Supplement
(To Prospectus dated June 12, 2002)

$1,349,476,041

FannieMae

Guaranteed Pass-Through Certificates
Fannie Mae Grantor Trust 2002-T9

This is a supplement to the prospectus dated June 12, 2002 (the "Prospectus"). If we use a capitalized term in this supplement without defining it, you will find the definition of that term in the Prospectus.

Notwithstanding anything set forth in the Prospectus:

- The actual original class balances of the Classes are as set forth opposite their respective class designations:

Class	Original Class Balance
PO	$ 7,953,861
PT	1,341,522,180
IO	981,913,887(1)

(1) Notional balance. The IO Class is an interest only class.

- During the first Interest Accrual Period, the IO Class will bear interest at the annual rate of approximately 0.52557%.

Carefully consider the risk factors starting on page 6 of the Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

The certificates, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities 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.

GREENWICH CAPITAL

June 28, 2002

Prospectus

$1,358,307,811 (Approximate)

FannieMae®

Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2002-T9

The Certificates

We, the Federal National Mortgage Association ("Fannie Mae"), will issue and guarantee the certificates listed in the chart on this page. The certificates will represent beneficial ownership interests in the trust assets.

Payments to Certificateholders

You, the investor, will receive monthly payments on your certificates, including

- interest to the extent accrued as described in this prospectus, and
- principal to the extent available for payment as described in this prospectus.

The Fannie Mae Guaranty

We will guarantee that the payments of monthly interest and principal described above are paid to investors on time and that any outstanding principal balance of each class of certificates is paid on the final distribution date.

The Trust and Its Assets

The trust will own a pool of first lien, single-family, fixed-rate, fully amortizing mortgage loans.

Class	*Original Class Balance(1)*	*Principal Type(2)*	*Interest Rate*	*Interest Type(2)*	*CUSIP Number*	*Final Distribution Date*
PO	$ 8,015,037	PT	(3)	PO	31392DUG5	March 2032
PT	1,350,292,774	PT	6.75%	FIX	31392DUH3	May 2032
IO	987,675,512(4)	NTL	(5)	WAC/IO	31392DUJ9	May 2032

(1) May vary by plus or minus 5%.
(2) See "Description of the Certificates—Class Definitions and Abbreviations."
(3) The PO Class will be a principal only class and will not bear interest.
(4) The IO Class will be a notional class, will not have a principal balance and will bear interest on its notional principal balance.
(5) The IO Class will bear interest during the initial interest accrual period at an annual rate of 0.52838%. During subsequent interest accrual periods, the IO Class will bear interest as described in this prospectus.

The dealer may offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be June 28, 2002.

Carefully consider the risk factors beginning on page 6 of this prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

The certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities 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.

GREENWICH CAPITAL

June 12, 2002

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AVAILABLE INFORMATION

You should purchase the certificates only if you have read and understood this prospectus and our current Information Statement dated April 1, 2002 and its supplements (the "Information Statement"), which we are incorporating by reference in this prospectus.

You can obtain the Information Statement or additional copies of this prospectus by writing Fannie Mae at:

Fannie Mae
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016.

This prospectus, the Information Statement, and the class factors, are available on our website located at http://www.fanniemae.com. You can also obtain them by calling the Fannie Mae Helpline at 1-800-237-8627 or 202-752-6547.

You also can obtain additional copies of this prospectus by writing the dealer at:

Greenwich Capital Markets, Inc.
Prospectus Department
600 Steamboat Road
Greenwich, Connecticut 06830
(telephone: 203-618-2318).

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 in its entirety and the Information Statement referred to on page 3.

The Certificates

- The certificates will represent beneficial ownership interests in Fannie Mae Grantor Trust 2002-T9.
- The assets of the trust will consist of a pool of first lien, single-family, fixed-rate, fully amortizing mortgage loans.

Assumed Characteristics of the Mortgage Loans

The tables appearing under the heading "The Mortgage Loans—General" summarize as of June 1, 2002 certain assumed characteristics of the mortgage loans in the pool. The information in the tables is presented in aggregated form.

Class Factors

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

Settlement Date

We expect to issue the certificates on June 28, 2002.

Distribution Dates

We will make payments on the certificates on the 25th day of each calendar month, or the next business day if the 25th day is not a business day, beginning in July 2002.

Book-Entry Certificates

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

Interest Payments

During each interest accrual period, the certificates will bear interest at the applicable annual interest rates listed on the cover or described in this prospectus.

Notional Class

The IO Class is a notional class and will bear interest as described in this prospectus on its notional principal balance. Its notional principal balance is the balance used to calculate accrued interest. The notional principal balance of the IO Class will equal 100% of the aggregate stated principal balance of the non-discount mortgage loans.

Payments of Principal

On each distribution date, we will pay the PO Principal Distribution Amount as principal of the PO Class to zero.

On each distribution date, we will pay the sum of the Non-PO Principal Distribution Amount and the Non-Discount Principal Distribution Amount as principal of the PT Class to zero.

For a description of the PO Principal Distribution Amount, the Non-PO Principal Distribution Amount and the Non-Discount Principal Distribution Amount, see "Description of the Certificates—Certain Definitions Relating to Payments on the Certificates" in this prospectus.

Weighted Average Lives (years)*

	% of Prepayment Assumption**				
Classes	**0%**	**50%**	**100%**	**150%**	**200%**
PO	19.8	6.8	3.6	2.4	1.7
PT	20.2	6.8	3.6	2.3	1.7
IO	20.4	6.8	3.6	2.3	1.7

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

** For a description of the Prepayment Assumption, see "Description of the Certificates—Structuring Assumption—Prepayment Assumption" in this prospectus.

RISK FACTORS

We describe below some of the risks associated with an investment in the certificates. Because each investor has different investment needs and a different risk tolerance, you should consult your own financial and legal advisors to determine whether the certificates are a suitable investment for you.

Suitability

The certificates may not be a suitable investment. The certificates are not a suitable investment for every investor. Before investing, you should consider carefully the following:

- You should have sufficient knowledge and experience to evaluate the merits and risks of the certificates and the information contained in this prospectus and the Information Statement.
- You should thoroughly understand the terms of the certificates.
- You should be able to evaluate (either alone or with the help of a financial advisor) the economic, interest rate and other factors that may affect your investment.
- You should have sufficient financial resources and liquidity to bear all risks associated with the certificates.
- You should investigate any legal investment restrictions that may apply to you.

You should exercise particular caution if your circumstances do not permit you to hold the certificates until maturity.

Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should get legal advice to determine whether your purchase of the certificates is a legal investment for you or is subject to any investment restrictions.

Yield Considerations

Factors that affect your yield. Your effective yield on the certificates will depend upon:

- the price you paid for the certificates;
- how quickly or slowly borrowers prepay the mortgage loans;
- if and when the mortgage loans are liquidated due to borrower defaults, casualties or condemnations affecting the properties securing those loans;
- if and when the mortgage loans are repurchased;
- the actual characteristics of the mortgage loans; and
- in the case of the IO Class, fluctuations in the weighted average of the net mortgage rates of the related mortgage loans.

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

- if you bought your certificates (including the IO Class) at a premium and principal payments on the related mortgage loans are faster than you expect, or
- if you bought your certificates (including the PO Class) at a discount and principal payments on the related mortgage loans are slower than you expect.

Furthermore, in the case of certificates purchased at a premium (including the IO Class), you could lose money on your investment if prepayments occur at a rapid rate.

In addition, in the case of the IO Class, if a disproportionately high rate of prepayments occurs on mortgage loans with relatively higher interest rates, the yields on those certificates will decrease and may be lower than you expect.

Even if the mortgage loans are prepaid at a rate that on average is consistent with your expectations, variations in the prepayment rate over time could significantly affect your yield. Generally, the earlier the payment of principal, the greater the effect on the yield to maturity. As a result, if the rate of principal prepayment during any period is faster or slower than you expect, a corresponding reduction or increase in the prepayment rate during a later period may not fully offset the impact of the earlier prepayment rate on your yield.

We used certain assumptions concerning the mortgage loans in preparing certain tabular information in this prospectus. If the actual mortgage loan characteristics differ even slightly from those assumptions, the weighted average life and yield of the certificates will be affected.

You must make your own decision as to the assumptions, including the principal prepayment assumptions, you will use in deciding whether to purchase the certificates.

Unpredictable timing of last payment affects yield on certificates. The actual final payment on the certificates may occur earlier, and could occur much earlier, than the final distribution date listed on the cover of this prospectus. If you assumed the actual final payment would occur on the final distribution date, your yield could be lower than you expect.

Delayed payments reduce yield and market value. Because the certificates do not receive interest immediately following each interest accrual period, the certificates have lower yields and lower market values than they would if there were no such delay.

Prepayment Considerations and Risks

The rate of principal payments on the certificates depends on numerous factors and thus cannot be predicted. The rate of principal payments on the certificates generally will depend on the rate of principal payments on the mortgage loans. Principal payments on the mortgage loans may occur as a result of scheduled amortization or prepayments.

In the case of most of the mortgage loans, borrowers generally may prepay their mortgage loans at any time without penalty. As a result, 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 the rates we assume,
- at any constant prepayment rate until maturity, or
- at the same rate.

Approximately 5% of the mortgage loans require that the borrower pay a prepayment premium, in most cases equal to six months' advance interest calculated on the basis of the rate in effect at the time of such prepayment on the amount prepaid in excess of 20% of the original balance of such mortgage loan, if the loan is prepaid in full or in part during the first five years after origination. After the expiration of the applicable prepayment premium period, however, borrowers may prepay the mortgage loans at any time without paying a premium. In no event will certificateholders be entitled to any portion of any prepayment premiums paid by borrowers.

The mortgage loans contain "due-on-sale" clauses which generally provide that the lender can require repayment in full if the borrower sells the property that secures the mortgage loan; however, the enforceability of such "due-on-sale" clauses may be limited by applicable law. In this way, property sales by borrowers can affect the rate of prepayment.

In addition, borrowers often seek to refinance their loans by obtaining new loans secured by the same properties. Refinancing of loans also affects the rate of prepayment. When the level of prevailing interest rates declines relative to the interest rates on fixed-rate mortgage loans, the rate of prepayment of those loans is likely to increase. Because the mortgage loans bear fixed interest rates, they can be expected to be sensitive to prevailing interest rates.

In general, prepayment rates may be influenced by:

- the level of current interest rates relative to the rates borne by the mortgage loans,
- homeowner mobility,
- the general creditworthiness of borrowers, including changes in borrowers' credit status,
- borrower sophistication regarding the benefits of refinancing,
- solicitation by competing lenders,
- repurchases of mortgage loans, and
- general economic conditions.

Because so many factors affect the prepayment rate of a pool of mortgage loans, we cannot estimate the prepayment experience of the mortgage loans. Our Information Statement contains the most recent mortgage loan prepayment experience of our portfolio. You should understand that this prepayment experience is not indicative of any one pool of mortgage loans, including this pool of mortgage loans.

Exercise of any optional clean-up call will have the same effect on the certificates as borrower prepayments. The servicer, subject to certain conditions, has the option to purchase from the trust all of the mortgage loans on or after the first distribution date when the aggregate principal balance of the loans has been reduced to 1% or less of the aggregate principal balance of all the mortgage loans as of the issue date. If the servicer exercises this option, it will have the same effect on holders of the certificates as borrower prepayments of the loans.

Repurchases due to breaches of representations will have the same effect as borrower prepayments. When we purchased the mortgage loans from Countrywide Home Loans, Inc., it made certain representations and warranties concerning the mortgage loans. If there is a material breach of these representations and warranties, we may choose to repurchase the affected loans. If we do, we will purchase the mortgage loans at a price equal to their principal balance plus accrued interest at the applicable net mortgage interest rates. Our repurchase of mortgage loans will have the same effect on the certificateholders as borrower prepayments.

Purchases due to delinquency will have the same effect as borrower prepayments. Either Fannie Mae or, subject to certain conditions, the servicer may purchase any mortgage loans that are delinquent by more than 90 days. In such event, the mortgage loans will be purchased at a price equal to their principal balance (plus accrued interest at the applicable net mortgage interest rates). Purchases of mortgage loans will have the same effect on the certificateholders as borrower prepayments.

Concentration of mortgaged properties in certain states. As of the issue date, approximately 20% and 10% of the mortgage loans are secured by mortgaged properties located in California and Florida respectively. If the residential real estate markets in those states should experience an overall decline in property values, the rates of loan delinquencies in those states probably will increase and may increase substantially.

Reinvestment Risk

Generally, a borrower may prepay a mortgage loan at any time. As a result, we cannot predict the amount of principal payments on the certificates. The certificates may not be an appropriate investment for you if you require a specific amount of principal on a regular basis or on a specific date. Because interest rates fluctuate, you may not be able to reinvest the principal payments on the certificates at a rate of return that is as high as your rate of return on the certificates. You may have to reinvest those funds at a much lower rate of return. You should consider this risk in light of other investments that may be available to you.

Market and Liquidity Considerations

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.

A number of factors may affect the resale of certificates, including:

- the method, frequency and complexity of calculating principal and interest;
- the characteristics of the mortgage loans;
- past and expected prepayment levels of the mortgage loans and comparable loans;
- the outstanding principal amount of the certificates;
- the amount of certificates offered for resale from time to time;
- any legal restrictions or tax treatment limiting demand for the certificates;
- the availability of comparable securities;
- the level, direction and volatility of interest rates generally; and
- general economic conditions.

Fannie Mae Guaranty Considerations

If we were unable to perform our guaranty obligations, certificateholders would receive only borrower payments and other recoveries on the mortgage loans. If that happened, delinquencies and defaults on the mortgage loans could directly affect the amounts that certificateholders would receive each month.

GENERAL

The material under this heading summarizes certain features of the Certificates and is not complete. You will find additional information about the Certificates in the other sections of this prospectus, as well as in the Information Statement and the Trust Agreement. If we use a capitalized term in this prospectus without defining it, you will find the definition of that term in the Trust Agreement.

Structure. We, the Federal National Mortgage Association (''Fannie Mae''), a corporation organized and existing under the laws of the United States, under the authority contained in Section 304(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 *et seq.*), will create the Fannie Mae Grantor Trust specified on the cover of this prospectus (the ''Trust'') pursuant to a trust agreement (the ''Trust Agreement'') dated as of June 1, 2002 (the ''Issue Date''). We will execute the Trust Agreement in our corporate capacity and as trustee (the ''Trustee''). We will issue the Certificates pursuant to the Trust Agreement.

The assets of the Trust will consist of the Mortgage Loans and will evidence the entire beneficial ownership interest in the payments of principal and interest on the Mortgage Loans.

Characteristics of Certificates. We will issue each Class of the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are the ''Holders'' or ''Certificateholders'' of the Certificates.

A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See ''Description of the Certificates—Book-Entry Procedures'' in this prospectus.

Fannie Mae Guaranty. We guarantee that we will pay to the Holders of Certificates:

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

If we were unable to perform these guaranty obligations, Certificateholders would receive only the amounts paid or advanced and other recoveries on the Mortgage Loans. If that happened, delinquencies and defaults on the Mortgage Loans would directly affect the amounts that Certificateholders would receive each month. Our guaranty is not backed by the full faith and credit of the United States.

Distribution Dates. We will make monthly payments on the 25th day of each calendar month, or the next business day if the 25th is not a business day. We refer to each such date as a ''Distribution Date.'' We will make the first payments to Certificateholders in July 2002.

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 11th calendar day of each month, we will publish a class factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original principal balance (or notional principal balance) of a Certificate of that Class, the product will equal the remaining principal balance (or notional principal balance) of that Certificate after taking into account payments on the Distribution Date in the same month.

Authorized Denominations. We will issue the Classes of Certificates in minimum denominations of $1,000 and whole dollar increments above that amount.

Optional Termination. The Servicer may effect an early termination of the Trust as described herein under "The Agreements—Termination."

THE MORTGAGE LOANS

The Seller has provided us with detailed information regarding the Mortgage Loans. We summarize this information below, although we have not verified it. As a result, Fannie Mae does not warrant, and is not responsible for the truth or accuracy of the information.

General

We expect that the Trust will consist of approximately 9,698 mortgage loans (the "Mortgage Loans") having an aggregate Stated Principal Balance of approximately $1,358,307,811 as of the Issue Date. This aggregate amount may vary by plus or minus 5%. Fannie Mae, as purchaser, Countrywide Home Loans, Inc., as seller (the "Seller") and Countrywide Home Loans Servicing LP (the "Servicer"), will be parties to a sale and servicing agreement dated as of the Issue Date (the "Sale and Servicing Agreement").

The Mortgage Loans consist of first lien, single-family, fixed-rate, fully amortizing mortgage loans with original terms of from 20 to 30 years. Each Mortgage Loan is evidenced by a promissory note or similar evidence of indebtedness (a "Mortgage Note") that is secured by a first mortgage or deed of trust on a single-family residential property. Each Mortgage Note requires the borrower to make monthly payments of principal and interest. We refer to the property securing repayment of a Mortgage Loan as the "Mortgaged Property."

Each Mortgage Loan provides that the obligor on the related Mortgage Note (the "borrower") must make payments by a scheduled day of each month. This day is fixed at the time of origination. In addition, each Mortgage Loan provides that each borrower must pay interest on its outstanding principal balance at the rate specified or described in the related Mortgage Note. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months. If a borrower makes a payment earlier or later than the scheduled due date, the amortization schedule will not change, nor will the relative application of such payment to principal and interest.

In addition, approximately 5% of the Mortgage Loans are subject to prepayment premiums. In most cases, the prepayment premium will be equal to six months' advance interest calculated on the basis of the rate in effect at the time of such prepayment on the amount prepaid in excess of 20% of the original balance of the Mortgage Loan, if the loan is prepaid in full or in part during the first five years after origination. After the expiration of the applicable prepayment period, however, borrowers may prepay the mortgage loans at anytime without paying a premium. In no event will Certificate-holders be entitled to any portion of any prepayment premiums paid by borrowers.

None of the Mortgage Loans is FHA-insured or VA-guaranteed.

For any Distribution Date, the "Weighted Average Net Mortgage Rate" for either the Discount Loans or the Non-Discount Loans as a group is the weighted average of the Net Mortgage Rates of the Mortgage Loans in such group during the preceding calendar month, weighted on the basis of the Stated Principal Balances of such Mortgage Loans immediately before such Distribution Date. The "Weighted Average Age" is the weighted average loan age of the Mortgage Loans.

Discount Loans

Principal Balance	Weighted Average Net Mortgage Rate	Weighted Average Mortgage Rate	Weighted Average Age (in months)	WAM (in months)
$370,632,299	6.604029170%	7.220845640%	1	356

Non-Discount Loans

Principal Balance	Weighted Average Net Mortgage Rate	Weighted Average Mortgage Rate	Weighted Average Age (in months)	WAM (in months)
$987,675,512	7.278382969%	7.983226738%	2	358

The following tables present certain information about the Mortgage Loans as of the Issue Date. When we use the term ''Aggregate Principal Balance Outstanding,'' we mean the aggregate of the Stated Principal Balances of the related Mortgage Loans as of the Issue Date. Because some of the figures in the tables are rounded, the sums of the percentage columns may not equal 100%.

Current Mortgage Loan Principal Balances(1)

Current Mortgage Loan Principal Balances	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Principal Balance of Loans	Weighted Average Mortgage Interest Rate	WAM (months)	Weighted Average Mortgage Loan Age (months)
$ 0–$ 50,000	422	$ 17,138,196.13	1.26%	7.992%	357	1
$ 50,001–$100,000	2,674	207,668,563.85	15.29	7.850	356	1
$100,001–$150,000	2,918	362,932,247.70	26.72	7.783	357	1
$150,001–$200,000	1,902	329,136,916.14	24.23	7.745	357	1
$200,001–$250,000	1,030	230,622,524.28	16.98	7.762	358	1
$250,001–$300,000	676	185,146,044.47	13.63	7.724	358	1
$300,001–$350,000	53	16,359,803.70	1.20	7.674	359	1
$350,001–$400,000	15	5,557,455.10	0.41	8.030	359	1
$400,001–$450,000	3	1,293,853.52	0.10	8.120	359	1
$450,001–$500,000	3	1,370,355.65	0.10	7.412	359	1
$500,001–$550,000	1	505,851.17	0.04	8.625	359	1
$550,001–$600,000	1	576,000.00	0.04	8.250	360	0
Total	9,698	$1,358,307,811.71	100.00%			

(1) As of the Issue Date, the average current principal balance for the Mortgage Loans is expected to be approximately $140,060.

Mortgage Interest Rates (1)

Mortgage Interest Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Principal Balance of Loans	Weighted Average Mortgage Interest Rate	WAM (months)	Weighted Average Mortgage Loan Age (months)
6.00001– 6.50000	1	$ 84,485.75	0.01%	6.875%	234	6
6.50001– 7.00000	938	147,326,767.86	10.85	6.930	355	1
7.00001– 7.50000	3,156	457,456,698.02	33.68	7.408	357	1
7.50001– 8.00000	3,342	448,333,600.55	33.01	7.854	358	1
8.00001– 8.50000	1,556	206,029,870.39	15.17	8.409	358	1
8.50001– 9.00000	530	75,851,619.36	5.58	8.944	358	2
9.00001– 9.50000	146	20,323,097.64	1.50	9.319	357	2
9.50001–10.00000	21	2,060,737.21	0.15	9.839	351	9
10.00001–10.50000	5	688,602.35	0.05	10.336	308	50
10.50001–11.00000	2	97,406.08	0.01	10.792	357	3
12.00001–12.50000	1	54,926.50	0.00	12.400	355	5
Total	9,698	$1,358,307,811.71	100.00%			

(1) The Mortgage Loans are shown at the mortgage rates net of any interest premium charged by the related lenders for lender-purchased mortgage insurance. As of the Issue Date, the weighted average mortgage rate of the Mortgage Loans (as so adjusted) is expected to be approximately 7.71%. (Without such adjustment, the weighted average mortgage rate of the Mortgage Loans is expected to be approximately 7.78% per annum.)

Original Terms to Stated Maturity (1)

Original Terms to Stated Maturity (Months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Principal Balance of Loans	Weighted Average Mortgage Interest Rate	WAM (months)	Weighted Average Mortgage Loan Age (months)
240	133	$ 16,214,947.26	1.19%	7.369%	239	1
300	24	3,239,362.94	0.24	7.405	299	1
360	9,541	1,338,853,501.51	98.57	7.781	359	1
Total	9,698	$1,358,307,811.71	100.00%			

(1) As of the Issue Date, the weighted average original term to stated maturity of the Mortgage Loans is expected to be 358 months.

Mortgage Loan Age (months) *

Mortgage Loan Ages (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Principal Balance of Loans	Weighted Average Mortgage Interest Rate	WAM (months)	Weighted Average Mortgage Loan Age (months)
0– 24	9,695	$1,357,951,084.53	99.97%	7.775%	357	1
49– 72	1	87,039.31	0.01	7.750	309	51
73– 96	1	53,878.49	0.00	9.875	296	88
145–168	1	215,809.38	0.02	10.250	204	152
Total	9,698	$1,358,307,811.71	100.00%			

* As of the Issue Date, the weighted average mortgage loan age of the Mortgage Loans is expected to be approximately 1 month.

Remaining Terms to Stated Maturity (1)

Remaining Terms to Stated Maturity (Months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Principal Balance of Loans	Weighted Average Mortgage Interest Rate	WAM (months)	Weighted Average Mortgage Loan Age (months)
200–211	1	$ 215,809.38	0.02%	10.250%	204	152
212–241	134	16,355,347.27	1.20	7.369	239	1
272–301	25	3,293,241.43	0.24	7.445	299	2
302–331	8	906,654.05	0.07	7.864	320	12
332–360	9,530	1,337,536,759.58	98.47	7.781	359	1
Total	9,698	$1,358,307,811.71	100.00%			

(1) As of the Issue Date, the weighted average remaining term to stated maturity of the Mortgage Loans is expected to be approximately 357 months.

State Distribution of Mortgaged Properties

State Distribution of Mortgaged Properties	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Principal Balance of Loans	Weighted Average Mortgage Interest Rate	WAM (months)	Weighted Average Mortgage Loan Age (months)
California	1,468	$ 271,216,961.87	19.97%	7.589%	357	1
Florida	1,105	136,290,713.58	10.03	7.826	358	1
Texas	789	96,772,885.86	7.12	7.784	358	1
New York	340	58,503,873.05	4.31	7.972	356	1
Michigan	418	49,707,103.99	3.66	7.987	358	1
Other	5,578	745,816,273.36	54.91	7.803	357	1
Total	9,698	$1,358,307,811.71	100.00%			

Fannie Mae Mortgage Purchase Program

General

We summarize below certain aspects of our program for purchasing residential mortgage loans for inclusion in a given pool. We may grant exceptions to the requirements of the program for a particular transaction. In several instances, the characteristics of the Mortgage Loans included in the Trust do not match the criteria described below. For more specific details regarding the Mortgage Loans included in the Trust see "The Mortgage Loans—General" above.

The mortgage loans we purchase must meet standards required by the law under which we were chartered, which we refer to as the Charter Act. These standards require that the mortgage loans be, in our judgment, of a quality, type and class consistent with the purchase standards imposed by private institutional mortgage investors. Consistent with those requirements, and with the purposes for which we were chartered, we establish eligibility criteria and policies for the mortgage loans we purchase, for the sellers from whom we purchase loans, and for the servicers who service our mortgage loans.

Selling and Servicing Guides

Our eligibility criteria and policies, summarized below, are set forth in our Selling and Servicing Guides and updates and amendments to these Guides. We amend our Guides and our eligibility criteria and policies from time to time. This means it is possible that not all the mortgage loans in a particular pool will be subject to the same eligibility standards. It also means that the standards described in the Guides may not be the same as the standards that applied when loans in a particular pool were originated. We may also waive or modify our eligibility and loan underwriting requirements or policies when we purchase mortgage loans.

Mortgage Loan Eligibility Standards—Conventional Loans

Dollar Limitations

The Charter Act requires that we establish maximum original principal balance dollar limitations for the conventional loans that we purchase. These limitations, which we refer to as our conforming loan limits, typically are adjusted annually. As of January 1, 2002, our conforming loan limit for conventional loans secured by first liens on residences containing one dwelling unit is $300,700, except for mortgage loans secured by property in Alaska, Guam, Hawaii or the Virgin Islands where it is $451,050. Our conforming loan limit as of January 1, 2002 for conventional loans secured by first liens on residences containing two dwelling units is $384,900, three dwelling units is $465,200 and four dwelling units is $578,150, except for mortgage loans secured by property in Alaska, Guam, Hawaii, or the Virgin Islands where for two dwelling units it is $577,350, for three dwelling units it is $697,800 and for four dwelling units it is $867,225. Our conforming loan limit for mortgage loans secured by subordinate liens on single-family one- to four-unit residences is 50% of the amount for first lien loans secured by one unit residences, or, as of January 1, 2002, $150,350, except in Alaska, Guam, Hawaii and the Virgin Islands, where it is $225,525. In addition, the aggregate original principal balance of all the mortgage loans we own that are secured by the same residence cannot exceed the amount of our first lien conforming loan limit for single-family one- to four-unit residences. Aside from the limits imposed under the Charter Act, we may, from time to time, impose maximum dollar limitations on specific types of mortgage loans that we purchase.

Loan-to-Value Ratios

The Charter Act requires that we obtain credit enhancement whenever we purchase a conventional mortgage loan secured by a single-family one- to four-unit residence with a loan-to-value ratio over 80%. The credit enhancement may take several forms, including mortgage insurance issued by an insurer acceptable to us covering the amount in excess of 80%, repurchase arrangements with the seller of the mortgage loans, and seller-retained participation interests. In our discretion, we may impose credit enhancement requirements that are more restrictive than those of the Charter Act.

Our loan-to-value ratio requirements for loans we purchase vary depending upon a variety of factors which, for example, can include the type of loan, the loan purpose, loan amount, number of dwelling units in the property securing the loan, repayment terms and borrower credit history. Depending upon these factors, the loan-to-value ratio can be as high as 100%.

Underwriting Guidelines

We have established underwriting guidelines for mortgage loans that we purchase. These guidelines are designed to provide a comprehensive analysis of the characteristics of a borrower and a mortgage loan, including such factors as the borrower's credit history, the purpose of the loan, the property value and the loan amount.

We review and change our underwriting guidelines, from time to time, including expanding our underwriting criteria in order to make home loans more accessible to borrowers who are members of groups that have been underserved by mortgage lenders, including low and moderate income families, people with no prior credit history and those with less than perfect credit history, rural residents and people with special housing needs. In our discretion, we may grant waivers from our underwriting guidelines when we purchase any particular mortgage loan.

DESCRIPTION OF THE CERTIFICATES

Book-Entry Procedures

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

We have a fiscal agency agreement in effect with the Federal Reserve Bank of New York. Under this agreement, the regulations (found at 24 C.F.R. Part 81, Subpart E) that govern our use of the book-entry system and the pledging and transfer of interests apply to the Certificates. These regulations may be modified, amended, supplemented, superseded, eliminated or otherwise altered without the consent of any Certificateholder. The Federal Reserve Banks' operating circulars and letters also apply. The Certificates are freely transferable on the records of any Federal Reserve Bank but are not convertible to physical certificates. Certificates maintained on the book-entry system of a Federal Reserve Bank can be separately traded and owned.

Method of Payment. Our fiscal agent for the Certificates is the Federal Reserve Bank of New York. On each Distribution Date, the Federal Reserve Banks, acting on our behalf, will make payments on the Certificates by crediting Holders' accounts at the Federal Reserve Banks.

Interest Payments on the Certificates

Interest Calculation. We will pay interest on the Certificates at the applicable annual interest rates shown on the cover or described in this prospectus. We will calculate interest based on a 360-day year consisting of twelve 30-day months. We will pay interest monthly, on each Distribution Date, beginning in July 2002.

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the interest bearing Certificates (the "Delay Classes") during the calendar month preceding the month in which that Distribution Date occurs (the "Interest Accrual Period").

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

Notional Class. The IO Class will be a Notional Class. The Notional Class will have no principal balance. During each Interest Accrual Period, the Notional Class will bear interest on its notional principal balance at a per annum rate equal to the weighted average (weighted by the related Stated Principal Balances) of the Net Mortgage Rate of each Non-Discount Loan minus 6.75% for each Interest Accrual Period. The notional principal balance of the Notional Class will equal 100% of the aggregate Stated Principal Balance of the Non-Discount Loans.

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 to the principal balances of the Certificates generally shall refer also to the notional principal balance of the Notional Class.

Categories of Classes—Interest. For the purpose of interest payments, the Classes will be categorized as follows:

Interest Type*	Classes
Fixed Rate	PT
Principal Only	PO
Interest Only	IO
Weighted Average Coupon	IO

* See "—Class Definitions and Abbreviations" below.

Principal Payments on the Certificates

General. The outstanding principal balance of any Certificate as of any date of determination is equal to the initial outstanding principal balance of that Certificate, reduced by all amounts previously paid as principal on that Certificate.

We define certain capitalized terms used in the two following sections under "—Certain Definitions Relating to Payments on the Certificates" below.

Principal Distribution Amount

On the Distribution Date in each month, we will pay principal in an aggregate amount (the "Principal Distribution Amount") equal to the sum of the following:

- the PO Principal Distribution Amount;
- the Non-PO Principal Distribution Amount; and
- the Non-Discount Principal Distribution Amount.

On each Distribution Date, we will pay the PO Principal Distribution Amount as principal of the PO Class, until its principal balance is reduced to zero.

On each Distribution Date, we will pay the sum of (i) the Non-PO Principal Distribution Amount and (ii) the Non-Discount Principal Distribution Amount as principal of the PT Class, until its principal balance is reduced to zero.

We will include principal prepayments (including net liquidation proceeds) in amounts paid as principal of the Certificates on each Distribution Date, provided that the Servicer gives us information about them in time for the published class factors for that month. See "Reference Sheet—Class Factors" in this prospectus. If we do not receive the information on time, we will pay the prepayments on the next Distribution Date.

Categories of Classes—Principal. For the purpose of principal payments, the Classes will be categorized as follows:

Principal Type*	Classes
Pass-Through	PT and PO
Notional	IO

* See "—Class Definitions and Abbreviations."

Certain Definitions Relating to Payments on the Certificates

Discount Loans. Mortgage Loans having Net Mortgage Rates lower than 6.75%.

Due Date. For any Distribution Date, the first day of the calendar month in which that Distribution Date occurs.

Due Period. For any Distribution Date, the period beginning on the second day of the month immediately preceding the month in which that Distribution Date occurs and ending on the first day of the month in which that Distribution Date occurs.

Liquidated Loan. A defaulted Mortgage Loan with respect to which the Servicer has concluded that the full amount finally recoverable on account of that loan has been received, whether or not this amount is equal to the principal balance of that loan.

Net Mortgage Rate. For any Mortgage Loan, the Mortgage Interest Rate of that loan *minus* the sum of (i) the Servicing Fee Rate, (ii) the rate at which the Guaranty Fee is calculated with respect to that loan and (iii) any premium amounts required to be paid by the Servicer for any lender-purchased mortgage insurance.

Non-Discount Loans. Mortgage Loans having Net Mortgage Rates greater than or equal to 6.75%.

Non-Discount Principal Distribution Amount. For any Distribution Date, the sum of the following amounts for all Non-Discount Loans, without duplication:

- the monthly payment of principal due on each Non-Discount Loan during the related Due Period, *plus*
- the Stated Principal Balance of each Non-Discount Loan that Fannie Mae, the Servicer or the Seller repurchases during the related Due Period, *plus*
- the Stated Principal Balance of each Non-Discount Loan that was reported as having become a Liquidated Loan during the related Due Period, *plus*
- any partial or full principal prepayment of each Non-Discount Loan that was reported as received by the Servicer during the related Due Period.

Non-PO Percentage. For any Discount Loan, the related Net Mortgage Rate *divided* by 6.75%, expressed as a percentage.

Non-PO Principal Distribution Amount. For any Distribution Date, the sum of the following amounts for all Discount Loans, without duplication:

- the Non-PO Percentage of the monthly payment of principal due on each Discount Loan during the related Due Period, *plus*
- the Non-PO Percentage of the Stated Principal Balance of each Discount Loan that Fannie Mae, the Servicer or the Seller repurchases during the related Due Period, *plus*
- the Non-PO Percentage of the Stated Principal Balance of each Discount Loan that was reported as having become a Liquidated Loan during the related Due Period, *plus*
- the Non-PO Percentage of any partial or full principal prepayment of each Discount Loan that was reported as received by the Servicer during the related Due Period.

PO Percentage. For any Discount Loan, (6.75% *minus* the related Net Mortgage Rate) *divided* by 6.75%, expressed as a percentage.

PO Principal Distribution Amount. For any Distribution Date, the sum of the following amounts for all Discount Loans, without duplication:

- the PO Percentage of the monthly payment of principal due on each Discount Loan during the related Due Period, *plus*
- the PO Percentage of the Stated Principal Balance of each Discount Loan that Fannie Mae, the Servicer or the Seller repurchases during the related Due Period, *plus*

- the PO Percentage of the Stated Principal Balance of each Discount Loan that was reported as having become a Liquidated Loan during the related Due Period, *plus*

- the PO Percentage of any partial or full principal prepayment of each Discount Loan that was reported as received by the Servicer during the related Due Period.

Servicing Fee Rate. The percentage identified on the Mortgage Loan Schedule.

Stated Principal Balance. The unpaid principal balance of a Mortgage Loan (or the scheduled unpaid principal balance thereof, in the case of Mortgage Loans that are delinquent) as of the Issue Date reduced by all amounts representing principal received or advanced by the Servicer and previously paid to Certificateholders with respect to that loan.

Class Definitions and Abbreviations

Classes of Certificates fall into different categories. The following chart identifies and generally defines the categories of Classes specified on the cover page of this prospectus.

Abbreviation	Category of Class	Definition
		INTEREST TYPES
FIX	Fixed Rate	Has an interest rate that is fixed throughout the life of the class.
IO	Interest Only	Receives some or all of the interest payments made on the Mortgage Loans or other assets of the trust but little or no principal. Interest Only Classes have either a notional or a nominal principal balance. A notional principal balance is the amount used as a reference to calculate amount of interest due on an Interest Only Class. A nominal principal balance represents actual principal that will be paid on the Class. It is referred to as nominal since it is extremely small compared to other classes.
PO	Principal Only	Does not bear interest and is entitled to receive only payments of principal.
WAC	Weighted Average Coupon	Has an interest rate that represents an effective weighted average interest rate that may change from period to period.
		PRINCIPAL TYPES
NTL	Notional	Has no principal balance and bears interest on its notional principal balance. The notional principal balance is used to determine interest payments on an Interest Only Class that is not entitled to principal.
PT	Pass-Through	Is designed to receive principal payments in direct relation to actual or scheduled payments on some or all of the Mortgage Loans.

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus has been prepared on the basis of (i) the assumed characteristics of the Mortgage Loans set forth herein and (ii) the following assumptions (collectively, the "Pricing Assumptions"):

- payments on all Mortgage Loans are due and received on the first day of each month;

- each year consists of twelve 30-day months;

- the Mortgage Loans prepay at the constant percentages of the Prepayment Assumption levels specified in the related table;
- the Servicer does not exercise its repurchase option;
- the settlement date for the sale of the Certificates occurs on June 28, 2002; and
- each Distribution Date for the Certificates occurs on the 25th day of the month, beginning in July 2002.

Prepayment Assumption. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here (the "Prepayment Assumption") represents an assumed rate of prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans. A 100% Prepayment Assumption assumes a Constant Prepayment Rate ("CPR") of 10.0% per annum of the then outstanding principal balance of the mortgage loans in the first month of the life of the mortgage loans, and an additional 1.36363636% (precisely 15/11) per annum in each month thereafter until the twelfth month. Beginning in the thirteenth month, and in each month thereafter during the life of the mortgage loans, a 100% Prepayment Assumption assumes a CPR of 25% per annum each month. A 50% Prepayment Assumption assumes prepayment rates equal to 50% of the Prepayment Assumption. Correspondingly, a 200% Prepayment Assumption assumes prepayment rates equal to 200% of the Prepayment Assumption, and so forth. *This model does not predict the prepayment experience of the Mortgage Loans or describe the historic performance of any particular pool of mortgage loans, including the Mortgage Loans.*

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 the Prepayment Assumption. We calculated the yields set forth in the tables by

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

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

We cannot assure you that

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

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

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

The IO Class. **The yield to investors in the IO Class will be very sensitive to the rate of principal payments (including prepayments) of the Non-Discount Loans. Except as discussed under "The Mortgage Loans—General" in this prospectus, the Mortgage Loans generally can be prepaid by the related borrowers with no prepayment premiums. On the basis of the assumptions described below, the yield to maturity on the IO Class would be 0% if prepayments were to occur at a constant rate of approximately 137% of the Prepayment Assumption. If the actual prepayment rate of the Non-Discount Loans were to exceed that level for as little as one month while equaling such level for the remaining months, the investors in the IO Class would lose money on their initial investments.**

We cannot assure you that:

- the Mortgage Loans will prepay at any of the assumed rates in this prospectus or at any other particular rate;
- the pre-tax yields on the IO Class will correspond to any of the pre-tax yields shown in this prospectus; or
- the aggregate purchase price of the IO Class will be the price assumed below.

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

Class	Price*
IO	1.3281250%

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

Sensitivity of the IO Class to Prepayments*
(Pre-Tax Yields to Maturity)

	% of Prepayment Assumption				
Class	0%	50%	100%	150%	200%
IO	40.8%	26.8%	11.8%	(4.4)%	(22.2)%

* Applies only to Non-Discount Loans.

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

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

Class	Price
PO	66.00000%

Sensitivity of the PO Class to Prepayments*
(Pre-Tax Yields to Maturity)

Class	% of Prepayment Assumption 0%	50%	100%	150%	200%
PO	2.2%	7.4%	14.2%	21.7%	29.9%

* Applies only to Discount Loans.

Weighted Average Lives of the Certificates

The "weighted average life" of a Certificate refers to the average length of time, weighted by principal, that will elapse from the time we issue the Certificate until we pay you the full amount of outstanding principal. We determine the weighted average life of a Certificate by:

(a) multiplying the amount of the reduction, if any, of the principal balance of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date,

(b) summing the results, and

(c) dividing the sum by the aggregate amount of the reductions in principal balance of such Certificate referred to in clause (a).

The weighted average lives of the Certificates will be influenced by, among other factors, the rate at which principal payments are made on the Mortgage Loans. For the purpose of the preceding sentence, principal payments include scheduled payments, principal prepayments, liquidations due to default, casualty and condemnation and payments made pursuant to either our guaranty of payment or our option to repurchase. The interaction of the above factors may result in differing principal prepayment speeds on the Classes of Certificates. Accordingly, we cannot give any assurance as to the weighted average lives of the Certificates.

Maturity Considerations and Final Distribution Date

We expect the maturities of substantially all of the Mortgage Loans to be between 20 and 30 years. Each Mortgage Loan will provide for amortization of principal according to a schedule that, in the absence of prepayments, would result in repayment of the Mortgage Loan by its maturity date.

The "Final Distribution Date" for each Class of Certificates is the date by which the principal balance of that Class is required to be fully paid and is specified on the cover of this prospectus. The Final Distribution Date of the Certificates will be determined so that distributions on the Mortgage Loans will be sufficient to retire the Classes of Certificates on or before the Final Distribution Date without the necessity of any call on our guaranty.

Decrement Tables

The following tables indicate the percentages of original principal balances of the specified Classes that would be outstanding after each of the dates shown at various constant percentages of the Prepayment Assumption and the corresponding weighted average lives of such Classes. The tables have been prepared on the basis of the Pricing Assumptions.

It is *unlikely* that all the Mortgage Loans:

- will have the interest rates or remaining terms to maturity assumed or
- will prepay at any constant percentage of the Prepayment Assumption.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal payments than indicated in the tables at the specified constant percentages of the Prepayment Assumption. This would be the case even if the weighted average maturities of the Mortgage Loans are identical to the weighted average maturities specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding

	PO Class					PT Class					IO† Class				
	% of Prepayment Assumption					% of Prepayment Assumption					% of Prepayment Assumption				
Date	0%	50%	100%	150%	200%	0%	50%	100%	150%	200%	0%	50%	100%	150%	200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
June 2003	99	90	80	71	61	99	89	80	70	60	99	89	79	69	59
June 2004	98	78	60	44	30	98	77	59	43	30	98	77	59	43	29
June 2005	97	67	44	27	15	97	67	44	27	15	97	67	44	27	14
June 2006	96	58	33	17	7	96	58	33	16	7	96	58	32	16	7
June 2007	94	50	24	10	4	95	50	24	10	4	95	50	24	10	4
June 2008	93	43	18	6	2	93	43	18	6	2	94	43	18	6	2
June 2009	91	37	13	4	1	92	37	13	4	1	92	37	13	4	1
June 2010	90	32	10	2	*	91	32	10	2	*	91	32	10	2	*
June 2011	88	27	7	1	*	89	28	7	1	*	89	28	7	1	*
June 2012	86	23	5	1	*	87	24	5	1	*	88	24	5	1	*
June 2013	84	20	4	1	*	85	20	4	1	*	86	20	4	1	*
June 2014	82	17	3	*	*	83	17	3	*	*	84	17	3	*	*
June 2015	79	14	2	*	*	81	15	2	*	*	81	15	2	*	*
June 2016	77	12	1	*	*	78	12	1	*	*	79	13	2	*	*
June 2017	74	10	1	*	*	76	11	1	*	*	76	11	1	*	*
June 2018	71	9	1	*	*	73	9	1	*	*	74	9	1	*	*
June 2019	68	7	1	*	*	70	7	1	*	*	71	7	1	*	*
June 2020	64	6	*	*	*	67	6	*	*	*	67	6	*	*	*
June 2021	61	5	*	*	*	63	5	*	*	*	64	5	*	*	*
June 2022	57	4	*	*	*	59	4	*	*	*	60	4	*	*	*
June 2023	53	3	*	*	*	55	3	*	*	*	56	3	*	*	*
June 2024	48	3	*	*	*	50	3	*	*	*	51	3	*	*	*
June 2025	43	2	*	*	*	45	2	*	*	*	46	2	*	*	*
June 2026	38	2	*	*	*	40	2	*	*	*	41	2	*	*	*
June 2027	32	1	*	*	0	34	1	*	*	*	35	1	*	*	*
June 2028	26	1	*	*	0	28	1	*	*	*	29	1	*	*	*
June 2029	20	1	*	*	0	22	1	*	*	*	22	1	*	*	*
June 2030	13	*	*	*	0	14	*	*	*	*	15	*	*	*	*
June 2031	5	*	*	*	0	7	*	*	*	*	7	*	*	*	*
June 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.8	6.8	3.6	2.4	1.7	20.2	6.8	3.6	2.3	1.7	20.4	6.8	3.6	2.3	1.7

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

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

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

THE AGREEMENTS

We summarize below certain provisions of the Trust Agreement and the Sale and Servicing Agreement not discussed elsewhere in this prospectus. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement or the Sale and Servicing Agreement, as applicable. These summaries are, by definition, not complete. If there is ever a conflict between the information in this prospectus and the actual terms of the Trust Agreement or the Sale and Servicing Agreement, as applicable, the terms of the Trust Agreement and the Sale and Servicing Agreement will prevail.

Transfer of Mortgage Loans to the Trust

The Trust Agreement will contain a mortgage loan schedule (the ''Mortgage Loan Schedule'') that will identify the Mortgage Loans that are being transferred to the Trust. As Trustee, we will hold, on behalf of the Certificateholders, the original Mortgage Notes, endorsed in blank, and assignments of the mortgage instruments to us in recordable form. Usually assignments are in a form suitable for recording but they are not recorded. However, a blanket assignment may be used for the transfer of a large number of Mortgage Loans, even if the properties are not located in the same recording jurisdiction, depending on the applicable Lender's servicing experience and its financial condition. We may change these document custody requirements at any time, as long as we determine that any such change will not have a materially adverse effect on the interests of Certificateholders.

At our option, we may choose to maintain the documents described above with one or more custodian institutions supervised and regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, the FDIC or the NCUA. We will review the Mortgage Loan Schedule before we issue the Certificates and will conduct random spot checks after issuing the Certificates to confirm that we have all the documents we need.

If a liquidation, reorganization, or similar proceeding involving our assets or the assets of a Lender were to occur, it is not clear what law would be applicable. As a result, we cannot render a legal opinion about the Certificateholders' rights to the Mortgage Loans in the event of a proceeding of this type.

Servicing Through Countrywide Home Loans Servicing LP

Pursuant to the Sale and Servicing Agreement, we have contracted with the Servicer to service and administer the Mortgage Loans as more fully described below. The Sale and Servicing Agreement is a contract solely among Fannie Mae, the Servicer and the Seller. Certificateholders will not be deemed to be parties to it and will have no claims, rights, obligations, duties, or liabilities with respect to the Servicer.

The Servicer will be obligated to perform diligently all services and duties customary to the servicing of mortgages. We will monitor the Servicer's performance and we have the right to remove the Servicer for cause at any time we consider its removal to be in the best interest of Certificateholders. The duties performed by the Servicer include general loan servicing responsibilities, collection and remittance of principal and interest payments, administration of mortgage escrow accounts, collection of insurance claims, and, if necessary, foreclosure.

Each month, an amount calculated based on the principal balance of each related Mortgage Loan will be retained to pay various Trust expenses, including servicing payable to the Servicer, mortgage insurance fees and amounts to compensate us for providing our guaranty (together, for any Mortgage Loan, the ''Trust Expense Rate''). In addition, we are entitled to retain that portion of the proceeds of the liquidation of a Mortgage Loan that exceeds (i) the principal balance of that Mortgage Loan, (ii) interest owed through the end of the month of such liquidation at the Net Mortgage Rate and (iii) any compensation owed to us. We will pay all expenses incurred in connection with servicing activities, including, without limitation, the fees to the Servicer, and we are not entitled to be reimbursed for such expenses out of the assets of the Trust. Prepayment fees, late charges, assumption fees and similar charges, to the extent they are collected from borrowers, will be retained by the Servicer as additional servicing compensation.

Distributions on Mortgage Loans; Deposits in the Certificate Account

We will deposit or credit to one or more accounts (collectively, the "Certificate Account") an amount equal to the sum of the amounts collected as principal and interest on the Mortgage Loans as these amounts are received.

Any amounts deposited into the Certificate Account on a Distribution Date will be available to pay (i) interest accrued and distributable on the Certificates on that date and (ii) principal of the Certificates reflected in the class factors. We will not include any reinvestment earnings on amounts in the Certificate Account when we calculate payments to Certificateholders.

The Trust Agreement permits us, as Trustee, to maintain the Certificate Account in one of two ways:

- as a trust account with an eligible depository institution (which account may contain other funds that we hold in a trust capacity), or

- as part of our general assets (with appropriate credit entries to the grantor trust).

We are required to hold all such appropriately credited funds in our general accounts (and all funds in the Certificate Account that we have invested) for the benefit of the Certificateholders. Nevertheless, if a liquidation, reorganization or similar proceeding involving our assets were to occur, it is not clear what law would be applicable. As a result, we cannot render a legal opinion about the Certificateholders' rights to those funds in the event of a proceeding of this type.

Reports to Certificateholders

We will publish a class factor for each Class of Certificates on or shortly after the 11th calendar day of each month. If you multiply the class factor for a Certificate by the original principal balance or notional balance of the Certificate, you will obtain the current principal balance or notional balance of that Certificate, after giving effect to the principal payment to be made on the following Distribution Date.

We will provide each Certificateholder with a statement of the total principal and interest paid on that Holder's Certificates with respect to each Distribution Date. After the end of each calendar year, we will also furnish to each person who was a Certificateholder at any time during that year any information required by the Internal Revenue Service.

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

Collection and Other Servicing Procedures

In connection with its servicing activities, the Servicer has full power and authority to do or cause to be done any and all things it may deem necessary or appropriate, including the foreclosure or comparable conversion of a defaulted Mortgage Loan. Subject to certain conditions and limitations described in the Sale and Servicing Agreement, the Servicer may, in its discretion and without obligation, purchase from the Trust any Mortgage Loan that has become more than 90 days delinquent. Fannie Mae will have a similar option to repurchase delinquent Mortgage Loans. The purchase price will be equal to the principal balance of the delinquent Mortgage Loan together with accrued interest at the applicable Net Mortgage Rate. We will pay the purchase price to Certificateholders in the same manner as full prepayments of Mortgage Loans. See "Description of the Certificates—Principal Payments" in this prospectus.

With respect to each Mortgage Loan, the Seller makes certain warranties to Fannie Mae concerning the following matters:

- the recordation of the original Mortgage,
- the validity of the Mortgage Loan as a first lien on the related Mortgaged Property, and
- compliance by the Mortgage Loan with applicable state and federal laws.

In the event of a material breach of any warranty or a material defect in the Mortgage Loan documentation, we may purchase the Mortgage Loan from the Trust at a price equal to its stated principal balance together with interest thereon at the Net Mortgage Rate.

Subject to the limitations discussed below, the Servicer may:

- enforce or waive enforcement of any term of any Mortgage Loan,
- enter into an agreement to modify any term of any Mortgage Loan, or
- take any action or refrain from taking any action in servicing any Mortgage Loan.

The Trust Agreement prohibits certain other modifications, such as reducing the mortgage interest rate or principal amount or extending the term of a Mortgage Loan. However, the Servicer is authorized to waive any prepayment charge, assumption fee, or late payment charge.

In connection with the transfer or prospective transfer of title to a Mortgaged Property securing any Mortgage Loan, the Servicer, in most cases, will accelerate the maturity of the related Mortgage Loan if it contains a "due-on-sale" clause that permits acceleration under those conditions (unless applicable law prohibits enforcing the "due-on-sale" clause).

If for any reason the Servicer does not have to accelerate the maturity of a Mortgage Loan upon the transfer or prospective transfer of title to the related Mortgaged Property, the Servicer may enter into a transaction releasing the borrower from liability on the Mortgage Loan and imposing such liability on the transferee. In no event will any such transaction provide for reduction of the related Mortgage Interest Rate.

Certain Matters Regarding Fannie Mae

We may not resign from our duties under the Trust Agreement unless a change in law requires it. Even then, our resignation would not become effective until a successor has assumed our duties under the Trust Agreement. In no event, however, would any successor take over our guaranty obligations. Even if our other duties under the Trust Agreement should terminate, we would still be obligated under that guaranty. In the event that we are unable to fulfill our continuing guaranty obligations, the Trust Agreement may be modified to provide for monthly distributions to be made from then-available Mortgage Loan payments and other recoveries in a manner similar to practices and procedures followed in the servicing of whole loans for institutional investors. See "—Rights Upon Event of Default" below.

We are not liable under the Trust Agreement to the Trust or to Certificateholders for our errors in judgment or for anything we do, or do not do, in good faith. This also applies to our directors, officers, employees and agents. Nevertheless, neither we nor they will be protected from liability if it results from willful misfeasance, bad faith or gross negligence or as a result of a willful disregard of duties.

The Trust Agreement also provides that we are free to refuse involvement in any legal action that we think will expose us to expense or liability unless the action is related to our duties under the Trust Agreement. On the other hand, we may decide to participate in legal actions if we think our participation would be in the interests of the Certificateholders. In this case, we will pay our legal expenses and costs.

If we merge or consolidate with another corporation, the successor corporation will be our successor under the Trust Agreement.

Events of Default

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

- if we fail to pay Certificateholders any required amount and our failure continues uncorrected for 15 days after Certificateholders owning at least 5% of the Certificates have given us written notice;
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after Certificateholders owning at least 25% of the Certificates have given us written notice; or
- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Rights Upon Event of Default

If one of the Events of Default under the Trust Agreement has occurred and continues uncorrected, Certificateholders who own at least 25% of the Certificates have the right to terminate, in writing, all of our obligations under the Trust Agreement. These obligations include our duties as trustee as well as in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders also may appoint, in writing, a successor to assume all of our terminated obligations. This successor will take legal title to the Mortgage Loans and other assets of the Trust.

Voting Rights

Certain actions specified in the Trust Agreement that may be taken by holders of Certificates evidencing a specified percentage of all undivided interests in the Trust may be taken by holders of Certificates entitled in the aggregate to such percentage of voting rights. The percentage of the voting rights allocated among holders of the Notional Class will be 1.5%; the percentage of the voting rights allocated among holders of all other Classes in the aggregate will be 98.5%. The voting rights allocated to each Class of Certificates will be allocated among all holders of each such Class in proportion to the outstanding Class Balance of such Certificates.

Amendment

We may amend the Trust Agreement, without notifying the Certificateholders or obtaining their consent, for any of the following purposes:

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

If Certificateholders who own at least 66% of the Certificates give their consent, we may amend the Trust Agreement to eliminate, change or add to its terms or to waive our compliance with any of those terms. Nevertheless, we may not terminate or change our guaranty obligations or reduce the percentage of Certificateholders who must give their consent to the types of amendments listed in the previous sentence. In addition, unless each affected Certificateholder consents, no amendment may reduce or delay the funds that we must pay on any Certificate.

Termination

The Trust Agreement will terminate when the last Mortgage Loan remaining in the Trust has been paid off or liquidated, and the proceeds of that loan have been paid to Certificateholders. The Trust Agreement also will terminate if the Servicer exercises its option to repurchase all remaining Mortgage Loans in the Trust. The purchase price for such optional repurchase will equal the outstanding stated principal balance of each Mortgage Loan (including one month's interest at the Net Mortgage Rate).

The Servicer may not exercise its option to repurchase unless the aggregate principal balance of the remaining Mortgage Loans is less than 1% of the aggregate principal balance of all the Mortgage Loans as of the Issue Date.

If the Servicer exercises the option to repurchase, we will have to retire all the Certificates. In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the persons named in the Trust Agreement. We will notify each affected Certificateholder in writing of the termination of the Trust Agreement, and will make the final payment to each person entitled to it.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates generally are subject to taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following discussion describes certain U.S. federal income tax consequences to beneficial owners of Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for various reasons, including the following:

- This discussion is based on federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below.
- This discussion addresses only Certificates acquired at original issuance and held as "capital assets" (generally, property held for investment).
- This discussion does not address tax consequences to beneficial owners subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.
- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, you should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Taxation of Beneficial Owners of Certificates

Our special tax counsel, Arnold & Porter, will deliver its opinion that, assuming compliance with the Trust Agreement, the Trust will be classified as a trust under subpart E of part I of subchapter J of the Internal Revenue Code of 1986, as amended (the "Code") and not as an association taxable as a corporation. The Mortgage Loans will be the assets of the Trust.

The IO and PO Classes. A beneficial owner of an interest in a Certificate of the IO or PO Class will be treated as owning, pursuant to section 1286 of the Code, "stripped bonds" to the extent of its share of principal payments and "stripped coupons" to the extent of its share of interest payments on the Mortgage Loans. Fannie Mae intends to treat each Certificate as a single debt instrument representing rights to future cashflows from the Mortgage Loans for purposes of information reporting. You should consult your own tax advisor as to the proper treatment of a Certificate of the IO or PO Class in this regard.

Under section 1286 of the Code, a beneficial owner of a Certificate of the IO or PO Class must treat the Certificate as a debt instrument originally issued on the date the owner acquires it and as having OID equal to the excess, if any, of its ''stated redemption price at maturity'' over the price paid by the owner to acquire it. The stated redemption price at maturity of a Certificate of the IO or PO Class generally is equal to the sum of all distributions to be made on that Certificate. For information reporting purposes, we intend to treat all amounts to be distributed on a Certificate of the IO or PO Class as included in the stated redemption price at maturity and, as a result, each Certificate of the IO or PO Class will be treated as if issued with OID.

The beneficial owner of a Certificate of the IO or PO Class must include in its ordinary income for federal income tax purposes, generally in advance of receipt of the cash attributable to that income, the sum of the ''daily portions'' of OID on its Certificate for each day during its taxable year on which it held the Certificate. The daily portions of OID are determined as follows:

- first, the portion of OID that accrued during each ''accrual period'' is calculated;
- then, the OID accruing during an accrual period is allocated ratably to each day during the period to determine the daily portion of OID.

Final regulations issued by the Treasury Department relating to the tax treatment of debt instruments with OID (the ''OID Regulations'') provide that a holder of a debt instrument may use an accrual period of any length, up to one year, as long as each distribution of principal or interest occurs on either the final day or the first day of an accrual period. We intend to report OID based on accrual periods of one month. Each of these accrual periods will begin on a Distribution Date and end on the day before the next Distribution Date.

Although the matter is not entirely clear, a beneficial owner of a Certificate of the IO or PO Class should determine the amount of OID accruing during any accrual period with respect to that Certificate using the method described in section 1272(a)(6) of the Code, except as discussed below. Under section 1272(a)(6), the portion of OID treated as accruing for any accrual period equals the *excess,* if any, of

- the sum of (A) the present values of all the distributions remaining to be made on the Certificate, if any, as of the end of the accrual period; and (B) the distributions made on the Certificate during the accrual period of amounts included in the stated redemption price at maturity;

over

- the sum of the present values of all the distributions remaining to be made on the Certificate as of the beginning of the accrual period.

The present values of the remaining distributions are calculated based on the following:

- an assumption that the Mortgage Loans prepay at a specified rate,
- the yield to maturity of the Certificate, giving effect to the prepayment assumption,
- events (including actual prepayments) that have occurred prior to the end of the accrual period, and
- in the case of a Mortgage Loan calling for a variable rate of interest, an assumption that the value of the index upon which the variable rate is based remains the same as its value on the settlement date over the entire life of the Mortgage Loan.

A beneficial owner determines its yield to maturity based on its purchase price. For information reporting purposes, we will use the original yield to maturity of each class of Certificates, calculated based on the original Prepayment Assumption. You should consult your own tax advisor regarding the proper method for accruing OID on a Certificate of the IO or PO Class.

The Code requires that the prepayment assumption be determined in the manner prescribed in Treasury Regulations. To date, no such regulations have been promulgated. For information reporting purposes, we will assume a prepayment assumption equal to a 100% Prepayment Assumption as described in "Description of the Certificates—Structuring Assumptions—*Prepayment Assumption*" above. We make no representation, however, that the Mortgage Loans held by the Trust will prepay at that rate or any other rate. You must make your own decision as to the appropriate prepayment assumption to be used in deciding whether or not to purchase a Certificate of the IO or PO Class.

The PT Class. Interest paid on a Certificate of the PT Class is taxable as ordinary interest income. A beneficial owner of a Certificate of the PT Class must report this income when it accrues or is paid, consistent with the beneficial owner's method of accounting.

A beneficial owner that acquires a Certificate of the PT Class for less than its principal amount generally has market discount in the amount of the difference between the principal amount and the beneficial owner's basis in that Certificate. In general, three consequences arise if a beneficial owner acquires an interest in such a Certificate with market discount. First, the beneficial owner must treat any principal payment with respect to that Certificate as ordinary income to the extent of the market discount that accrued while the beneficial owner held an interest in that Certificate. Second, the beneficial owner must treat gain on the disposition or retirement of that Certificate as ordinary income under the circumstances discussed below under "*—Sales and Other Dispositions of Certificates.*" Third, if the beneficial owner incurs or continues indebtedness to acquire that Certificate the beneficial owner may be required to defer the deduction of all or a portion of the interest on the indebtedness until the corresponding amount of market discount is included in income. Alternatively, a beneficial owner may elect to include market discount in income on a current basis as it accrues, in which case the three consequences discussed above will not apply. If a beneficial owner makes this election, the beneficial owner must also apply the election to all debt instruments acquired by the beneficial owner on or after the beginning of the first taxable year to which the election applies. A beneficial owner may revoke the election only with the consent of the IRS.

A beneficial owner of a Certificate of the PT Class must determine the amount of accrued market discount for a period using a straight-line method, based on the maturity of that Certificate, unless the beneficial owner elects to determine accrued market discount using a constant yield method. The IRS has authority to provide regulations for determining the accrual of market discount in the case of debt instruments that provide for more than one principal payment, but has not yet issued such regulations. In addition, the legislative history to the Tax Reform Act of 1986 states that market discount on certain types of debt instruments may be treated as accruing in proportion to remaining accruals of OID, if any, or if none, in proportion to remaining distributions of interest. You should consult your own tax advisors regarding the method a beneficial owner should use to determine accrued market discount.

Notwithstanding the above rules, market discount on a Certificate of the PT Class is considered to be zero if the discount is less than 0.25% of the principal balance of that Certificate multiplied by the number of complete years from the date the beneficial owner acquires that Certificate to the maturity of that Certificate ("*de minimis* market discount"). The IRS has authority to provide regulations to adjust the computation of *de minimis* market discount in the case of debt instruments that provide for more than one principal payment, but has not yet issued such regulations. The IRS could assert, nonetheless, that *de minimis* market discount should be calculated using the remaining weighted average life of that Certificate rather than its final maturity. You should consult your own tax advisors regarding the ability to compute *de minimis* market discount based on the final maturity of a Certificate of the PT Class.

If a beneficial owner acquires a Certificate of the PT Class for more than its principal amount, the beneficial owner generally will have premium with respect to that Certificate in the amount of the excess. In that event, the beneficial owner may elect to treat such premium as "amortizable bond premium." If the election is made, a beneficial owner must also apply the election to all debt instruments the interest on which is not excludible from gross income ("fully taxable bonds") held by the beneficial owner at the beginning of the first taxable year to which the election applies and to all fully taxable bonds thereafter acquired by the beneficial owner. A beneficial owner may revoke the election only with the consent of the IRS.

If a beneficial owner makes this election, the beneficial owner reduces the amount of any interest payment that must be included in the beneficial owner's income by the portion of the premium allocable to the period based on the yield to maturity of that Certificate. Correspondingly, a beneficial owner must reduce its basis in that Certificate by the amount of premium applied to reduce any interest income. The amount of premium to be allocated among the interest payments on a Certificate of the PT Class is determined by reference to an equivalent fixed rate debt instrument constructed as of the date the beneficial owner acquires an interest in that Certificate.

If a beneficial owner does not elect to amortize premium, (i) the beneficial owner must include the full amount of each interest payment in income, and (ii) the premium must be allocated to the principal distributions on that Certificate and, when each principal distribution is received, a loss equal to the premium allocated to that distribution will be recognized. Any tax benefit from premium not previously recognized will be taken into account in computing gain or loss upon the sale or disposition of that Certificate. See "*—Sales and Other Dispositions of Certificates.*"

A beneficial owner may elect to include in income its entire return on a Certificate of the PT Class (*i.e.*, the *excess* of all remaining payments to be received on the PT Certificate *over* the amount of the beneficial owner's basis in that Certificate) based on the compounding of interest at a constant yield. Such an election for a Certificate of the PT Class with amortizable bond premium (or market discount) will result in a deemed election to amortize premium for all the beneficial owner's debt instruments with amortizable bond premium (or to accrue market discount currently for all the beneficial owner's debt instruments with market discount) as discussed above.

Expenses of the Trust. Each beneficial owner of a Certificate may be allowed to deduct its allocable share of the expenses paid by the Trust, with respect to the related Mortgage Loans. Each beneficial owner of a Certificate can deduct its allocable share of such expenses as provided in section 162 or section 212 of the Code, consistent with its method of accounting. Fannie Mae intends to allocate expenses to beneficial owners in each monthly period in proportion to the respective amounts of income (including any OID) accrued for each Class of Certificates. A beneficial owner's ability to deduct its share of these expenses is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in a Certificate directly or through an investment in a "pass-through entity" (other than in connection with such individual's trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies and non-publicly offered regulated investment companies, but do not include estates, nongrantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Generally, such a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner's other miscellaneous itemized deductions, exceed 2% of the beneficial owner's adjusted gross income. For this purpose, an estate or nongrantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or trust that would not have been incurred if the property were not held in the trust or estate are treated as allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on certain itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Sales and Other Dispositions of Certificates. Upon the sale, exchange or other disposition of a Certificate, a beneficial owner generally will recognize gain or loss equal to the difference between the amount realized upon the disposition and the beneficial owner's adjusted basis in that Certificate. The adjusted basis of a Certificate generally will equal the cost of that Certificate to the beneficial owner, increased by any amounts of OID and market discount included in the beneficial owner's gross income with respect to that Certificate, and reduced by distributions on that Certificate previously received by the beneficial owner as principal (or as amounts constituting stated redemption price at maturity in the case of a Certificate of the IO or PO Class) and by any premium that has reduced the beneficial owner's interest income with respect to that Certificate. Any such gain or loss generally will be capital gain or loss, except (i) as provided in section 582(c) of the Code (which generally applies to banks) or (ii) to the extent any gain represents OID or accrued market discount not previously included in income (to which extent such gain would be treated as ordinary income). Any capital gain (or loss) recognized upon the sale, exchange or other disposition of a Certificate will be long-term capital gain (or loss) if at the time of disposition the beneficial owner held that Certificate for more than one year. The ability to deduct capital losses is subject to limitations.

Special Tax Attributes

Several sections of the Code provide beneficial treatment to certain taxpayers that invest in mortgage loans of the type that comprise the assets of the Trust. With respect to these Code sections, no specific legal authority exists regarding whether the character of the Certificates will be the same as that of the Mortgage Loans. Although the characterization of the Certificates for these purposes is not clear, the Certificates should be considered to represent "real estate assets" within the meaning of section 856(c)(5)(B) of the Code and "loans secured by an interest in real property" within the meaning of section 7701(a)(19)(C)(v) of the Code and OID and qualified stated interest with respect to the Certificates should be considered to represent "interest on obligations secured by mortgages on real property" within the meaning of section 856(c)(3)(B) of the Code; provided that in each case the underlying Mortgage Loans qualify for such treatment.

Information Reporting and Backup Withholding

Within a reasonable time after the end of each calendar year, we will furnish or make available to each Holder that received a distribution during that year a statement setting forth such information as is required by the Code or Treasury Regulations and such other information as we deem necessary or desirable to assist Holders in preparing their federal income tax returns, or to enable Holders to make such information available to beneficial owners or other financial intermediaries for which such Holders hold Certificates as nominees.

Payments of interest and principal, as well as payments of proceeds from the sale of Certificates, may be subject to the "backup withholding tax" under section 3406 of the Code if recipients of the payments fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from this tax. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the recipient's federal income tax. The IRS may impose certain penalties on a recipient of payments required to supply information who does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner of a Certificate that is not a U.S. Person (a "Non-U.S. Person"). The term "U.S. Person" means:

- a citizen or resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any of its political subdivisions,
- an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or

- a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. Person has the authority to control all substantial decisions of the trust.

Payments on a Certificate to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner is not subject to U.S. tax as a result of a connection to the United States other than ownership of the Certificate,
- the beneficial owner signs a statement under penalties of perjury that certifies that the beneficial owner is a Non-U.S. Person, and provides for the name and address of the beneficial owner, and
- the last U.S. Person in the chain of payment to the beneficial owner receives the statement from the beneficial owner or a financial institution holding on its behalf and does not have actual knowledge that the statement is false.

You should be aware that the IRS might take the position that this exemption does not apply to a beneficial owner that also owns 10 percent or more of the voting stock of Fannie Mae, or to a beneficial owner that is a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code.

LEGAL INVESTMENT CONSIDERATIONS

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

LEGAL OPINION

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

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code impose certain requirements on employee benefit plans subject to ERISA (such as employer-sponsored retirement plans) and upon other types of benefit plans and arrangements subject to section 4975 of the Code (such as individual retirement accounts). ERISA and the Code also impose these requirements on certain entities in which the benefit plans or arrangements that are subject to ERISA and the Code invest. We refer to these plans, arrangements and entities as "Plans." Any person who is a fiduciary of a Plan is also subject to the requirements imposed by ERISA and the Code. Before a Plan invests in Certificates, the Plan fiduciary must consider whether the governing instruments for the Plan would permit the investment, whether the Certificates would be a prudent and appropriate investment for the Plan under its investment policy and whether such an investment might result in a prohibited transaction under ERISA or the Code for which no exemption is available.

The U.S. Department of Labor issued a final regulation covering the acquisition by a Plan of a "guaranteed governmental mortgage pool certificate," defined to include certificates which are "backed by, or evidencing an interest in specified mortgages or participation interests therein" and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the regulation, investment by a Plan in a "guaranteed governmental mortgage pool certificate" does not cause the assets of the Plan to include the mortgages underlying the certificate or cause the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool. At the time the regulation was originally issued, certificates similar to the Certificates did not exist. However, we have been advised by our counsel, Sidley Austin Brown & Wood LLP, that the Certificates qualify under the definition of "guaranteed governmental mortgage pool certificates" and, as a result, the purchase and holding of Certificates by Plans will not cause the underlying mortgage loans or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction requirements of ERISA and the Code.

PLAN OF DISTRIBUTION

We will acquire the Mortgage Loans from the Seller in exchange for the Certificates pursuant to the Sale and Servicing Agreement. The Dealer, which has been retained by the Seller, may 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 such transactions to or through dealers.

LEGAL MATTERS

Fannie Mae will be represented by Sidley Austin Brown & Wood LLP. Sidley Austin Brown & Wood LLP also will provide legal representation for the Seller, the Servicer and the Dealer.

No one is authorized to give information or to make representations in connection with this offering other than those contained in this Prospectus and the Information Statement. You must not rely on any unauthorized information or representation. This Prospectus and the Information Statement 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 and the Information Statement at any time, no one implies that the information contained in these documents is correct after their dates.

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

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$1,358,307,811 (Approximate)

FannieMae®

Guaranteed Grantor Trust
Pass-Through Certificates
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PROSPECTUS

GREENWICH CAPITAL

June 12, 2002