIBUTION**

*General.* We are obligated to deliver the Certificates to Credit Suisse First Boston Corporation (the “Dealer”) in exchange for the Trust MBS 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, Group 2, Group 3, Group 4, Group 5 or Group 6 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Trust MBS or SMBS, as applicable, in principal balance, but we expect that all these additional Trust MBS or SMBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” and “—The SMBS.” The proportion that the original principal balance of each Group 1, Group 2, Group 3, Group 4, Group 5 or Group 6 Class bears to the aggregate original principal balance of all Group 1, Group 2, Group 3, Group 4, Group 5 or Group 6 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**

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Sidley Austin Brown & Wood LLP will also provide legal representation for the Dealer.



## Available Recombinations (1)

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Classes	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1								
VA	\$11,780,401	VE	\$38,084,754	6.50%	FIX	SEQ /AD	31392BXXF8	March 2024
VB	15,679,122							
VC	10,625,231							
Recombination 2								
SD	44,365,133 (3)	SC	44,365,133 (3)	(4)	INV /IO	NTL	31392BXXG6	February 2032
ST	44,365,133 (3)							
Recombination 3								
FC	44,365,133	FD	44,365,133	(4)	FLT	PT	31392BXXH4	February 2032
ST	44,365,133 (3)							
Recombination 4								
FJ	94,624,727	FH	94,624,727	(4)	FLT	PT	31392BXXJ0	February 2032
SI	94,624,727 (3)							

(1) REMIC Certificates and RCR Certificates in any recombination may be exchanged only in the proportion shown above.

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

(3) Notional Principal Balance.

(4) For a description of these interest rates, see “Description of the Certificates—Distributions of Interest” in this prospectus supplement.

## Principal Balance Schedules

### *P Class Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through		November 2007 . . . . .	\$21,076,861.24	May 2012 . . . . .	\$ 4,106,886.39
June 2003 . . . . .	\$57,769,000.00	December 2007 . . . . .	20,522,728.51	June 2012 . . . . .	3,959,893.30
July 2003 . . . . .	57,099,869.50	January 2008 . . . . .	19,981,401.26	July 2012 . . . . .	3,816,702.94
August 2003 . . . . .	56,416,563.65	February 2008 . . . . .	19,452,601.90	August 2012 . . . . .	3,677,228.07
September 2003 . . . . .	55,719,444.53	March 2008 . . . . .	18,936,058.65	September 2012 . . . . .	3,541,383.35
October 2003 . . . . .	55,008,882.14	April 2008 . . . . .	18,431,505.40	October 2012 . . . . .	3,409,085.27
November 2003 . . . . .	54,285,254.13	May 2008 . . . . .	17,938,681.63	November 2012 . . . . .	3,280,252.12
December 2003 . . . . .	53,548,945.41	June 2008 . . . . .	17,457,332.25	December 2012 . . . . .	3,154,803.97
January 2004 . . . . .	52,800,347.83	July 2008 . . . . .	16,987,207.52	January 2013 . . . . .	3,032,662.63
February 2004 . . . . .	52,039,859.84	August 2008 . . . . .	16,528,062.94	February 2013 . . . . .	2,913,751.58
March 2004 . . . . .	51,267,886.10	September 2008 . . . . .	16,079,659.10	March 2013 . . . . .	2,797,995.98
April 2004 . . . . .	50,484,837.15	October 2008 . . . . .	15,641,761.65	April 2013 . . . . .	2,685,322.60
May 2004 . . . . .	49,706,594.88	November 2008 . . . . .	15,214,141.13	May 2013 . . . . .	2,575,659.82
June 2004 . . . . .	48,933,130.65	December 2008 . . . . .	14,796,572.91	June 2013 . . . . .	2,468,937.55
July 2004 . . . . .	48,164,416.02	January 2009 . . . . .	14,388,837.07	July 2013 . . . . .	2,365,087.26
August 2004 . . . . .	47,400,422.70	February 2009 . . . . .	13,990,718.32	August 2013 . . . . .	2,264,041.87
September 2004 . . . . .	46,641,122.57	March 2009 . . . . .	13,602,005.87	September 2013 . . . . .	2,165,735.81
October 2004 . . . . .	45,886,487.66	April 2009 . . . . .	13,222,493.41	October 2013 . . . . .	2,070,104.90
November 2004 . . . . .	45,136,490.21	May 2009 . . . . .	12,851,978.91	November 2013 . . . . .	1,977,086.39
December 2004 . . . . .	44,391,102.59	June 2009 . . . . .	12,490,264.66	December 2013 . . . . .	1,886,618.88
January 2005 . . . . .	43,650,297.34	July 2009 . . . . .	12,137,157.06	January 2014 . . . . .	1,798,642.32
February 2005 . . . . .	42,914,047.16	August 2009 . . . . .	11,792,466.62	February 2014 . . . . .	1,713,097.98
March 2005 . . . . .	42,182,324.93	September 2009 . . . . .	11,456,007.84	March 2014 . . . . .	1,629,928.41
April 2005 . . . . .	41,455,103.68	October 2009 . . . . .	11,127,599.14	April 2014 . . . . .	1,549,077.44
May 2005 . . . . .	40,732,356.59	November 2009 . . . . .	10,807,062.76	May 2014 . . . . .	1,470,490.10
June 2005 . . . . .	40,014,057.02	December 2009 . . . . .	10,494,224.70	June 2014 . . . . .	1,394,112.64
July 2005 . . . . .	39,300,178.47	January 2010 . . . . .	10,188,914.65	July 2014 . . . . .	1,319,892.51
August 2005 . . . . .	38,590,694.61	February 2010 . . . . .	9,890,965.89	August 2014 . . . . .	1,247,778.31
September 2005 . . . . .	37,885,579.26	March 2010 . . . . .	9,600,215.24	September 2014 . . . . .	1,177,719.74
October 2005 . . . . .	37,184,806.39	April 2010 . . . . .	9,316,502.95	October 2014 . . . . .	1,109,667.66
November 2005 . . . . .	36,488,350.14	May 2010 . . . . .	9,039,672.67	November 2014 . . . . .	1,043,573.97
December 2005 . . . . .	35,796,184.79	June 2010 . . . . .	8,769,571.39	December 2014 . . . . .	979,391.68
January 2006 . . . . .	35,108,284.78	July 2010 . . . . .	8,506,049.30	January 2015 . . . . .	917,074.78
February 2006 . . . . .	34,424,624.71	August 2010 . . . . .	8,248,959.80	February 2015 . . . . .	856,578.34
March 2006 . . . . .	33,745,179.31	September 2010 . . . . .	7,998,159.39	March 2015 . . . . .	797,858.37
April 2006 . . . . .	33,069,923.46	October 2010 . . . . .	7,753,507.63	April 2015 . . . . .	740,871.91
May 2006 . . . . .	32,398,832.23	November 2010 . . . . .	7,514,867.06	May 2015 . . . . .	685,576.91
June 2006 . . . . .	31,731,880.78	December 2010 . . . . .	7,282,103.14	June 2015 . . . . .	631,932.28
July 2006 . . . . .	31,069,044.46	January 2011 . . . . .	7,055,084.21	July 2015 . . . . .	579,897.83
August 2006 . . . . .	30,410,298.75	February 2011 . . . . .	6,833,681.40	August 2015 . . . . .	529,434.28
September 2006 . . . . .	29,755,619.28	March 2011 . . . . .	6,617,768.59	September 2015 . . . . .	480,503.21
October 2006 . . . . .	29,104,981.82	April 2011 . . . . .	6,407,222.36	October 2015 . . . . .	433,067.07
November 2006 . . . . .	28,458,362.29	May 2011 . . . . .	6,201,921.92	November 2015 . . . . .	387,089.14
December 2006 . . . . .	27,815,736.74	June 2011 . . . . .	6,001,749.04	December 2015 . . . . .	342,533.53
January 2007 . . . . .	27,177,081.39	July 2011 . . . . .	5,806,588.06	January 2016 . . . . .	299,365.16
February 2007 . . . . .	26,542,372.57	August 2011 . . . . .	5,616,325.76	February 2016 . . . . .	257,549.71
March 2007 . . . . .	25,911,586.77	September 2011 . . . . .	5,430,851.34	March 2016 . . . . .	217,053.66
April 2007 . . . . .	25,284,700.61	October 2011 . . . . .	5,250,056.40	April 2016 . . . . .	177,844.23
May 2007 . . . . .	24,661,690.85	November 2011 . . . . .	5,073,834.85	May 2016 . . . . .	139,889.38
June 2007 . . . . .	24,042,534.41	December 2011 . . . . .	4,902,082.87	June 2016 . . . . .	103,157.79
July 2007 . . . . .	23,427,208.30	January 2012 . . . . .	4,734,698.87	July 2016 . . . . .	67,618.84
August 2007 . . . . .	22,818,957.60	February 2012 . . . . .	4,571,583.45	August 2016 . . . . .	33,242.61
September 2007 . . . . .	22,224,683.15	March 2012 . . . . .	4,412,639.33	September 2016 and thereafter . . . . .	0.00
October 2007 . . . . .	21,644,082.93	April 2012 . . . . .	4,257,771.36		

### CA 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 .....	\$30,000,000.00	February 2006 .....	\$19,337,481.67	March 2010 .....	\$13,753,384.46
February 2002 .....	29,593,909.20	March 2006 .....	19,301,451.72	April 2010 .....	13,505,087.76
March 2002 .....	29,168,119.30	April 2006 .....	19,265,609.04	May 2010 .....	13,253,054.65
April 2002 .....	28,722,825.20	May 2006 .....	19,229,949.72	June 2010 .....	12,997,416.51
May 2002 .....	28,258,234.72	June 2006 .....	19,194,469.87	July 2010 .....	12,738,301.64
June 2002 .....	27,774,568.45	July 2006 .....	19,159,165.66	August 2010 .....	12,475,835.26
July 2002 .....	27,272,059.59	August 2006 .....	19,124,033.23	September 2010 .....	12,210,139.60
August 2002 .....	26,750,953.72	September 2006 .....	19,089,068.80	October 2010 .....	11,941,333.99
September 2002 .....	26,211,508.70	October 2006 .....	19,054,268.57	November 2010 .....	11,669,534.85
October 2002 .....	25,653,994.36	November 2006 .....	19,019,628.78	December 2010 .....	11,394,855.83
November 2002 .....	25,078,692.33	December 2006 .....	18,985,145.68	January 2011 .....	11,117,407.82
December 2002 .....	24,485,895.80	January 2007 .....	18,950,815.56	February 2011 .....	10,837,299.05
January 2003 .....	23,875,909.25	February 2007 .....	18,916,634.72	March 2011 .....	10,554,635.07
February 2003 .....	23,249,048.22	March 2007 .....	18,882,599.49	April 2011 .....	10,269,518.91
March 2003 .....	22,605,638.99	April 2007 .....	18,848,706.20	May 2011 .....	9,982,051.05
April 2003 .....	21,946,018.33	May 2007 .....	18,814,951.23	June 2011 .....	9,692,329.52
May 2003 .....	21,270,533.16	June 2007 .....	18,781,330.96	July 2011 .....	9,400,449.92
June 2003 .....	20,579,540.30	July 2007 .....	18,747,841.79	August 2011 .....	9,106,505.52
July 2003 .....	20,542,536.59	August 2007 .....	18,711,212.28	September 2011 .....	8,810,587.26
August 2003 .....	20,504,942.43	September 2007 .....	18,664,515.33	October 2011 .....	8,512,783.82
September 2003 .....	20,466,780.15	October 2007 .....	18,608,026.87	November 2011 .....	8,213,181.67
October 2003 .....	20,428,072.66	November 2007 .....	18,542,016.69	December 2011 .....	7,911,865.12
November 2003 .....	20,388,843.40	December 2007 .....	18,466,748.54	January 2012 .....	7,608,916.36
December 2003 .....	20,349,116.28	January 2008 .....	18,382,480.31	February 2012 .....	7,304,415.52
January 2004 .....	20,308,915.70	February 2008 .....	18,289,464.10	March 2012 .....	6,998,440.67
February 2004 .....	20,268,266.44	March 2008 .....	18,187,946.35	April 2012 .....	6,691,067.94
March 2004 .....	20,227,193.68	April 2008 .....	18,078,168.00	May 2012 .....	6,382,371.48
April 2004 .....	20,185,722.92	May 2008 .....	17,960,364.54	June 2012 .....	6,072,423.56
May 2004 .....	20,144,536.13	June 2008 .....	17,834,766.18	July 2012 .....	5,761,294.59
June 2004 .....	20,103,628.80	July 2008 .....	17,701,597.91	August 2012 .....	5,449,053.17
July 2004 .....	20,062,996.47	August 2008 .....	17,561,079.66	September 2012 .....	5,135,766.10
August 2004 .....	20,022,634.68	September 2008 .....	17,413,426.36	October 2012 .....	4,821,498.46
September 2004 .....	19,982,539.01	October 2008 .....	17,258,848.08	November 2012 .....	4,506,313.62
October 2004 .....	19,942,705.09	November 2008 .....	17,097,550.11	December 2012 .....	4,190,273.28
November 2004 .....	19,903,128.53	December 2008 .....	16,929,733.04	January 2013 .....	3,873,437.53
December 2004 .....	19,863,805.02	January 2009 .....	16,755,592.94	February 2013 .....	3,555,864.84
January 2005 .....	19,824,730.24	February 2009 .....	16,575,321.34	March 2013 .....	3,237,612.14
February 2005 .....	19,785,899.91	March 2009 .....	16,389,105.42	April 2013 .....	2,918,734.83
March 2005 .....	19,747,309.79	April 2009 .....	16,197,128.05	May 2013 .....	2,599,286.81
April 2005 .....	19,708,955.63	May 2009 .....	15,999,567.89	June 2013 .....	2,279,320.54
May 2005 .....	19,670,833.26	June 2009 .....	15,796,599.50	July 2013 .....	1,958,887.03
June 2005 .....	19,632,938.49	July 2009 .....	15,588,393.40	August 2013 .....	1,638,035.92
July 2005 .....	19,595,267.17	August 2009 .....	15,375,116.16	September 2013 .....	1,316,815.46
August 2005 .....	19,557,815.19	September 2009 .....	15,156,930.48	October 2013 .....	995,272.59
September 2005 .....	19,520,578.44	October 2009 .....	14,933,995.30	November 2013 .....	673,452.91
October 2005 .....	19,483,552.86	November 2009 .....	14,706,465.84	December 2013 .....	351,400.78
November 2005 .....	19,446,734.40	December 2009 .....	14,474,493.71	January 2014 .....	29,159.29
December 2005 .....	19,410,119.05	January 2010 .....	14,238,226.94	February 2014 and thereafter .....	0.00
January 2006 .....	19,373,702.79	February 2010 .....	13,997,810.13		

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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.

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**\$584,483,553**



**Guaranteed  
REMIC Pass-Through  
Certificates**

**Fannie Mae REMIC Trust 2002-4**

***PROSPECTUS SUPPLEMENT***

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January 11, 2002

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