

\$840,496,000



FannieMae®

**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2003-111**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own

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

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

<i>Class</i>	<i>Group</i>	<i>Original Class Balance</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
EC(1)	1	\$116,058,286	SEQ/AD	4.00%	FIX	31393T2X3	September 2027
EF(1)	1	68,293,714	SEQ/AD	(2)	FLT	31393T2Y1	September 2027
EI(1)	1	9,671,523(3)	NTL	6.00	FIX/IO	31393T2Z8	September 2027
ES(1)	1	68,293,714(3)	NTL	(2)	INV/IO	31393T3A2	September 2027
EZ	1	25,148,000	SEQ	6.00	FIX/Z	31393T3B0	November 2033
FH	1	25,000,000	SEQ/AD	(2)	FLT	31393D7L9	September 2027
SH	1	25,000,000(3)	NTL	(2)	INV/IO	31393E6Z7	September 2027
FA	2	71,990,250	SUP/AD	(2)	FLT	31393T3C8	October 2021
HB	2	1,300,000	PAC/AD	6.00	FIX	31393T3D6	June 2030
HF(1)	2	190,121,714	PAC/AD	(2)	FLT	31393T3E4	May 2030
HQ(1)	2	142,591,286	PAC/AD	3.50	FIX	31393T3F1	May 2030
HS(1)	2	190,121,714(3)	NTL	(2)	INV/IO	31393T3G9	May 2030
HZ	2	20,000,000	SEQ	6.00	FIX/Z	31393T3H7	November 2033
IM(1)	2	11,882,607(3)	NTL	6.00	FIX/IO	31393T3J3	May 2030
JZ	2	50,000,000	SUP/AD	6.00	FIX/Z	31393T3K0	May 2031
SA	2	23,996,750	SUP/AD	(2)	INV	31393T3L8	October 2021
LE(1)	3	19,253,062	NSJ/SC/SEQ/AD	5.00	FIX	31393T3M6	September 2033
LI(1)	3	1,750,278(3)	NTL	5.50	FIX/IO	31393T3N4	September 2033
LZ	3	5,727,391	CPT/NSJ/SC/SEQ/AD	5.50	FIX/Z	31393T3P9	September 2033
ZT	3	19,547	NSJ/SC/SEQ/AD	5.50	FIX/Z	31393T3Q7	September 2033
FG	4	40,498,000	SC/PT	(2)	FLT	31393T3R5	December 2032
SG	4	40,498,000	SC/PT	(2)	INV	31393T3S3	December 2032
R		0	NPR	0	NPR	31393T3U8	November 2033
RL		0	NPR	0	NPR	31393T3V6	November 2033

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

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The EA, EB, EG, HA, HR, HT, HU and LC 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 October 30, 2003.

Carefully consider the risk factors starting on page S-9 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.

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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 April 1, 2003 (the “MBS Prospectus”);
- if you are purchasing any Group 3 or Group 4 Class or the R or RL Class, the disclosure documents relating to the underlying RCR and REMIC certificates (the “Underlying REMIC Disclosure Documents”); and
- any Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that we file with the SEC during the period specified in the final paragraph of this page.

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).

In addition, the Disclosure Documents, together with the class factors, are available on our corporate Web site at www.fanniemae.com.

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

Bear, Stearns & Co. Inc.
Prospectus Department
One MetroTech Center North
Brooklyn, New York 11201
(telephone 347-643-1581).

In the first quarter of 2003, we began filing periodic reports with the SEC under the Securities Exchange Act of 1934. These filings will include the Form 10-Ks, Form 10-Qs and Form 8-Ks. Our SEC filings are available at the SEC’s Web site at www.sec.gov. You may also read and copy any document we file with the SEC by visiting the SEC’s Public Reference Room at 450 Fifth Street, NW, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room. We are providing the address of the SEC’s Web site solely for the information of prospective investors. We do not intend the Web address to be an active link.

Information contained in any Form 10-K, Form 10-Q and Form 8-K that we file with the SEC prior to the termination of the offering of the certificates is hereby incorporated by reference in this prospectus supplement. In cases where we “furnish” information to the SEC on Form 8-K, as provided under the Securities Exchange Act of 1934, that information is not incorporated by reference in this prospectus supplement.

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Class 2003-89-A RCR Certificate
4	Class 2002-77-QG REMIC Certificate

Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS (as of October 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	\$234,500,000	360	355	4	6.50%
Group 2 MBS	\$500,000,000	360	345	11	6.50%

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

Characteristics of the Underlying RCR and REMIC Certificates

Exhibit A describes the Group 3 and Group 4 Underlying RCR and REMIC Certificates, including certain information about the related mortgage loans. To learn more about the underlying RCR and REMIC certificates, you should obtain from us the current class factors and the related disclosure documents 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 October 30, 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:

Fed Book-Entry

All classes of certificates other
than the R and RL Classes

Physical

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>
EF	1.47%	8.00%	0.35%	LIBOR + 35 basis points
ES	6.53%	7.65%	0.00%	7.65% – LIBOR
FH	1.54%	7.50%	0.42%	LIBOR + 42 basis points
SH	5.96%	7.08%	0.00%	7.08% – LIBOR
FA	1.62%	8.00%	0.50%	LIBOR + 50 basis points
HF	1.52%	7.50%	0.40%	LIBOR + 40 basis points
HS	5.98%	7.10%	0.00%	7.1% – LIBOR
SA	19.14%	22.50%	0.00%	22.5% – (3 × LIBOR)
FG	2.02%	9.00%	0.90%	LIBOR + 90 basis points
SG	8.98%	10.10%	2.00%	10.1% – 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

EI	8.3333333333% of the EC Class
ES	100% of the EF Class
SH	100% of the FH Class
HS	100% of the HF Class
IM	8.3333333333% of the HQ Class
LI	9.0909090909% of the LE Class

Components

The LZ Class is made up of payment components. Each component will have the original principal balance, principal type and interest type set forth below.

	<u>Original Principal Balance</u>	<u>Principal Type</u>	<u>Interest Type</u>
LZ1	\$ 781,896	SC/NSJ/SEQ/AD	FIX/Z
LZ2	195,474	SC/NSJ/SEQ/AD	FIX/Z
LZ3	1,622,435	SC/NSJ/SEQ/AD	FIX/Z
LZ4	3,127,586	SC/NSJ/SEQ/AD	FIX/Z

Distributions of Principal

Group 1 Principal Distribution Amount

1. To the EC, EF and FH Classes, pro rata, to zero.
2. To the EZ Class to zero.

Group 2 Principal Distribution Amount

Group 2 Cash Flow Distribution Amount and HZ Accrual Amount

1. To Aggregate Group I to its Planned Balance.
2. To the HB Class to its Planned Balance.

JZ Accrual Amount, Remaining Group 2 Cash Flow Distribution Amount and Remaining HZ Accrual Amount

1. To the FA and SA Classes, pro rata, to zero.
2. To the JZ Class to zero.
3. To Aggregate Group I to zero.
4. To the HB Class to zero.
5. To the HZ Class to zero.

For a description of Aggregate Group I, see “Description of the Certificates—Distributions of Principal—*Group 2 Principal Distribution Amount*” in this prospectus supplement.

Group 3 Principal Distribution Amount

LZ3 Accrual Amount

1. An amount up to the *product* of the Component Jump Percentage *multiplied* by the LZ3 Accrual Amount, to the LZ3 Component.
2. If and only if the Group 3 Calculation Balance is *less* than the Group 3 First Specified Balance, to the LZ3 Component.
3. If and only if the Group 3 Calculation Balance is *less* than the Group 3 Second Specified Balance, to the LZ4 Component and the LE and ZT Classes, in that order, to zero.
4. To the LE Class, the LZ4 Component, the ZT Class and the LZ1 and LZ2 Components, in that order, to zero.
5. Thereafter to the LZ3 Component.

LZ4 Accrual Amount

1. An amount up to the *product* of the Component Jump Percentage *multiplied* by the LZ4 Accrual Amount, to the LZ4 Component.
2. If and only if the Group 3 Calculation Balance is *less* than the Group 3 Second Specified Balance, to the LZ4 Component.
3. To the LE Class to zero.
4. Thereafter to the LZ4 Component.

ZT Accrual Amount

1. If and only if the Group 3 Calculation Balance is *less* than the Group 3 Second Specified Balance, as follows:
first, to the LE Class to zero; and
second, thereafter to the ZT Class.
2. To the LE Class and LZ4 Component, in that order, to zero.
3. Thereafter to the ZT Class.

Group 3 Cash Flow Distribution Amount and LZ1 and LZ2 Accrual Amounts

1. If and only if the Group 3 Calculation Balance is *less* than the Group 3 First Specified Balance, as follows:
first, to the LZ1, LZ2 and LZ3 Components, in that order, to zero;
second, if and only if the Group 3 Calculation Balance is also *less* than the Group 3 Second Specified Balance, to the LZ4 Component and the LE and ZT Classes, in that order, to zero;
and
third, to the LE Class, the LZ4 Component and the ZT Class, in that order, to zero.
2. If and only if the Group 3 Calculation Balance is *less* than the Group 3 Second Specified Balance, to the LZ4 Component and the LE and ZT Classes, in that order, to zero.
3. To the LE Class, the LZ4 Component, the ZT Class and the LZ1, LZ2 and LZ3 Components, in that order, to zero.

For a description of the Component Jump Percentage and the Group 3 Calculation Balance, see “Description of the Certificates—Distributions of Principal—*Group 3 Principal Distribution Amount*” in this prospectus supplement.

Group 4 Principal Distribution Amount

To the FG and SG Classes, pro rata, to zero.

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

Weighted Average Lives (years) *

			PSA Prepayment Assumption								
<u>Group 1 Classes</u>			<u>0%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>		
EC, EF, EI, ES, FH, SH, EA, EB and EG . .			15.3	6.7	5.3	3.9	3.2	2.2	1.8		
EZ			27.2	20.5	17.5	13.1	10.5	6.8	4.9		
			PSA Prepayment Assumption								
<u>Group 2 Classes</u>			<u>0%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>		
FA and SA			10.5	8.7	3.5	1.3	0.9	0.6	0.4		
HB			23.6	11.9	11.9	11.9	9.5	6.1	4.3		
HF, HQ, HS, IM, HA, HR, HT and HU			15.3	5.0	5.0	5.0	4.1	2.7	2.0		
HZ			28.8	23.4	20.7	15.9	12.8	8.1	5.6		
JZ			25.7	15.8	13.0	3.9	2.2	1.3	0.9		
			PSA Prepayment Assumption								
<u>Group 3 Classes</u>			<u>0%</u>	<u>100%</u>	<u>165%</u>	<u>181%</u>	<u>182%</u>	<u>275%</u>	<u>276%</u>	<u>350%</u>	<u>500%</u>
LE, LI and LC			14.9	8.1	2.5	2.5	4.2	2.9	3.5	2.6	1.9
ZT			27.0	16.6	10.7	10.7	10.7	4.6	5.1	3.3	2.2
LZ			26.9	16.6	11.1	11.1	8.1	2.7	0.5	0.5	0.5
			PSA Prepayment Assumption								
<u>Group 4 Classes</u>					<u>0%</u>	<u>100%</u>	<u>250%</u>	<u>350%</u>	<u>500%</u>		
FG and SG					27.6	21.3	16.8	12.8	9.0		

* 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 3 and Group 4 Classes also will be affected by the payment priorities governing the related underlying RCR and REMIC certificates. If you invest in any Group 3 or Group 4 Classes, the rate at which you receive payments also will be affected by the priority sequences governing payments on the related underlying RCR and REMIC certificates.

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

In addition, principal payments on the underlying RCR and REMIC Certificates are governed by principal balance schedules. As a result, those underlying RCR and REMIC certificates may receive principal payments at rates faster or slower than would otherwise have been the case. In some cases, they may receive no principal payments for extended periods. Prepayments on the related mortgage loans may have occurred at rates faster or slower than the

rates initially assumed. This prospectus supplement contains no information as to whether

- the related underlying RCR or REMIC certificates have adhered to their principal balance schedules,
- any related Support classes remain outstanding, or
- the underlying RCR or REMIC certificates otherwise have performed as originally anticipated.

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

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

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

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

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

Weighted average lives of the Non-Sticky Jump classes are especially sensitive to prepayments under certain scenarios. The weighted average lives of the Non-Sticky Jump classes are especially sensitive to the rate of principal payments, including prepayments, of the related underlying mortgage loans. This sensitivity to prepayments is not necessarily proportional to the changes in prepayment rates. In some scenarios, small changes in prepayment rates of the

related underlying mortgage loans may have a dramatic effect on the weighted average lives of the Non-Sticky Jump classes. For an illustration of this sensitivity, see the related decrement tables for these classes in this prospectus supplement.

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 un-

certain. You may be unable to reinvest the payments on the certificates at the same yields provided by the certificates.

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

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

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

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of October 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 2 MBS” and, together, the “Trust MBS”), and
- two groups of previously issued RCR and REMIC certificates (the “Group 3 Underlying RCR Certificate” and “Group 4 Underlying REMIC Certificate” and, together, the “Underlying REMIC Certificates”) evidencing beneficial ownership interests in the related Fannie Mae REMIC trusts (the “Underlying REMIC Trusts”) as further described in Exhibit A.

The assets of the Underlying REMIC Trusts evidence direct or indirect beneficial ownership interests in certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (together with the Trust MBS, 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 Underlying REMIC Certificates are described in the Underlying REMIC Disclosure Documents. Our guarantees are not backed by the full faith and credit of the United States. See “Description of 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 Documents.

Characteristics of Certificates. We will issue the Certificates (except the R and RL Classes) in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. Entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts are “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of Certificates—Denominations and Form” in the REMIC Prospectus.

We will issue the R and RL Certificates in fully registered, certificated form. The “Holder” or “Certificateholder” of the R or RL Certificate is its registered owner. The R or RL Certificate can be transferred at the corporate trust office of the Transfer Agent, or at the office of the Transfer Agent in New York, New York. U.S. Bank National Association (“US Bank”) in Boston, Massachusetts 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 (and each related Component). 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 Classes). Similarly, when the applicable class factor for a Component is multiplied by the original principal balance of that Component, the product will equal the current principal balance of that Component after taking into account payments on the Distribution Date in the same month (as well as any addition to principal of that Component).

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 Underlying REMIC Certificates. Holders of the Underlying REMIC Certificates may be asked to vote on issues arising under the related trust agreements. If so, the Trustee will vote the related Underlying REMIC Certificates as instructed by Holders of Certificates of the related Classes. 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 EC, EF, EI, ES, HF, HQ, HS, IM, LE and LI 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 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 30 years. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

We expect the characteristics of the Trust MBS and the related Mortgage Loans as of the Issue Date to be as follows:

Group 1 MBS

Aggregate Unpaid Principal Balance	\$234,500,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	355 months
Approximate Weighted Average WALA (weighted average loan age)	4 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$500,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	345 months
Approximate Weighted Average WALA	11 months

The Underlying REMIC Certificates

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

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

For further information about the Underlying REMIC Certificates, telephone us at 1-800-237-8627. There may have been material changes in facts and circumstances since the dates we prepared the Underlying REMIC Disclosure Documents. These may include changes in prepayment speeds, prevailing interest rates and other economic factors. As a result, the usefulness of the information set forth in those documents may be limited.

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the principal balances of the Underlying REMIC Certificates as of the Issue Date and, with respect to the Trust MBS, 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. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.com.

Distributions of Interest

Categories of Classes and Components

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

<u>Interest Type*</u>	<u>Classes and Components</u>
Group 1 Classes	
Fixed Rate	EC, EI and EZ
Floating Rate	EF and FH
Inverse Floating Rate	ES and SH
Accrual	EZ
Interest Only	EI, ES and SH
RCR**	EA, EB and EG
Group 2 Classes	
Fixed Rate	HB, HQ, HZ, IM and JZ
Floating Rate	FA and HF
Inverse Floating Rate	HS and SA
Accrual	HZ and JZ
Interest Only	HS and IM
RCR**	HA, HR, HT and HU
Group 3 Classes and Components	
Fixed Rate	LE, LI, ZT, LZ1, LZ2, LZ3 and LZ4
Accrual	ZT, LZ1, LZ2, LZ3 and LZ4
Interest Only	LI
RCR**	LC
Group 4 Classes	
Floating Rate	FG
Inverse Floating Rate	SG
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.

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 Classes and Components) on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate (or added to principal, in the case of the Accrual Classes and Components) 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 Classes and Components*" 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 and the FG and SG Classes (collectively, the “Delay Classes”)	Calendar month preceding the month in which the Distribution Date occurs
All other Floating Rate and Inverse Floating Rate Classes	One-month period beginning on the 25th day of the month preceding the month in which the Distribution Date occurs

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

Accrual Classes and Components. The EZ, HZ, JZ, LZ and ZT Classes are Accrual Classes, and the LZ1, LZ2, LZ3 and LZ4 Components are Accrual Components. Interest will accrue on the Accrual Classes (and in the case of the LZ Class, on the related Components) at the applicable annual rates specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Classes or Components. Instead, interest accrued on the Accrual Classes (and Accrual Components) will be added as principal to their respective principal balances on each Distribution Date. We will pay principal on the Accrual Classes (and Accrual Components) 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.

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 1.12% in the case of the EF, ES, FH, SH, FA, HF, HS, FG, SG and SA Classes.

Distributions of Principal

Categories of Classes and Components

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

<u>Principal Type*</u>	<u>Classes and Components</u>
Group 1 Classes	
Sequential Pay	EC, EF, EZ and FH
Accretion Directed	EC, EF and FH
Notional	EI, ES and SH
RCR**	EA, EB and EG
Group 2 Classes	
PAC	HB, HF and HQ
Support	FA, JZ and SA
Sequential Pay	HZ
Accretion Directed	FA, HB, HF, HQ, JZ and SA
Notional	HS and IM
RCR**	HA, HR, HT and HU
Group 3 Classes and Components	
Structured Collateral/Sequential Pay	LE, ZT, LZ1, LZ2, LZ3 and LZ4
Non-Sticky Jump	LE, ZT, LZ1, LZ2, LZ3 and LZ4
Accretion Directed	LE, ZT, LZ1, LZ2, LZ3 and LZ4
Component	LZ
Notional	LI
RCR**	LC
Group 4 Classes	
Structured Collateral/Pass-Through	FG and SG
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.

Components. For purposes of calculating the payments it receives, the LZ Class consists of the payment components having the designations and original principal balances specified in this prospectus supplement under “Reference Sheet—Components.” The payment characteristics of the LZ Class will reflect a combination of the payment characteristics of the related components. Components are not separately transferable from the related Class of Certificates.

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balance of the EZ Class (the “EZ Accrual Amount,” and together with the Group 1 Cash Flow Distribution Amount, the “Group 1 Principal Distribution Amount”),
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balances of the HZ and JZ Classes (the “HZ Accrual Amount” and “JZ Accrual Amount,” respectively, and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”),

- the principal then paid on the Group 3 Underlying RCR Certificate (the “Group 3 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balances of the ZT Class and the LZ1, LZ2, LZ3 and LZ4 Components (the “ZT Accrual Amount,” “LZ1 Accrual Amount,” “LZ2 Accrual Amount,” “LZ3 Accrual Amount” and “LZ4 Accrual Amount,” respectively, and together with the Group 3 Cash Flow Distribution Amount, the “Group 3 Principal Distribution Amount”), and
- the principal then paid on the Group 4 Underlying REMIC Certificate (the “Group 4 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

- (i) concurrently, to the EC, EF and FH Classes, pro rata (or 55.4369129504%, 32.6214767473% and 11.9416103023%, respectively), until their principal balances are reduced to zero; and
- (ii) to the EZ Class, until its principal balance is reduced to zero.

Sequential
Pay
Classes

Group 2 Principal Distribution Amount

Group 2 Cash Flow Distribution Amount and HZ Accrual Amount

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

- (i) to Aggregate Group I (described below), until the Aggregate I Balance (described below) is reduced to its Planned Balance for that Distribution Date; and
- (ii) to the HB Class, until its principal balance is reduced to its Planned Balance for that Distribution Date

PAC Group
and Class

JZ Accrual Amount, Remaining Group 2 Cash Flow Distribution Amount and Remaining HZ Accrual Amount

On each Distribution Date, we will pay the JZ Accrual Amount, together with the Group 2 Cash Flow Distribution Amount and HZ Accrual Amount remaining after the payments specified above under “—*Group 2 Cash Flow Distribution Amount and HZ Accrual Amount*,” as principal of the Group 2 Classes in the following priority:

- (i) concurrently, to the FA and SA Classes, pro rata (or 75% and 25%, respectively), until their principal balances are reduced to zero;
- (ii) to the JZ Class, until its principal balance is reduced to zero;
- (iii) to Aggregate Group I, without regard to its Planned Balance and until the Aggregate I Balance is reduced to zero;
- (iv) to the HB Class, without regard to its Planned Balance and until its principal balance is reduced to zero; and
- (v) to the HZ Class, until its principal balance is reduced to zero.

Support
Classes

PAC Group
and Class

Sequential
Pay
Class

“Aggregate Group I” consists of the HF and HQ Classes. On each Distribution Date, we will apply payments of principal of Aggregate Group I, concurrently, to the HF and HQ Classes, pro rata (or 57.1428570570% and 42.8571429430%, respectively), until their principal balances are reduced to zero.

The “Aggregate I Balance” is equal to the aggregate of the principal balances of the Classes in Aggregate Group I.

Group 3 Principal Distribution Amount

LZ3 Accrual Amount

On each Distribution Date, we will pay the LZ3 Accrual Amount as principal of the Group 3 Classes and Components specified below in the following priority:

- | | | |
|---|--|----------------------|
| (i) an amount up to the <i>product</i> of the Component Jump Percentage (described below) for that Distribution Date <i>multiplied</i> by the LZ3 Accrual Amount, to the LZ3 Component; | } Sequential Pay Component | } Accretion Directed |
| (ii) if and only if the Group 3 Calculation Balance (described below) for that Distribution Date is <i>less</i> than the Group 3 First Specified Balance for that Distribution Date, to the LZ3 Component; | } Non-Sticky Jump/ Sequential Pay Classes and Components | |
| (iii) if and only if the Group 3 Calculation Balance for that Distribution Date is <i>less</i> than the Group 3 Second Specified Balance for that Distribution Date, sequentially, to the LZ4 Component and the LE and ZT Classes, in that order, until their principal balances are reduced to zero; | | |
| (iv) sequentially, to the LE Class, the LZ4 Component, the ZT Class and the LZ1 and LZ2 Components, in that order, until their principal balances are reduced to zero; and | } Sequential Pay Classes and Components | |
| (v) thereafter to the LZ3 Component. | } Accrual Component | |

LZ4 Accrual Amount

On each Distribution Date, we will pay the LZ4 Accrual Amount as principal of the Group 3 Classes and Components specified below in the following priority:

- | | | |
|---|---|----------------------|
| (i) an amount up to the <i>product</i> of the Component Jump Percentage (described below) for that Distribution Date <i>multiplied</i> by the LZ4 Accrual Amount, to the LZ4 Component; | } Sequential Pay Component | } Accretion Directed |
| (ii) if and only if the Group 3 Calculation Balance for that Distribution Date is <i>less</i> than the Group 3 Second Specified Balance for that Distribution Date, to the LZ4 Component; | } Non-Sticky Jump/ Sequential Pay Component | |
| (iii) to the LE Class, until its principal balance is reduced to zero; and | } Sequential Pay Class | |
| (iv) thereafter to the LZ4 Component. | } Accrual Component | |

ZT Accrual Amount

On each Distribution Date, we will pay the ZT Accrual Amount as principal of the Group 3 Classes and Components specified below in the following priority:

- | | | | | |
|--|----------------------------------|---|----------------------------------|-------------------------------|
| <p>(i) if and only if the Group 3 Calculation Balance for that Distribution Date is <i>less</i> than the Group 3 Second Specified Balance for that Distribution Date, as follows:</p> <p style="padding-left: 40px;"><i>first</i>, to the LE Class, until its principal balance is reduced to zero;</p> <p style="padding-left: 40px;">and</p> <p style="padding-left: 40px;"><i>second</i>, thereafter to the ZT Class;</p> | <p style="font-size: 3em;">}</p> | <p>Non-Sticky
Jump /
Sequential
Pay
Classes</p> | <p style="font-size: 3em;">}</p> | <p>Accretion
Directed</p> |
| <p>(ii) sequentially, to the LE Class and the LZ4 Component, in that order, until their principal balances are reduced to zero; and</p> | <p style="font-size: 3em;">}</p> | <p>Sequential
Pay Class
and
Component</p> | <p style="font-size: 3em;">}</p> | |
| <p>(iii) thereafter to the ZT Class.</p> | <p style="font-size: 3em;">}</p> | <p>Accrual Class</p> | <p style="font-size: 3em;">}</p> | |

Group 3 Cash Flow Distribution Amount and LZ1 and LZ2 Accrual Amounts

On each Distribution Date, we will pay the Group 3 Cash Flow Distribution Amount and the LZ1 and LZ2 Accrual Amounts as principal of the Group 3 Classes and Components in the following priority:

- | | | | | |
|--|----------------------------------|--|----------------------------------|--|
| <p>(i) if and only if the Group 3 Calculation Balance for that Distribution Date is <i>less</i> than the Group 3 First Specified Balance for that Distribution Date, as follows:</p> <p style="padding-left: 40px;"><i>first</i>, sequentially, to the LZ1, LZ2 and LZ3 Components, in that order, until their principal balances are reduced to zero;</p> <p style="padding-left: 40px;"><i>second</i>, if and only if the Group 3 Calculation Balance for that Distribution Date is also <i>less</i> than Group 3 Second Specified Balance for that Distribution Date, sequentially, to the LZ4 Component and the LE and ZT Classes, in that order, until their principal balances are reduced to zero; and</p> <p style="padding-left: 40px;"><i>third</i>, to the LE Class, the LZ4 Component and the ZT Class, in that order, until their principal balances are reduced to zero;</p> | <p style="font-size: 3em;">}</p> | <p>Non-Sticky
Jump /
Sequential
Pay
Classes
and
Components</p> | <p style="font-size: 3em;">}</p> | |
| <p>(ii) if and only if the Group 3 Calculation Balance for that Distribution Date is <i>less</i> than the Group 3 Second Specified Balance for that Distribution Date, sequentially, to the LZ4 Component and the LE and ZT Classes, in that order, until their principal balances are reduced to zero; and</p> | <p style="font-size: 3em;">}</p> | <p>Sequential
Pay
Classes
and
Components</p> | <p style="font-size: 3em;">}</p> | |
| <p>(iii) sequentially, to the LE Class, the LZ4 Component, the ZT Class and the LZ1, LZ2 and LZ3 Components, in that order, until their principal balances are reduced to zero.</p> | <p style="font-size: 3em;">}</p> | <p>Sequential
Pay
Classes
and
Components</p> | <p style="font-size: 3em;">}</p> | |

The “Component Jump Percentage” means for any Distribution Date an amount (but in no case less than zero), expressed as a percentage, equal to 1.0 *minus* the LZ2 Component class factor for that Distribution Date.

The “Group 3 Calculation Balance” for any Distribution Date is equal to the aggregate principal balance of the MBS underlying the Group 3 Underlying RCR Certificate for that Distribution Date (after giving effect to distributions made on that date).

Group 4 Principal Distribution Amount

On each Distribution Date, we will pay the Group 4 Principal Distribution Amount, concurrently, as principal of the FG and SG Classes, pro rata (or 50% and 50%, respectively), until their principal balances are reduced to zero. } Structured Collateral / Pass-Through Classes

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 Underlying REMIC Certificates, the priority sequences affecting principal payments on the Underlying REMIC Certificates, and the following assumptions (such characteristics and assumptions, collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the Trust MBS 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 October 30, 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 Rates. 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 PSA rates set forth below.

<u>Principal Balance Schedule References</u>	<u>Related Group (1), Class and MBS</u>	<u>Structuring Ranges and Rates</u>
Planned Balances	Aggregate Group I	Between 125% and 300% PSA
Planned Balances	HB Class	(2)
First Specified Balances	MBS underlying the Group 3 Underlying RCR Certificate	275% PSA
Second Specified Balances	MBS underlying the Group 3 Underlying RCR Certificate	181% PSA

- (1) The Structuring Range for the Aggregate Group is associated with the related Aggregate Balance but not with the individual balances of the related Classes.
- (2) The Planned Balances of the HB Class have been structured at a range of between 125% and 300% PSA, but will have an Initial Effective Range (described below) of between 106% and 300% PSA.

We cannot assure you that the balance of any Group, Class or MBS 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 Group, Class or MBS 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 the Group or Class to its scheduled balance on a Distribution Date. Accordingly, the ability to reduce the Group or Class to its scheduled balance will not be improved by the averaging of high and low principal payments from month to month. In addition, even if the related Mortgage Loans prepay at rates falling within the Structuring Range, principal distributions may be insufficient to reduce the applicable Group and Class 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 Group, Class and MBS specified above may not be reduced to their scheduled balances, even if prepayments occur at a *constant* rate within the Structuring Ranges or at the applicable rates specified above.

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

<u>Group and Class</u>	<u>Initial Effective Ranges</u>
Aggregate Group I	Between 125% and 300% PSA
HB Class	Between 106% 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 Group and Class 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 this range. In addition, even if prepayments occur at rates falling within the actual Effective Ranges, principal distributions may be insufficient to reduce the applicable Group and Class 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 Group and Class will be supported in part by the related Support Classes. When the related Support Classes are retired, the PAC Group and Class, 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>
EI	459% PSA
IM	559% PSA
LI	313% PSA*

* In addition, the yield to maturity on the LI Class would be 0% if prepayments on the related Mortgage Loans were to occur at a constant rate of 129% PSA, and will turn negative if prepayments occur at a constant rate above 129% PSA up to and including 181% PSA. Furthermore, the yield to maturity on the LI Class would be 0% if prepayments on the related Mortgage Loans were to occur at a constant rate of 270% PSA, and will turn negative if prepayments occur at a constant rate above 270% up to and including 275% 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 tables 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>
EI	16.750%
IM	18.125%
LI	16.000%

* 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 EI Class to Prepayments

	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>
Pre-Tax Yields to Maturity ..	31.3%	26.2%	21.8%	12.9%	4.8%	(15.5)%	(34.8)%

Sensitivity of the IM Class to Prepayments

	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>
Pre-Tax Yields to Maturity ..	25.9%	16.6%	16.6%	16.6%	11.5%	(7.4)%	(29.6)%

Sensitivity of the LI Class to Prepayments*

	<u>PSA Prepayment Assumption</u>								
	<u>50%</u>	<u>100%</u>	<u>165%</u>	<u>181%</u>	<u>182%</u>	<u>275%</u>	<u>276%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity	27.3%	23.6%	(7.8)%	(7.8)%	12.7%	(1.2)%	9.3%	(8.5)%	(36.4)%

* The notional principal balance of the LI Class is calculated based on the principal balance of the LE Class. For a discussion of the payment priorities affecting the LE Class, see “—Distributions of Principal—Group 3 Principal Distribution Amount” in this prospectus supplement. In addition, see “Additional Risk Factors—Weighted average lives of the Non-Sticky Jump classes are especially sensitive to prepayments under certain scenarios,” as well as the Decrement Table relating to the LE and LI Classes, in the prospectus supplement.

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 ES, SH, HS and SA Classes would lose money on their initial investments under certain Index and prepayment scenarios.

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

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

- the interest rates for the Inverse Floating Rate Classes for the initial Interest Accrual Period are the rates listed in the table under “Reference Sheet—Interest Rates” in this prospectus supplement and for each following Interest Accrual Period will be based on the specified level of the Index, and

- the aggregate purchase prices of those Classes (expressed in each case as a percentage of original principal balance) are as follows:

<u>Class</u>	<u>Price*</u>
ES	10.43750%
SH	9.06250%
HS	9.56250%
SA	105.00000%
SG	88.09375%

* 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 ES Class to Prepayments and LIBOR (Pre-Tax Yields to Maturity)

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>
0.12%	77.5%	73.2%	69.7%	62.7%	56.3%	39.7%	22.9%
1.12%	65.5%	61.1%	57.4%	50.1%	43.5%	26.2%	8.9%
3.12%	42.2%	37.4%	33.3%	25.1%	17.6%	(1.5)%	(20.0)%
5.12%	19.3%	13.5%	8.6%	(1.4)%	(10.4)%	(32.4)%	(52.6)%
7.12%	(8.5)%	(17.4)%	(24.9)%	(39.4)%	(51.7)%	(79.5)%	*
7.65%	*	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>
0.12%	83.6%	79.4%	75.9%	69.0%	62.8%	46.4%	29.8%
1.12%	69.6%	65.3%	61.7%	54.5%	48.0%	30.9%	13.8%
3.12%	42.6%	37.8%	33.8%	25.6%	18.1%	(0.9)%	(19.4)%
5.12%	16.2%	10.2%	5.0%	(5.3)%	(14.6)%	(37.1)%	(57.6)%
7.08%	*	*	*	*	*	*	*

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						
	<u>50%</u>	<u>125%</u>	<u>185%</u>	<u>300%</u>	<u>400%</u>	<u>650%</u>	<u>900%</u>
0.12%	76.2%	68.2%	68.2%	68.2%	66.2%	53.5%	35.6%
1.12%	63.1%	55.1%	55.1%	55.1%	52.5%	38.6%	19.8%
3.12%	37.8%	29.1%	29.1%	29.1%	25.1%	8.0%	(12.9)%
5.12%	12.4%	1.8%	1.8%	1.8%	(4.7)%	(26.3)%	(50.1)%
7.10%	*	*	*	*	*	*	*

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

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

LIBOR	PSA Prepayment Assumption						
	50%	125%	185%	300%	400%	650%	900%
0.12%	21.7%	21.7%	20.7%	18.3%	16.6%	12.9%	9.4%
1.12%	18.7%	18.6%	17.7%	15.4%	13.8%	10.3%	6.9%
3.12%	12.6%	12.5%	11.7%	9.6%	8.2%	5.0%	2.0%
5.12%	6.6%	6.6%	5.8%	3.9%	2.7%	(0.1)%	(2.8)%
7.12%	0.8%	0.7%	0.1%	(1.6)%	(2.7)%	(5.2)%	(7.6)%
7.50%	(0.3)%	(0.4)%	(1.0)%	(2.7)%	(3.7)%	(6.1)%	(8.4)%

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

LIBOR	PSA Prepayment Assumption				
	50%	100%	250%	350%	500%
0.12%	11.6%	11.7%	11.8%	12.0%	12.4%
1.12%	10.5%	10.5%	10.7%	10.9%	11.3%
3.12%	8.2%	8.3%	8.4%	8.6%	9.0%
5.12%	5.9%	6.0%	6.2%	6.4%	6.8%
7.12%	3.7%	3.8%	4.0%	4.2%	4.6%
8.10%	2.7%	2.7%	2.9%	3.2%	3.6%

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1, Group 2 and Group 3 Classes,
- in the case of the Group 3 and Group 4 Classes, the priority sequences affecting principal payments on the related Underlying REMIC Certificates, and
- in the case of the Group 2 and Group 3 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

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

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

As described under “Reference Sheet—Components,” the LZ Class consists of multiple payment components for purposes of calculating payments. Since these components are not divisible, the payment characteristics of the LZ Class will reflect a combination of the payment characteristics of the related components.

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	360 months	360 months	8.50%
Group 2 MBS	360 months	360 months	8.50%
Group 3 Underlying RCR Certificate	360 months	358 months	8.00%
Group 4 Underlying REMIC Certificate	360 months	349 months	8.00%

It is unlikely

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

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

Percent of Original Principal Balances Outstanding

Date	EC, EF, EI†, ES†, FH, SH†, EA, EB and EG Classes							EZ Class							FA and SA Classes						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	125%	185%	300%	400%	650%	900%	0%	125%	185%	300%	400%	650%	900%	0%	125%	185%	300%	400%	650%	900%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2004	98	95	94	91	89	83	77	106	106	106	106	106	106	106	97	97	86	65	47	2	0
October 2005	97	87	83	75	69	53	39	113	113	113	113	113	113	113	93	93	67	19	0	0	0
October 2006	95	77	70	57	47	26	9	120	120	120	120	120	120	120	90	90	51	0	0	0	0
October 2007	93	68	59	43	31	9	0	127	127	127	127	127	127	90	86	86	37	0	0	0	0
October 2008	91	60	49	31	18	0	0	135	135	135	135	135	121	41	82	82	26	0	0	0	0
October 2009	88	52	39	20	9	0	0	143	143	143	143	143	72	18	77	77	17	0	0	0	0
October 2010	86	45	31	12	1	0	0	152	152	152	152	152	43	8	73	73	9	0	0	0	0
October 2011	83	38	24	5	0	0	0	161	161	161	161	119	26	4	68	67	1	0	0	0	0
October 2012	80	31	17	0	0	0	0	171	171	171	163	89	15	2	63	57	0	0	0	0	0
October 2013	77	25	11	0	0	0	0	182	182	182	130	66	9	1	57	46	0	0	0	0	0
October 2014	74	19	5	0	0	0	0	193	193	193	104	49	5	*	51	33	0	0	0	0	0
October 2015	70	13	0	0	0	0	0	205	205	202	83	36	3	*	45	17	0	0	0	0	0
October 2016	67	8	0	0	0	0	0	218	218	174	66	26	2	*	39	0	0	0	0	0	0
October 2017	62	2	0	0	0	0	0	231	231	149	52	19	1	*	32	0	0	0	0	0	0
October 2018	58	0	0	0	0	0	0	245	223	128	41	14	1	*	24	0	0	0	0	0	0
October 2019	53	0	0	0	0	0	0	261	197	109	32	10	*	*	16	0	0	0	0	0	0
October 2020	48	0	0	0	0	0	0	277	174	92	25	7	*	*	8	0	0	0	0	0	0
October 2021	42	0	0	0	0	0	0	294	152	77	20	5	*	*	0	0	0	0	0	0	0
October 2022	36	0	0	0	0	0	0	312	133	65	15	4	*	*	0	0	0	0	0	0	0
October 2023	30	0	0	0	0	0	0	331	114	54	12	3	*	*	0	0	0	0	0	0	0
October 2024	23	0	0	0	0	0	0	351	97	44	9	2	*	*	0	0	0	0	0	0	0
October 2025	15	0	0	0	0	0	0	373	82	36	7	1	*	*	0	0	0	0	0	0	0
October 2026	7	0	0	0	0	0	0	396	68	28	5	1	*	*	0	0	0	0	0	0	0
October 2027	0	0	0	0	0	0	0	403	55	22	3	1	*	*	0	0	0	0	0	0	0
October 2028	0	0	0	0	0	0	0	349	43	17	2	*	*	*	0	0	0	0	0	0	0
October 2029	0	0	0	0	0	0	0	291	32	12	2	*	*	*	0	0	0	0	0	0	0
October 2030	0	0	0	0	0	0	0	227	22	8	1	*	*	*	0	0	0	0	0	0	0
October 2031	0	0	0	0	0	0	0	158	13	4	*	*	*	*	0	0	0	0	0	0	0
October 2032	0	0	0	0	0	0	0	82	5	1	*	*	*	*	0	0	0	0	0	0	0
October 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	15.3	6.7	5.3	3.9	3.2	2.2	1.8	27.2	20.5	17.5	13.1	10.5	6.8	4.9	10.5	8.7	3.5	1.3	0.9	0.6	0.4

* 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	HB Class							HF, HQ, HS†, IM†, HA, HR, HT and HU Classes							HZ Class						
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	125%	185%	300%	400%	650%	900%	0%	125%	185%	300%	400%	650%	900%	0%	125%	185%	300%	400%	650%	900%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2004	100	100	100	100	100	100	100	98	91	91	91	91	91	91	106	106	106	106	106	106	106
October 2005	100	100	100	100	100	100	100	97	79	79	79	79	64	42	113	113	113	113	113	113	113
October 2006	100	100	100	100	100	100	100	95	67	67	67	65	35	15	120	120	120	120	120	120	120
October 2007	100	100	100	100	100	100	100	93	56	56	56	47	18	2	127	127	127	127	127	127	127
October 2008	100	100	100	100	100	100	0	91	46	46	46	32	7	0	135	135	135	135	135	135	76
October 2009	100	100	100	100	100	100	0	89	36	36	36	21	*	0	143	143	143	143	143	143	34
October 2010	100	100	100	100	100	0	0	86	27	27	27	13	0	0	152	152	152	152	152	92	15
October 2011	100	100	100	100	100	0	0	84	20	20	20	7	0	0	161	161	161	161	161	55	7
October 2012	100	100	100	100	100	0	0	81	13	13	13	2	0	0	171	171	171	171	171	33	3
October 2013	100	100	100	100	0	0	0	78	8	8	8	0	0	0	182	182	182	182	154	19	1
October 2014	100	100	100	100	0	0	0	75	3	3	3	0	0	0	193	193	193	193	114	12	1
October 2015	100	0	0	0	0	0	0	71	0	0	0	0	0	0	205	205	205	200	84	7	*
October 2016	100	0	0	0	0	0	0	67	0	0	0	0	0	0	218	218	218	159	62	4	*
October 2017	100	0	0	0	0	0	0	63	0	0	0	0	0	0	231	231	231	125	45	2	*
October 2018	100	0	0	0	0	0	0	58	0	0	0	0	0	0	245	245	245	98	33	1	*
October 2019	100	0	0	0	0	0	0	53	0	0	0	0	0	0	261	261	261	77	24	1	*
October 2020	100	0	0	0	0	0	0	48	0	0	0	0	0	0	277	277	226	60	17	*	*
October 2021	100	0	0	0	0	0	0	42	0	0	0	0	0	0	294	294	189	46	12	*	*
October 2022	100	0	0	0	0	0	0	36	0	0	0	0	0	0	312	312	157	35	9	*	*
October 2023	100	0	0	0	0	0	0	29	0	0	0	0	0	0	331	280	129	27	6	*	*
October 2024	100	0	0	0	0	0	0	22	0	0	0	0	0	0	351	236	105	20	4	*	*
October 2025	100	0	0	0	0	0	0	14	0	0	0	0	0	0	373	196	83	15	3	*	*
October 2026	100	0	0	0	0	0	0	5	0	0	0	0	0	0	396	159	65	11	2	*	*
October 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	421	125	49	7	1	*	*
October 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	446	94	36	5	1	*	*
October 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	474	66	24	3	*	*	*
October 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	503	40	14	2	*	*	0
October 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	423	16	6	1	*	*	0
October 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	220	0	0	0	0	0	0
October 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.6	11.9	11.9	11.9	9.5	6.1	4.3	15.3	5.0	5.0	5.0	4.1	2.7	2.0	28.8	23.4	20.7	15.9	12.8	8.1	5.6

Date	JZ Class							LE, LI† and LC Classes								
	PSA Prepayment Assumption							PSA Prepayment Assumption								
	0%	125%	185%	300%	400%	650%	900%	0%	100%	165%	181%	182%	275%	276%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2004	106	106	106	106	106	106	21	92	74	69	69	86	86	100	100	100
October 2005	113	113	113	113	74	0	0	90	72	55	55	73	73	88	88	37
October 2006	120	120	120	88	0	0	0	88	70	38	38	58	58	74	22	0
October 2007	127	127	127	45	0	0	0	86	68	24	24	44	20	35	0	0
October 2008	135	135	135	19	0	0	0	84	66	12	12	34	0	1	0	0
October 2009	143	143	143	5	0	0	0	82	64	2	2	25	0	0	0	0
October 2010	152	152	152	*	0	0	0	80	62	0	0	18	0	0	0	0
October 2011	161	161	161	*	0	0	0	77	59	0	0	12	0	0	0	0
October 2012	171	171	156	*	0	0	0	74	57	0	0	8	0	0	0	0
October 2013	182	182	146	*	0	0	0	72	54	0	0	4	0	0	0	0
October 2014	193	193	134	*	0	0	0	69	49	0	0	0	0	0	0	0
October 2015	205	205	120	0	0	0	0	66	37	0	0	0	0	0	0	0
October 2016	218	198	87	0	0	0	0	62	22	0	0	0	0	0	0	0
October 2017	231	162	56	0	0	0	0	59	6	0	0	0	0	0	0	0
October 2018	245	127	28	0	0	0	0	55	0	0	0	0	0	0	0	0
October 2019	261	94	3	0	0	0	0	52	0	0	0	0	0	0	0	0
October 2020	277	63	0	0	0	0	0	48	0	0	0	0	0	0	0	0
October 2021	292	34	0	0	0	0	0	43	0	0	0	0	0	0	0	0
October 2022	292	6	0	0	0	0	0	39	0	0	0	0	0	0	0	0
October 2023	292	0	0	0	0	0	0	34	0	0	0	0	0	0	0	0
October 2024	292	0	0	0	0	0	0	29	0	0	0	0	0	0	0	0
October 2025	292	0	0	0	0	0	0	24	0	0	0	0	0	0	0	0
October 2026	292	0	0	0	0	0	0	18	0	0	0	0	0	0	0	0
October 2027	264	0	0	0	0	0	0	12	0	0	0	0	0	0	0	0
October 2028	196	0	0	0	0	0	0	6	0	0	0	0	0	0	0	0
October 2029	122	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2030	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	25.7	15.8	13.0	3.9	2.2	1.3	0.9	14.9	8.1	2.5	2.5	4.2	2.9	3.5	2.6	1.9

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

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

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

Date	ZT Class										LZ Class									
	PSA Prepayment Assumption										PSA Prepayment Assumption									
	0%	100%	165%	181%	182%	275%	276%	350%	500%	0%	100%	165%	181%	182%	275%	276%	350%	500%	0%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
October 2004	106	106	106	106	106	106	106	106	106	106	106	106	106	106	48	48	3	3	3	3
October 2005	112	112	112	112	112	112	112	112	112	112	112	112	112	112	51	51	0	0	0	0
October 2006	118	118	118	118	118	118	118	118	118	118	118	118	118	118	54	54	0	0	0	0
October 2007	125	125	125	125	125	125	125	125	125	125	125	125	125	125	57	57	0	0	0	0
October 2008	132	132	132	132	132	0	132	0	0	132	132	132	132	132	60	8	0	0	0	0
October 2009	139	139	139	139	139	0	0	0	0	139	139	139	139	139	63	0	0	0	0	0
October 2010	147	147	147	147	147	0	0	0	0	147	147	126	126	126	67	0	0	0	0	0
October 2011	155	155	155	155	155	0	0	0	0	155	155	112	112	112	70	0	0	0	0	0
October 2012	164	164	164	164	164	0	0	0	0	164	164	102	103	103	74	0	0	0	0	0
October 2013	173	173	173	173	173	0	0	0	0	173	173	90	91	91	79	0	0	0	0	0
October 2014	183	183	0	0	0	0	0	0	0	183	183	76	76	76	76	0	0	0	0	0
October 2015	193	193	0	0	0	0	0	0	0	193	193	60	60	60	60	0	0	0	0	0
October 2016	204	204	0	0	0	0	0	0	0	204	204	44	44	44	44	0	0	0	0	0
October 2017	216	216	0	0	0	0	0	0	0	216	216	27	27	27	27	0	0	0	0	0
October 2018	228	228	0	0	0	0	0	0	0	228	188	11	11	11	11	0	0	0	0	0
October 2019	241	241	0	0	0	0	0	0	0	241	138	0	0	0	0	0	0	0	0	0
October 2020	254	0	0	0	0	0	0	0	0	254	88	0	0	0	0	0	0	0	0	0
October 2021	269	0	0	0	0	0	0	0	0	269	36	0	0	0	0	0	0	0	0	0
October 2022	284	0	0	0	0	0	0	0	0	284	0	0	0	0	0	0	0	0	0	0
October 2023	300	0	0	0	0	0	0	0	0	300	0	0	0	0	0	0	0	0	0	0
October 2024	317	0	0	0	0	0	0	0	0	317	0	0	0	0	0	0	0	0	0	0
October 2025	334	0	0	0	0	0	0	0	0	334	0	0	0	0	0	0	0	0	0	0
October 2026	353	0	0	0	0	0	0	0	0	353	0	0	0	0	0	0	0	0	0	0
October 2027	373	0	0	0	0	0	0	0	0	373	0	0	0	0	0	0	0	0	0	0
October 2028	394	0	0	0	0	0	0	0	0	394	0	0	0	0	0	0	0	0	0	0
October 2029	417	0	0	0	0	0	0	0	0	395	0	0	0	0	0	0	0	0	0	0
October 2030	0	0	0	0	0	0	0	0	0	193	0	0	0	0	0	0	0	0	0	0
October 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October 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)**	27.0	16.6	10.7	10.7	10.7	4.6	5.1	3.3	2.2	26.9	16.6	11.1	11.1	8.1	2.7	0.5	0.5	0.5	0.5	0.5

Date	FG and SG Classes				
	PSA Prepayment Assumption				
	0%	100%	250%	350%	500%
Initial Percent	100	100	100	100	100
October 2004	100	100	100	100	100
October 2005	100	100	100	100	100
October 2006	100	100	100	100	100
October 2007	100	100	100	100	100
October 2008	100	100	100	100	100
October 2009	100	100	100	100	100
October 2010	100	100	100	100	79
October 2011	100	100	100	100	54
October 2012	100	100	100	100	37
October 2013	100	100	100	79	25
October 2014	100	100	100	61	17
October 2015	100	100	100	47	12
October 2016	100	100	89	35	8
October 2017	100	100	72	27	5
October 2018	100	100	59	20	4
October 2019	100	100	48	15	2
October 2020	100	100	38	11	2
October 2021	100	100	31	8	1
October 2022	100	91	24	6	1
October 2023	100	70	19	5	*
October 2024	100	50	15	3	*
October 2025	100	32	11	2	*
October 2026	100	15	8	2	*
October 2027	100	8	6	1	*
October 2028	100	5	4	1	*
October 2029	100	4	3	*	*
October 2030	89	2	1	*	*
October 2031	18	1	1	*	*
October 2032	0	0	*	*	0
October 2033	0	0	0	0	0
Weighted Average Life (years)**	27.6	21.3	16.8	12.8	9.0

* 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.

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 Accrual Classes and the SG 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	185% PSA
2	185% PSA
3	165% PSA
4	250% 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 6.14% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

The Treasury Department recently issued proposed regulations providing that, to clearly reflect income, an inducement fee paid to a transferee of a noneconomic residual interest in a REMIC must be included in income over a period that is reasonably related to the period during which the applicable REMIC is expected to generate taxable income or net loss allocable to the transferee. The proposed regulations set forth two safe harbor methods under which a taxpayer’s accounting for the inducement fee will be considered to clearly reflect income for these purposes. The proposed regulations also provide that an inducement fee shall be treated as income from sources within the United States. If finalized as proposed, the regulations would be effective for taxable years ending on or after the publication of the final regulations in the Federal Register. The proposed regulations contain additional details regarding their application and you should consult your own tax advisor regarding the application of the proposed regulations.

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 Regulations directed at “tax shelters” that could be read to apply to transactions generally not considered to be tax shelters. These Regulations require that taxpayers that participate in a “reportable transaction” disclose such transaction on their tax returns by attaching IRS Form 8886 and 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 tax advisor concerning any possible disclosure obligation with respect to your investment in the Certificates.

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Bear, Stearns & Co. Inc. (the “Dealer”) in exchange for the Trust MBS and the Underlying REMIC Certificates. 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 Group 2 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 Group 2 Class bears to the aggregate original principal balance of all Group 1 or Group 2 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. Stroock & Stroock & Lavan LLP will provide legal representation for the Dealer.

Exhibit A

Underlying RCR and REMIC Certificates

Underlying REMIC Trust	Class	Date of Issue	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type (1)	Original Principal Balance of Class	October 2003 Class Factor	Principal Balance in the Lower Tier REMIC	Approximate Weighted Average WAC (in months)	Approximate Weighted Average WAM (in months)	Approximate Weighted Average WALLA (in months)	Underlying Security Type	Group
2003-89	A	August 2003	31393TFV3	5.5%	FIX	September 2033	PAC	\$141,236,000	0.97751502	\$25,000,000	5.861%	355	4	MBS	3
2002-77	QG	November 2002	31392F4F1	5.5	FIX	December 2032	PAC	99,625,000	1.00000000	80,996,000	6.065	345	12	MBS	4

(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 Balance	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date
Recombination 1								
EC	\$116,058,286	EB	\$116,058,286	4.25%	FIX	SEQ/AD	31393T3X2	September 2027
EI	4,835,762 (3)							
Recombination 2								
EC	116,058,286	EA	116,058,286	4.50	FIX	SEQ/AD	31393T3W4	September 2027
EI	9,671,523 (3)							
Recombination 3								
EC	116,058,286	EG	135,401,333	5.00	FIX	SEQ/AD	31393T3Y0	September 2027
EI	9,671,523 (3)							
EF	19,343,047							
ES	19,343,047 (3)							
Recombination 4								
HQ	142,591,286	HR	142,591,286	3.75	FIX	PAC/AD	31393T4A1	May 2030
IM	5,941,304 (3)							
Recombination 5								
HQ	142,591,286	HA	142,591,286	4.00	FIX	PAC/AD	31393T3Z7	May 2030
IM	11,882,607 (3)							
Recombination 6								
HQ	142,591,286 (4)	HT	153,559,846	4.25	FIX	PAC/AD	31393T4B9	May 2030
IM	11,882,607 (3) (4)							
HF	10,968,560 (4)							
HS	10,968,560 (3) (4)							
Recombination 7								
HQ	142,591,286 (4)	HU	166,356,501	4.50	FIX	PAC/AD	31393T4C7	May 2030
IM	11,882,607 (3) (4)							
HF	23,765,215 (4)							
HS	23,765,215 (3) (4)							
Recombination 8								
LE	19,253,062 (4)	LC	19,253,062	5.50	FIX	NSJ/SC/SEQ/AD	31393T4D5	September 2033
LI	1,750,278 (3) (4)							

(1) REMIC Certificates and RCR Certificates in any recombination may be exchanged only in the proportions shown in this Schedule 1, except as described in footnote (4) with respect to Recombinations 6, 7 and 8.

(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 6, 7 or 8, the relative proportions of the REMIC Certificates to be delivered (or, if applicable, received) in such exchange will equal the proportions reflected by the outstanding principal balances or notional principal balances of the related REMIC Classes at the time of exchange.

Principal Balance Schedules

HB Class Planned Balances

<u>Distribution Date</u>	<u>Planned Balance</u>
Initial Balance through July 2015	\$1,300,000.00
August 2015	996,158.72
September 2015 and thereafter	0.00

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	\$332,713,000.00	March 2007	\$207,937,958.87	August 2010	\$ 96,252,472.41
November 2003	330,849,574.63	April 2007	204,865,526.73	September 2010	93,860,922.52
December 2003	328,881,939.78	May 2007	201,812,119.57	October 2010	91,483,645.38
January 2004	326,811,008.33	June 2007	198,777,606.56	November 2010	89,120,539.37
February 2004	324,637,759.76	July 2007	195,761,857.69	December 2010	86,773,763.04
March 2004	322,363,239.45	August 2007	192,764,743.75	January 2011	84,464,529.70
April 2004	319,988,557.80	September 2007	189,786,136.33	February 2011	82,192,181.54
May 2004	317,514,889.36	October 2007	186,825,907.84	March 2011	79,956,071.71
June 2004	314,943,471.88	November 2007	183,883,931.43	April 2011	77,755,564.18
July 2004	312,275,605.25	December 2007	180,960,081.09	May 2011	75,590,033.54
August 2004	309,512,650.38	January 2008	178,054,231.57	June 2011	73,458,864.85
September 2004	306,656,028.07	February 2008	175,166,258.37	July 2011	71,361,453.43
October 2004	303,707,217.72	March 2008	172,296,037.81	August 2011	69,297,204.70
November 2004	300,667,756.07	April 2008	169,443,446.93	September 2011	67,265,534.03
December 2004	297,539,235.79	May 2008	166,608,363.56	October 2011	65,265,866.54
January 2005	294,323,304.09	June 2008	163,790,666.26	November 2011	63,297,636.97
February 2005	291,021,661.19	July 2008	160,990,234.36	December 2011	61,360,289.48
March 2005	287,636,058.79	August 2008	158,206,947.92	January 2012	59,453,277.55
April 2005	284,168,298.47	September 2008	155,440,687.76	February 2012	57,576,063.76
May 2005	280,620,230.02	October 2008	152,691,335.40	March 2012	55,728,119.68
June 2005	277,094,432.92	November 2008	149,958,773.13	April 2012	53,908,925.70
July 2005	273,590,756.07	December 2008	147,242,883.94	May 2012	52,117,970.90
August 2005	270,109,049.32	January 2009	144,543,551.54	June 2012	50,354,752.87
September 2005	266,649,163.45	February 2009	141,860,660.36	July 2012	48,618,777.62
October 2005	263,210,950.19	March 2009	139,194,095.54	August 2012	46,909,559.39
November 2005	259,794,262.19	April 2009	136,543,742.93	September 2012	45,226,620.53
December 2005	256,398,953.02	May 2009	133,909,489.08	October 2012	43,569,491.37
January 2006	253,024,877.16	June 2009	131,291,221.22	November 2012	41,937,710.09
February 2006	249,671,890.03	July 2009	128,688,827.28	December 2012	40,330,822.55
March 2006	246,339,847.93	August 2009	126,102,195.90	January 2013	38,748,382.23
April 2006	243,028,608.06	September 2009	123,531,216.36	February 2013	37,189,950.03
May 2006	239,738,028.52	October 2009	120,975,778.65	March 2013	35,655,094.19
June 2006	236,467,968.29	November 2009	118,435,773.42	April 2013	34,143,390.16
July 2006	233,218,287.24	December 2009	115,911,091.99	May 2013	32,654,420.47
August 2006	229,988,846.10	January 2010	113,401,626.33	June 2013	31,187,774.60
September 2006	226,779,506.49	February 2010	110,907,269.10	July 2013	29,743,048.91
October 2006	223,590,130.87	March 2010	108,427,913.59	August 2013	28,319,846.45
November 2006	220,420,582.57	April 2010	105,963,453.74	September 2013	26,917,776.92
December 2006	217,270,725.78	May 2010	103,513,784.14	October 2013	25,536,456.53
January 2007	214,140,425.51	June 2010	101,078,800.04	November 2013	24,175,507.86
February 2007	211,029,547.64	July 2010	98,658,397.29	December 2013	22,834,559.81

Aggregate Group I (Continued)

<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>	<u>Distribution Date</u>	<u>Planned Balance</u>
January 2014	\$ 21,513,247.45	August 2014	\$ 12,784,457.98	March 2015	\$ 4,886,122.68
February 2014	20,211,211.93	September 2014	11,607,802.42	April 2015	3,819,456.06
March 2014	18,928,100.39	October 2014	10,447,759.92	May 2015	2,767,347.59
April 2014	17,663,565.84	November 2014	9,304,021.95	June 2015	1,729,522.88
May 2014	16,417,267.07	December 2014	8,176,285.13	July 2015	705,712.10
June 2014	15,188,868.55	January 2015	7,064,251.09	August 2015 and thereafter	0.00
July 2014	13,978,040.34	February 2015	5,967,626.44		

Group 3 MBS First Specified Balances

<u>Distribution Date</u>	<u>First Specified Balance</u>	<u>Distribution Date</u>	<u>First Specified Balance</u>	<u>Distribution Date</u>	<u>First Specified Balance</u>
Initial Balance	\$978,984,071.35	February 2007	\$608,536,951.17	June 2010	\$313,911,284.72
November 2003	975,818,404.40	March 2007	598,657,312.42	July 2010	308,694,138.16
December 2003	972,198,113.55	April 2007	588,933,144.32	August 2010	303,560,212.07
January 2004	968,125,696.82	May 2007	579,362,046.03	September 2010	298,508,210.58
February 2004	963,604,294.46	June 2007	569,941,653.36	October 2010	293,536,857.72
March 2004	958,637,687.56	July 2007	560,669,638.18	November 2010	288,644,897.09
April 2004	953,230,295.35	August 2007	551,543,707.90	December 2010	283,831,091.56
May 2004	947,387,170.84	September 2007	542,561,604.95	January 2011	279,094,223.01
June 2004	941,113,995.02	October 2007	533,721,106.21	February 2011	274,433,091.99
July 2004	934,417,069.59	November 2007	525,020,022.49	March 2011	269,846,517.49
August 2004	927,303,308.08	December 2007	516,456,198.06	April 2011	265,333,336.63
September 2004	919,780,225.57	January 2008	508,027,510.09	May 2011	260,892,404.36
October 2004	911,855,926.86	February 2008	499,731,868.20	June 2011	256,522,593.25
November 2004	903,539,093.20	March 2008	491,567,213.93	July 2011	252,222,793.18
December 2004	894,838,967.61	April 2008	483,531,520.26	August 2011	247,991,911.08
January 2005	885,765,338.68	May 2008	475,622,791.16	September 2011	243,828,870.68
February 2005	876,328,523.18	June 2008	467,839,061.11	October 2011	239,732,612.26
March 2005	866,539,347.09	July 2008	460,178,394.60	November 2011	235,702,092.37
April 2005	856,409,125.56	August 2008	452,638,885.75	December 2011	231,736,283.61
May 2005	845,949,641.47	September 2008	445,218,657.77	January 2012	227,834,174.40
June 2005	835,173,122.87	October 2008	437,915,862.62	February 2012	223,994,768.68
July 2005	824,092,219.24	November 2008	430,728,680.47	March 2012	220,217,085.73
August 2005	812,719,976.71	December 2008	423,655,319.36	April 2012	216,500,159.92
September 2005	801,069,812.24	January 2009	416,694,014.71	May 2012	212,843,040.46
October 2005	789,155,486.91	February 2009	409,843,028.96	June 2012	209,244,791.22
November 2005	776,993,465.47	March 2009	403,100,651.12	July 2012	205,704,490.46
December 2005	764,612,967.70	April 2009	396,465,196.39	August 2012	202,221,230.62
January 2006	752,282,739.57	May 2009	389,935,005.75	September 2012	198,794,118.14
February 2006	740,145,772.40	June 2009	383,508,445.57	October 2012	195,422,273.18
March 2006	728,199,089.20	July 2009	377,183,907.24	November 2012	192,104,829.50
April 2006	716,439,758.32	August 2009	370,959,806.77	December 2012	188,840,934.17
May 2006	704,864,892.77	September 2009	364,834,584.43	January 2013	185,629,747.41
June 2006	693,471,649.58	October 2009	358,806,704.36	February 2013	182,470,442.37
July 2006	682,257,229.09	November 2009	352,874,654.25	March 2013	179,362,204.97
August 2006	671,218,874.32	December 2009	347,036,944.94	April 2013	176,304,233.66
September 2006	660,353,870.32	January 2010	341,292,110.09	May 2013	173,295,739.25
October 2006	649,659,543.53	February 2010	335,638,705.83	June 2013	170,335,944.71
November 2006	639,133,261.16	March 2010	330,075,310.41	July 2013	167,424,085.02
December 2006	628,772,430.55	April 2010	324,600,523.90	August 2013	164,559,406.94
January 2007	618,574,498.61	May 2010	319,212,967.78	September 2013	161,741,168.86

Group 3 MBS First Specified Balances (Continued)

<u>Distribution Date</u>	<u>First Specified Balance</u>	<u>Distribution Date</u>	<u>First Specified Balance</u>	<u>Distribution Date</u>	<u>First Specified Balance</u>
October 2013	\$158,968,640.60	February 2018	\$ 62,987,840.24	June 2022	\$ 23,064,535.91
November 2013	156,241,103.27	March 2018	61,838,111.78	July 2022	22,596,519.41
December 2013	153,557,849.07	April 2018	60,707,655.79	August 2022	22,136,736.20
January 2014	150,918,181.13	May 2018	59,596,163.36	September 2022	21,685,050.81
February 2014	148,321,413.32	June 2018	58,503,330.40	October 2022	21,241,329.95
March 2014	145,766,870.14	July 2018	57,428,857.58	November 2022	20,805,442.40
April 2014	143,253,886.51	August 2018	56,372,450.23	December 2022	20,377,259.07
May 2014	140,781,807.63	September 2018	55,333,818.31	January 2023	19,956,652.89
June 2014	138,349,988.81	October 2018	54,312,676.29	February 2023	19,543,498.82
July 2014	135,957,795.33	November 2018	53,308,743.12	March 2023	19,137,673.79
August 2014	133,604,602.29	December 2018	52,321,742.13	April 2023	18,739,056.72
September 2014	131,289,794.45	January 2019	51,351,401.01	May 2023	18,347,528.42
October 2014	129,012,766.07	February 2019	50,397,451.67	June 2023	17,962,971.60
November 2014	126,772,920.80	March 2019	49,459,630.25	July 2023	17,585,270.87
December 2014	124,569,671.51	April 2019	48,537,677.00	August 2023	17,214,312.63
January 2015	122,402,440.16	May 2019	47,631,336.26	September 2023	16,849,985.13
February 2015	120,270,657.64	June 2019	46,740,356.34	October 2023	16,492,178.36
March 2015	118,173,763.68	July 2019	45,864,489.54	November 2023	16,140,784.09
April 2015	116,111,206.65	August 2019	45,003,492.00	December 2023	15,795,695.82
May 2015	114,082,443.49	September 2019	44,157,123.71	January 2024	15,456,808.72
June 2015	112,086,939.54	October 2019	43,325,148.41	February 2024	15,124,019.66
July 2015	110,124,168.43	November 2019	42,507,333.57	March 2024	14,797,227.15
August 2015	108,193,611.95	December 2019	41,703,450.26	April 2024	14,476,331.30
September 2015	106,294,759.90	January 2020	40,913,273.20	May 2024	14,161,233.84
October 2015	104,427,110.02	February 2020	40,136,580.61	June 2024	13,851,838.06
November 2015	102,590,167.83	March 2020	39,373,154.21	July 2024	13,548,048.79
December 2015	100,783,446.50	April 2020	38,622,779.13	August 2024	13,249,772.39
January 2016	99,006,466.77	May 2020	37,885,243.91	September 2024	12,956,916.73
February 2016	97,258,756.81	June 2020	37,160,340.37	October 2024	12,669,391.12
March 2016	95,539,852.12	July 2020	36,447,863.65	November 2024	12,387,106.35
April 2016	93,849,295.41	August 2020	35,747,612.08	December 2024	12,109,974.63
May 2016	92,186,636.47	September 2020	35,059,387.16	January 2025	11,837,909.59
June 2016	90,551,432.11	October 2020	34,382,993.54	February 2025	11,570,826.21
July 2016	88,943,246.00	November 2020	33,718,238.92	March 2025	11,308,640.87
August 2016	87,361,648.61	December 2020	33,064,934.05	April 2025	11,051,271.27
September 2016	85,806,217.07	January 2021	32,422,892.64	May 2025	10,798,636.45
October 2016	84,276,535.09	February 2021	31,791,931.35	June 2025	10,550,656.72
November 2016	82,772,192.85	March 2021	31,171,869.72	July 2025	10,307,253.69
December 2016	81,292,786.89	April 2021	30,562,530.14	August 2025	10,068,350.24
January 2017	79,837,920.06	May 2021	29,963,737.80	September 2025	9,833,870.47
February 2017	78,407,201.34	June 2021	29,375,320.66	October 2025	9,603,739.70
March 2017	77,000,245.84	July 2021	28,797,109.36	November 2025	9,377,884.48
April 2017	75,616,674.63	August 2021	28,228,937.26	December 2025	9,156,232.50
May 2017	74,256,114.69	September 2021	27,670,640.31	January 2026	8,938,712.65
June 2017	72,918,198.82	October 2021	27,122,057.08	February 2026	8,725,254.94
July 2017	71,602,565.52	November 2021	26,583,028.68	March 2026	8,515,790.54
August 2017	70,308,858.93	December 2021	26,053,398.72	April 2026	8,310,251.69
September 2017	69,036,728.74	January 2022	25,533,013.30	May 2026	8,108,571.76
October 2017	67,785,830.09	February 2022	25,021,720.95	June 2026	7,910,685.17
November 2017	66,555,823.50	March 2022	24,519,372.60	July 2026	7,716,527.41
December 2017	65,346,374.79	April 2022	24,025,821.52	August 2026	7,526,035.01
January 2018	64,157,154.98	May 2022	23,540,923.33	September 2026	7,339,145.54

Group 3 MBS First Specified Balances (Continued)

<u>Distribution Date</u>	<u>First Specified Balance</u>	<u>Distribution Date</u>	<u>First Specified Balance</u>	<u>Distribution Date</u>	<u>First Specified Balance</u>
October 2026	\$ 7,155,797.55	February 2029	\$ 3,239,271.07	June 2031	\$ 1,028,900.34
November 2026	6,975,930.60	March 2029	3,135,918.03	July 2031	972,134.93
December 2026	6,799,485.25	April 2029	3,034,662.52	August 2031	916,634.59
January 2027	6,626,402.98	May 2029	2,935,467.64	September 2031	862,376.24
February 2027	6,456,626.25	June 2029	2,838,297.10	October 2031	809,519.14
March 2027	6,290,098.44	July 2029	2,743,115.19	November 2031	757,854.47
April 2027	6,126,763.86	August 2029	2,649,886.81	December 2031	707,360.35
May 2027	5,966,567.70	September 2029	2,558,577.43	January 2032	658,015.30
June 2027	5,809,456.07	October 2029	2,469,153.08	February 2032	609,798.17
July 2027	5,655,375.94	November 2029	2,381,580.37	March 2032	562,688.18
August 2027	5,504,275.13	December 2029	2,295,826.44	April 2032	516,664.89
September 2027	5,356,102.33	January 2030	2,211,858.99	May 2032	471,708.22
October 2027	5,210,807.06	February 2030	2,129,646.25	June 2032	427,798.41
November 2027	5,068,339.65	March 2030	2,049,156.97	July 2032	384,916.06
December 2027	4,928,651.25	April 2030	1,970,360.43	August 2032	343,042.07
January 2028	4,791,693.80	May 2030	1,893,226.39	September 2032	302,157.67
February 2028	4,657,420.03	June 2030	1,817,725.15	October 2032	262,244.43
March 2028	4,525,783.43	July 2030	1,743,827.48	November 2032	223,396.31
April 2028	4,396,738.27	August 2030	1,671,504.63	December 2032	185,650.87
May 2028	4,270,239.54	September 2030	1,600,728.35	January 2033	148,816.14
June 2028	4,146,242.98	October 2030	1,531,470.83	February 2033	113,065.76
July 2028	4,024,705.07	November 2030	1,463,704.75	March 2033	78,384.43
August 2028	3,905,582.96	December 2030	1,397,403.24	April 2033	45,587.40
September 2028	3,788,834.54	January 2031	1,332,539.85	May 2033	20,814.46
October 2028	3,674,418.37	February 2031	1,269,088.61	June 2033	5,340.46
November 2028	3,562,293.70	March 2031	1,207,023.96	July 2033 and thereafter	0.00
December 2028	3,452,420.44	April 2031	1,146,320.77		
January 2029	3,344,759.16	May 2031	1,086,954.33		

Group 3 MBS Second Specified Balances

<u>Distribution Date</u>	<u>Second Specified Balance</u>	<u>Distribution Date</u>	<u>Second Specified Balance</u>	<u>Distribution Date</u>	<u>Second Specified Balance</u>
Initial Balance	\$978,984,071.35	May 2005	\$884,018,798.11	December 2006	\$725,254,179.42
November 2003	976,554,323.65	June 2005	876,399,535.90	January 2007	717,388,273.11
December 2003	973,825,078.10	July 2005	868,552,525.19	February 2007	709,601,831.80
January 2004	970,797,733.70	August 2005	860,483,903.71	March 2007	701,894,076.85
February 2004	967,473,968.08	September 2005	852,200,000.68	April 2007	694,264,237.13
March 2004	963,855,736.66	October 2005	843,707,328.60	May 2007	686,711,548.95
April 2004	959,945,271.35	November 2005	835,014,171.14	June 2007	679,235,256.01
May 2004	955,745,078.83	December 2005	826,137,347.84	July 2007	671,834,609.33
June 2004	951,257,938.44	January 2006	817,254,286.63	August 2007	664,508,867.16
July 2004	946,486,899.61	February 2006	808,460,648.29	September 2007	657,257,294.89
August 2004	941,435,278.81	March 2006	799,755,557.99	October 2007	650,079,165.06
September 2004	936,106,656.18	April 2006	791,138,149.36	November 2007	642,973,757.20
October 2004	930,504,871.65	May 2006	782,607,564.39	December 2007	635,940,357.83
November 2004	924,634,020.67	June 2006	774,162,953.37	January 2008	628,978,260.35
December 2004	918,498,449.55	July 2006	765,803,474.76	February 2008	622,086,765.00
January 2005	912,102,750.36	August 2006	757,528,295.19	March 2008	615,265,178.80
February 2005	905,451,755.46	September 2006	749,336,589.30	April 2008	608,512,815.43
March 2005	898,550,531.59	October 2006	741,227,539.73	May 2008	601,828,995.25
April 2005	891,404,373.66	November 2006	733,200,336.99	June 2008	595,213,045.17

Group 3 MBS Second Specified Balances (Continued)

<u>Distribution Date</u>	<u>Second Specified Balance</u>	<u>Distribution Date</u>	<u>Second Specified Balance</u>	<u>Distribution Date</u>	<u>Second Specified Balance</u>
July 2008	\$588,664,298.61	November 2012	\$326,201,690.60	March 2017	\$173,558,566.46
August 2008	582,182,095.44	December 2012	322,410,791.70	April 2017	171,370,873.57
September 2008	575,765,781.92	January 2013	318,659,234.79	May 2017	169,206,542.30
October 2008	569,414,710.63	February 2013	314,946,629.74	June 2017	167,065,338.16
November 2008	563,128,240.40	March 2013	311,272,590.22	July 2017	164,947,028.92
December 2008	556,905,736.29	April 2013	307,636,733.64	August 2017	162,851,384.66
January 2009	550,746,569.49	May 2013	304,038,681.12	September 2017	160,778,177.67
February 2009	544,650,117.26	June 2013	300,478,057.48	October 2017	158,727,182.49
March 2009	538,615,762.90	July 2013	296,954,491.18	November 2017	156,698,175.84
April 2009	532,642,895.69	August 2013	293,467,614.29	December 2017	154,690,936.66
May 2009	526,730,910.79	September 2013	290,017,062.45	January 2018	152,705,246.01
June 2009	520,879,209.25	October 2013	286,602,474.86	February 2018	150,740,887.11
July 2009	515,087,197.88	November 2013	283,223,494.21	March 2018	148,797,645.32
August 2009	509,354,289.27	December 2013	279,879,766.68	April 2018	146,875,308.05
September 2009	503,679,901.67	January 2014	276,570,941.87	May 2018	144,973,664.84
October 2009	498,063,458.97	February 2014	273,296,672.81	June 2018	143,092,507.27
November 2009	492,504,390.64	March 2014	270,056,615.89	July 2018	141,231,628.94
December 2009	487,002,131.67	April 2014	266,850,430.86	August 2018	139,390,825.50
January 2010	481,556,122.53	May 2014	263,677,780.75	September 2018	137,569,894.59
February 2010	476,165,809.10	June 2014	260,538,331.90	October 2018	135,768,635.82
March 2010	470,830,642.64	July 2014	257,431,753.88	November 2018	133,986,850.78
April 2010	465,550,079.70	August 2014	254,357,719.48	December 2018	132,224,342.98
May 2010	460,323,582.12	September 2014	251,315,904.68	January 2019	130,480,917.87
June 2010	455,150,616.94	October 2014	248,305,988.59	February 2019	128,756,382.82
July 2010	450,030,656.38	November 2014	245,327,653.49	March 2019	127,050,547.05
August 2010	444,963,177.74	December 2014	242,380,584.70	April 2019	125,363,221.68
September 2010	439,947,663.43	January 2015	239,464,470.63	May 2019	123,694,219.66
October 2010	434,983,600.83	February 2015	236,579,002.74	June 2019	122,043,355.79
November 2010	430,070,482.33	March 2015	233,723,875.47	July 2019	120,410,446.68
December 2010	425,207,805.21	April 2015	230,898,786.25	August 2019	118,795,310.72
January 2011	420,395,071.63	May 2015	228,103,435.43	September 2019	117,197,768.12
February 2011	415,631,788.59	June 2015	225,337,526.33	October 2019	115,617,640.81
March 2011	410,917,467.85	July 2015	222,600,765.11	November 2019	114,054,752.49
April 2011	406,251,625.92	August 2015	219,892,860.83	December 2019	112,508,928.59
May 2011	401,633,783.99	September 2015	217,213,525.35	January 2020	110,979,996.23
June 2011	397,063,467.89	October 2015	214,562,473.38	February 2020	109,467,784.26
July 2011	392,540,208.05	November 2015	211,939,422.38	March 2020	107,972,123.19
August 2011	388,063,539.47	December 2015	209,344,092.56	April 2020	106,492,845.19
September 2011	383,633,001.64	January 2016	206,776,206.90	May 2020	105,029,784.08
October 2011	379,248,138.52	February 2016	204,235,491.03	June 2020	103,582,775.32
November 2011	374,908,498.51	March 2016	201,721,673.28	July 2020	102,151,655.98
December 2011	370,613,634.38	April 2016	199,234,484.63	August 2020	100,736,264.72
January 2012	366,363,103.22	May 2016	196,773,658.69	September 2020	99,336,441.80
February 2012	362,156,466.47	June 2016	194,338,931.65	October 2020	97,952,029.04
March 2012	357,993,289.77	July 2016	191,930,042.28	November 2020	96,582,869.83
April 2012	353,873,143.01	August 2016	189,546,731.92	December 2020	95,228,809.06
May 2012	349,795,600.24	September 2016	187,188,744.40	January 2021	93,889,693.19
June 2012	345,760,239.66	October 2016	184,855,826.07	February 2021	92,565,370.17
July 2012	341,766,643.54	November 2016	182,547,725.76	March 2021	91,255,689.43
August 2012	337,814,398.24	December 2016	180,264,194.74	April 2021	89,960,501.90
September 2012	333,903,094.10	January 2017	178,004,986.72	May 2021	88,679,659.97
October 2012	330,032,325.46	February 2017	175,769,857.79	June 2021	87,413,017.49

Group 3 MBS Second Specified Balances (Continued)

<u>Distribution Date</u>	<u>Second Specified Balance</u>	<u>Distribution Date</u>	<u>Second Specified Balance</u>	<u>Distribution Date</u>	<u>Second Specified Balance</u>
July 2021	\$ 86,160,429.72	August 2025	\$ 39,338,998.16	September 2029	\$ 13,054,444.05
August 2021	84,921,753.37	September 2025	38,632,680.12	October 2029	12,666,967.26
September 2021	83,696,846.56	October 2025	37,934,652.10	November 2029	12,284,419.95
October 2021	82,485,568.79	November 2025	37,244,827.74	December 2029	11,906,749.33
November 2021	81,287,780.96	December 2025	36,563,121.56	January 2030	11,533,903.13
December 2021	80,103,345.33	January 2026	35,889,448.90	February 2030	11,165,829.60
January 2022	78,932,125.50	February 2026	35,223,725.98	March 2030	10,802,477.51
February 2022	77,773,986.46	March 2026	34,565,869.82	April 2030	10,443,796.16
March 2022	76,628,794.47	April 2026	33,915,798.28	May 2030	10,089,735.34
April 2022	75,496,417.15	May 2026	33,273,430.03	June 2030	9,740,245.36
May 2022	74,376,723.42	June 2026	32,638,684.55	July 2030	9,395,277.03
June 2022	73,269,583.47	July 2026	32,011,482.12	August 2030	9,054,781.64
July 2022	72,174,868.79	August 2026	31,391,743.83	September 2030	8,718,710.99
August 2022	71,092,452.13	September 2026	30,779,391.53	October 2030	8,387,017.35
September 2022	70,022,207.49	October 2026	30,174,347.87	November 2030	8,059,653.49
October 2022	68,964,010.12	November 2026	29,576,536.24	December 2030	7,736,572.63
November 2022	67,917,736.49	December 2026	28,985,880.83	January 2031	7,417,728.49
December 2022	66,883,264.30	January 2027	28,402,306.56	February 2031	7,103,075.23
January 2023	65,860,472.45	February 2027	27,825,739.10	March 2031	6,792,567.50
February 2023	64,849,241.03	March 2027	27,256,104.88	April 2031	6,486,160.39
March 2023	63,849,451.34	April 2027	26,693,331.04	May 2031	6,183,809.44
April 2023	62,860,985.81	May 2027	26,137,345.45	June 2031	5,885,470.65
May 2023	61,883,728.06	June 2027	25,588,076.71	July 2031	5,591,100.46
June 2023	60,917,562.86	July 2027	25,045,454.14	August 2031	5,300,655.75
July 2023	59,962,376.09	August 2027	24,509,407.73	September 2031	5,014,093.84
August 2023	59,018,054.80	September 2027	23,979,868.21	October 2031	4,732,447.79
September 2023	58,084,487.12	October 2027	23,456,766.96	November 2031	4,454,585.37
October 2023	57,161,562.30	November 2027	22,940,036.09	December 2031	4,180,465.33
November 2023	56,249,170.68	December 2027	22,429,608.36	January 2032	3,910,046.86
December 2023	55,347,203.69	January 2028	21,925,417.20	February 2032	3,643,289.56
January 2024	54,455,553.82	February 2028	21,427,396.71	March 2032	3,380,153.44
February 2024	53,574,114.66	March 2028	20,935,481.66	April 2032	3,120,598.89
March 2024	52,702,780.80	April 2028	20,449,607.46	May 2032	2,864,586.73
April 2024	51,841,447.90	May 2028	19,969,710.16	June 2032	2,612,078.18
May 2024	50,990,012.67	June 2028	19,495,726.47	July 2032	2,363,034.84
June 2024	50,148,372.81	July 2028	19,027,593.72	August 2032	2,117,418.68
July 2024	49,316,427.04	August 2028	18,565,249.86	September 2032	1,875,192.11
August 2024	48,494,075.10	September 2028	18,108,633.47	October 2032	1,636,317.86
September 2024	47,681,217.71	October 2028	17,657,683.75	November 2032	1,401,462.42
October 2024	46,877,756.56	November 2028	17,212,340.49	December 2032	1,170,957.17
November 2024	46,083,594.35	December 2028	16,772,544.12	January 2033	943,669.83
December 2024	45,298,634.71	January 2029	16,338,235.62	February 2033	720,787.59
January 2025	44,522,782.24	February 2029	15,909,356.59	March 2033	502,303.78
February 2025	43,755,942.48	March 2029	15,485,849.22	April 2033	293,577.12
March 2025	42,998,021.92	April 2029	15,067,656.25	May 2033	134,658.54
April 2025	42,248,927.95	May 2029	14,654,721.04	June 2033	34,700.99
May 2025	41,508,568.91	June 2029	14,246,987.46	July 2033 and thereafter	0.00
June 2025	40,776,854.02	July 2029	13,844,400.00		
July 2025	40,053,693.43	August 2029	13,446,903.67		

No one is authorized to give information or to make representations in connection with the Certificates other than the information and representations contained in this Prospectus Supplement and the additional Disclosure Documents. You must not rely on any unauthorized information or representation. This Prospectus Supplement and the additional Disclosure Documents do not constitute an offer or solicitation with regard to the Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this Prospectus Supplement and the additional Disclosure Documents at any time, no one implies that the information contained herein or therein is correct after the date hereof or thereof.

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

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\$840,496,000



**Guaranteed
REMIC Pass-Through
Certificates
Fannie Mae REMIC Trust 2003-111**

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

September 23, 2003
