

**\$1,930,000,000**



**FannieMae®**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2003-20**

**The Certificates**

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

**Payments to Certificateholders**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will own

- Fannie Mae MBS, and
- an underlying REMIC certificate backed by Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PA .....	1	\$ 114,601,000	PAC	2.75%	FIX	31392JSJ9	July 2012
IA .....	1	51,570,450(1)	NTL	5.00	FIX/IO	31392JSK6	July 2012
PB .....	1	56,787,000	PAC	5.00	FIX	31392JSL4	July 2015
PC .....	1	19,991,000	PAC	5.00	FIX	31392JSM2	May 2016
CA .....	1	58,621,000	SUP	5.00	FIX	31392JSN0	October 2016
HV(2) .....	1	539,856,667	SEQ	3.50	FIX	31392JSP5	October 2016
FH(2) .....	1	269,928,333	SEQ	(3)	FLT	31392JSQ3	October 2016
SH(2) .....	1	269,928,333(1)	NTL	(3)	INV/IO	31392JSR1	October 2016
BC .....	1	190,215,000	SEQ	5.00	FIX	31392JSS9	March 2018
F .....	2	40,000,000	SC/PT	(3)	FLT	31392JST7	March 2031
S .....	2	40,000,000(1)	NTL	(3)	INV/IO	31392JSU4	March 2031
AG .....	2	40,000,000	SC/PT	4.50	FIX	31392JSV2	March 2031
FM .....	3	124,054,285	SEQ	(3)	FLT	31392JSW0	February 2032
SM .....	3	124,054,285(1)	NTL	(3)	INV/IO	31392JSX8	February 2032
QA .....	3	33,584,000	PAC	3.00	FIX	31392JSY6	August 2012
QB .....	3	9,000,000	PAC	4.00	FIX	31392JSZ3	September 2019
IT(2) .....	3	24,160,272(1)	NTL	5.50	FIX/IO	31392JTA7	September 2019
QL .....	3	37,809,000	PAC	3.50	FIX	31392JTB5	September 2019
IU(2) .....	3	8,876,727(1)	NTL	5.50	FIX/IO	31392JTC3	September 2027
QE(2) .....	3	97,644,000	PAC	4.50	FIX	31392JTD1	September 2027
FQ(2) .....	3	45,820,625	PAC	(3)	FLT	31392JTE9	July 2031
SQ(2) .....	3	27,492,375	PAC	(3)	INV	31392JTF6	July 2031
CT .....	3	125,923,377	SUP	5.50	FIX	31392JTG4	February 2032
CQ(2) .....	3	3,501,000	TAC	(4)	PO	31392JTH2	September 2031
CR(2) .....	3	9,091,338	SUP	(4)	PO	31392JTI8	February 2032
MA .....	3	75,000,000	SEQ	5.10	FIX	31392JTK5	February 2032
MZ .....	3	11,080,000	SEQ	5.75	FIX/Z	31392JTL3	March 2033
R .....		0	NPR	0	NPR	31392JTM1	March 2033
RL .....		0	NPR	0	NPR	31392JTN9	March 2033

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

(3) Based on LIBOR.  
(4) Principal only classes.

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The HP, HQ, HR, HM, HW, HT, HN, CP, QG, IV, QD and QC Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be February 28, 2003.

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

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

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

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

**JPMorgan**

January 9, 2003

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## AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated May 1, 2002 (the “MBS Prospectus”);
- our Information Statement dated April 1, 2002 and its supplements (the “Information Statement”); and
- if you are purchasing any Group 2 Class or the R or RL Class, the disclosure document relating to the underlying REMIC certificate (the “Underlying REMIC Disclosure Document”).

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

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

In addition, the Disclosure Documents, together with the class factors, are available on our corporate web site at [www.fanniemae.com](http://www.fanniemae.com) and our business to business web site at [www.efanniemae.com](http://www.efanniemae.com).

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

J.P. Morgan Securities Inc.  
34 Exchange Place, 4th Floor, Plaza 2  
Harborside Financial Center  
Jersey City, New Jersey 07311  
(telephone 201-524-8393).

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Class 2001-60-JZ REMIC Certificate
3	Group 3 MBS

### Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS (as of February 1, 2003)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$1,250,000,000	180	178	2	5.650%
Group 3 MBS	\$ 600,000,000	360	359	1	6.125%

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

### Characteristics of the Group 2 Underlying REMIC Certificate

Exhibit A describes the Group 2 Underlying REMIC Certificate, including certain information about the related mortgage loans. To learn more about the Group 2 Underlying REMIC Certificate, you should obtain from us the current class factor and the disclosure document that relate to it as described on page S-3.

### Class Factors

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

### Settlement Date

We expect to issue the certificates on February 28, 2003.

### Distribution Dates

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

### Book-Entry and Physical Certificates

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

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

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

### **Exchanging Certificates Through Combination and Recombination**

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

### **Interest Rates**

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate(1)</u>
FH .....	1.75%	8.00%	0.35%	LIBOR + 35 basis points
SH .....	6.25%	7.65%	0.00%	7.65% – LIBOR
F .....	1.72%	7.50%	0.35%	LIBOR + 35 basis points
S .....	5.78%	7.15%	0.00%	7.15% – LIBOR
FM .....	1.80%	8.50%	0.45%	LIBOR + 45 basis points
SM .....	6.70%	8.05%	0.00%	8.05% – LIBOR
FQ .....	1.85%	8.00%	0.50%	LIBOR + 50 basis points
SQ .....	10.25%	12.50%	0.00%	12.50% – (1.6666667 × LIBOR)

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

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

## Notional Classes

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

### Class

IA	.....	45% of the PA Class
SH	.....	100% of the FH Class
S	.....	100% of the F Class
SM	.....	100% of the FM Class
IT	.....	36.3636363745% of the QA Class
		18.1818182222% of the QB Class
		27.2727272607% of the QL Class
IU	.....	9.0909088116% of the QE Class
IV	.....	36.3636363745% of the QA Class
		18.1818182222% of the QB Class
		27.2727272607% of the QL Class
		9.0909088116% of the QE Class

## Distributions of Principal

### *Group 1 Principal Distribution Amount*

1. (a) 23.5896903617% of that amount as follows:
  - first*, to Aggregate Group I to its Planned Balance;
  - second*, to the CA Class to zero; and
  - third*, to Aggregate Group I to zero, and
- (b) 76.4103096383% of that amount to the HV and FH Classes, pro rata, to zero.
2. To the BC Class to zero.

For a description of Aggregate Group I, see “*Description of Certificates—Distributions of Principal—Group 1 Principal Distribution Amount*” in this prospectus supplement.

### *Group 2 Principal Distribution Amount*

To the F and AG Classes, pro rata, to zero.

### *Group 3 Principal Distribution Amount*

1. (a) 12.7351762548% of that amount to the MA Class to zero,
- (b) 21.0647091286% of that amount to the FM Class to zero, and
- (c) 66.2001146166% of that amount as follows:
  - first*, to Aggregate Group II to its Planned Balance;
  - second*, (x) 90.9090907122% of the remaining amount to the CT Class to zero, and
  - (y) 9.0909092878% of such remaining amount as follows:
    - first*, to the CQ Class to its Targeted Balance;
    - second*, to the CR Class to zero; and
    - third*, to the CQ Class to zero; and
  - third*, to Aggregate Group II to zero.
2. To the MZ Class to zero.

For a description of Aggregate Group II, see “*Description of Certificates—Distributions of Principal—Group 3 Principal Distribution Amount*” in this prospectus supplement.

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

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

Group 1 Classes		PSA Prepayment Assumption				
		0%	100%	220%	250%	500%
PA and IA	4.4	2.5	2.5	2.5	2.0	
PB	9.3	6.0	6.0	6.0	3.9	
PC	11.0	8.0	8.0	8.0	5.1	
CA	12.5	9.8	3.6	2.5	1.3	
HV, FH, SH, HP, HQ, HR, HM, HW, HT and HN	7.9	5.5	4.0	3.8	2.5	
BC	14.3	13.2	11.5	11.1	7.6	
Group 2 Classes		PSA Prepayment Assumption				
		0%	300%	575%	900%	1200%
F, S and AG	18.7	3.4	1.7	1.0	0.6	
Group 3 Classes		PSA Prepayment Assumption				
		0%	100%	250%	270%	300%
FM, SM and MA	19.6	10.3	5.9	5.6	5.1	3.5
QA	4.0	1.3	1.3	1.3	1.3	1.3
QB and QL	10.5	3.0	3.0	3.0	3.0	2.9
IT	7.2	2.1	2.1	2.1	2.1	2.1
IU, QE and QC	17.2	6.0	6.0	6.0	6.0	4.2
FQ, SQ and QD	22.4	11.0	11.0	11.0	11.0	7.2
CT and CP	26.6	17.7	5.2	4.3	3.1	1.8
CQ	24.9	12.6	1.5	1.5	1.5	1.5
CR	27.3	19.6	6.6	5.3	3.7	1.9
MZ	29.5	27.2	21.0	20.1	18.9	12.8
QG	17.7	6.5	6.5	6.5	6.5	4.5
IV	9.9	3.2	3.2	3.2	3.2	2.6

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



## ADDITIONAL RISK FACTORS

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

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

*Payments on the Group 2 Classes also will be affected by the payment priority governing the Underlying REMIC Certificate.* If you invest in the Group 2 Classes, the rate at which you receive payments also will be affected by the priority sequence governing principal payments on the Underlying REMIC Certificate.

You may obtain additional information about the Group 2 Underlying REMIC Certificate by reviewing its current class factor in light of other information available in the related disclosure document. You may obtain that document from us as described on page S-3.

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

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

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

**You must make your own decisions about the various applicable assump-**

**tions, including prepayment assumptions, when deciding whether to purchase the certificates.**

*Weighted average lives and yields on the certificates are affected by actual characteristics of the underlying mortgage loans.* We have assumed that the mortgage loans underlying the Trust MBS have certain characteristics. However, the actual mortgage loans probably will have different characteristics from those we assumed. As a result, your yields could be lower than you expect, even if the mortgage loans prepay at the indicated constant prepayment rates. In addition, slight differences between the assumed mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

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

*Some investors may be unable to buy certain classes.* Investors whose investment activ-



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

*Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate.* We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to

sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you understand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

## DESCRIPTION OF THE CERTIFICATES

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

### General

*Structure.* We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of February 1, 2003 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

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

The assets of the Lower Tier REMIC will consist of

- two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 3 MBS” and, together, the “Trust MBS”), and
- a previously issued REMIC Certificate (the “Group 2 Underlying REMIC Certificate”) evidencing a beneficial ownership interest in the related Fannie Mae REMIC trust (the “Underlying REMIC Trust”) as further described in Exhibit A.

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

Each MBS represents a beneficial ownership interest in a pool of first lien, one- to four-family (“single-family”), fixed-rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described in this prospectus supplement.

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

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

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

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

Our guaranty obligations with respect to the Group 2 Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document. Our guarantees are not backed by the full faith and credit of the United States. See “Description of the Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus, “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus and “Description of the Certificates—General—*Fannie Mae Guaranty*” in the Underlying REMIC Disclosure Document.

*Characteristics of Certificates.* We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks (the “Fed Book-Entry Certificates”). Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.”

A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

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

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

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

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

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

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

*No Optional Termination.* We have no option to effect an early termination of the Lower Tier REMIC or the Trust. Further, we will not repurchase the Mortgage Loans underlying any MBS in a “clean-up call.” See “Description of the Certificates—Termination” in the MBS Prospectus.

*Voting the Group 2 Underlying REMIC Certificate.* Holders of the Group 2 Underlying REMIC Certificate may be asked to vote on issues arising under the related trust agreement. If so, the Trustee will vote the Group 2 Underlying REMIC Certificate, as instructed by Holders of Certificates of the Classes backed by the Group 2 Underlying REMIC Certificate. The Trustee must receive instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the related Classes. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of Certificateholders.

## **Combination and Recombination**

*General.* You are permitted to exchange all or a portion of the HV, FH, SH, CQ, CR, QE, FQ, SQ, IU and IT Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

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

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

We will make the first distribution on a REMIC Certificate or an RCR Certificate received in an exchange transaction on the Distribution Date in the following month. We will make that

distribution to the Holder of record as of the close of business on the last day of the month of the exchange.

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

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

## **The Trust MBS**

The following table contains certain information about the Trust MBS. The Trust MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The Trust MBS provides that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying the Trust MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 15 years in the case of the Group 1 MBS, and up to 30 years in the case of the Group 3 MBS. See "Mortgage Loan Pools" and "Yield Considerations, Maturity and Prepayment Assumptions" in the MBS Prospectus. We expect the characteristics of the Trust MBS and the related Mortgage Loans as of the Issue Date to be as follows:

### **Group 1 MBS**

Aggregate Unpaid Principal Balance .....	\$1,250,000,000
MBS Pass-Through Rate .....	5.00%
Range of WACs (annual percentages) .....	5.25% to 7.50%
Range of WAMs .....	121 months to 180 months
Approximate Weighted Average WAM .....	178 months
Approximate Weighted Average WALA (weighted average loan age) .....	2 months

### **Group 3 MBS**

Aggregate Unpaid Principal Balance .....	\$600,000,000
MBS Pass-Through Rate .....	5.75%
Range of WACs (annual percentages) .....	6.00% to 8.25%
Range of WAMs .....	241 months to 360 months
Approximate Weighted Average WAM .....	359 months
Approximate Weighted Average WALA .....	1 month

## The Group 2 Underlying REMIC Certificate

The Group 2 Underlying REMIC Certificate represents a beneficial ownership interest in the Underlying REMIC Trust. The assets of that trust evidence direct or indirect beneficial ownership interests in certain MBS having the general characteristics set forth in the MBS Prospectus. Distributions on the Group 2 Underlying REMIC Certificate will be passed through monthly, beginning in the month after we issue the Certificates. The general characteristics of the Group 2 Underlying REMIC Certificate are described in the Underlying REMIC Disclosure Document. See Exhibit A for additional information about the Group 2 Underlying REMIC Certificate.

Each MBS evidences beneficial ownership interests in a pool of conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties, as described under “Mortgage Loan Pools” and “Yield Considerations, Maturity and Prepayment Assumptions” in the MBS Prospectus.

For further information about the Group 2 Underlying REMIC Certificate, telephone us at 1-800-237-8627 or 202-752-6547. You also may obtain certain information in electronic form by calling us at 1-800-752-6440 or 202-752-6000. There may have been material changes in facts and circumstances since the date we prepared the Underlying REMIC Disclosure Document. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in that document may be limited.

## Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balance of the Group 2 Underlying REMIC Certificate as of the Issue Date and, with respect to the Trust MBS, the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the Trust MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the Trust MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

## Distributions of Interest

### *Categories of Classes*

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

<u>Interest Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
Fixed Rate	PA, IA, PB, PC, CA, HV and BC
Floating Rate	FH
Inverse Floating Rate	SH
Interest Only	IA and SH
RCR**	HP, HQ, HR, HM, HW, HT and HN
<b>Group 2 Classes</b>	
Fixed Rate	AG
Floating Rate	F
Inverse Floating Rate	S
Interest Only	S



<u>Interest Type*</u>	<u>Classes</u>
<b>Group 3 Classes</b>	
Fixed Rate	QA, QB, IT, QL, IU, QE, CT, MA and MZ
Accrual	MZ
Floating Rate	FM and FQ
Inverse Floating Rate	SM and SQ
Interest Only	SM, IT and IU
Principal Only	CQ and CR
RCR**	CP, QG, IV, QD and QC
<b>No Payment Residual</b>	R and RL

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

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

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

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

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

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

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

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

The Dealer will treat the CQ and CR Class as Delay Classes for the sole purpose of facilitating trading.

*Accrual Class.* The MZ Class is an Accrual Class. Interest will accrue on the Accrual Class at the applicable annual rate specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Class. Instead, interest accrued on the Accrual Class will be added as principal to its principal balance on each Distribution Date. We will pay principal on the Accrual Class as described under “—Distributions of Principal” below.

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

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

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

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

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

## Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be equal to 1.40% for the FH and SH Classes, 1.37% for the F and S Classes and 1.35% for the FM, SM, FQ and SQ Classes.

## Distributions of Principal

### *Categories of Classes*

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

<u>Principal Type*</u>	<u>Classes</u>
<b>Group 1 Classes</b>	
PAC	PA, PB and PC
Sequential Pay	HV, FH and BC
Support	CA
Notional	IA and SH
RCR**	HP, HQ, HR, HM, HW, HT and HN
<b>Group 2 Classes</b>	
Structured Collateral/Pass-Through	F and AG
Notional	S



**Principal Type\*****Classes****Group 3 Classes**

PAC	QA, QB, QL, QE, FQ and SQ
Sequential Pay	FM, MA and MZ
TAC	CQ
Support	CT and CR
Notional	SM, IT and IU
RCR**	CP, QG, QC, IV and QD

**No Payment Residual**

R and RL

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

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

*Principal Distribution Amount*

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

- the principal then paid on the Group 1 MBS (the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 Underlying REMIC Certificate (the “Group 2 Principal Distribution Amount”), and
- the principal then paid on the Group 3 MBS plus any interest then accrued and added to the principal balance of the MZ Class (together, the “Group 3 Principal Distribution Amount”).

The portion of the class that includes the Group 2 Underlying REMIC Certificate held by the Lower Tier REMIC is set forth in Exhibit A.

*Group 1 Principal Distribution Amount*

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

- (i) (a) 23.5896903617% of that amount as follows:

*first*, to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date; } PAC Group

*second*, to the CA Class, until its principal balance is reduced to zero; } Support Class  
and

*third*, to Aggregate Group I, without regard to its Planned Balance and until the Aggregate I Balance is reduced to zero, and } PAC Group

(b) 76.4103096383% of that amount, concurrently, to the HV and FH Classes, pro rata (or 66.6666667078% and 33.3333332922%, respectively), until their principal balances are reduced to zero; and } Sequential Pay Classes

- (ii) to the BC Class, until its principal balance is reduced to zero.

“Aggregate Group I” consists of the PA, PB and PC Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, sequentially, to the PA, PB and PC Classes, in that order, until their principal balances are reduced to zero.

The “Aggregate I Balance” for any Distribution Date is equal to \$191,379,000 *minus* the sum of all amounts applied to it as specified above.

### *Group 2 Principal Distribution Amount*

On each Distribution Date, we will pay the Group 2 Principal Distribution Amount, concurrently, as principal to the F and AG Classes, pro rata (or 50% and 50%), until their principal balances are reduced to zero.

} Structured  
Collateral/  
Pass-Through  
Classes

### *Group 3 Principal Distribution Amount*

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

- (i) (a) 12.7351762548% of that amount to the MA Class, until its principal balance is reduced to zero,  
(b) 21.0647091286% of that amount to the FM Class, until its principal balance is reduced to zero, and

} Sequential  
Pay  
Classes

- (c) 66.2001146166% of that amount as follows:

*first*, to Aggregate Group II (described below), until the Aggregate II Balance (described below) is reduced to its Planned Balance for that Distribution Date, and

} PAC  
Group

*second*, (x) 90.9090907122% of the remaining amount to the CT Class, until its principal balance is reduced to zero, and

} Support  
Class

- (y) 9.0909092878% of such remaining amount as follows:

*first*, to the CQ Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date;

} TAC  
Class

*second*, to the CR Class, until its principal balance is reduced to zero; and

} Support  
Class

*third*, to the CQ Class, without regard to its Targeted Balance and until its principal balance is reduced to zero; and

} TAC  
Class

*third*, to Aggregate Group II, without regard to its Planned Balance and until the Aggregate II Balance is reduced to zero; and

} PAC  
Group

- (ii) to the MZ Class, until its principal balance is reduced to zero.

} Sequential  
Pay  
Class

“Aggregate Group II” consists of the QA, QB, QL, QE, FQ and SQ Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group II as follows:

*first*, to the QA Class, until its principal balance is reduced to zero;

*second*, concurrently, to the QB and QL Classes, pro rata (or 19.2270717170% and 80.7729282830%, respectively), until their principal balances are reduced to zero;

*third*, to the QE Class, until its principal balance is reduced to zero; and

*fourth*, to the FQ and SQ Classes, pro rata (or 62.5% and 37.5%, respectively), until their principal balances are reduced to zero.

The “Aggregate II Balance” for any Distribution Date is equal to \$251,350,000 *minus* the sum of all amounts applied to it as specified above.

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

## Structuring Assumptions

*Pricing Assumptions.* Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the actual characteristics of each pool of Mortgage Loans backing the Group 2 Underlying REMIC Certificate, the priority sequence affecting principal payments on the Group 2 Underlying REMIC Certificate and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS” in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA specified in the related table;
- the settlement date for the sale of the Certificates is February 28, 2003; and
- each Distribution Date occurs on the 25th day of a month.

*Prepayment Assumptions.* Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this prospectus supplement is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus.

It is highly unlikely that prepayments will occur at any *constant* PSA rate or at any other constant rate.

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

<u>Principal Balance Schedule References</u>	<u>Related Class and Groups(1)</u>	<u>Structuring Ranges and Rate</u>
Planned Balances	Aggregate Group I	Between 100% and 250% PSA
Planned Balances	Aggregate Group II	Between 100% and 300% PSA
Targeted Balances	CQ	250% PSA

(1) The Structuring Ranges for the Aggregate Groups are associated with the related Aggregate Balances but not with the individual balances of the related Classes.

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

the Class and Groups specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the applicable Structuring Ranges or at the rate specified above.

**Initial Effective Ranges.** The Effective Range for a Group is the range of prepayment rates (measured by *constant* PSA rates) which would reduce that Group to its scheduled balance on each Distribution Date. The Initial Effective Ranges shown in the table below are based upon the assumed characteristics of the related Mortgage Loans specified in the Pricing Assumptions.

<u>Groups</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 100% and 250% PSA
Aggregate Group II	Between 100% and 300% PSA

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

## Yield Tables

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

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

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

We cannot assure you that

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

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

all Mortgage Loans prepay at the indicated constant percentages of PSA. Moreover, it is unlikely that

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

***The Fixed Rate Interest Only Classes.*** The yields to investors in the Fixed Rate Interest Only Classes will be very sensitive to the rate of principal payments (including prepayments) of the related Mortgage Loans. The Mortgage Loans generally can be prepaid at any time without penalty. On the basis of the assumptions described below, the yield to maturity on the Fixed Rate Interest Only Classes would be 0% if prepayments of the related Mortgage Loans were to occur at the constant rates shown in the table below:

<u>Class</u>	<u>% PSA</u>
IA .....	895% PSA
IT .....	891% PSA
IU .....	635% PSA
IV .....	754% PSA

For any Fixed Rate Interest Only Class, if the actual prepayment rate of the related Mortgage Loans were to exceed the level specified for as little as one month while equaling that level for the remaining months, the investors in the applicable Class would lose money on their initial investments.

The information shown in the yield table has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Fixed Rate Interest Only Classes (expressed in each case as a percentage of the original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
IA .....	7.5%
IT .....	9.0%
IU .....	19.0%
IV .....	11.5%

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

#### Sensitivity of the IA Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>220%</u>	<u>250%</u>	<u>500%</u>
Pre-Tax Yields to Maturity .....	44.9%	36.5%	36.5%	36.5%	24.5%

#### Sensitivity of the IT Class to Prepayments

	PSA Prepayment Assumption					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity . . . . .	35.7%	18.4%	18.4%	18.4%	18.4%	16.3%

### Sensitivity of the IU Class to Prepayments

	PSA Prepayment Assumption					
	50%	100%	250%	270%	300%	500%
Pre-Tax Yields to Maturity .....	26.1%	19.7%	19.7%	19.7%	19.7%	8.9%

### Sensitivity of the IV Class to Prepayments

	PSA Prepayment Assumption					
	50%	100%	250%	270%	300%	500%
Pre-Tax Yields to Maturity .....	31.0%	20.2%	20.2%	20.2%	20.2%	13.3%

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

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

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

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

Class	Price*
SH .....	10.00%
S .....	6.75%
SM .....	17.50%
SQ .....	100.00%

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

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	220%	250%	500%
0.40% .....	73.3%	70.7%	64.1%	62.3%	47.5%
1.40% .....	60.7%	58.0%	51.1%	49.3%	33.6%
3.40% .....	36.0%	32.9%	25.1%	23.0%	5.1%
5.40% .....	10.5%	7.0%	(2.5)%	(5.1)%	(26.8)%
7.65% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>300%</u>	<u>575%</u>	<u>900%</u>	<u>1200%</u>
0.37% .....	115.4%	88.5%	52.9%	(1.2)%	(63.5)%
1.37% .....	95.6%	69.8%	35.1%	(17.9)%	(77.7)%
3.37% .....	57.9%	34.0%	(0.3)%	(51.8)%	*
5.37% .....	22.6%	(1.8)%	(38.8)%	(89.7)%	*
7.15% .....	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
0.35% .....	43.9%	41.5%	34.1%	33.1%	31.6%	21.2%
1.35% .....	37.2%	34.7%	27.1%	26.0%	24.5%	13.6%
3.35% .....	24.0%	21.4%	13.0%	11.9%	10.1%	(2.0)%
5.35% .....	10.7%	7.8%	(1.8)%	(3.2)%	(5.2)%	(19.4)%
8.05% .....	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
0.35% .....	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%
1.35% .....	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
3.35% .....	7.0%	7.1%	7.1%	7.1%	7.1%	7.1%
5.35% .....	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
7.50% .....	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

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

The information shown in the yield tables has been prepared on the basis of the Pricing Assumptions and the assumption that the aggregate purchase prices of the Principal Only Classes (expressed in each case as a percentage of its original principal balance) are as follows:

<u>Class</u>	<u>Price</u>
CQ .....	92.0%
CR .....	74.0%
CP .....	79.0%



### Sensitivity of the CQ Class to Prepayments

	PSA Prepayment Assumption					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	0.5%	0.7%	5.7%	5.7%	5.7%	5.7%

### Sensitivity of the CR Class to Prepayments

	PSA Prepayment Assumption					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	1.3%	1.5%	5.0%	6.1%	8.4%	16.6%

### Sensitivity of the CP Class to Prepayments

	PSA Prepayment Assumption					
	<u>50%</u>	<u>100%</u>	<u>250%</u>	<u>270%</u>	<u>300%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	1.1%	1.3%	5.1%	6.1%	8.0%	13.7%

### Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1 and Group 3 Classes,
- in the case of the Group 1 and Group 3 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules, and
- in the case of the Group 2 Classes, the priority sequence affecting principal payments on the Group 2 Underlying REMIC Certificate.

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

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

## Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	180 months	180 months	7.50%
Group 2 Underlying REMIC Certificate	360 months	344 months	8.50%
Group 3 MBS	360 months	360 months	8.25%

It is unlikely

- that all of the underlying Mortgage Loans will have the interest rates, WALAs or remaining terms to maturity assumed or
- that the underlying Mortgage Loans will prepay at any *constant* PSA level.

In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the specified constant PSA rates. This is the case even if the dispersion of weighted average remaining terms to maturity and the weighted average WALAs of the Mortgage Loans are identical to the dispersion specified in the Pricing Assumptions.

## Percent of Original Principal Balances Outstanding

Date	PA and IA† Classes					PB Class					PC Class					CA Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	90	84	84	84	84	100	100	100	100	100	100	100	100	100	100	100	100	90	88	67
February 2005	80	63	63	63	63	100	100	100	100	100	100	100	100	100	100	100	100	69	62	1
February 2006	69	39	39	39	7	100	100	100	100	100	100	100	100	100	100	100	100	46	33	0
February 2007	57	16	16	16	0	100	100	100	100	36	100	100	100	100	100	100	100	30	14	0
February 2008	44	0	0	0	0	100	88	88	88	0	100	100	100	100	53	100	100	21	4	0
February 2009	30	0	0	0	0	100	47	47	47	0	100	100	100	100	0	100	100	17	*	0
February 2010	14	0	0	0	0	100	11	11	11	0	100	100	100	100	0	100	98	16	*	0
February 2011	0	0	0	0	0	96	0	0	0	0	100	46	46	46	0	100	93	14	*	0
February 2012	0	0	0	0	0	61	0	0	0	0	100	0	0	0	0	100	76	5	0	0
February 2013	0	0	0	0	0	23	0	0	0	0	100	0	0	0	0	100	45	0	0	0
February 2014	0	0	0	0	0	0	0	0	0	0	48	0	0	0	0	100	17	0	0	0
February 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73	0	0	0	0
February 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27	0	0	0	0
February 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	4.4	2.5	2.5	2.5	2.0	9.3	6.0	6.0	6.0	3.9	11.0	8.0	8.0	8.0	5.1	12.5	9.8	3.6	2.5	1.3

Date	HV, FH, SH†, HP, HQ, HR, HM, HW, HT and HN Classes					BC Class					F, S† and AG Classes				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	220%	250%	500%	0%	100%	220%	250%	500%	0%	300%	575%	900%	1200%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	96	93	91	90	85	100	100	100	100	100	99	79	61	40	21
February 2005	91	83	76	74	60	100	100	100	100	100	98	61	35	12	0
February 2006	86	72	59	56	34	100	100	100	100	100	97	47	19	0	0
February 2007	80	61	45	41	16	100	100	100	100	100	96	36	8	0	0
February 2008	74	51	33	29	4	100	100	100	100	100	94	26	1	0	0
February 2009	68	42	23	19	0	100	100	100	100	80	93	19	0	0	0
February 2010	61	34	14	10	0	100	100	100	100	51	91	13	0	0	0
February 2011	53	25	7	4	0	100	100	100	100	32	90	8	0	0	0
February 2012	45	18	1	0	0	100	100	100	90	20	88	4	0	0	0
February 2013	37	11	0	0	0	100	100	78	65	12	86	1	0	0	0
February 2014	27	4	0	0	0	100	100	55	45	7	83	0	0	0	0
February 2015	17	0	0	0	0	100	87	36	29	4	81	0	0	0	0
February 2016	6	0	0	0	0	100	54	21	16	2	78	0	0	0	0
February 2017	0	0	0	0	0	70	24	9	7	1	75	0	0	0	0
February 2018	0	0	0	0	0	0	0	0	0	0	72	0	0	0	0
February 2019	0	0	0	0	0	0	0	0	0	0	69	0	0	0	0
February 2020	0	0	0	0	0	0	0	0	0	0	65	0	0	0	0
February 2021	0	0	0	0	0	0	0	0	0	0	61	0	0	0	0
February 2022	0	0	0	0	0	0	0	0	0	0	57	0	0	0	0
February 2023	0	0	0	0	0	0	0	0	0	0	52	0	0	0	0
February 2024	0	0	0	0	0	0	0	0	0	0	47	0	0	0	0
February 2025	0	0	0	0	0	0	0	0	0	0	41	0	0	0	0
February 2026	0	0	0	0	0	0	0	0	0	0	35	0	0	0	0
February 2027	0	0	0	0	0	0	0	0	0	0	28	0	0	0	0
February 2028	0	0	0	0	0	0	0	0	0	0	21	0	0	0	0
February 2029	0	0	0	0	0	0	0	0	0	0	13	0	0	0	0
February 2030	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0
February 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.9	5.5	4.0	3.8	2.5	14.3	13.2	11.5	11.1	7.6	18.7	3.4	1.7	1.0	0.6

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

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

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

Date	FM, SM† and MA Classes						QA Class						QB and QL Classes					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	99	97	95	95	94	91	89	67	67	67	67	67	100	100	100	100	100	100
February 2005	98	92	84	83	82	72	78	6	6	6	6	6	100	100	100	100	100	100
February 2006	97	85	70	69	66	49	65	0	0	0	0	0	100	47	47	47	47	46
February 2007	96	78	58	56	53	33	52	0	0	0	0	0	100	0	0	0	0	0
February 2008	95	72	48	46	42	22	37	0	0	0	0	0	100	0	0	0	0	0
February 2009	93	66	40	37	33	14	21	0	0	0	0	0	100	0	0	0	0	0
February 2010	92	61	33	30	26	9	4	0	0	0	0	0	100	0	0	0	0	0
February 2011	90	56	27	24	20	5	0	0	0	0	0	0	89	0	0	0	0	0
February 2012	88	51	21	19	15	2	0	0	0	0	0	0	75	0	0	0	0	0
February 2013	86	46	17	15	11	*	0	0	0	0	0	0	59	0	0	0	0	0
February 2014	84	42	13	11	8	0	0	0	0	0	0	0	42	0	0	0	0	0
February 2015	82	38	10	8	6	0	0	0	0	0	0	0	24	0	0	0	0	0
February 2016	80	34	7	6	4	0	0	0	0	0	0	0	4	0	0	0	0	0
February 2017	77	30	5	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2018	74	26	3	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2019	71	23	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2020	68	20	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2021	65	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2022	61	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2023	56	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2024	52	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2025	47	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2026	42	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2027	36	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2028	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	19.6	10.3	5.9	5.6	5.1	3.5	4.0	1.3	1.3	1.3	1.3	1.3	10.5	3.0	3.0	3.0	3.0	2.9

Date	IT† Class						IU†, QE and QC Classes						FQ, SQ and QD Classes						
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption						
	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%	
Initial Percent .....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004 .....	95	83	83	83	83	83	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2005 .....	89	53	53	53	53	53	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2006 .....	82	23	23	23	23	23	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2007 .....	76	0	0	0	0	0	100	96	96	96	96	57	100	100	100	100	100	100	100
February 2008 .....	68	0	0	0	0	0	100	71	71	71	71	13	100	100	100	100	100	100	100
February 2009 .....	60	0	0	0	0	0	100	48	48	48	48	0	100	100	100	100	100	100	75
February 2010 .....	51	0	0	0	0	0	100	26	26	26	26	0	100	100	100	100	100	100	47
February 2011 .....	44	0	0	0	0	0	100	5	5	5	5	0	100	100	100	100	100	100	26
February 2012 .....	37	0	0	0	0	0	100	0	0	0	0	0	100	82	82	82	82	12	2
February 2013 .....	29	0	0	0	0	0	100	0	0	0	0	0	100	61	61	61	61	2	0
February 2014 .....	21	0	0	0	0	0	100	0	0	0	0	0	100	44	44	44	44	0	0
February 2015 .....	12	0	0	0	0	0	100	0	0	0	0	0	100	30	30	30	30	0	0
February 2016 .....	2	0	0	0	0	0	100	0	0	0	0	0	100	19	19	19	19	0	0
February 2017 .....	0	0	0	0	0	0	92	0	0	0	0	0	100	9	9	9	9	0	0
February 2018 .....	0	0	0	0	0	0	80	0	0	0	0	0	100	1	1	1	1	0	0
February 2019 .....	0	0	0	0	0	0	68	0	0	0	0	0	100	0	0	0	0	0	0
February 2020 .....	0	0	0	0	0	0	55	0	0	0	0	0	100	0	0	0	0	0	0
February 2021 .....	0	0	0	0	0	0	41	0	0	0	0	0	100	0	0	0	0	0	0
February 2022 .....	0	0	0	0	0	0	25	0	0	0	0	0	100	0	0	0	0	0	0
February 2023 .....	0	0	0	0	0	0	9	0	0	0	0	0	100	0	0	0	0	0	0
February 2024 .....	0	0	0	0	0	0	0	0	0	0	0	0	87	0	0	0	0	0	0
February 2025 .....	0	0	0	0	0	0	0	0	0	0	0	0	61	0	0	0	0	0	0
February 2026 .....	0	0	0	0	0	0	0	0	0	0	0	0	33	0	0	0	0	0	0
February 2027 .....	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
February 2028 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2029 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2030 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2031 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2032 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2033 .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)** .....	7.2	2.1	2.1	2.1	2.1	2.1	17.2	6.0	6.0	6.0	6.0	4.2	22.4	11.0	11.0	11.0	11.0	7.2	7.2

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

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

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

Date	CT and CP Classes						CQ Class						CR Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	100	100	94	93	91	83	100	100	77	77	77	77	100	100	100	99	97	85
February 2005	100	100	78	75	71	43	100	100	21	21	21	21	100	100	100	96	90	52
February 2006	100	100	59	54	46	0	100	100	0	0	0	0	100	100	81	74	64	0
February 2007	100	100	44	37	27	0	100	100	0	0	0	0	100	100	61	51	38	0
February 2008	100	100	33	25	15	0	100	100	0	0	0	0	100	100	45	35	20	0
February 2009	100	100	25	17	6	0	100	100	0	0	0	0	100	100	35	24	9	0
February 2010	100	100	21	13	2	0	100	100	0	0	0	0	100	100	28	17	2	0
February 2011	100	100	18	10	*	0	100	100	0	0	0	0	100	100	25	14	*	0
February 2012	100	99	17	10	*	0	100	98	0	0	0	0	100	100	23	13	*	0
February 2013	100	97	15	9	*	0	100	90	0	0	0	0	100	100	21	12	*	0
February 2014	100	94	14	8	*	0	100	78	0	0	0	0	100	100	19	11	*	0
February 2015	100	90	13	7	*	0	100	63	0	0	0	0	100	100	17	10	*	0
February 2016	100	85	11	6	*	0	100	45	0	0	0	0	100	100	15	9	*	0
February 2017	100	79	10	5	*	0	100	25	0	0	0	0	100	100	13	7	*	0
February 2018	100	74	8	5	*	0	100	5	0	0	0	0	100	100	12	6	*	0
February 2019	100	65	4	1	0	0	100	0	0	0	0	0	100	90	6	1	0	0
February 2020	100	56	*	0	0	0	100	0	0	0	0	0	100	77	*	0	0	0
February 2021	100	47	0	0	0	0	100	0	0	0	0	0	100	66	0	0	0	0
February 2022	100	39	0	0	0	0	100	0	0	0	0	0	100	54	0	0	0	0
February 2023	100	32	0	0	0	0	100	0	0	0	0	0	100	44	0	0	0	0
February 2024	100	24	0	0	0	0	100	0	0	0	0	0	100	34	0	0	0	0
February 2025	100	17	0	0	0	0	100	0	0	0	0	0	100	24	0	0	0	0
February 2026	100	11	0	0	0	0	100	0	0	0	0	0	100	15	0	0	0	0
February 2027	100	4	0	0	0	0	100	0	0	0	0	0	100	6	0	0	0	0
February 2028	83	0	0	0	0	0	40	0	0	0	0	0	100	0	0	0	0	0
February 2029	64	0	0	0	0	0	0	0	0	0	0	0	89	0	0	0	0	0
February 2030	44	0	0	0	0	0	0	0	0	0	0	0	60	0	0	0	0	0
February 2031	21	0	0	0	0	0	0	0	0	0	0	0	29	0	0	0	0	0
February 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	26.6	17.7	5.2	4.3	3.1	1.8	24.9	12.6	1.5	1.5	1.5	1.5	27.3	19.6	6.6	5.3	3.7	1.9

Date	MZ Class						QG Class						IV† Class					
	PSA Prepayment Assumption						PSA Prepayment Assumption						PSA Prepayment Assumption					
	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%	0%	100%	250%	270%	300%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
February 2004	106	106	106	106	106	106	100	100	100	100	100	100	96	88	88	88	88	88
February 2005	112	112	112	112	112	112	100	100	100	100	100	100	92	65	65	65	65	65
February 2006	119	119	119	119	119	119	100	100	100	100	100	100	87	44	44	44	44	43
February 2007	126	126	126	126	126	126	100	97	97	97	97	62	82	26	26	26	26	15
February 2008	133	133	133	133	133	133	100	74	74	74	74	21	77	19	19	19	19	3
February 2009	141	141	141	141	141	141	100	53	53	53	53	8	71	13	13	13	13	0
February 2010	149	149	149	149	149	149	100	33	33	33	33	5	64	7	7	7	7	0
February 2011	158	158	158	158	158	158	100	15	15	15	15	3	59	1	1	1	1	0
February 2012	168	168	168	168	168	168	100	8	8	8	8	1	54	0	0	0	0	0
February 2013	177	177	177	177	177	177	100	6	6	6	6	*	48	0	0	0	0	0
February 2014	188	188	188	188	188	134	100	4	4	4	4	0	42	0	0	0	0	0
February 2015	199	199	199	199	199	91	100	3	3	3	3	0	35	0	0	0	0	0
February 2016	211	211	211	211	211	62	100	2	2	2	2	0	28	0	0	0	0	0
February 2017	223	223	223	223	223	42	92	1	1	1	1	0	25	0	0	0	0	0
February 2018	236	236	236	236	236	28	82	*	*	*	*	0	22	0	0	0	0	0
February 2019	250	250	250	250	195	19	71	0	0	0	0	0	18	0	0	0	0	0
February 2020	265	265	265	214	152	13	60	0	0	0	0	0	15	0	0	0	0	0
February 2021	281	281	216	170	118	8	47	0	0	0	0	0	11	0	0	0	0	0
February 2022	297	297	173	134	91	5	33	0	0	0	0	0	7	0	0	0	0	0
February 2023	315	315	137	105	70	4	18	0	0	0	0	0	2	0	0	0	0	0
February 2024	334	334	108	81	53	2	9	0	0	0	0	0	0	0	0	0	0	0
February 2025	353	353	84	62	40	1	6	0	0	0	0	0	0	0	0	0	0	0
February 2026	374	374	64	47	29	1	3	0	0	0	0	0	0	0	0	0	0	0
February 2027	396	396	48	35	21	1	*	0	0	0	0	0	0	0	0	0	0	0
February 2028	420	383	35	25	15	*	0	0	0	0	0	0	0	0	0	0	0	0
February 2029	444	295	24	17	10	*	0	0	0	0	0	0	0	0	0	0	0	0
February 2030	471	213	16	11	6	*	0	0	0	0	0	0	0	0	0	0	0	0
February 2031	498	135	9	6	3	*	0	0	0	0	0	0	0	0	0	0	0	0
February 2032	467	63	4	3	1	*	0	0	0	0	0	0	0	0	0	0	0	0
February 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	29.5	27.2	21.0	20.1	18.9	12.8	17.7	6.5	6.5	6.5	6.5	4.5	9.9	3.2	3.2	3.2	3.2	2.6

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

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

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

## Characteristics of the R and RL Classes

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

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

Treasury Department regulations (the “Regulations”) provide that a transfer of a “noneconomic residual interest” will be disregarded for all federal tax purposes unless no significant purpose of the transfer is to impede the assessment or collection of tax. The R and RL Classes will constitute noneconomic residual interests under the Regulations. Having a significant purpose to impede the assessment or collection of tax means that the transferor of a Residual Certificate knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC trust (that is, the transferor had “improper knowledge”).

As discussed under the caption “Special Characteristics of Residual Certificates” in the REMIC Prospectus, the Regulations presume that a transferor does not have improper knowledge if two conditions are met. The Treasury Department has amended the Regulations to provide additional requirements that a transferor must satisfy to avail itself of the safe harbor regarding the presumed lack of improper knowledge. For transfers occurring on or after August 19, 2002, a transferor of a Residual Certificate is presumed not to have improper knowledge if, in addition to meeting the two conditions discussed in the REMIC Prospectus, both (i) the transferee represents that it will not cause income from the Residual Certificate to be attributed to a foreign permanent establishment or fixed base of the transferee or another taxpayer and (ii) the transfer satisfies either the “asset test” or the “formula test.” The representation described in (i) will be included in the affidavit discussed above. See “Description of Certificates—Special Characteristics of Residual Certificates” and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*” in the REMIC Prospectus.

A transfer satisfies the asset test if (i) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer), (ii) the transferee is an “eligible corporation” and the transferee agrees in writing that any subsequent transfer of the Residual Certificate will be to an eligible corporation and will comply with the safe harbor and satisfy the



asset test, and (iii) the facts and circumstances known to the transferor do not reasonably indicate that the taxes associated with the Residual Certificate will not be paid. A transfer satisfies the formula test if the present value of the anticipated tax liabilities associated with holding the Residual Certificate is less than or equal to the present value of the sum of (i) any consideration given to the transferee to acquire the Residual Certificate, (ii) expected future distributions on the Residual Certificate, and (iii) anticipated tax savings associated with holding the Residual Certificate as the related REMIC trust generates losses. The Regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the Regulations to a transfer of a Residual Certificate.

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

### **CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES**

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following tax discussion supplements the discussion under the caption “Certain Federal Income Tax Consequences” in the REMIC Prospectus. When read together, the two discussions describe the current federal income tax treatment of beneficial owners of Certificates. These two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of beneficial owners, some of which may be subject to special rules. In addition, these discussions may not apply to your particular circumstances for one of the reasons explained in the REMIC Prospectus. You should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

#### **REMIC Elections and Special Tax Attributes**

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

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

#### **Taxation of Beneficial Owners of Regular Certificates**

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



Classes of REMIC Certificates may be treated as having been issued at a premium. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	220% PSA
2	575% PSA
3	270% PSA

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

### **Taxation of Beneficial Owners of Residual Certificates**

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 120% of the “federal long-term rate.” The rate will be published on or about January 20, 2003. See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

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

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

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

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

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

## **Tax Return Disclosure Requirements**

The Treasury Department recently issued temporary Regulations directed at “tax shelters” that are quite broad and could be read to apply to transactions generally not considered to be tax shelters. These Regulations require taxpayers that participate in a “reportable transaction” to disclose such transaction on their tax returns by attaching IRS Form 8886 and to retain information related to the transaction. A transaction may be a “reportable transaction” based upon any of several indicia, one or more of which may be present with respect to the Certificates. You should consult your own tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates and you should be aware that we and others may be required to disclose information relating to the Certificates.

## **PLAN OF DISTRIBUTION**

*General.* We are obligated to deliver the Certificates to J.P. Morgan Securities Inc. (the “Dealer”) in exchange for the Trust MBS and the Group 2 Underlying REMIC Certificate. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The dealer may effect these transactions to or through other dealers.

*Increase in Certificates.* Before the Settlement Date, we and the dealer may agree to offer Group 1 or 3 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related Trust MBS in principal balance, but we expect that all these additional Trust MBS will have the same characteristics as described under “Description of the Certificates—The Trust MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1 or 3 Class bears to the aggregate original principal balance of all Group 1 or 3 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

## **LEGAL MATTERS**

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Cleary, Gottlieb, Steen & Hamilton will provide legal representation for the Dealer.

Group 2 Underlying REMIC Certificate

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	February 2003 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALA (in months)	Underlying Security Type	Class Group	
2001-060	JZ	October 2001	313921Y69	6.0%	FIX	March 2031	SEQ	\$400,000,000	0.57659543	\$80,000,000	6.777%	304	46	MBS	2

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

## Available Recombinations(1)

REMIC Certificates			RCR Certificates					
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type(2)	Principal Type(2)	CUSIP Number	Final Distribution Date
Recombination 1								
HV	\$539,856,667	HP	\$607,338,750	4.00%	FIX	SEQ	31392JTP4	October 2016
FH	67,482,083							
SH	67,482,083(3)							
Recombination 2								
HV	539,856,667	HQ	647,828,000	4.25	FIX	SEQ	31392JTTQ2	October 2016
FH	107,971,333							
SH	107,971,333(3)							
Recombination 3								
HV	539,856,667	HR	694,101,428	4.50	FIX	SEQ	31392JTR0	October 2016
FH	154,244,761							
SH	154,244,761(3)							
Recombination 4								
HV	539,856,667	HM	809,785,000	5.00	FIX	SEQ	31392JTS8	October 2016
FH	269,928,333							
SH	269,928,333(3)							
Recombination 5								
HV	337,410,416	HW	607,338,749	5.50	FIX	SEQ	31392JTT6	October 2016
FH	269,928,333							
SH	269,928,333(3)							
Recombination 6								
HV	215,942,666	HT	485,870,999	6.00	FIX	SEQ	31392JTU3	October 2016
FH	269,928,333							
SH	269,928,333(3)							
Recombination 7								
HV	539,856,667	HN	571,612,941	3.75	FIX	SEQ	31392JTV1	October 2016
FH	31,756,274							
SH	31,756,274(3)							
Recombination 8								
CQ(4)	3,501,000	CP	12,592,338	(5)	PO	SUP	31392JTW9	February 2032
CR(4)	9,091,338							
Recombination 9								
QE(4)	95,644,000	QG	106,271,014	5.00	FIX	PAC	31392JTX7	July 2031
FQ(4)	6,641,884							
SQ(4)	3,985,130							
IU(4)	8,694,908(3)							
Recombination 10								
IT(4)	24,160,272(3)	IV	33,036,999(3)	5.50	FIX/IO	NTL	31392JTZ2	September 2027
IU(4)	8,876,727(3)							

REMIC Certificates		RCR Certificates						
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balance	Interest Rate	Interest Type(2)	Principal Type(2)	CUSIP Number	Final Distribution Date
<b>Recombination 11</b>								
FQ	\$ 45,820,625	QD	\$ 73,313,000	5.00%	FIX	PAC	31392JUA5	July 2031
SQ	27,492,375							
<b>Recombination 12</b>								
IU	8,876,727(3)	QC	97,644,000	5.00	FIX	PAC	31392JTY5	September 2027
QE	97,644,000							
(1) REMIC Certificates and RCR Certificates in any recombination may be exchanged only in the proportions shown above except as described in footnote (4) with respect to Recombinations 8, 9 and 10.								
(2) See “Description of Certificates—Class Definitions and Abbreviations” in the REMIC Prospectus and “Description of the Certificates—Distributions of Interest” and “—Distributions of Principal” in this prospectus supplement.								
(3) Notional principal balance.								
(4) In any exchange under Recombination 8, 9 or 10, the relative portions of the Classes to be delivered (or, if applicable, received) in such exchange will be equal to the proportions reflected by the outstanding principal balances of such respective Classes at the time of exchange.								
(5) Principal only class.								

## Principal Balance Schedules

### *Aggregate Group I Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$191,379,000.00	February 2006 .....	\$121,207,946.88	January 2009 .....	\$ 48,759,536.92
March 2003 .....	190,169,762.82	March 2006 .....	118,942,537.94	February 2009 .....	46,884,417.14
April 2003 .....	188,907,588.23	April 2006 .....	116,689,289.29	March 2009 .....	45,019,442.28
May 2003 .....	187,592,998.14	May 2006 .....	114,448,138.16	April 2009 .....	43,164,559.93
June 2003 .....	186,226,543.81	June 2006 .....	112,219,022.11	May 2009 .....	41,331,104.75
July 2003 .....	184,808,805.55	July 2006 .....	110,001,878.99	June 2009 .....	39,528,030.56
August 2003 .....	183,340,392.26	August 2006 .....	107,796,647.01	July 2009 .....	37,754,878.32
September 2003 .....	181,821,941.12	September 2006 .....	105,603,264.66	August 2009 .....	36,011,195.61
October 2003 .....	180,254,117.10	October 2006 .....	103,421,670.78	September 2009 .....	34,296,536.54
November 2003 .....	178,637,612.48	November 2006 .....	101,251,804.49	October 2009 .....	32,610,461.65
December 2003 .....	176,973,146.41	December 2006 .....	99,093,605.26	November 2009 .....	30,952,537.82
January 2004 .....	175,261,464.40	January 2007 .....	96,947,012.85	December 2009 .....	29,322,338.20
February 2004 .....	173,503,337.73	February 2007 .....	94,811,967.32	January 2010 .....	27,719,442.08
March 2004 .....	171,699,562.94	March 2007 .....	92,688,409.07	February 2010 .....	26,143,434.86
April 2004 .....	169,850,961.21	April 2007 .....	90,576,278.77	March 2010 .....	24,593,907.91
May 2004 .....	167,958,377.79	May 2007 .....	88,475,517.43	April 2010 .....	23,070,458.51
June 2004 .....	166,022,681.32	June 2007 .....	86,386,066.33	May 2010 .....	21,572,689.80
July 2004 .....	164,044,763.20	July 2007 .....	84,307,867.09	June 2010 .....	20,100,210.62
August 2004 .....	162,025,536.95	August 2007 .....	82,240,861.59	July 2010 .....	18,652,635.50
September 2004 .....	159,965,937.41	September 2007 .....	80,184,992.04	August 2010 .....	17,229,584.55
October 2004 .....	157,866,920.16	October 2007 .....	78,140,200.93	September 2010 .....	15,830,683.39
November 2004 .....	155,729,460.65	November 2007 .....	76,106,431.05	October 2010 .....	14,455,563.05
December 2004 .....	153,554,553.55	December 2007 .....	74,083,625.50	November 2010 .....	13,103,859.93
January 2005 .....	151,343,211.90	January 2008 .....	72,071,727.64	December 2010 .....	11,775,215.70
February 2005 .....	149,096,466.39	February 2008 .....	70,070,681.15	January 2011 .....	10,469,277.23
March 2005 .....	146,815,364.49	March 2008 .....	68,080,429.99	February 2011 .....	9,185,696.52
April 2005 .....	144,500,969.65	April 2008 .....	66,100,918.41	March 2011 .....	7,924,130.63
May 2005 .....	142,154,360.49	May 2008 .....	64,132,090.94	April 2011 .....	6,684,241.60
June 2005 .....	139,776,629.92	June 2008 .....	62,173,892.40	May 2011 .....	5,465,696.39
July 2005 .....	137,411,639.42	July 2008 .....	60,226,267.90	June 2011 .....	4,268,166.78
August 2005 .....	135,059,323.24	August 2008 .....	58,289,162.83	July 2011 .....	3,091,329.38
September 2005 .....	132,719,615.96	September 2008 .....	56,362,522.84	August 2011 .....	1,934,865.45
October 2005 .....	130,392,452.50	October 2008 .....	54,446,293.89	September 2011 .....	798,460.92
November 2005 .....	128,077,768.11	November 2008 .....	52,540,422.21	October 2011 and thereafter .....	0.00
December 2005 .....	125,775,498.38	December 2008 .....	50,644,854.29		
January 2006 .....	123,485,579.22				

### *Aggregate Group II Planned Balances*

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance .....	\$251,350,000.00	December 2003 .....	\$242,746,313.37	October 2004 .....	\$227,615,426.41
March 2003 .....	250,793,936.65	January 2004 .....	241,519,409.33	November 2004 .....	225,764,125.00
April 2003 .....	250,169,674.92	February 2004 .....	240,227,420.20	December 2004 .....	223,854,200.83
May 2003 .....	249,477,369.03	March 2004 .....	238,870,846.42	January 2005 .....	221,886,470.08
June 2003 .....	248,717,208.40	April 2004 .....	237,450,221.86	February 2005 .....	219,861,777.68
July 2003 .....	247,889,417.51	May 2004 .....	235,966,113.50	March 2005 .....	217,780,996.80
August 2003 .....	246,994,255.90	June 2004 .....	234,419,121.03	April 2005 .....	215,645,028.13
September 2003 .....	246,032,018.06	July 2004 .....	232,809,876.46	May 2005 .....	213,454,799.23
October 2003 .....	245,003,033.30	August 2004 .....	231,139,043.75	June 2005 .....	211,211,263.90
November 2003 .....	243,907,665.59	September 2004 .....	229,407,318.27	July 2005 .....	208,915,401.41

**Aggregate Group II (Continued)**

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
August 2005 .....	\$206,630,974.34	December 2009 .....	\$102,183,500.60	March 2014 .....	\$ 31,376,266.60
September 2005 .....	204,357,921.96	January 2010 .....	100,425,287.07	April 2014 .....	30,462,957.87
October 2005 .....	202,096,183.85	February 2010 .....	98,675,626.16	May 2014 .....	29,564,418.53
November 2005 .....	199,845,699.87	March 2010 .....	96,934,471.41	June 2014 .....	28,680,385.99
December 2005 .....	197,606,410.22	April 2010 .....	95,201,776.59	July 2014 .....	27,810,602.08
January 2006 .....	195,378,255.36	May 2010 .....	93,477,495.67	August 2014 .....	26,954,812.99
February 2006 .....	193,161,176.07	June 2010 .....	91,761,582.88	September 2014 .....	26,112,769.19
March 2006 .....	190,955,113.42	July 2010 .....	90,053,992.66	October 2014 .....	25,284,225.35
April 2006 .....	188,760,008.77	August 2010 .....	88,354,679.65	November 2014 .....	24,468,940.29
May 2006 .....	186,575,803.77	September 2010 .....	86,663,598.74	December 2014 .....	23,666,676.90
June 2006 .....	184,402,440.36	October 2010 .....	84,980,705.04	January 2015 .....	22,877,202.06
July 2006 .....	182,239,860.79	November 2010 .....	83,305,953.86	February 2015 .....	22,100,286.60
August 2006 .....	180,088,007.56	December 2010 .....	81,639,300.73	March 2015 .....	21,335,705.20
September 2006 .....	177,946,823.50	January 2011 .....	79,980,701.41	April 2015 .....	20,583,236.35
October 2006 .....	175,816,251.68	February 2011 .....	78,330,111.87	May 2015 .....	19,842,662.28
November 2006 .....	173,696,235.49	March 2011 .....	76,687,488.28	June 2015 .....	19,113,768.88
December 2006 .....	171,586,718.57	April 2011 .....	75,052,787.05	July 2015 .....	18,396,345.67
January 2007 .....	169,487,644.87	May 2011 .....	73,425,964.78	August 2015 .....	17,690,185.71
February 2007 .....	167,398,958.60	June 2011 .....	71,817,000.03	September 2015 .....	16,995,085.55
March 2007 .....	165,320,604.25	July 2011 .....	70,234,994.73	October 2015 .....	16,310,845.20
April 2007 .....	163,252,526.58	August 2011 .....	68,679,480.89	November 2015 .....	15,637,268.00
May 2007 .....	161,194,670.64	September 2011 .....	67,149,998.38	December 2015 .....	14,974,160.64
June 2007 .....	159,146,981.74	October 2011 .....	65,646,094.82	January 2016 .....	14,321,333.07
July 2007 .....	157,109,405.47	November 2011 .....	64,167,325.46	February 2016 .....	13,678,598.42
August 2007 .....	155,081,887.67	December 2011 .....	62,713,253.00	March 2016 .....	13,045,773.01
September 2007 .....	153,064,374.47	January 2012 .....	61,283,447.56	April 2016 .....	12,422,676.23
October 2007 .....	151,056,812.26	February 2012 .....	59,877,486.44	May 2016 .....	11,809,130.53
November 2007 .....	149,059,147.69	March 2012 .....	58,494,954.09	June 2016 .....	11,204,961.35
December 2007 .....	147,071,327.68	April 2012 .....	57,135,441.96	July 2016 .....	10,609,997.07
January 2008 .....	145,093,299.42	May 2012 .....	55,798,548.38	August 2016 .....	10,024,068.99
February 2008 .....	143,125,010.34	June 2012 .....	54,483,878.42	September 2016 .....	9,447,011.22
March 2008 .....	141,166,408.14	July 2012 .....	53,191,043.83	October 2016 .....	8,878,660.70
April 2008 .....	139,217,440.79	August 2012 .....	51,919,662.90	November 2016 .....	8,318,857.09
May 2008 .....	137,278,056.51	September 2012 .....	50,669,360.34	December 2016 .....	7,767,442.78
June 2008 .....	135,348,203.76	October 2012 .....	49,439,767.18	January 2017 .....	7,224,262.79
July 2008 .....	133,427,831.28	November 2012 .....	48,230,520.68	February 2017 .....	6,689,164.80
August 2008 .....	131,516,888.03	December 2012 .....	47,041,264.21	March 2017 .....	6,161,999.00
September 2008 .....	129,615,323.27	January 2013 .....	45,871,647.14	April 2017 .....	5,642,618.14
October 2008 .....	127,723,086.46	February 2013 .....	44,721,324.77	May 2017 .....	5,130,877.45
November 2008 .....	125,840,127.34	March 2013 .....	43,589,958.17	June 2017 .....	4,626,634.59
December 2008 .....	123,966,395.88	April 2013 .....	42,477,214.17	July 2017 .....	4,129,749.64
January 2009 .....	122,101,842.31	May 2013 .....	41,382,765.19	August 2017 .....	3,640,085.00
February 2009 .....	120,246,417.11	June 2013 .....	40,306,289.18	September 2017 .....	3,157,505.42
March 2009 .....	118,400,070.98	July 2013 .....	39,247,469.51	October 2017 .....	2,681,877.93
April 2009 .....	116,562,754.87	August 2013 .....	38,205,994.90	November 2017 .....	2,213,071.77
May 2009 .....	114,734,419.99	September 2013 .....	37,181,559.31	December 2017 .....	1,750,958.42
June 2009 .....	112,915,017.77	October 2013 .....	36,173,861.87	January 2018 .....	1,295,411.49
July 2009 .....	111,104,499.88	November 2013 .....	35,182,606.77	February 2018 .....	846,306.74
August 2009 .....	109,302,818.24	December 2013 .....	34,207,503.20	March 2018 .....	403,522.01
September 2009 .....	107,509,924.99	January 2014 .....	33,248,265.25	April 2018 and thereafter .....	0.00
October 2009 .....	105,725,772.52	February 2014 .....	32,304,611.83		
November 2009 .....	103,950,313.44				



***CQ Class Targeted Balances***

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance .....	\$3,501,000.00	December 2003 .....	\$2,915,169.24	October 2004 .....	\$1,501,277.32
March 2003 .....	3,482,846.51	January 2004 .....	2,808,556.81	November 2004 .....	1,321,578.61
April 2003 .....	3,455,604.58	February 2004 .....	2,693,690.97	December 2004 .....	1,135,976.10
May 2003 .....	3,419,284.86	March 2004 .....	2,570,742.80	January 2005 .....	944,774.47
June 2003 .....	3,373,914.16	April 2004 .....	2,439,898.62	February 2005 .....	748,288.91
July 2003 .....	3,319,535.54	May 2004 .....	2,301,359.58	March 2005 .....	546,844.45
August 2003 .....	3,256,208.35	June 2004 .....	2,155,341.40	April 2005 .....	340,775.31
September 2003 .....	3,184,008.19	July 2004 .....	2,002,073.93	May 2005 .....	130,424.18
October 2003 .....	3,103,026.94	August 2004 .....	1,841,800.73	June 2005 and thereafter .....	0.00
November 2003 .....	3,013,372.60	September 2004 .....	1,674,778.65		

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**\$1,930,000,000**



**Guaranteed  
REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 2003-20**

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## PROSPECTUS SUPPLEMENT

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**JPMorgan**

**January 9, 2003**

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