Prospectus Supplement
(To Multifamily REMIC Prospectus dated January 1, 1999)

$313,453,337 (Approximate)

FannieMae®

Guaranteed REMIC Pass-Through Certificates
Fannie Mae Multifamily REMIC Trust 2003-M3

Carefully consider the risk factors starting on page S-7 of this prospectus supplement and on page 11 of the Multifamily REMIC Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

You should read the Multifamily 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.

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 stated or notional balance of your certificate and
- principal to the extent available for payment on your certificate and, in any event, in full by the final distribution date.

We may pay principal at rates that vary from time to time.

The Fannie Mae Guaranty

We will guarantee that required payments of principal and interest on the certificates are distributed to investors on time. **We will not guarantee the payment to certificateholders of any prepayment fees.**

The Trust and its Assets

The trust will own beneficial interests in FHA insured mortgage loans.

The mortgage loans are first lien, fully amortizing fixed-rate mortgage loans on multifamily properties and nursing facilities.

Class	Original Class Balance(1)	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date
A	$277,781,000	CPT/SEQ	2.318%	CPT/FIX	31393B7A7	October 2023
B	22,498,000	SEQ	4.099	FIX	31393B7B5	June 2027
C	13,174,337	SEQ	4.635	FIX	31393B7C3	July 2036
IO1	313,453,337(3)	NTL	0.150	FIX/IO	31393B7E9	July 2036
IO2	35,672,337(3)	CPT/NTL	(4)	CPT/WAC/IO	31393B7F6	May 2008
IO3	134,782,337(3)	CPT/NTL	(4)	CPT/WAC/IO	31393B7G4	April 2006
IO4	313,453,337(3)	NTL	(4)	WAC/IO	31393B7H2	July 2036
R	0	NPR	0	NPR	31393B7J8	July 2036
RL	0	NPR	0	NPR	31393B7K5	July 2036

(1) Subject to a permitted variance of plus or minus 5%.
(2) See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus and "Description of the Certificates—Distributions of Interest" and "—Distributions of Principal" in this prospectus supplement.
(3) Notional balances. These classes are interest only classes.
(4) The IO2, IO3 and IO4 Classes will bear interest during each interest accrual period at a variable rate as described in this prospectus supplement.

The dealer will offer the class A, B and C certificates from time to time in negotiated transactions at varying prices to be determined at the time of sale. The seller will initially retain the other classes. We expect the settlement date to be July 30, 2003. See "Plan of Distribution" in this prospectus supplement.

NOMURA

July 9, 2003

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AVAILABLE INFORMATION

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

- our Prospectus for Guaranteed Multifamily REMIC Pass-Through Certificates dated January 1, 1999 (the ‘‘Multifamily REMIC Prospectus’’); 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 the Disclosure Documents by writing or calling us at:

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

Most of the Disclosure Documents, together with the class factors, are available on our website located at http://www.fanniemae.com.

If you are purchasing certificates of the A, B and/or C Classes, you can also obtain the Disclosure Documents by writing or calling the dealer at:

Nomura Securities International, Inc.
Prospectus Department
2 World Financial Center
Building B, 18th Floor
New York, New York 10281-1198
(telephone 212-667-1120).

In the first quarter of 2003, we began filing periodic reports with the SEC under the Securities Exchange Act of 1934 (the ‘‘Exchange Act’’). These filings will include Form 10-K’s, Form 10-Q’s and Form 8-K’s. Our SEC filings are available at the SEC’s website 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 Internet site solely for the information of prospective investors. We do not intend the Internet 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 Exchange Act, 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 the inside cover page.

Certain Characteristics of the Mortgage Assets (as of July 1, 2003)

We expect that the mortgage assets will have the following characteristics, aggregated on the basis of the applicable FHA insurance program:

FHA Insurance Program	Principal Balance	Number of Loans	Percent of Total Balance	Weighted Average Mortgage Rate	Weighted Average Pass-Through Rate	Weighted Average Original Term to Maturity (in months)	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Age (in months)	Weighted Average Remaining Lockout Period (in months)	Weighted Average Term to End of Mortgage Loan Prepayment Restriction Period (in months)
207/221(d)4/244	$ 13,054,972	2	4.10%	10.250%	9.770%	480	315	165	0.0	0.0
207/223(a)7	2,715,475	1	0.85	7.500	7.220	384	291	93	26.0	0.0
207/223(f)	3,333,805	1	1.05	9.750	9.395	420	253	167	0.0	0.0
207/223(f)/244	15,888,190	3	4.99	8.258	7.804	381	212	169	0.0	17.5
220	6,991,983	1	2.20	9.000	8.645	480	203	277	0.0	0.0
221(d)3	3,091,497	3	0.97	7.500	7.220	480	207	273	0.0	9.1
221(d)4	205,080,118	89	64.44	7.678	7.381	468	233	235	0.0	14.9
221(d)4/223(a)7	5,960,148	3	1.87	7.192	6.852	319	309	10	3.0	0.0
221(d)4/223(e)	10,078,112	3	3.17	8.865	8.562	478	234	245	0.0	13.1
231	6,570,709	2	2.06	7.500	7.220	480	205	275	0.0	0.0
232	26,914,521	1	8.46	9.000	8.520	360	271	89	0.0	28.0
232/223(f)	11,791,790	4	3.71	8.266	7.911	420	335	85	0.0	34.5
236(j)1	6,755,419	2	2.12	9.000	8.645	480	177	303	0.0	0.0
Total/Weighted Average	$318,226,739	115	100.00%	8.047%	7.713%	450	242	209	0.3	14.6

Exhibit A contains additional information about the mortgage assets as of July 1, 2003, including information about lockout periods and prepayment fees.

Lockout Periods and Prepayment Fees

Two of the mortgage loans prohibit voluntary prepayments during specified lockout periods. Certain of the mortgage loans provide for the payment of prepayment fees during specified periods after the Issue Date. If we receive any prepayment fees, we will allocate them to the IO4 Class.

Class Factors

The class factors are numbers that, when multiplied by the initial balance of a certificate, can be used to calculate the current balance of that certificate (after taking into account payments in the same month). We publish the class factors on or shortly after the 20th day of each month.

Settlement Date

We expect to issue the certificates on July 30, 2003.

Distribution Dates

We will make payments on the certificates on the 26th day of each month, or on the next business day if the 26th day is not a business day.

Book-Entry and Physical Certificates

We issue book-entry certificates through The Depository Trust Company, 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:

DTC Book-Entry	Physical
All classes other than the R and RL Classes	R and RL Classes

Interest Rates

The certificates will bear interest at the annual interest rates specified on the cover or described in this prospectus supplement.

Notional Classes

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

Class	
IO1	100% of the A, B and C Classes
IO2	100% of the B and C Classes(1)
IO3	100% of the A2 Component and B and C Classes(2)
IO4	100% of the A, B and C Classes

(1) After the distribution date in May 2008, the notional principal balance of the IO2 Class will be 0% of the B and C Classes.

(2) After the distribution date in April 2006, the notional principal balance of the IO3 Class will be 0% of the A2 Component and B and C Classes.

Components

The A, IO2 and IO3 Classes are made up of payment components. Each component will have the original principal or notional balance, principal type, interest rate and interest type set forth below.

Component	Original Principal or Notional Balance	Principal Type	Interest Rate	Interest Type
A1	$178,671,000	SEQ	2.318%	FIX
A2	99,110,000	SEQ	2.318	FIX
IO2-1	22,498,000(1)	NTL	2.216	FIX/IO
IO2-2	13,174,337(2)	NTL	1.680	FIX/IO
IO3-1	99,110,000(3)	NTL	4.177	FIX/IO
IO3-2	22,498,000(4)	NTL	0.180	FIX/IO
IO3-3	13,174,337(5)	NTL	0.180	FIX/IO

(1) Equal to 100% (or following the distribution date in May 2008, 0%) of the B Class.

(2) Equal to 100% (or following the distribution date in May 2008, 0%) of the C Class.

(3) Equal to 100% (or following the distribution date in April 2006, 0%) of the A2 Component.

(4) Equal to 100% (or following the distribution date in April 2006, 0%) of the B Class.

(5) Equal to 100% (or following the distribution date in April 2006, 0%) of the C Class.

The interest rate for each of the IO2 and IO3 Classes will equal the weighted average of the respective interest rates for the various components of the subject class.

Distributions of Principal

Principal Distribution Amount. To the A1 Component, A2 Component, B Class and C Class, in that order, to zero.

Weighted Average Lives (years)*

	CPR Prepayment Assumption (100% PLD)**						
Classes	0%	10%	15%	25%	30%	40%	50%
A	11.0	4.9	3.6	2.3	1.9	1.3	1.0
B	20.9	14.4	11.5	7.5	6.2	4.5	3.4
C	24.3	17.5	14.9	10.3	8.6	6.3	4.8
IO1 and IO4	12.3	6.1	4.7	3.0	2.5	1.8	1.3
IO2	4.8	4.8	4.8	4.8	4.8	4.6	3.8
IO3	2.7	2.7	2.7	2.7	2.7	2.4	2.1

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

** See "Description of the Certificates—Structuring Assumptions—Prepayment Assumptions" 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 mortgage loans.

After any lockout period and subject to payment of any applicable prepayment fee, the mortgage loans may be prepaid at any time. Therefore, the rate of principal payments on the mortgage loans is likely to vary over time. It is highly unlikely that the mortgage loans will prepay

- at the prepayment rates we assumed, or
- at a constant prepayment rate until maturity.

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

- if you bought your certificates at a premium and principal distributions are faster than you expected or
- if you bought your certificates at a discount and principal distributions are slower than you expected.

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.

Defaults will increase the risk of prepayment. Lending on multifamily properties and nursing facilities is generally viewed as exposing the lender to a greater risk of loss than single family lending. Furthermore, multifamily properties that have benefited from federal rent subsidy programs may suffer as contracts expire or those programs are restructured and cut back. If a borrower defaults on its mortgage loan, the effect would generally be the same as a prepayment even though it occurs during a lockout period and no prepayment fee would be received.

We have only limited information with respect to the mortgage loans, the mortgaged properties (their operating revenues and expenses and values) and the mortgages. Generally neither audited financial statements nor recent appraisals were available.

FHA insurance and certain mortgage loan and trust provisions may affect lockouts and the right to receive prepayments fees. FHA may override any lockout or prepayment provision if it determines that it is in the best interest of the federal government to allow the mortgagor to refinance or to prepay in part its mortgage loan. Certain of the mortgage loans may permit the mortgagor to prepay up to 15% of the original principal amount annually without a prepayment fee. Defaulted mortgage loans will be assigned to FHA for FHA insurance benefits. Participation Certificates with respect to defaulted mortgage loans and mortgage assets as to which there is a material breach of a representation may be purchased out of the trust.

Allocation of prepayment fees to certain classes may not offset the adverse effect on yields of the corresponding prepayments. If we receive any prepayment fees, we will include them in the distributions to be made on the IO4 Class. We do not, however, guarantee that mortgagors will in fact pay any prepayment fees or that we will receive them if paid. Accordingly, holders of the IO4 Class receive prepayment fees only to the extent we receive them. Moreover, even if we distribute prepayment fees to the holders of that class, the additional amounts may not offset the reductions in yield caused by the corresponding prepayments.

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

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

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

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 classes of certificates. You should get 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. A market for resale of the certificates may not 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. If we use a capitalized term in this prospectus supplement without defining it, you will find the definition of such term in the applicable Disclosure Document or in the Trust Agreement.

General

Structure. We will create the Fannie Mae Multifamily REMIC Trust specified on the cover (the "Trust") and a separate trust (the "Lower Tier REMIC") pursuant to a trust agreement dated as of July 1, 2003 (the "Trust Agreement"). We will execute the Trust Agreement in our corporate capacity and as trustee (the "Trustee"). We will issue the Guaranteed REMIC Pass-Through Certificates (the "Certificates" or "Classes"), as well as a subordinate, non-guaranteed class (the "Subordinate Class"), pursuant to the Trust Agreement.

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 Certificates (except the R and RL Classes) and the Subordinate Class 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:

- approximately $303,529,477 of mortgage participation certificates (the "Participation Certificates"), each representing a 100% undivided beneficial ownership interest (a "Mortgage Participation") in a whole mortgage loan (a "Mortgage Loan") insured by the Federal Housing Administration (the "FHA") of the United States Department of Housing and Urban Development ("HUD"), and
- approximately $14,697,261 of "fully-modified pass-through" mortgage backed securities (the "GNMA Certificates"), each guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA") and representing an ownership interest in a Mortgage Loan.

Each of the Mortgage Loans is a fully amortizing loan secured by a lien on a multifamily rental housing development or a nursing home, intermediate care facility, assisted living facility, board and care home or other nursing facility. The Participation Certificates and the GNMA Certificates are referred to collectively as the "Mortgage Assets."

We have retained Midland Loan Services, Inc., to act, on our behalf, as "Master Servicer" to monitor the servicers of the Mortgage Loans backing the Mortgage Participations.

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 Participation Certificates and the GNMA Certificates.

Our guarantee is not backed by the full faith and credit of the United States. *We will not guarantee the collection or the payment to the Certificateholders of any prepayment fees*. Accordingly, Certificateholders entitled to receive prepayment fees will receive them only to the extent actually received in respect of the Participation Certificates and the GNMA Certificates. See "Description of the Certificates—Fannie Mae's Guaranty" in the Multifamily REMIC Prospectus.

Authorized Denominations. We will issue the Certificates, other than the R and RL Certificates, 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 Date. We will make monthly distributions on the 26th day of each month (or, if the 26th is not a business day, on the first business day after the 26th). We refer to such date as the "Distribution Date." We will make the first distributions to Certificateholders the month after we issue the Certificates.

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

Class Factors. On or shortly after the twentieth calendar day of each month, we will publish a factor (carried to eight decimal places) for each Class of Certificates. When the factor is multiplied by the original balance (or notional balance) of a Certificate of that Class, the product will equal the current balance (or notional balance) of that Certificate after taking into account distributions on the Distribution Date in the same month.

Book-Entry Procedures and Physical Certificates

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 Depository Trust Company ("DTC"). Entities whose names appear on the book-entry records of The Depository Trust Company 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.

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

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. U.S. Bank will be the initial Paying Agent.

Book-Entry Certificates. The Certificates issued in book-entry form on the book-entry system of DTC ("DTC Certificates") will be registered at all times in the name of the nominee of The Depository Trust Company, a New York-chartered limited purpose trust company, or any successor depository selected or approved by Fannie Mae (the "Depository"). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a "Depository Participant") in the DTC Certificates, whether held for its own account or as a nominee for another person. U.S. Bank will act as Paying Agent for, and perform certain administrative functions with respect to, the DTC Certificates.

No person acquiring a beneficial ownership interest in the DTC Certificates (a "beneficial owner" or an "investor") will be entitled to receive a physical certificate representing such ownership interest. An investor's interest in the DTC Certificates will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains such investor's account for such purpose. In turn, the financial intermediary's record ownership of such interest will be recorded on the records of the Depository (or of a Depository Participant that acts as an agent for the financial intermediary if such intermediary is not a Depository Participant). Accordingly, an investor will not be recognized by the Trustee or the Depository as a Certificateholder and must rely on the foregoing arrangements to evidence its interest in the DTC Certificates. Beneficial ownership of an investor's interest in the DTC Certificates may be transferred only by compliance with the procedures of an investor's financial intermediary and of Depository Participants. In general, beneficial ownership of an investor's interest in the DTC Certificates will be subject to the rules, regulations and procedures governing the Depository and Depository Participants as in effect from time to time.

Method of Distribution. Each distribution on the DTC Certificates will be distributed to the Depository in immediately available funds. The Depository will be responsible for crediting the amount of such distributions to the accounts of the Depository Participants entitled thereto, in accordance with the Depository's normal procedures. Each Depository Participant and each financial intermediary will be responsible for disbursing such distributions to the beneficial owners of the DTC Certificates that it represents. Accordingly, the beneficial owners may experience some delay in their receipt of distributions.

Final Data Statement

After issuing the Certificates, we may prepare a Final Data Statement containing certain information, including the current unpaid principal balances of the Mortgage Loans underlying the Participation Certificates and the GNMA Certificates as of the Issue Date, if any of the characteristics of the Mortgage Loans are different from those set forth on Exhibit A. You may obtain any Final Data Statement by telephoning us at 1-800-237-8627 or 202-752-6547. The contents of any Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000. In addition, the Final Data Statement is available on our corporate web site at www.fanniemae.com and our business to business web site at www.efanniemae.com.

Distributions of Interest

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

Interest Type*	Classes and Components
Weighted Average Coupon	IO2, IO3 and IO4
Component	A, IO2 and IO3
Fixed Rate	A1, A2, B, C, IO1, IO2-1, IO2-2, IO3-1, IO3-2 and IO3-3
Interest Only	IO1, IO2-1, IO2-2, IO3-1, IO3-2, IO3-3 and IO4
No Payment Residual	R and RL

* See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.

General. We will pay interest on the interest-bearing Certificates at the applicable annual interest rates shown on the cover or described in this prospectus supplement. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date, beginning in the month after the Settlement Date specified in the Reference Sheet.

Interest to be paid on each Certificate on a Distribution Date will consist of one month's interest on the outstanding balance of that Certificate immediately prior to such Distribution Date.

In addition, we will pay any prepayment fees that we have collected and passed through to the Trust during the related Interest Accrual Period to the IO4 Class.

The IO2 Class will cease to accrue interest following the end of the Interest Accrual Period for the Distribution Date in May 2008, and the IO3 Class will cease to accrue interest following the end of the Interest Accrual Period for the Distribution Date in April 2006.

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the interest-bearing Certificates during the one-month period set forth below (the "Interest Accrual Period").

Classes	Interest Accrual Period
All Classes of interest-bearing Certificates (collectively, the "Delay Classes")	Calendar month preceding the month in which the Distribution Date occurs

See "Additional Risk Factors."

Notional Classes. The IO1, IO2, IO3 and IO4 Classes will be Notional Classes and will not have principal balances. The IO2 Class will be entitled to receive the interest distributable on the IO2-1 and IO2-2 Components. The IO3 Class will be entitled to receive interest distributable on the IO3-1, IO3-2 and IO3-3 Components. See "Components" on the Reference Sheet. The IO4 Class will bear interest during each Interest Accrual Period as described below under "Weighted Average Coupon Class." During each Interest Accrual Period, the Notional Classes will bear interest on their notional balances at their applicable interest rates. The notional balance of each of the Notional Classes will be calculated as indicated under "Reference Sheet—Notional Classes."

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

Weighted Average Coupon Class. The IO4 Class will be a Weighted Average Coupon Class. With respect to each Interest Accrual Period, the IO4 Class will bear interest at a per annum rate equal to 12 times the quotient, expressed as a percentage, of (a) the excess of (i) 30 days' interest at the weighted average pass-through rate for the Mortgage Assets accrued on the aggregate principal balance of the A, B and C Classes immediately prior to the related Distribution Date over (ii) the sum of the interest accrued with respect to the A, B, C, IO1, IO2 and IO3 Classes during such Interest Accrual Period, divided by (b) the aggregate principal balance of the A, B and C Classes immediately prior to the related Distribution Date.

The IO4 Class will bear interest during the initial Interest Accrual Period at the approximate interest rate set forth below:

Class	Approximate Initial Interest Rate (1)
IO4	3.44887%

(1) Subject to the permitted variance of plus or minus 5% in the original principal balance of each Class of Certificates.

Our determination of the rate of interest for the IO4 Class for the related Interest Accrual Period shall (in the absence of manifest error) be final and binding. You may obtain such rate of interest by telephoning us at 1-800-237-8627 or 202-752-6547.

Distributions of Principal

Categories of Classes and Components

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

Principal Type*	Classes and Components
Sequential Pay	A1, A2, B and C
Component	A, IO2 and IO3
Notional	IO1, IO2-1, IO2-2, IO3-1, IO3-2, IO3-3 and IO4
No Payment Residual	R and RL

* See "Description of the Certificates—Class Definitions and Abbreviations" in the Multifamily REMIC Prospectus.

Principal Distribution Amount. On each Distribution Date, we will distribute the Principal Distribution Amount. For each Distribution Date, the Principal Distribution Amount will be equal to the sum of:

(i) with respect to the GNMA Certificates, the sum of: (a) the sum of the products obtained by multiplying (A) the original principal amount of each GNMA Certificate and (B) the excess of (x) the factor for such GNMA Certificate for the preceding Distribution Date (or as of July 1, 2003, in the case of the first Distribution Date) over (y) the factor for such GNMA Certificate for the subject Distribution Date; and (b) the principal portion of the Purchase Price of any GNMA Certificate that is included with respect to such Distribution Date; and

(ii) with respect to the Participation Certificates, the sum of (a) the principal components of all scheduled monthly payments due in respect of the related Mortgage Loans on the first day of the month in which such Distribution Date occurs; and (b) the aggregate of all cash amounts available for distribution on such Distribution Date and applied as (or otherwise determined to be) recoveries of principal, in each case net of any portion of such amounts that represents a recovery of (x) a principal component included under clause (ii)(a) in respect of such Distribution Date or a prior Distribution Date and/or (y) a principal component (other than a principal prepayment or the principal component of the purchase price of any Mortgage Participation or FHA Insurance Benefits) to be included under clause (ii)(a) in respect of a subsequent Distribution Date.

If the factor for a GNMA Certificate is not timely reported, we will deem the factor to be the factor calculated based on scheduled principal and interest on such GNMA Certificate. If the factor for a GNMA Certificate for a Distribution Date is corrected after it is first reported (or is not timely reported and the assumed factor is not accurate), we will make an appropriate adjustment to the Principal Distribution Amount on the next subsequent Distribution Date to correct the resulting error in principal distributions.

We will reduce amounts described in clause (ii) of the definition of "Principal Distribution Amount" above by any deferred principal payments, which may occur when borrowers, who have previously made principal prepayments, do not make their normal principal payment. See "Certain Additional Characteristics of the Mortgage Loans—Amortization." Furthermore, after the receipt of a partial payment of claim for FHA Insurance Benefits with respect to a defaulted Mortgage Loan backing a Participation Certificate, we will make any further principal payment with respect to that Mortgage Loan based on amortizing the remaining outstanding balance until we receive the final payment for FHA Insurance Benefits.

We will distribute the Principal Distribution Amount sequentially, as principal of the A1 Component, A2 Component, B Class and C Class, in that order, until the respective balances of each Class are reduced to zero. **Sequential Pay Components and Classes**

See "—General—Class Factors."

Optional Termination

The Master Servicer and the persons who own a majority interest in the Subordinate Class each have the right to purchase the Mortgage Assets when their aggregate stated principal balance has been reduced to five percent or less (one percent or less if the remaining Mortgage Assets are entirely GNMA Certificates) of the Issue Date Pool Balance. In the event of such a purchase, the Trust will terminate and we will distribute the remaining balance of the Certificates plus 30 days accrued interest on the next Distribution Date.

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, we have prepared the information in the tables in this prospectus supplement based on the actual characteristics of the Mortgage Assets (as described in Exhibit A) and the following assumptions (such characteristics and assumptions, collectively, the "Pricing Assumptions"):

- scheduled interest and principal payments on the Mortgage Loans are made monthly in the amounts set forth on Exhibit A;
- we distribute all payments (including prepayments) on the Mortgage Assets on the Distribution Date relating to the month in which we receive them;
- the Mortgage Assets prepay at the percentages of CPR (as defined under "—Prepayment Assumption") specified in the related tables and 100% PLD (as defined under "—Prepayment Assumption"), provided that no voluntary prepayment occurs before the applicable lockout end date;
- no effect is given to the expiration of HAP contracts as described under "Description of the Mortgage Loans—The Section 8 Program" in this Prospectus Supplement, in determining the likelihood of prepayments or defaults;
- no Mortgagor exercises a right to defer a principal payment as described under "Description of the Mortgage Loans—Certain Additional Characteristics of the Mortgage Loans—Amortization" in this Prospectus Supplement;
- we always make distributions on the Certificates on the 26th of the month, whether or not a business day;
- we do not receive any prepayment fees on the Mortgage Assets;

- there are no repurchases of Mortgage Loans and no one exercises the right to terminate the Trust as described under "The Trust Agreement—Termination" and "The Sales and Servicing Agreement—Termination" in this Prospectus Supplement; and
- the settlement date for the sale of the Certificates is July 30, 2003.

Prepayment Assumptions. We may simulate prepayments (voluntary or involuntary) on mortgage loans by using a prepayment standard or model. In this Prospectus Supplement the models we have used are the "Constant Prepayment Rate" ("CPR") model and the "Project Loan Default" ("PLD") model provided by the Dealer. The CPR model represents an assumed constant rate of voluntary prepayment applied after any lockout periods, expressed as an annual percentage of the then-outstanding principal balance of the pool of mortgage loans, and the PLD model represents an assumed rate of involuntary prepayment each month as specified in the table below, in each case expressed as a per annum percentage of the then outstanding principal balance of each of the Mortgage Assets. *CPR/PLD does not purport to be either an historical description of the prepayment and default experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment and default of any pool of mortgage loans, including the Mortgage Assets.* See "—Yield Considerations" and "—Decrement Tables" in this Prospectus Supplement and "Yield Considerations" and "Maturity and Prepayment Considerations and Risks" in the Multifamily REMIC Prospectus.

Project Loan Default

Mortgage Loans age (in months)	Involuntary Prepayment Default Rate(1)
1-12	1.30%
13-24	2.47
25-36	2.51
37-48	2.20
49-60	2.13
61-72	1.46
73-84	1.26
85-96	0.80
97-108	0.57
109-168	0.50
169-240	0.25
241-maturity	0.00

(1) We assume that involuntary prepayments start immediately.

We prepared the tables in this Prospectus Supplement on the basis of the indicated percentages of CPR and 100% PLD. It is highly unlikely that prepayments will occur on such basis or at any other particular level of CPR and PLD, or at any other constant rate.

Yield Considerations

General. The yield to maturity for each Certificate will depend upon its purchase price, the rate of principal payments on the Mortgage Loans (including prepayments resulting from liquidations of Mortgage Loans due to defaults and casualties or condemnations affecting the Mortgaged Properties) and the actual characteristics of the Mortgage Loans. We cannot assure you that the Mortgage Loans will prepay at any of the rates we have assumed or at any other particular rate, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase prices of the Certificates will be as expected. You should purchase Certificates only after performing your own analysis based upon your own assumptions as to future rates of prepayment. We believe it is not likely that the Mortgage Loans will prepay at the indicated percentages of CPR and 100% PLD until maturity or that all the Mortgage Loans will prepay at the same rate.

The timing of changes in the rate of principal prepayments, or in the weighted average pass-through rate of the Mortgage Assets (insofar as the pass-through rate of your Certificates is based thereon), may significantly affect your actual yield to maturity, even if the average rate of principal prepayments or the average weighted average pass-through rate of the Mortgage Assets is consistent with your expectations. In general, the earlier the payment of principal of the Mortgage Assets, or change in the level of the weighted average pass-through rate of the Mortgage Assets, the greater the effect on your yield to maturity. As a result, if the rate of prepayments or the level of the weighted average pass-through rate of the Mortgage Assets is higher (or lower) than the rate or level anticipated by you during any particular period, the effect on your yield will not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments or the level of the weighted average pass-through rate of the Mortgage Assets. For a description of the prepayment provisions of the Mortgage Loans and the pass-through rates of the Mortgage Assets, see Exhibit A to this Prospectus Supplement.

The effective yields on the interest bearing Classes will be reduced below the yields otherwise produced because principal and interest payable on a Distribution Date will not be distributed until the 26th day following the end of the related Interest Accrual Period and will not bear interest during such delay. As a result of the foregoing, the market values of the interest bearing Classes will be lower than would have been the case if there were no such delay. No interest will be paid on any Class after its principal balance has been reduced to zero. Investors must make their own decisions as to the appropriate assumptions, including prepayment assumptions, to be used in deciding whether to purchase the Certificates.

Prepayment Provisions. The rate of prepayment on the Mortgage Loans will depend on a variety of factors, including the characteristics of such Mortgage Loans, the level of prevailing interest rates or the assessment of prepayment fees and other economic, geographic and social factors.

We will allocate any prepayment fees actually received to the IO4 Class. That will increase the yield on such Class; however, any such allocation may be insufficient to offset fully the adverse effects on the anticipated yield arising out of the corresponding principal prepayment.

The Notional Classes. The table below indicates the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the Notional Classes to the indicated percentages of CPR and 100% PLD, assuming borrowers do not pay any prepayment fees. The yields set forth in such table were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the Notional Classes, would cause the discounted present value of such assumed streams of cash flows to equal the assumed aggregate purchase price of such Class and converting such monthly rates to corporate bond equivalent rates. Such calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on a Notional Class and consequently do not purport to reflect the return on any investment in a Notional Class when such reinvestment rates are considered.

As indicated in the table below, the yield to investors in the IO1 Class will be highly sensitive to the rate of principal payments (including principal prepayments) of the Mortgage Loans. Subject to certain restrictions, the Mortgage Loans may be prepaid prior to their stated maturities. See ''Exhibit A'' to this Prospectus Supplement.

On the basis of the assumptions described below, including the assumption that no prepayment fees are received, the yield to maturity on the IO1 Class would be 0% if prepayments (voluntary and involuntary) were to occur at the approximate rate of CPR indicated below and assuming 100% PLD and no voluntary prepayments through the applicable lockout period end date.

Class	CPR
IO1	51%

If the actual prepayment rate of the Mortgage Loans was to exceed the level for as little as one month while equaling such level for the remaining months, investors in such Class would not fully recoup their initial investment.

The information set forth in the following tables was prepared on (i) the basis of the Pricing Assumptions and (ii) the assumption that the aggregate purchase price of each Notional Class (expressed as a percentage of original notional balance) will be as follows:

Class	Price*
IO1	0.18750%
IO2	6.15625
IO3	5.12500
IO4	2.87500

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

Sensitivity of the IO1 Class to Prepayments

	CPR Prepayment Assumption*						
	5%	10%	15%	25%	30%	40%	50%
Pre-Tax Yields to Maturity	77.9%	70.8%	63.4%	47.9%	39.6%	21.8%	1.7%

* See "Description of the Certificates—Structuring Assumptions—*Prepayment Assumptions*" in this prospectus supplement.

Sensitivity of the IO2 Class to Prepayments

	CPR Prepayment Assumption*						
	5%	10%	15%	25%	30%	40%	50%
Pre-Tax Yields to Maturity	20.1%	20.1%	20.1%	20.1%	20.1%	18.2%	10.2%

* See "Description of the Certificates—Structuring Assumptions—*Prepayment Assumptions*" in this prospectus supplement.

Sensitivity of the IO3 Class to Prepayments

	CPR Prepayment Assumption*						
	5%	10%	15%	25%	30%	40%	50%
Pre-Tax Yields to Maturity	39.6%	39.6%	39.6%	39.6%	37.9%	28.1%	10.3%

* See "Description of the Certificates—Structuring Assumptions—*Prepayment Assumptions*" in this prospectus supplement.

Sensitivity of the IO4 Class to Prepayments

	CPR Prepayment Assumption*						
	5%	10%	15%	25%	30%	40%	50%
Pre-Tax Yields to Maturity	125.4%	113.2%	100.3%	71.0%	54.8%	21.0%	(12.4)%

* See "Description of the Certificates—Structuring Assumptions—*Prepayment Assumptions*" in this prospectus supplement.

We cannot assure you that the Mortgage Loans will prepay in accordance with any of the scenarios described herein or any other scenario, that the pre-tax yields on the Certificates will correspond to any of the pre-tax yields shown herein or that the aggregate purchase price of each Notional Class will be as assumed above.

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by:

(a) multiplying the amount of the principal receipts (or reduction, if any, of the notional balance) of such Certificate from one Distribution Date to the next Distribution Date by the number of years from the Settlement Date to the second such Distribution Date, assuming all months consist of 30 days,

(b) summing the results and

(c) dividing the sum by the aggregate amount of the principal receipts (or reduction, if any, of the notional balance) of such Certificate referred to in clause (a).

For a list of factors which may influence the weighted average life of a Certificate, see "Risk Factors—Prepayment Considerations" in the Multifamily REMIC Prospectus.

In general, the weighted average lives of the Certificates will be shortened if the rate of principal payments on the Mortgage Loans increases and lengthened if the rate of principal payments on the Mortgage Loans decreases; however, the weighted average lives will depend upon a variety of other factors, including:

- the timing of changes in such rate of principal payments, and
- the priority sequence of distributions of principal of the Certificates.

See "—Distributions of Principal."

The interaction of the foregoing factors may have an effect on the Certificates at different times during the lives of the Certificates. Accordingly, we cannot give you any assurance as to the weighted average life of any Class. Further, to the extent the price of a Certificate represents a discount from or premium to its respective original principal balance, any variability in the weighted average life of a Certificate in combination with such discount or premium could result in variability in its yield to maturity. For an example of how the weighted average life of a Certificate may be affected at various percentages of CPR and 100% PLD, see the Decrement Tables below.

Decrement Tables

The following tables indicate the percentages of the original principal balances or notional balances of the specified Classes that would be outstanding after each of the dates shown at the indicated constant percentages of CPR and 100% PLD and the corresponding weighted average lives of such Classes. We prepared the tables on the basis of the Pricing Assumptions. It is unlikely, however, that prepayments of the Mortgage Loans will conform to any *constant* level of CPR or PLD, and we do not represent that the Mortgage Loans will prepay at the CPR/PLD levels described herein or in accordance with any other scenario.

Percent of Original Principal Balances Outstanding

	A Class							B Class							C Class						
	CPR Prepayment Assumption							CPR Prepayment Assumption							CPR Prepayment Assumption						
Date	**0%**	**10%**	**15%**	**25%**	**30%**	**40%**	**50%**	**0%**	**10%**	**15%**	**25%**	**30%**	**40%**	**50%**	**0%**	**10%**	**15%**	**25%**	**30%**	**40%**	**50%**
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2004	97	86	80	69	64	53	42	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2005	94	73	64	47	39	25	13	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2006	90	62	50	30	22	9	0	100	100	100	100	100	100	88	100	100	100	100	100	100	100
July 2007	87	52	39	18	10	0	0	100	100	100	100	100	86	1	100	100	100	100	100	100	100
July 2008	83	43	29	9	2	0	0	100	100	100	100	100	16	0	100	100	100	100	100	100	31
July 2009	79	35	21	2	0	0	0	100	100	100	100	58	0	0	100	100	100	100	100	58	0
July 2010	74	28	14	0	0	0	0	100	100	100	69	12	0	0	100	100	100	100	100	18	0
July 2011	70	22	9	0	0	0	0	100	100	100	26	0	0	0	100	100	100	100	68	0	0
July 2012	65	16	4	0	0	0	0	100	100	100	0	0	0	0	100	100	100	91	33	0	0
July 2013	60	11	*	0	0	0	0	100	100	100	0	0	0	0	100	100	100	53	9	0	0
July 2014	54	7	0	0	0	0	0	100	100	63	0	0	0	0	100	100	100	26	0	0	0
July 2015	48	3	0	0	0	0	0	100	100	31	0	0	0	0	100	100	100	6	0	0	0
July 2016	42	0	0	0	0	0	0	100	98	5	0	0	0	0	100	100	100	0	0	0	0
July 2017	35	0	0	0	0	0	0	100	61	0	0	0	0	0	100	100	72	0	0	0	0
July 2018	28	0	0	0	0	0	0	100	28	0	0	0	0	0	100	100	42	0	0	0	0
July 2019	20	0	0	0	0	0	0	100	0	0	0	0	0	0	100	100	19	0	0	0	0
July 2020	13	0	0	0	0	0	0	100	0	0	0	0	0	0	100	60	*	0	0	0	0
July 2021	6	0	0	0	0	0	0	100	0	0	0	0	0	0	100	29	0	0	0	0	0
July 2022	1	0	0	0	0	0	0	100	0	0	0	0	0	0	100	9	0	0	0	0	0
July 2023	0	0	0	0	0	0	0	79	0	0	0	0	0	0	100	0	0	0	0	0	0
July 2024	0	0	0	0	0	0	0	45	0	0	0	0	0	0	100	0	0	0	0	0	0
July 2025	0	0	0	0	0	0	0	14	0	0	0	0	0	0	100	0	0	0	0	0	0
July 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	84	0	0	0	0	0	0
July 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56	0	0	0	0	0	0
July 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30	0	0	0	0	0	0
July 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	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)**	11.0	4.9	3.6	2.3	1.9	1.3	1.0	20.9	14.4	11.5	7.5	6.2	4.5	3.4	24.3	17.5	14.9	10.3	8.6	6.3	4.8

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

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

	IO1† and IO4† Classes							IO2† Class							IO3† Class						
	CPR Prepayment Assumption							CPR Prepayment Assumption							CPR Prepayment Assumption						
Date	0%	10%	15%	25%	30%	40%	50%	0%	10%	15%	25%	30%	40%	50%	0%	10%	15%	25%	30%	40%	50%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2004	97	88	83	73	68	58	48	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2005	94	76	68	53	46	34	23	100	100	100	100	100	100	100	100	100	100	100	100	78	54
July 2006	92	66	56	38	31	19	10	100	100	100	100	100	100	92	0	0	0	0	0	0	0
July 2007	88	58	46	27	20	10	4	100	100	100	100	100	91	38	0	0	0	0	0	0	0
July 2008	85	50	37	19	13	5	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2009	81	43	30	13	8	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2010	77	36	24	9	5	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2011	73	31	19	6	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2012	69	26	15	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2013	64	22	12	2	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2014	59	18	9	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2015	54	14	6	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2016	48	11	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2017	42	9	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2018	36	6	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2019	29	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2020	23	3	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2021	17	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2022	12	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2023	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2024	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2025	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2026	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2027	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2028	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2029	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July 2036	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)**	12.3	6.1	4.7	3.0	2.5	1.8	1.3	4.8	4.8	4.8	4.8	4.8	4.6	3.8	2.7	2.7	2.7	2.7	2.7	2.4	2.1

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

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

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

Characteristics of the R and RL Classes

The R and RL Classes will not have principal balances and will not bear interest. If any assets of the Trust remain after the principal balances of all Classes are reduced to zero, we will pay the Holder of the R Class the proceeds from those assets. If any assets of the Lower Tier REMIC remain after the principal balances of the Lower Tier Regular Interests are reduced to zero, we will pay the proceeds of those assets to the Holder of the RL Class. We do not expect that any such 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 Multifamily 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 and the additional representation discussed below 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 Multifamily 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 Multifamily 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 Multifamily 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 Multifamily 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.

THE TRUST AGREEMENT

The following summary descriptions of certain provisions set forth in the Trust Agreement do not purport to be complete and are subject to, and qualified in their entirety by reference to, the provisions of the Trust Agreement.

Servicing of the Participation Certificates

Modification, Waivers and Amendments. With respect to any Participation Certificate, we must use reasonable efforts to monitor the actions of the related servicer with respect to such Participation Certificate and the related Mortgage Loan in connection with (i) any potential modification, waiver or amendment of any term of such Participation Certificate or Participation Agreement or (ii) any action by the servicer, that would possibly (A) result in an adverse event with respect to the qualification of the REMICs or (B) cause any Participation Certificate to cease to be a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code. We must direct the servicers with respect to such matters to the extent (but only to the extent) permitted to do so by the related Participation Agreement.

Defaults Under Participation Agreements. If we gain actual knowledge of any default on the part of the related servicer under any Participation Agreement and if such default is of a nature that the related Participation Agreement would permit the termination of the defaulting party, then unless such default is promptly cured or we waive such default, we may, in accordance with the terms of the related Participation Agreement, terminate the defaulting party thereunder and appoint such a successor as would be appropriate thereunder. If no other suitable successor can be found, we may act as such successor. In any event, so long as such default shall not have been remedied, we, in addition to the rights specified above, must take all actions now or hereafter existing at law, in equity or by statute to enforce the rights and remedies and to protect the interests of the Certificateholders and the holders of the Subordinate Class as the beneficial owners of the related Participation Certificates (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith). If a default by the mortgagor of the related Mortgage Loan occurs, then, to the extent the related Participation Agreement grants the holder of the related Participation Certificate the right to direct the servicer with respect to the remedies to be exercised with respect to such default, we must direct the servicer to file an insurance claim and assign such Mortgage Loan to the FHA.

Purchase of Participation Certificates with respect to Defaulted Mortgage Loans. If we discover or are notified that a servicer intends to file an insurance claim with respect to a defaulted Mortgage

Loan backing a Participation Certificate, we must notify the holders of the Subordinate Class and the Seller, and the holders of a majority of the Subordinate Class, the Seller and the Master Servicer may, at their respective options, purchase the related Participation Certificate at the applicable Purchase Price (as defined below) by delivering cash in an amount equal to the applicable Purchase Price to Fannie Mae no earlier than 61 days and no later than 105 days following the date on which the mortgagor shall have failed to make the payment or perform the covenant that caused such default. Upon our receipt of the applicable Purchase Price for any Participation Certificate, we will release it to the purchaser.

Receipt of FHA Debentures. If (i) we receive as a distribution in kind on a Participation Certificate any FHA Debentures received as part of the FHA Insurance Benefits in respect of any defaulted Mortgage Loan assigned to the FHA or (ii) if we discover or are notified that FHA Debentures so received in respect of any defaulted Mortgage Loan back a Participation Certificate and will not be distributed in kind, then we will promptly notify the Master Servicer and will promptly deliver such FHA Debentures to the Master Servicer, which will arrange for the sale of any such FHA Debenture or Participation Certificate. See "The Sale and Servicing Agreement—Sale of FHA Debentures" in this Prospectus Supplement.

Termination

Pursuant to the Trust Agreement, the holders of a majority of the Subordinate Class or the Master Servicer may purchase all the Mortgage Assets remaining in the Lower-Tier REMIC and effect an early termination of the Lower-Tier REMIC and the Trust at any time that the aggregate stated principal balance of all the Mortgage Assets remaining in the Lower-Tier REMIC is five percent or less (one percent or less if all the Mortgage Assets remaining in the Lower-Tier REMIC are GNMA Certificates) of the principal balance of the Mortgage Assets as of July 1, 2003, for a purchase price generally equal to the aggregate outstanding principal balance, and thirty days accrued interest, for all the Mortgage Assets remaining in the Lower-Tier REMIC. See "The Sale and Servicing Agreement—Termination" in this Prospectus Supplement.

THE SALE AND SERVICING AGREEMENT

We, as purchaser, Greystone Funding Corporation, as seller (the "Seller"), Midland Loan Services, Inc., as master servicer (the "Master Servicer"), and PNC Bank, National Association, as fiscal agent, are parties to a Sale and Servicing Agreement dated as of July 1, 2003 (the "Sale and Servicing Agreement"), pursuant to which we acquired the Mortgage Assets from the Seller and, pursuant to our powers under the Trust Agreement, we engaged the Master Servicer, as our independent contractor, to administer the Mortgage Participations and to monitor servicing of the Mortgage Loans backing the Mortgage Participations.

The primary servicer of a majority of the Mortgage Loans is an affiliate of the Seller.

The Sale and Servicing Agreement is a contract solely between us and the other named parties. The Certificateholders do not have any claims, rights, obligations, duties or liabilities with respect to the Sale and Servicing Agreement or such other parties except to the limited extent described in this Prospectus Supplement.

General

The Sale and Servicing Agreement sets forth the standards and the detailed procedures to be followed by, and rights and obligations of, the Master Servicer with respect to servicing and administering the Mortgage Participations on our behalf.

Master Servicer. In general, the Master Servicer is responsible for (i) monitoring the performance of the servicers of the Mortgage Loans under the related Participation Agreements, (ii) directing (subject in certain circumstances to our consent) the servicers under the related Participation

Agreements with respect to certain matters relating to the Mortgage Loans, to the extent such direction is permitted under the related Participation Agreements, (iii) under certain circumstances, selling Participation Certificates relating to defaulted Mortgage Loans and FHA Debentures, (iv) making Advances (as defined below) and (v) collecting payments on the Participation Certificates.

Advances

Delinquency Advances. The Master Servicer is generally obligated, with respect to each Participation Certificate on each Distribution Date, to make "Delinquency Advances" in an amount equal to the excess of (i) the scheduled monthly payment on such Participation Certificate over (ii) the portion of the aggregate remittance received in respect of such Participation Certificate (net of any portion thereof allocable to pay related unpaid Master Servicing Fees and Fannie Mae guaranty fees and to reimburse related Advances).

Servicing Advances. The Master Servicer is also required to cover certain servicing and administrative expenses ("Servicing Advances") with respect to the Mortgage Loans backing the Participation Certificates; *provided, however*, that Master Servicer will not make any particular Servicing Advance if and to the extent that (i) the Master Servicer determines, in its good faith and reasonable judgment, that such Servicing Advance, if made, would not be specifically covered by the FHA Insurance Benefits with respect to the related Mortgage Loan and (ii) the failure to make such Servicing Advance would not adversely affect the ability to recover the full amount of FHA Insurance Benefits in respect of the related Mortgage Loan; and *provided, further*, that the Master Servicer shall not be required to make any Servicing Advance that the Master Servicer determines, in its reasonable and good faith judgment, would, if made, be nonrecoverable from collections as described in "—*Recoverability of Advances*" below.

Recoverability of Advances. The Master Servicer is entitled to reimburse itself with payments from the Mortgage Assets for unreimbursed Advances.

Interest on Advances. The Master Servicer will be entitled to interest on each Advance at a rate per annum equal to two percentage points above the "federal funds rate" set forth from time to time in Federal Reserve Statistical Release H.15 (519), as most recently published by the Board of Governors of the Federal Reserve System, generally payable at or after the time that the Master Servicer has been compensated for the related Advance.

Purchase of Participation Certificates with respect to Defaulted Mortgage Loans

If the Master Servicer learns that the servicer of a Mortgage Loan backing a Participation Certificate (the "PC Servicer") intends to file an FHA insurance claim as a result of a default with respect to a Mortgage Loan, Fannie Mae Servicer will notify the holders of the Subordinate Class and the Seller. Thereafter, the holders of a majority of the Subordinate Class, the Seller and the Master Servicer may, at their respective options, purchase the related Participation Certificate at the applicable purchase price by delivering cash, in an amount generally equal to the outstanding principal balance plus accrued and unpaid interest (the "Purchase Price"), to the Master Servicer no earlier than 61 days and no later than 105 days following the date on which the mortgagor shall have failed to make the payment or perform the covenant that shall have caused such default.

Sale of FHA Debentures

If any FHA Debentures are received as part of the FHA Insurance Benefits in respect of any defaulted Mortgage Loan backing a Participation Certificate or if the Master Servicer discovers or is notified that FHA Debentures have been so received in respect of any defaulted Mortgage Loan backing a Participation Certificate and will not be distributed in kind, then the Master Servicer will promptly arrange for the sale any such FHA Debentures or related Participation Certificate, as the case may be, within 7 days of its receipt of the FHA Debentures or discovery with respect to a defaulted Mortgage Loan that the underlying FHA Debentures will not be distributed in kind and will deposit the proceeds of any such sale in the Custodial Account.

Servicing and Administration of the Participation Certificates

If at any time any person whatsoever requests the Master Servicer to take any action in respect of a Participation Certificate (other than the disposition thereof) or to give any consent, approval or waiver in respect thereof, then: (i) if such request is made in connection with the servicing and administration of the related Mortgage Loan or any Mortgaged Property acquired in respect thereof, the Master Servicer will inform us, and the Master Servicer shall act in the best interest of the Certificateholders and the holders of the Subordinate Class; (ii) if such request is made in connection with the termination of, or the exercise of any other remedy against, the servicer under the related Participation Agreement as a result of a default by such party thereunder, the Master Servicer shall proceed as described in the accordance with the second succeeding paragraph; and (iii) if such request is made in connection with an amendment of the related Participation Agreement, any change in the Mortgage Loan or any other matter (not covered by the immediately preceding clause (i) or clause (ii)) relating to the receipt of payments by Certificateholders or holders of the Subordinate Class or any other material rights of the Certificateholders or holders of the Subordinate Class, the Master Servicer shall promptly notify us of such request in writing and shall take such action in connection with the exercise and/or enforcement of any rights and/or remedies available to the registered holder of such Participation Certificate with respect to such request as we shall direct in writing; *provided, however*, that, if the Master Servicer does not receive written instructions from us within 30 days (or within such shorter time as is required for response under the related Participation Agreement) of our receipt of such notification from the Master Servicer, the Master Servicer may (i) take such course of action as it determines, in its reasonable and good faith judgment, to be in the best interests of Certificateholders and holders of the Subordinate Class or (ii) refuse to take such requested action or to give any such requested consent, approval or waiver.

If at any time any person whatsoever requests the Master Servicer to take any action with respect to any FHA Debentures distributed on any Participation Certificates (other than the disposition thereof) or to give any consent, approval or waiver in respect thereof, then the Master Servicer will promptly inform us in writing of such request, and the Master Servicer may take such course of action, grant or withhold such consent, waiver or approval or otherwise appropriately act, in any event as it determines, in its reasonable and good faith judgment, to be in the best interests of the Certificate-holders and the holders of the Subordinate Class; except that, if such request relates to receipt of payments by the Certificateholders or the holders of the Subordinate Class or any other material rights of the Certificateholders or the holders of the Subordinate Class, then the Master Servicer will inform us of such request and shall take such action as directed in writing by us. If the Master Servicer does not receive written instructions from us within 30 days of our receipt of notification from the Master Servicer, the Master Servicer may (i) take such course of action as it determines, in its reasonable and good faith judgment, to be in the best interests of the Certificateholders and the holders of the Subordinate Class or (ii) refuse to take such requested action or give any such requested consent, approval or waiver.

If the Master Servicer shall gain actual knowledge (including as a result of notification by us) of any default on the part of a PC Servicer under any Participation Agreement, the Master Servicer will promptly notify us of such default in writing and, if it is of a nature that the related Participation Agreement would permit the termination of the defaulting party, then unless the PC Servicer promptly cures such default or we instruct the Master Servicer to waive such default, the Master Servicer may, in accordance with the terms of the related Participation Agreement, terminate the defaulting party thereunder and either assume the servicing under the related Participation Agreement or appoint such a successor as would be appropriate as a successor thereunder. In any event, if no other suitable successor can be found, then the Master Servicer will, unless it is prohibited by law or by us, accept appointment as such successor subject to the terms of the related Participation Agreement. In any event, so long as such default shall not have been remedied, the Master Servicer, in addition to the rights specified above, may take all actions now or thereafter existing at law, in equity or by statute to enforce the rights and remedies and to protect our interests (in our capacity as Trustee) and the rights, remedies and interests of Certificateholders and the holders of the Subordinate Class as the beneficial owners of the related Participation Certificate (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith).

If a default by the mortgagor of the related Mortgage Loan occurs, then, to the extent the related Participation Agreement grants the holder of the related Participation Certificate the right to direct the PC Servicer with respect to the remedies to be exercised with respect to such default, the Master Servicer shall direct the PC Servicer to file an insurance claim and assign such Mortgage Loan to the FHA. The Master Servicer, on our behalf and on behalf of the Certificateholders and the holders of the Subordinate Class, is required to monitor the performance (and, except with respect to such matters described above for which it is required to act at our direction, enforce the obligations) of the respective PC Servicers under the Participation Agreements.

Notwithstanding anything to the contrary, the Master Servicer shall not take any action described under this caption "Servicing and Administration of Participation Certificates" that will materially and adversely affect the holders of the Subordinate Class without the consent of the holders of a majority interest in the Subordinate Class, *provided, however,* that in no event will the Master Servicer require any such consent in order to direct the filing an FHA insurance claim with respect to a defaulted Mortgage Loan backing a Mortgage Participation.

Representations and Warranties; Repurchases

In the Sale and Servicing Agreement, the Seller will make certain customary representations and warranties for our benefit with respect to the Mortgage Assets. In the Trust Agreement, we will assign to the Trustee all such representations and warranties given to us with respect to the Mortgage Assets and will also give the Trustee the right to enforce directly the remedies set forth in the Sale and Servicing Agreement with respect to a breach of any such representations and warranties. The representations and warranties in the Sale and Servicing Agreement will continue in effect throughout the term of the Sale and Servicing Agreement. Following the discovery of a breach of any of such representations and warranties that is determined to affect materially and adversely the value of a Mortgage Asset, the Trustee may (but is not obligated to) require the Seller to purchase the affected Mortgage Asset from the Lower-Tier REMIC at the applicable Purchase Price.

Amendment

The Sale and Servicing Agreement may be amended from time to time without the consent of any of the Certificateholders by us and, if materially and adversely affected thereby, the Seller, the Master Servicer and the Fiscal Agent. Certain provisions of the Sale and Servicing Agreement expressly grant rights or benefits to the holders of a majority interest in the Subordinate Class, and such holders are third party beneficiaries of such provisions.

Termination

The obligations and responsibilities created by the Sale and Servicing Agreement will terminate upon payment (or provision for payment) to the Certificateholders and the holders of the Subordinate Class of all amounts held by or on behalf of the Trustee and required under the Trust Agreement to be so paid on the Distribution Date following the earlier to occur of (i) the purchase by the holders of a majority interest in the Subordinate Class or the Master Servicer (in that order of priority) of all the Mortgage Assets remaining in the Lower-Tier REMIC if the aggregate stated principal balance of the Mortgage Assets remaining in the Lower-Tier REMIC as of the date of such election is five percent or less (or one percent or less, if the Mortgage Assets remaining in the Lower-Tier REMIC are entirely GNMA Certificates) of the principal balance of the Mortgage Assets as of July 1, 2003, and (ii) the final payment (or any advance with respect thereto) on or other liquidation of the last Mortgage Assets remaining in the Lower-Tier REMIC. The purchase price payable by the Master Servicer or the holders of a majority of the Subordinate Class pursuant to clause (i) of the preceding sentence will be generally equal to the outstanding principal balance, and thirty days accrued interest, for all the Mortgage Assets then remaining in the Lower-Tier REMIC.

DESCRIPTION OF THE MORTGAGE LOANS

General

The Lower-Tier REMIC will consist of 115 Mortgage Assets with an aggregate Issue Date Balance of approximately $318,226,739 as of July 1, 2003 (the "Issue Date Pool Balance"), subject to a permitted variance of plus or minus 5%. The "Issue Date Balance" of each Mortgage Asset is equal to the "Issue Date Balance" of the related Mortgage Loan, and the "Issue Date Balance" of each Mortgage Loan (to the extent represented by such Mortgage Asset) is the actual unpaid principal balance thereof as of July 1, 2003, after application of all payments of principal due on or before such date, whether or not received. The Mortgage Assets will be sold by the Seller.

The Seller collected and summarized the information with respect to the Mortgage Loans included in this Prospectus Supplement. It provided such information to us, and we did not make an independent verification of such information and, therefore, do not warrant its truth or accuracy and shall not be responsible therefor.

The Participation Certificates

Each of the Participation Certificates was issued pursuant to a "Participation Agreement" between a mortgagee that originated or owned the related Mortgage Loan, a servicer with respect to such Mortgage Loan, which generally is such mortgagee, and the holder of the Participation Certificate. Pursuant to the Participation Agreement, such servicer is responsible for the servicing of the related Mortgage Loan, including collecting all amounts due thereunder, monitoring the performance by the mortgagor under the terms of the related Mortgage Loan and maintaining the FHA Insurance Contract with respect thereto. Although we will be the registered holder of the Participation Certificate, our ability, and the ability of the Master Servicer as our agent, to direct the related servicer with respect to the servicing of the Mortgage Loan will be limited to the rights granted to the holder of the Participation Certificate under the Participation Agreement. Generally, the holder of the Participation Certificates has been given the right to direct the disposition of the Mortgage Loans following defaults with respect thereto and to replace a servicer should it default under the Participation Agreement.

We expect that 112 Mortgage Loans will underlie the Participation Certificates, with an aggregate Issue Date Balance of approximately $303,529,477. Those Mortgage Loans are fixed rate, level-pay and fully amortizing. Each such Mortgage Loan is secured by a Mortgage on a Mortgaged Property and is insured, to the extent and subject to the limitations described in this Prospectus Supplement, by the FHA.

GNMA Certificates

The Government National Mortgage Association is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), authorizes GNMA to guarantee the timely payment of the principal of, and interest on, certificates that are based on and backed by a pool of mortgage loans insured by the Federal Housing Administration ("FHA") under the Housing Act or Title V of the Housing Act of 1949, or partially guaranteed by the Department of Veterans Affairs under the Servicemen's Readjustment Act of 1944, as amended, or Chapter 37 of Title 38 of the United States Code.

Section 306(g) of the Housing Act provides that "the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." To meet its obligations under such guaranties, GNMA is authorized, under Section 306(d) of the Housing Act, to borrow from the United States Treasury with no limitations as to amount.

Each GNMA Certificate will be a "fully modified pass-through" mortgage-backed security issued and serviced by a mortgage banking company or other financial concern approved by GNMA as a seller-servicer of loans insured by the FHA.

We expect that 3 Mortgage Loans will underlie the GNMA Certificates, with an aggregate Issue Date Balance of approximately $14,697,261. Those Mortgage Loans are fixed-rate and are level-pay and fully amortizing. Each such Mortgage Loan is secured by a Mortgage that creates a lien on the applicable borrower's estate in a Mortgaged Property.

FHA Insurance Programs

FHA multifamily insurance programs generally are designed to assist private and public mortgagors in obtaining insured financing for the construction, purchase or rehabilitation of multifamily housing pursuant to the Housing Act or, with respect to a risk sharing pilot program, the Housing and Community Development Act of 1992, as amended. Mortgage loans are provided by FHA-approved institutions, which include mortgage bankers, commercial banks, savings and loan associations, trust companies, insurance companies, pension funds, state and local housing finance agencies and certain other approved entities.

Mortgage loans insured under the programs described below will have such maturities and amortization features as the FHA may approve, provided that generally the minimum mortgage term will be at least ten years and the maximum mortgage term will not exceed the lesser of 40 years and 75 percent of the estimated remaining economic life of the improvements on the mortgaged property.

Tenant eligibility for FHA-insured projects generally is not restricted by income, except for projects as to which rental subsidies are made available with respect to some of or all the units therein or to specified tenants.

HUD's default and prepayment experience with respect to its FHA programs is available at the Office of the Housing-FHA Comptroller, Statistical and Actuarial Analysis Staff (phone: (202) 755-7510).

The following is a summary of the various FHA insurance programs under which the Mortgage Loans are insured. To the extent that the various FHA features and eligibility criteria described below are not required by the Housing Act or related rules, program changes may be implemented by HUD in underwriting and insuring project loans.

Section 220 (Multifamily Projects in Urban Renewal Areas). Section 220 of the Housing Act provides for insurance of mortgage loans on multifamily rental projects located in federally aided urban renewal areas or in areas having a local redevelopment or urban renewal plan certified by the FHA. The mortgage loans may finance the rehabilitation of existing housing (including the refinancing of existing loans) or new construction in targeted areas, and subject to FHA limitations may also finance non-dwelling facilities such as commercial space. The purpose of Section 220 is to encourage quality rental housing in urban areas targeted for overall revitalization.

Section 221(d)(3) and Section 221(d)(4) (Low and Moderate Income Multifamily Housing Mortgage Insurance). Section 221(d)(3) and Section 221(d)(4) of the Housing Act provide for mortgage insurance to assist in the construction or substantial rehabilitation of rental and cooperative housing for low- and moderate-income families and families that have been displaced as a result of urban renewal, governmental actions or disaster. Non-profit and cooperative owners use Section 221(d)(3); for-profit owners use Section 221(d)(4).

The maximum insurable amount is the lowest of the following: (i) the aggregate of maximum per dwelling unit amounts, as may be subject to certain HUD adjustments; (ii) in the case of new construction, the applicable percentage of HUD's estimate of the replacement cost after completion, less the amount of grant/loan funds attributable to replacement cost items (in the case of substantial rehabilitation or reconstruction, HUD's estimate is based upon the cost estimate of rehabilitation and fair market value of the land and existing improvements before rehabilitation instead of replacement cost after completion); or (iii) a loan amount whose debt service does not exceed the applicable percentage of the project's net income, as may be subject to certain HUD adjustments. For non-profit owners and cooperatives, the applicable percentage is 100%; for profit-motivated owners, the applicable percentage is 90%.

Section 223(a)(7) (Refinancing of FHA-Insured Mortgages). Section 223(a)(7) of the Housing Act permits the FHA to refinance existing mortgage loans under any section or title of the Housing Act. Such refinancing results in prepayment of the existing insured mortgage loan. The principal amount of the new, refinanced mortgage loan generally is limited to the lesser of the original principal amount of the existing mortgage loan and the unpaid balance of the existing mortgage loan. The maximum amount for loans previously refinanced under Section 223(f) (described below) is based on the amount that can be amortized by 90 percent of the project's net operating income, which amount can be increased to 95 percent if the borrower is a nonprofit organization.

The term of a new mortgage loan insured under Section 223(a)(7) may not exceed the unexpired term of the existing mortgage loan, except that it may have a term of up to twelve years in excess of the unexpired term of the existing mortgage loan if the FHA determines that such extended term will inure to the benefit of the insurance fund under which the mortgage loan is insured, taking into consideration the outstanding insurance liability under the existing insured loan and the remaining economic life of the related property.

Section 223(e): Section 223(e) of the Housing Act provides for the FHA to insure a mortgage loan executed in connection with the repair, rehabilitation, construction, or purchase of property located in an older, declining urban area under certain conditions. Such a mortgage loan can be financed under any FHA insurance program even if one or more eligibility requirements applicable to such insurance program is not met, if there is a finding that: (1) the area is reasonably viable, giving consideration to needs for families of low and moderate income in such area, and (2) the property is an acceptable risk in view of such consideration.

Section 223(f) (Purchase or Refinancing of Existing Projects). Section 223(f) of the Housing Act provides for federal insurance of mortgage loans originated by FHA-approved lenders in connection with the purchase or refinancing of existing multifamily housing complexes that do not require substantial rehabilitation. The principal objective of the Section 223(f) program is to permit the refinancing of mortgage loans to provide for a lower debt service in order to preserve an adequate supply of affordable rental housing. Such projects may have been financed originally with conventional or FHA-insured mortgages.

To be eligible for insurance under Section 223(f), a project must have rental income sufficient to pay operating expenses and annual debt service, and must have a reserve fund for replacements or provide an operating deficit fund on terms approved by the FHA. The cost of repairs, replacements and improvements may not exceed the greater of 15 percent of the property's value after the improvements and $6,500 per dwelling unit (adjusted for high-cost areas); and no more than one major building component may be replaced. The project must have been completed at least three years prior to the application for mortgage insurance, and its remaining economic life must be at least ten years.

If the project is to be acquired by the mortgagor and financed in part with the insured mortgage loan, the maximum mortgage loan amount under Section 223(f) is 85 percent of the cost of acquisition as determined by the FHA (90 percent of such amount for a cooperative multifamily project and for projects financed with state or local assistance or located in older, declining urban areas that meet certain eligibility requirements). If, on the other hand, the property is to be refinanced without a change in ownership, then the maximum mortgage loan amount may not exceed: (a) for rental projects, the greater of 70 percent of the estimated value of the property and the cost of refinancing the existing indebtedness; and (b) for cooperative projects, the cost of refinancing the existing indebtedness. In addition to the above limitations, a mortgage loan insured under Section 223(f) may not have a principal amount in excess of the lesser of 85 percent of the estimated value of the project and the statutory per dwelling unit amount.

Secondary financing on multifamily housing projects is permissible under Section 223(f). The secondary debt may be secured by a second lien on the related project and cannot mature prior to the maturity date of the original mortgage loan but may be prepaid out of surplus cash from operations of the project. If a loan is made to finance the purchase of an existing project, the second mortgage loan may not exceed 7.5 percent of the lesser of the estimated value of the project and the cost of acquisition. In the case of secondary financing used to refinance an existing project, the second mortgage may not exceed the lesser of 7.5 percent of the estimated value of the project and 50 percent of the difference between the cost of refinancing the project and the maximum mortgage loan amount determined by the FHA.

Section 231 (Mortgage Insurance for Elderly Housing Projects). Section 231 provides federal mortgage insurance for loans obtained for the new construction or substantial rehabilitation of housing projects in which at least half of the units are rented to elderly or handicapped persons. The maximum insurable loan for new construction under Section 231 is the lesser of (a) the statutory per dwelling unit amount and (b) for public and private nonprofit mortgagors, the estimated full replacement cost of the project or, for private, profit-motivated mortgagors, 90 percent of such estimated replacement cost. A mortgage loan for properties other than new construction may not exceed the estimated value of the project after completion of the rehabilitation for public and private nonprofit mortgagors, or 90 percent of such estimated value for private, profit-motivated mortgagors.

A mortgage that involves reconstruction or rehabilitation is subject to the following additional limitations under Section 231: (i) if the mortgagor is the fee simple owner of the project, then (except as contemplated by clauses (ii) and (iii) of this paragraph) the maximum mortgage loan is the estimated cost of the proposed reconstruction or rehabilitation; (ii) if the mortgage loan is in part for the refinancing of a project subject to an outstanding indebtedness, then the maximum amount is the sum of the estimated cost of reconstruction or rehabilitation plus, for a nonprofit mortgagor, such portion of the outstanding debt not exceeding the estimated fair market value of the land and improvements prior to the reconstruction or rehabilitation or, for a private, profit-motivated mortgagor, 90% of such estimated value; and (iii) if part of the insured mortgage loan is to finance the acquisition of a project, then the maximum mortgage amount is as follows: (a) for a nonprofit mortgagor, the estimated cost of the proposed reconstruction or rehabilitation plus the actual purchase price of the land and improvements not in excess of the estimated fair market value of the land and improvements prior to the reconstruction or rehabilitation and (b) for a profit-motivated mortgagor, 90% of the estimated cost of the reconstruction or rehabilitation, plus 90% of the lesser of (x) the actual purchase price of the land and improvements and (y) the estimated fair market value of such land and improvements prior to reconstruction or rehabilitation.

Sections 232/223(f) (Mortgage Insurance for Nursing Homes and Other Care Facilities). Section 232 of the Housing Act provides for FHA insurance of private construction mortgage loans to finance new or rehabilitated nursing homes, intermediate care facilities, board and care homes, assisted living for the frail elderly or allowable combinations thereof, including equipment to be used in their operation. Section 232 also provides for supplemental loans to finance the purchase and installation of fire safety equipment in these facilities. However, these loans are governed by different restrictions and limitations than those set forth below for the actual facilities.

The maximum mortgage amount that is insurable under Section 232 for new construction and substantial rehabilitation is, for profit-motivated mortgagors, 90 percent of the estimated value of the project, including the equipment to be used in the operation, when the proposed improvements are completed and the equipment is installed, and 95 percent of such value for private nonprofit mortgagors.

A mortgage executed in connection with the purchase or refinancing of existing projects under Section 232 pursuant to Section 223(f) of the Housing Act must have a principal amount no greater than 85 percent for a profit-motivated mortgagor (90 percent for a private nonprofit mortgagor) of the estimated value of the project, including major equipment and any repairs and improvements. Such mortgage also may not exceed the amount that could be amortized by 85 percent for profit-motivated mortgagors (90 percent for nonprofit) of the net projected project income available for payment of debt service. If the project is to be refinanced by the insured mortgage loan without a change in ownership, the maximum mortgage amount may not exceed the cost to refinance the existing indebtedness, as determined by the FHA. If the mortgage loan insured pursuant to Section 223(f) is to be used in part to finance the acquisition of the project by the mortgagor, in addition to the above-mentioned limits, the maximum loan amount is 85 percent of the cost of acquisition for profit-motivated mortgagors and 90 percent for nonprofit mortgagors.

Section 236 (Subsidized Debt Service Payments). Section 236 of the Housing Act combines governmental mortgage insurance on multifamily housing projects with subsidized payments to reduce the project owners' monthly debt service payments. These reduced payments, in turn, are passed on to the income-eligible tenants of the project in the form of lower rents. Normally to qualify for rental assistance under Section 236, tenants' annual income must be less than 80 percent of the median income of the area. The program serves both elderly individuals and low-income families. Originations under Section 236 are no longer active, although refinancings under Section 223(a)(7) have been authorized.

Section 244 (Co-Insurance). Section 244 of the Housing Act authorizes HUD to provide co-insurance for eligible lenders, for loans that would normally qualify for insurance under the Housing Act. In consideration of HUD delegating to a specially licensed lender certain underwriting functions under co-insurance, the lender agreed to specified percentages losses in the event of a claim under the co-insurance contract. In the late 1980's and early 1990's, coinsurance was commonly used to originate loans that financed new construction or substantial rehabilitation of multifamily residential housing under Section 221(d) of the Housing Act and existing projects underwritten under Section 207 pursuant to Section 223(f) of the Housing Act. Originations under Section 244 are no longer active. Moreover, many of the project loans originally co-insured by HUD, and specifically, all such Mortgage Loans backing the Participation Certificates, were subsequently converted to a contract of insurance under their related insurance section (*e.g.*, Section 221). The holder of a mortgage loan converted to HUD insurance has the same contractual rights to insurance benefits as a holder of a mortgage loan with the same terms but insured by HUD under the contract of insurance at origination.

The Section 8 Program

Project-based Section 8 rent subsidies are paid by HUD to owners of certain types of low income multifamily housing properties on behalf of eligible tenants. Tenant eligibility is determined based upon family income and size, as well as the median income for the area. The subsidy paid by HUD is based on the difference between the rent charged to the tenant (which rent is established by HUD, as set forth below) and the tenant's ability to pay. The payment of subsidies to a particular project owner is made pursuant to a Housing Assistance Payment contract (a "HAP Contract") between the owner of the project and HUD or between the owner and a local public housing authority ("PHA"), depending on which entity is administering the HAP Contract.

Section 8 assistance may be either tenant-based or project-based. Tenant-based assistance involves subsidy payments made to a PHA on behalf of eligible tenants which the PHA pays to the project owner. "Project-Based Assistance" differs from tenant-based assistance in that subsidies not linked to particular tenants are paid to the owner directly from HUD. Generally, housing projects qualified for Project-Based Assistance provide that the tenants therein spend, in general, at least approximately 30% of their gross monthly income on rent and have household income below approximately 80% of the median income level for their geographic area. HUD can set the basic income limits higher or lower than 80%, based on the prevailing level of construction costs or unusually high or low incomes. There are, however, overall restrictions on the number of assisted tenants whose households are not classified as ''very low income'' households. ''Very-low income'' for a family of four is defined as 50% of area median income, and the percentage is adjusted for family size.

In some cases, the ability of a project owner to meet its payment obligations under an FHA-insured mortgage loan may be dependent upon its ability to obtain further subsidies to replace the expiring Project Based Assistance. Because the remaining term to maturity of an affected Mortgage Loan may be longer than the remaining term of any related HAP Contract, and because there is no assurance that HUD will extend the term of any particular HAP Contract upon its expiration, it is possible that the expiration of a HAP Contract with respect to a particular Mortgaged Property could result in an unscheduled recovery of principal due to a full or partial FHA-insurance claim or prepayment with respect to the related Mortgage Loan, notwithstanding any prepayment lockout otherwise applicable thereto. See ''Yield Considerations'' herein.

Moreover, before a technical default occurs, HUD may seek to reduce the financial risk to the FHA Insurance Fund by restructuring the project's debt so that the affordable nature of the housing is preserved and the involuntary displacement of tenants is minimized.

HUD's authority to renew expiring project-based HAP Contracts and to restructure the underlying debt comes from reform legislation enacted as part of the Multifamily Assisted Housing Reform and Affordability Act (the ''1997 Act''). Under the 1997 Act, HUD was authorized to renew expiring HAP Contracts at above-market rents through fiscal year 1998; currently, however, renewals are generally required at rent levels that do not exceed comparable market rents.

The 1997 Act provides for HUD to enter into agreements with ''participating administrative entities'' such as state housing finance agencies to implement mortgage restructuring and rental assistance sufficiency plans to restructure multifamily mortgages. A variety of restructuring tools are permitted under the 1997 Act, including a full or partial FHA-insurance claim, refinancing of the existing debt through new FHA multifamily mortgage insurance, re-insurance or other types of Federal or State credit enhancement or risk-sharing arrangements.

The Seller believes that the mortgagors under some of the Mortgage Loans receive some form of Section 8 assistance; however, the Seller has not been able to verify the existence of any Project-Based Assistance with respect to all the Mortgage Loans, the particular form of such Section 8 assistance, the length of any related HAP Contract or the number of units covered by or maximum dollar amount of such contract for any of such Mortgage Loans.

Historically, there have been differing default and prepayment rate experiences between loans receiving Section 8 rent subsidies and insured under certain sections of the Housing Act and those insured under the same sections but not receiving Section 8 rent subsidies. These default and prepayment rates may or may not be affected by subsequent Congressional legislation which may or may not affect projects whose Project-Based Assistance expires during the term of the FHA-insured mortgage.

Information with respect to expiring HAP Contracts is available through HUD's Section 8 Renewal Help Desk at (202) 275-9200 or via email at *sec_8_expiring_contracts@hud.gov*.

Certain Additional Characteristics of the Mortgage Loans

Mortgage Rates; Calculations of Interest. All the Mortgage Loans bear interest at mortgage interest rates (each, a "Mortgage Rate") that will remain fixed for their remaining terms. All the Mortgage Loans accrue interest on the basis of a 360-day year consisting of twelve 30-day months.

Due Dates. All the Mortgage Loans have Due Dates (that is, the dates upon which the related monthly payments first become due) that occur on the first day of each month.

Amortization. All the Mortgage Loans are fully-amortizing over their remaining terms to stated maturity. Certain of the Mortgage Loans provide that, if the related borrower makes a partial principal prepayment, such borrower will not be in default if it fails to make any subsequent scheduled payment of principal provided that such borrower continues to pay interest in a timely manner and the unpaid principal balance of such Mortgage Loan at the time of such failure is at or below what it would otherwise be in accordance with its amortization schedule if such partial principal prepayment had not been made. In some cases, partial principal prepayments have previously been made on the Mortgage Loans. The Mortgage Loans also permit the reamortization thereof if prepayments are received as a result of condemnation or insurance payments with respect to the related Mortgaged Property.

Level Payments. All the Mortgage Loans provide for level monthly payments except as discussed above and shown on Exhibit A.

"Due-on-Sale" Provisions. In general, the Mortgages Loans do not contain "due-on-sale" clauses restricting sale or other transfer of the related Mortgaged Property. Any transfer of the Mortgaged Property is subject to HUD review and approval under the terms of HUD's Regulatory Agreement with the owner, which is incorporated by reference into the mortgage.

Prepayment Restrictions. Two of the Mortgage Loans currently have provisions that prohibit voluntary prepayment ("lockout provisions"). See Exhibit A. In the case of certain Mortgage Loans, full or partial prepayments by nonprofit mortgagors cannot be effected without prior written consent from the FHA. The enforceability of these lockout provisions under certain state laws is unclear.

Certain of the Mortgage Loans have a period (a "prepayment fee period") during which voluntary and involuntary prepayments (except for prepayments resulting from condemnation or casualty losses) must be accompanied by a prepayment fee equal to a specified percentage of the principal amount of the Mortgage Loan being prepaid.

Exhibit A to this Prospectus Supplement sets forth, for each Mortgage Loan, a description of the related prepayment fee and the period during which the prepayment fee applies as well as the last month of any applicable lockout provision.

Notwithstanding the foregoing, the Mortgage Loans must include a provision which allows the FHA to override any lockout and/or prepayment fee provisions when the Mortgage Loan is in default if the FHA determines that it is in the best interest of the federal government to allow the mortgagor to refinance or partially prepay the Mortgage Loan without restrictions or penalties and thereby avoid or mitigate an FHA insurance claim.

In addition, certain of the Mortgage Loans may be prepaid in an amount up to approximately 15% of the principal balance thereof in each year without the payment of any prepayment fee thereon.

Coinsurance. Certain of the Mortgage Loans are insured under the FHA coinsurance programs that provide for the retention by the mortgage lender of a portion of the mortgage insurance risk that otherwise would be assumed by FHA under the applicable FHA insurance program. As part of such coinsurance programs, FHA delegates to mortgage lenders approved by FHA for participation in such coinsurance programs certain underwriting functions generally performed by FHA. All the Mortgage Loans backing Participation Certificates that were originally co-insured were subsequently converted to a contract of insurance under the applicable insurance program (*e.g.*, Section 221(d)(4) or other statutory provision).

Additional Mortgage Loan Information

The Mortgage Loans and Mortgaged Properties are expected to have the following additional characteristics as of the Issue Date. The figures in the columns "Aggregate Issue Date Balance" in the tables below are based on the Issue Date Balances of the related Mortgage Assets. The sum of any column in the following tables, or in the table set forth in Exhibit A hereto, may not equal the indicated total due to rounding.

Following the issuance of the Certificates, we will make available in electronic form certain data specific to the Certificates and certain information with respect to the Mortgage Loans, in each case as of the Issue Date, including information set forth on Exhibit A and will make available certain other information relating to the Mortgage Loans and the Mortgaged Properties. To obtain this information in electronic form, call Fannie Mae at 1-800-752-6440 or 202-752-6000.

Issue Date Balances

Range of Issue Date Balances ($)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
1– 500,000	10	$ 3,037,244	0.95%
500,001– 1,000,000	15	11,037,601	3.47
1,000,001– 1,500,000	14	17,607,954	5.53
1,500,001– 2,000,000	15	26,309,109	8.27
2,000,001– 2,500,000	10	22,343,396	7.02
2,500,001– 3,000,000	15	40,266,247	12.65
3,000,001– 3,500,000	9	29,258,724	9.19
3,500,001– 4,000,000	5	18,285,575	5.75
4,000,001– 4,500,000	5	20,915,460	6.57
4,500,001– 5,000,000	6	28,109,103	8.83
5,000,001– 5,500,000	2	10,195,473	3.20
5,500,001– 6,000,000	1	5,879,886	1.85
6,000,001– 6,500,000	1	6,324,563	1.99
6,500,001– 7,000,000	2	13,722,393	4.31
7,000,001– 7,500,000	2	14,362,423	4.51
10,500,001–11,000,000	1	10,953,631	3.44
12,500,001–13,000,000	1	12,703,437	3.99
26,500,001–27,000,000	1	26,914,521	8.46
Total	115	$318,226,739	100.00%

Average Issue Date Balance: $2,767,189

Mortgage Rates as of the Issue Date

Range of Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
Less than or equal to 7.000	1	$ 7,049,028	2.22%
7.001– 7.250	2	5,784,030	1.82
7.251– 7.500	91	196,946,799	61.89
7.751– 8.000	3	16,211,640	5.09
8.001– 8.250	3	8,003,880	2.52
8.251– 8.500	2	3,964,028	1.25
8.501– 8.750	1	7,313,395	2.30
8.751– 9.000	4	40,661,923	12.78
9.001– 9.250	1	4,823,992	1.52
9.501– 9.750	1	3,333,805	1.05
10.001–10.250	2	13,054,972	4.10
10.251–10.500	2	3,567,438	1.12
11.001–11.250	1	4,455,285	1.40
11.751–12.000	1	3,056,524	0.96
Total	115	$318,226,739	100.00%

Weighted Average Mortgage Rate: 8.047% per annum

Pass-Through Rates as of the Issue Date

Range of Pass-Through Rates (%)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
6.501–7.000	3	$ 12,833,058	4.03%
7.001–7.500	91	196,946,799	61.89
7.501–8.000	7	28,003,430	8.80
8.001–8.500	2	7,489,513	2.35
8.501–9.000	5	45,485,914	14.29
Greater than or equal to 9.001	7	27,468,025	8.63
Total	115	$318,226,739	100.00%

Weighted Average Pass-Through Rate: 7.713% per annum

Original Term to Maturity (in months)

Range of Months	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
180–240	3	$ 4,632,111	1.46%
241–360	6	44,682,138	14.04
361–420	8	28,970,819	9.10
421–480	98	239,941,670	75.40
Total	115	$318,226,739	100.00%

Weighted Average Original Term to Maturity: 450 months

Remaining Term to Maturity (in months)

Range of Months	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
Less than or equal to 179	9	$ 10,899,569	3.43%
180–240	84	196,098,353	61.62
241–360	21	106,404,826	33.44
361–420	1	4,823,992	1.52
Total	115	$318,226,739	100.00%

Weighted Average Remaining Term to Maturity: 242 months

Mortgage Loans by State

State	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
Alabama	1	$ 3,186,770	1.00%
Arizona	1	1,799,521	0.57
California	2	509,798	0.16
Colorado	1	4,183,224	1.31
Delaware	1	2,555,964	0.80
Florida	4	10,851,160	3.41
Georgia	10	27,221,391	8.55
Hawaii	1	808,057	0.25
Idaho	3	512,310	0.16
Illinois	3	11,420,711	3.59
Indiana	3	5,771,027	1.81
Kansas	2	1,640,915	0.52
Kentucky	1	1,965,738	0.62
Louisiana	1	1,245,013	0.39
Massachusetts	7	31,726,912	9.97
Maryland	3	16,252,171	5.11
Michigan	3	8,208,442	2.58
Minnesota	3	5,258,206	1.65
Missouri	7	11,273,881	3.54
Mississippi	1	1,583,630	0.50
Montana	2	1,181,493	0.37
Nebraska	1	523,479	0.16
New Hampshire	1	176,118	0.06
New Jersey	1	4,455,285	1.40
Nevada	1	7,049,028	2.22
New York	15	63,509,245	19.96
Ohio	7	16,894,168	5.31
Oklahoma	1	4,539,017	1.43
South Carolina	5	11,272,212	3.54
South Dakota	3	8,003,880	2.52
Tennessee	1	1,678,384	0.53
Texas	4	12,247,923	3.85
Utah	1	1,237,243	0.39
Virginia	4	12,323,875	3.87
Washington	2	1,959,083	0.62
Wisconsin	8	23,201,465	7.29
Total	115	$318,226,739	100.00%

The following table sets forth the debt service coverage ratios as of the Issue Date for the 115 Mortgage Loans. We calculated the debt service coverage ratios by estimating net operating income with respect to each related Mortgaged Property, in most cases from reported information available on the most recent statement of profit and loss (or when such profit and loss statements were not available in connection with newly originated Mortgage Loans, the related HUD underwriting forms or financial statements provided by the borrower), and dividing such estimated net operating income by an estimate of annual debt service obtained by multiplying the monthly payment of principal and interest on the related Mortgage Loan by 12. We did not take into account mortgage loans subordinate to the Mortgage Loans in any calculation of debt service coverage ratios. We have not made any independent verification of such information and, therefore, do not warrant its truth or accuracy and shall not be responsible therefor.

DSCR's for Mortgage Loans

Range of DSCR's (x)	Number of Mortgage Loans	Aggregate Issue Date Balance	Percent of Issue Date Balance
1.000 to 1.249	35	$ 88,774,706	27.90%
1.250 to 1.499	32	100,614,252	31.62
1.500 to 1.749	25	69,176,571	21.74
1.750 to 1.999	6	15,513,211	4.87
Greater than or equal to 2.000	17	44,147,998	13.87
Total	115	$318,226,739	100.00%

Weighted Average Debt Service Coverage Ratio: 1.543 (x)

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 Multifamily 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 Multifamily 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. Qualification as a REMIC requires ongoing compliance with certain conditions. Our special tax counsel, Dewey Ballantine LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, each of the Lower Tier REMIC and the Trust will be treated as a REMIC for federal income tax purposes. The Certificates, other than the R and RL Classes, and the Subordinate Class will be designated as "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 Certificates generally will be treated as "regular or residual interests in a REMIC" for domestic building and loan associations, "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 Multifamily REMIC Prospectus.

Taxation of Beneficial Owners of Regular Certificates

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

The Prepayment Assumption that will be used in determining the rate of accrual of OID will be applied on a loan-by-loan basis. 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 Multifamily REMIC Prospectus. The Prepayment Assumption that will be used will be (i) 100% PLD and (ii) 0% voluntary prepayment rate until the lockout end date and 25% CPR thereafter. Those dates for the Mortgage Loans are provided on Exhibit A herein. We do not represent the Mortgage Assets will prepay at the rate reflected in the Prepayment Assumption or any other rate. See "Description of the Certificates—Weighted Average Lives of the Certificates" in this prospectus supplement and "Description of the Certificates—Weighted Average Lives and Final Distribution Dates" in the Multifamily 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 5.46% (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 Multifamily 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.

Backup Withholding

Distributions of interest and principal, as well as distributions of proceeds from the sale of Regular and Residual Certificates, may be subject to the "backup withholding tax" under section 3406 of the Code, currently at a rate of 28 percent (subject to reduction through 2010), if recipients of the distributions fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from the tax. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against the recipient's federal income tax. Certain penalties may be imposed by the IRS on a recipient of distributions required to supply information who does not do so in the proper manner.

PLAN OF DISTRIBUTION

We are obligated to deliver the Class A, B and C Certificates to Nomura Securities International, Inc. (the "Dealer"), and the other Classes to the Seller in exchange for delivery by the Seller to us of the Participation Certificates and the GNMA Certificates. The Dealer proposes to offer the Class A, B and C 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. The Seller will initially retain the other Classes and may in the future offer one or more of such Classes, directly or through dealers, to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale.

LEGAL MATTERS

Venable LLP and, with respect to federal income tax matters, Dewey Ballantine LLP will provide legal representation for Fannie Mae. Sidley Austin Brown & Wood LLP will provide legal representation for the Dealer.

Exhibit A

Pool Number	FHA Program	City	State	Approximate Principal Balance as of Issue Date (1)	Scheduled Monthly Principal & Interest (2)	Mortgage Rate	Pass-Through Rate	Debenture Rate	Maturity Date (3)	Original Term to Maturity (mos.)	Remaining Term to Maturity (mos.)	Age (mos.)	Issue Date	Lockout End Date (4)	Prepayment Restriction End Date (4)	Remaining Lockout Term	Remaining Prepayment Restriction Term	Lockout/ Prepayment Restriction Code (5)	HAP Expiration Date	Remaining HAP Term (mos) (6)
171-38010	231	Kennewick	WA	$ 1,510,600	12,937.68	7.500%	7.220%	8.250%	1/1/21	480	210	270	2/1/81	N/A	8/1/03	N/A	0	a	6/30/06	35
171-35187	221(d)4	Cheney	WA	448,483	4,830.24	7.500	7.220	11.750	5/1/22	480	226	254	6/1/82	N/A	3/1/05	N/A	19	a	1/31/07	42
140-35073	221(d)3	Honolulu	HI	808,057	11,370.15	7.500	7.220	7.000	1/1/18	480	174	306	2/1/78	N/A	10/14/00	N/A	0	a	8/31/05	25
125-94004	221(d)4	Las Vegas	NV	7,049,028	50,198.34	7.000	6.645	8.250	1/1/28	348	294	54	2/1/99	8/31/02	N/A	0	0	f	8/1/02	0
124-35032	221(d)4	Pocatello	ID	128,340	1,208.22	7.500	7.220	7.000	2/1/18	480	175	305	3/1/78	N/A	1/1/01	N/A	0	a	5/31/03	0
124-35031	221(d)4	Pocatello	ID	130,575	1,229.28	7.500	7.220	7.000	2/1/18	480	175	305	3/1/78	N/A	1/1/01	N/A	0	a	5/31/03	0
124-35029	221(d)4	Pocatello	ID	253,395	2,385.51	7.500	7.220	7.000	2/1/18	480	175	305	3/1/78	N/A	1/1/01	N/A	0	a	5/31/03	0
123-35111	221(d)4	Buckeye	AZ	1,799,521	14,919.12	7.500	7.220	9.875	4/1/22	480	225	255	5/1/82	N/A	11/6/04	N/A	16	a	6/18/07	47
122-35491	221(d)4	Pasadena	CA	237,249	1,966.98	7.500	7.220	11.750	4/1/22	480	225	255	5/1/82	N/A	3/1/05	N/A	19	a	9/13/06	38
122-35490	221(d)4	Palmdale	CA	272,549	2,297.99	7.500	7.220	12.875	8/1/21	480	217	263	9/1/81	N/A	8/1/05	N/A	24	a	6/8/03	0
117-35191	221(d)4/223(a)7	Edmond	OK	4,539,017	32,602.92	7.125	6.770	6.375	3/1/28	306	296	10	10/1/02	7/31/02	N/A	0	0	c	10/1/02	0
114-35312	221(d)4	Port Arthur	TX	4,653,616	36,261.68	7.500	7.220	12.875	3/1/25	480	260	220	4/1/85	N/A	9/22/07	N/A	50	a	10/30/04	15
113-35086	221(d)4	Killeen	TX	4,823,992	38,604.73	9.125	8.700	8.375	7/1/36	480	396	84	8/1/96	10/31/01	11/1/06	0	39	b	N/A	0
113-35072	221(d)4	Wichita Falls	TX	963,542	8,021.23	7.500	7.220	11.750	2/1/22	480	223	257	3/1/82	N/A	1/29/05	N/A	18	a	11/30/03	4
112-35312	221(d)4	Longview	TX	1,806,774	15,040.87	7.500	7.220	9.875	2/1/22	480	223	257	3/1/82	N/A	9/9/04	N/A	14	a	9/21/06	38
105-35052	221(d)4	Layton	UT	1,237,243	10,364.62	7.500	7.220	12.875	11/1/21	480	220	260	12/1/81	N/A	11/1/05	N/A	27	a	9/30/06	38
103-35087	221(d)4	Grand Island	NE	523,479	4,339.98	7.500	7.220	11.750	4/1/22	480	225	255	5/1/82	N/A	3/10/05	N/A	20	a	10/31/06	39
102-35168	221(d)4	Holton	KS	493,587	4,109.00	7.500	7.220	11.750	2/1/22	480	223	257	3/1/82	N/A	3/17/05	N/A	20	a	11/18/05	28
102-35152	221(d)4	Archison	KS	1,147,328	9,652.59	7.500	7.220	9.875	9/1/21	480	218	262	10/1/81	N/A	7/5/04	N/A	12	a	7/23/06	36
101-35288	221(d)4	Grand Junction	CO	4,183,224	33,699.81	7.500	7.220	12.750	7/1/23	480	240	240	8/1/83	N/A	4/21/06	N/A	33	a	5/31/05	22
093-35062	221(d)4	Great South	MT	695,673	6,508.32	7.500	7.220	7.000	4/1/18	480	177	303	5/1/78	N/A	11/9/00	N/A	0	a	7/31/03	0
093-35059	221(d)4	Great Falls	MT	485,820	4,588.07	7.500	7.220	7.125	1/1/18	480	174	306	2/1/78	N/A	6/1/00	N/A	0	a	4/14/03	0
092-35383	221(d)3	Moorhead	MN	1,475,661	12,361.86	7.500	7.220	9.875	11/1/21	480	220	260	12/1/81	N/A	9/1/04	N/A	13	a	9/30/03	2
092-35361	221(d)3	Burnsville	MN	807,778	6,825.51	7.500	7.220	9.500	7/1/21	480	216	264	8/1/81	N/A	6/11/04	N/A	11	a	6/4/07	47
092-35325	221(d)4	Burnsville	MN	2,974,767	26,436.68	7.500	7.220	7.250	10/1/19	480	195	285	11/1/79	N/A	12/13/01	N/A	0	a	N/A	0
091-22003	232/223(f)	Pierre	SD	2,658,809	20,250.60	8.250	7.895	7.250	11/1/31	420	340	80	12/1/96	10/31/01	10/31/06	0	39	b	N/A	0
091-22002	232/223(f)	Rapid City	SD	2,630,689	20,036.42	8.250	7.895	7.250	11/1/31	420	340	80	12/1/96	10/31/01	11/1/06	0	39	b	N/A	0
091-22001	232/223(f)	Rapid City	SD	2,714,381	20,673.85	8.250	7.895	7.250	11/1/31	420	340	80	12/1/96	10/31/01	10/31/06	0	39	b	N/A	0
086-35137	221(d)4	Lebanon	TN	1,678,384	13,671.42	7.500	7.220	12.875	1/1/23	480	234	246	2/1/83	N/A	8/11/05	N/A	25	a	3/10/07	44
085-35311	221(d)4	Festus	MO	3,453,956	28,812.98	7.500	7.220	9.875	9/1/22	480	230	250	10/1/82	N/A	7/15/04	N/A	12	a	6/9/06	35
085-35296	221(d)4	St. Louis	MO	578,963	4,892.10	7.500	7.220	9.500	7/1/21	480	216	264	8/1/81	N/A	5/5/04	N/A	10	a	11/1/05	28
085-35285	221(d)4	St. Charles	MO	4,046,536	33,616.89	7.500	7.220	9.875	3/1/22	480	224	256	4/1/82	N/A	7/28/04	N/A	12	a	6/10/06	35
084-35246	221(d)4	Savannah	MO	953,547	7,972.00	7.500	7.220	11.750	12/1/21	480	221	259	1/1/82	N/A	3/17/05	N/A	20	a	10/27/06	39
084-35231	221(d)4	Kansas City	MO	822,841	6,907.77	7.500	7.220	9.875	10/1/21	480	219	261	11/1/81	N/A	9/25/04	N/A	14	a	5/31/03	0
084-35228	221(d)4	Clinton	MO	1,006,910	8,399.61	7.500	7.220	9.875	1/1/22	480	222	258	2/1/82	N/A	10/29/04	N/A	15	a	5/31/03	0
084-35222	221(d)4	Eldon	MO	411,129	3,473.96	7.500	7.220	9.875	7/1/21	480	216	264	8/1/81	N/A	9/3/04	N/A	14	a	8/26/06	37
083-35419	221(d)4	Owensboro	KY	1,965,738	15,203.99	8.000	7.645	8.250	5/1/28	454	298	156	8/1/90	7/31/00	N/A	N/A	0	c	11/30/04	16
075-35310	221(d)4	Waukesha	WI	12,703,437	98,987.00	7.500	7.220	11.625	3/1/25	480	260	220	4/1/85	N/A	9/12/07	N/A	50	a	4/23/04	9
075-35300	221(d)4	Milwaukee	WI	730,426	5,736.41	7.500	7.220	12.750	10/1/24	480	255	225	11/1/84	N/A	8/1/07	N/A	48	a	3/31/04	8
075-35282	221(d)4	Glendale	WI	2,253,935	18,724.75	7.500	7.220	12.750	3/1/22	480	224	256	4/1/82	N/A	10/22/04	N/A	15	a	7/28/06	36
075-35251	221(d)4	West Bend	WI	2,500,216	21,123.42	7.500	7.220	9.875	6/1/22	480	227	253	7/1/82	N/A	12/1/04	N/A	16	a	9/30/03	2
075-35208	221(d)4	Ripon	WI	830,043	7,582.30	7.500	7.220	7.250	12/1/18	480	185	295	1/1/79	N/A	10/25/01	N/A	0	a	8/31/05	25
075-35192	221(d)4	Superior	WI	1,200,536	11,562.97	7.500	7.220	7.250	12/1/18	480	185	295	1/1/79	N/A	7/21/01	N/A	0	a	7/31/03	0
075-35189	221(d)4	FonduLac	WI	1,323,339	11,919.64	7.500	7.220	7.250	5/1/19	480	190	290	6/1/79	N/A	9/19/01	N/A	0	a	9/30/04	14
075-35186	221(d)4	Butler	WI	1,659,533	15,672.62	7.500	7.220	6.625	10/1/18	480	183	297	11/1/78	N/A	5/3/01	N/A	0	a	5/31/05	22
073-35353	221(d)4	Logansport	IN	2,363,864	20,062.61	7.500	7.220	9.500	3/1/22	480	224	256	4/1/82	N/A	6/4/04	N/A	11	a	12/1/03	5
073-35301	221(d)4	Lawrenceburg	IN	1,531,579	13,117.33	7.500	7.220	8.000	1/1/21	480	210	270	2/1/81	N/A	4/17/03	N/A	0	a	6/30/03	0
073-35258	221(d)4	Kokomo	IN	1,875,585	16,712.37	7.500	7.220	6.625	9/1/19	480	194	286	10/1/79	N/A	5/4/01	N/A	0	a	12/17/05	29
072-35058	221(d)4	Bloomington	IL	2,465,028	21,015.49	7.500	7.220	8.250	3/1/21	480	212	268	4/1/81	N/A	11/16/03	N/A	4	a	12/22/03	5
071-94028†	207/223(f)/244	Rock Island	IL	1,642,289	23,604.54	10.500	10.020	8.000	7/1/12	300	108	192	8/1/87	6/18/92	N/A	0	0	c	9/30/03	2
071-35595	221(d)4	Aurora	IL	7,313,395	58,619.29	8.750	8.270	9.375	2/1/31	437	331	106	10/1/94	8/31/99	9/1/04	0	13	b	N/A	0
066-38006	231	Miami	FL	5,060,109	44,065.08	7.500	7.220	7.750	6/1/20	480	203	277	7/1/80	N/A	9/19/02	N/A	0	a	2/21/05	19
065-35289	221(d)4	Oxford	MS	1,583,630	12,973.87	7.500	7.220	11.750	10/1/22	480	231	249	11/1/82	N/A	5/22/05	N/A	22	a	N/A	0
064-35354	221(d)4/223(a)7	Monroe	LA	1,245,013	8,547.67	7.250	6.970	5.750	11/1/32	360	352	8	12/1/02	N/A	N/A	N/A	0	c	10/31/22	231
063-35190	221(d)4	Jacksonville	FL	2,039,327	17,084.84	7.500	7.220	9.875	12/1/21	480	221	259	1/1/82	N/A	9/29/04	N/A	14	a	8/25/03	1
063-35185	221(d)4	Pensacola	FL	1,481,085	12,329.62	7.500	7.220	11.750	4/1/22	480	225	255	5/1/82	N/A	2/13/05	0	19	a	10/26/06	39
063-35168	221(d)4	Ocala	FL	2,270,639	19,021.54	7.500	7.220	9.500	11/1/21	480	220	260	12/1/81	N/A	6/26/04	N/A	11	a	7/31/04	12
062-35202	221(d)4	Montgomery	AL	3,186,770	27,889.05	7.500	7.220	7.125	4/1/20	480	201	279	5/1/80	N/A	4/5/02	N/A	0	a	N/A	0
061-94053	207/223(f)	Chamblee	GA	3,333,805	31,101.81	9.750	9.395	9.250	8/1/24	420	253	167	9/1/89	5/14/96	N/A	0	0	c	N/A	0
061-35347	221(d)4	Brunswick	GA	696,861	5,837.75	7.500	7.220	11.750	11/1/21	480	220	260	12/1/81	N/A	2/20/05	N/A	19	a	9/15/06	38
061-35324	221(d)4	Macon	GA	1,215,205	10,034.27	7.500	7.220	11.750	6/1/22	480	227	253	7/1/82	N/A	5/27/05	N/A	22	a	1/24/07	42
061-35317	221(d)4	Bainbridge	GA	2,563,703	21,085.25	7.500	7.220	12.750	8/1/22	480	229	251	9/1/82	N/A	3/27/05	N/A	20	a	3/21/07	44
061-35290	221(d)4	Atlanta	GA	4,881,130	40,633.89	7.500	7.220	9.875	2/1/22	480	223	257	3/1/82	N/A	9/26/04	N/A	14	a	3/27/06	32
061-35287	221(d)4	Atlanta	GA	2,580,633	21,351.77	7.500	7.220	9.500	5/1/22	480	226	254	6/1/82	N/A	5/12/04	N/A	10	a	7/31/03	0
061-35274	221(d)4	Carrollton	GA	1,770,973	14,712.49	7.500	7.220	11.750	3/1/22	480	224	256	4/1/82	N/A	3/4/05	N/A	20	a	N/A	0
061-11104	207/223(a)7	Decatur	GA	2,715,475	20,280.48	7.500	7.220	7.250	10/1/27	384	291	93	11/1/95	9/28/05	N/A	26	0	c	N/A	0
061-94019	207/223(f)/244	Augusta	GA	3,292,271	27,976.93	8.000	7.645	9.000	10/1/22	292	231	61	7/1/98	5/31/03	6/1/08	0	58	b	N/A	0
061-02003	221(d)4	Hinesville	GA	4,171,336	36,204.42	7.500	7.220	9.875	12/1/21	480	221	259	1/1/82	N/A	8/13/04	N/A	13	a	9/15/06	38

Pool Number	FHA Program	City	State	Approximate Principal Balance as of Issue Date (1)	Scheduled Monthly Principal & Interest (2)	Mortgage Rate	Pass-Through Rate	Debenture Rate	Maturity Date (3)	Original Term to Maturity (mos.)	Remaining Term to Maturity (mos.)	Age (mos.)	Issue Date	Lockout End Date (4)	Prepayment Restriction End Date (4)	Remaining Lockout Term	Remaining Prepayment Restriction Term	Lockout/ Prepayment Restriction Code (5)	HAP Expiration Date	Remaining HAP Term (mos) (6)
054-35470	221(d)4	Greenville	SC	$ 2,561,751	21,414.94	7.500%	7.220%	12.750%	3/1/22	480	224	256	4/1/82	N/A	3/25/06	N/A	32	a	10/31/06	39
054-35464	221(d)4	Columbia	SC	1,895,874	15,815.42	7.500	7.220	9.875	1/1/22	480	222	258	2/1/82	N/A	12/1/04	N/A	16	a	10/31/06	39
054-35427	221(d)4	Greenwood	SC	1,833,712	15,296.86	7.500	7.220	11.750	1/1/22	480	222	258	2/1/82	N/A	1/2/05	N/A	18	a	9/30/03	2
054-35409	221(d)4	Greenville	SC	3,524,329	29,399.97	7.500	7.220	12.750	1/1/22	480	222	258	2/1/82	N/A	1/26/06	N/A	30	a	10/31/06	39
054-35339	221(d)4	Greenville	SC	1,456,547	12,944.27	7.500	7.220	7.125	11/1/19	472	196	276	8/1/80	N/A	4/15/02	N/A	0	a	11/30/05	28
052-94020	207/223(f)/244	Glen Burnie	MD	10,953,631	94,683.96	8.000	7.520	8.250	1/1/22	420	222	198	2/1/87	3/31/01	4/1/04	0	8	g	N/A	0
052-35359	221(d)4	Indian Head	MD	1,925,150	19,412.88	10.302	9.822	9.875	2/1/22	480	223	257	3/1/82	12/31/90	1/1/97	0	0	d	4/26/01	0
052-35252	221(d)4	Essex	MD	3,373,391	29,234.13	7.500	7.220	7.750	8/1/20	480	205	275	9/1/80	N/A	8/31/02	N/A	0	a	9/30/05	26
051-35316	221(d)4	Colonial Heights	VA	2,254,777	19,176.84	7.500	7.220	9.875	5/1/21	480	214	266	6/1/81	N/A	7/24/04	N/A	12	a	12/4/03	5
051-35278	221(d)4	Richmond	VA	2,930,547	25,215.96	7.500	7.220	9.875	11/1/20	480	208	272	12/1/80	N/A	11/18/04	N/A	16	a	7/31/04	12
048-35076	221(d)4	Midland	MI	4,059,080	33,790.62	7.500	7.220	9.500	2/1/22	480	223	257	3/1/82	N/A	6/2/04	N/A	11	a	6/14/03	0
047-35130	221(d)4	Menominee	MI	2,094,983	17,476.39	7.500	7.220	9.500	3/1/22	480	224	256	4/1/82	N/A	6/2/04	N/A	11	a	5/11/03	0
047-35123	221(d)4	Sault Ste Marie	MI	2,054,379	17,475.08	7.500	7.220	8.250	4/1/21	480	213	267	5/1/81	N/A	8/3/03	N/A	1	a	9/28/05	26
046-35480	221(d)4	Cincinnati	OH	2,686,120	23,058.80	7.500	7.220	7.750	12/1/20	480	209	271	1/1/81	N/A	10/4/02	N/A	0	a	7/31/04	12
043-35183	221(d)4	Newark	OH	1,829,769	16,572.86	7.500	7.220	8.000	3/1/19	480	188	292	4/1/79	N/A	3/9/03	N/A	0	a	N/A	0
042-43122	232/223(f)	Tallmadge	OH	3,787,910	29,320.57	8.300	7.945	8.375	8/1/30	420	325	95	9/1/95	8/31/00	9/1/05	0	25	b	N/A	0
042-35333	221(d)4	Toledo	OH	2,627,471	21,525.50	7.500	7.220	11.750	10/1/22	480	231	249	11/1/82	N/A	3/13/05	N/A	20	a	6/30/03	0
042-35332	221(d)4	Warren	OH	616,193	5,129.67	7.500	7.220	12.750	2/1/22	480	223	257	3/1/82	N/A	10/30/04	N/A	15	a	7/31/06	36
042-35321	221(d)4	Conneaut	OH	3,022,811	25,431.15	7.500	7.220	9.875	9/1/21	480	218	262	10/1/81	N/A	8/14/04	N/A	13	a	4/30/06	33
042-35320	221(d)4	Mentor-on-the-Lake	OH	2,323,894	19,075.50	7.500	7.220	11.750	9/1/22	480	230	250	10/1/82	N/A	1/15/05	N/A	18	a	9/30/06	38
032-35015(10)	221(d)4	Newark	DE	2,555,964	22,959.22	7.500	7.220	7.250	6/1/19	468	191	277	7/1/80	N/A	5/19/04	N/A	10	a	N/A	0
031-35251	221(d)4	Newark	NJ	4,455,285	45,388.35	11.250	10.895	13.375	3/1/26	480	272	208	4/1/86	N/A	N/A	0	0	c	7/27/06	36
024-35086	221(d)4/223(a)7	Berlin	NH	176,118	1,359.23	8.500	8.145	5.875	1/1/33	372	354	18	2/1/02	1/31/12	N/A	102	0	c	2/29/04	7
023-94007†	207/221(d)4/244	Dorchester	MA	6,324,563	58,002.30	10.250	9.770	9.125	10/1/29	480	315	165	11/1/89	3/1/95	N/A	0	0	f	1/2/05	18
023-94006†	207/221(d)4/244	Roxbury	MA	6,730,410	61,724.32	10.250	9.770	9.125	10/1/29	480	315	165	11/1/89	3/1/95	N/A	0	0	f	1/2/05	18
023-35226	221(d)4	Boston	MA	706,665	5,540.96	7.500	7.220	12.750	11/1/24	480	256	224	12/1/84	N/A	9/29/08	N/A	62	e	10/28/04	15
023-35211(7)	221(d)4	Waltham	MA	3,618,562	31,135.96	7.500	7.220	8.250	2/1/22	480	208	272	3/1/82	N/A	12/5/03	N/A	5	a	8/17/03	1
023-35189(8)	221(d)4	Peabody	MA	4,610,492	39,859.35	7.500	7.220	8.250	10/1/21	480	206	274	11/1/81	N/A	8/23/03	N/A	1	a	12/22/03	5
023-35175	221(d)4	Waltham	MA	4,600,856	38,961.74	7.500	7.220	8.000	6/1/21	480	215	265	7/1/81	N/A	4/11/03	N/A	0	a	12/13/03	5
023-35109	221(d)4	Beverly	MA	5,135,363	47,046.80	7.500	7.220	6.625	2/1/19	480	187	293	3/1/79	N/A	3/1/03	N/A	0	a	7/31/05	24
013-35103	221(d)4	Schoharie	NY	664,395	5,475.15	7.500	7.220	11.750	7/1/22	480	228	252	8/1/82	N/A	4/30/05	N/A	21	a	11/29/02	0
012-57300	221(d)4 pursuant to 223(e)	Brooklyn	NY	3,056,524	33,490.67	12.000	11.645	12.750	12/1/23	475	245	230	6/1/84	4/30/92	5/1/96	0	0	h	9/30/03	2
012-57157	221(d)4 pursuant to 223(e)	Peekskill	NY	1,141,701	9,605.20	7.500	7.220	9.875	9/1/21	480	218	262	10/1/81	N/A	8/12/04	N/A	13	a	10/31/03	3
012-57153(9)	221(d) 4	Brooklyn	NY	639,137	5,400.60	7.500	7.220	9.875	7/1/21	240	216	24	8/1/01	N/A	7/3/04	N/A	12	a	4/30/03	0
012-57090	221(d)4	Brooklyn	NY	1,411,886	12,177.33	7.500	7.220	8.250	10/1/20	480	207	273	11/1/80	N/A	9/19/03	N/A	2	a	7/31/05	24
012-57089	221(d)4	Brooklyn	NY	1,253,343	10,759.24	7.500	7.220	8.250	12/1/20	480	209	271	1/1/81	N/A	9/19/03	N/A	2	a	9/17/05	26
012-57075	221(d)4/223(e)	Bronx	NY	5,879,886	48,170.78	7.500	7.220	11.750	10/1/22	480	231	249	11/1/82	N/A	3/26/05	N/A	20	a	3/28/03	0
012-44150	236(j)1	Bronx	NY	3,702,963	37,861.51	9.000	8.645	7.125	4/1/18	480	177	303	5/1/78	N/A	2/6/00	0	0	a	6/30/04	11
012-44149	236(j)1	Bronx	NY	3,052,456	43,824.42	9.000	8.645	7.125	5/1/18	480	178	302	6/1/78	N/A	2/6/00	0	0	a	6/30/04	11
012-43164	232	Queens	NY	26,914,521	232,557.66	9.000	8.520	6.625	2/1/26	360	271	89	3/1/96	11/23/00	11/24/05	0	28	b	N/A	0
012-35474	221(d)4	Poughkeepsie	NY	2,222,570	18,279.55	7.500	7.220	11.750	8/1/22	470	229	241	7/1/83	N/A	5/29/05	N/A	22	a	12/31/03	5
012-35410	221(d)4	Monticello	NY	2,584,906	21,259.64	7.500	7.220	11.750	8/1/22	480	229	251	9/1/82	N/A	4/14/05	N/A	21	a	4/26/03	0
012-35275(10)	221(d)4	New York	NY	2,980,816	25,648.53	7.500	7.220	7.750	11/1/20	240	208	32	12/1/00	N/A	1/6/06	N/A	30	a	4/28/06	33
012-35242	221(d)4	Brooklyn	NY	1,012,158	8,857.95	7.500	7.220	7.750	4/1/20	240	201	39	5/1/00	N/A	7/6/02	N/A	0	a	2/4/06	31
012-32188	220	New York	NY	6,991,983	67,377.66	9.000	8.645	7.250	6/1/20	480	203	277	7/1/80	N/A	1/31/02	N/A	0	a	9/20/04	14
000-35236	221(d)4	Falls Church	VA	3,651,811	30,463.41	7.500	7.220	9.500	1/1/22	480	222	258	2/1/82	N/A	2/25/04	N/A	7	a	2/27/06	31
000-35212	221(d)4	Falls Church	VA	3,486,740	29,334.16	7.500	7.220	8.250	9/1/21	480	218	262	10/1/81	N/A	10/30/03	N/A	3	a	8/17/06	37
Total/Weighted Average:				318,226,739		8.047	7.713			450	242	209				0	15			19

† GNMA loans.

(1) These balances have been rounded to the nearest dollar, and the sum may not equal the printed total.

(2) The scheduled monthly principal and interest payments shown in this table are contractual scheduled monthly principal and interest payments.

(3) The Maturity Dates shown in this table are the contractual stated maturity dates. As a result of earlier prepayments without any corresponding re-amortization, certain of the Mortgage Loans may be paid in full prior to the indicated Maturity Date if the related borrower continues to make a monthly debt service payment equal to the Scheduled Monthly Principal & Interest payment shown herein.

(4) Assumes prepayments are permitted as of the lockout end date and no prepayment fees are imposed as of the prepayment restriction end date. As described herein, the FHA may override any lockout and/or prepayment fee provision when the related mortgage loan is in default if the FHA determines that it is in the best interest of the federal government to permit a refinancing or partial prepayment without restrictions or fees.

(5) *Lockout/Prepayment Fee Codes:*

(a) Prepayment fee of 3% of the prepaid amount for the first twelve mortgage payments, declining thereafter $1/8^{th}$ of 1% annually.

(b) Prepayment fee of 5% of the prepaid amount for the first twelve mortgage payments, declining thereafter 1% annually.

(c) No prepayment fee imposed.

(d) Prepayment fee of 3% of the prepaid amount for the first twelve mortgage payments, declining $1/2$ of 1% annually.

(e) Prepayment fee of 10% of the prepaid amount for the first twelve mortgage payments, thereafter a prepayment fee of 3% of the prepaid amount for the next twelve mortgage payments, declining $1/8^{th}$ of 1% per year.

(f) Prepayment fee of 10% of the prepaid amount for the first twelve mortgage payments, thereafter a prepayment fee of 7% of the prepaid amount for the thirteenth mortgage payment until the twenty-fourth mortgage payment, thereafter a prepayment fee of 5% of the prepaid amount for the twenty-fifth mortgage payment until the thirty-sixth mortgage payment, thereafter a prepayment fee of 3% of the prepaid amount from the thirty-seventh mortgage payment until the forty-eighth mortgage payment, thereafter a prepayment fee of 1% of the prepaid amount from the forty-ninth mortgage payment until the sixtieth mortgage payment, thereafter no prepayment fee is imposed.

(g) Prepayment fee of 3% of the prepaid amount for the first twelve mortgage payments, declining thereafter 1% annually.

(h) Lockout before the lockout end date, thereafter a prepayment fee of 2% of the prepayment amount, declining thereafter by $1/2$% per year.

(6) $233.2 million of the Issue Date Balance is associated with mortgage loans that receive Section 8 assistance payments. The weighted average term to expiration of these contracts is 19 months.

(7) The "Remaining Term to Maturity" of 208 and "Age" of 272 set forth above reflect a prepayment of scheduled principal through 10/1/04; however, the values used for modeling purposes do not take into account any prepaid amounts and, accordingly, were 223 and 257, respectively. See "Description of the Mortgage Loans—Certain Additional Characteristics of the Mortgage Loans—Amortization."

(8) The "Remaining Term to Maturity" of 206 and "Age" of 274 set forth above reflect a prepayment of scheduled principal through 8/1/04; however, the values used for modeling purposes do not take into account any prepaid amounts and, accordingly, were 219 and 261, respectively. See "Description of the Mortgage Loans—Certain Additional Characteristics of the Mortgage Loans—Amortization."

(9) The "Original Term to Maturity" of 240 and "Age" of 24 set forth above reflect a loan consolidation and modification; however the values used for modeling purposes, reflect the original values without regard to such modification and, accordingly, were 480 and 264, respectively.

(10) Notwithstanding the "Remaining Prepayment Restriction Term" set forth above, a remaining penalty term of 0 was used for modeling purposes due to a loan consolidation and modification which causes the applicable penalty to apply only to a portion of the loan balance.

NOTE:

The information with respect to the Mortgage Loans set forth on this Exhibit A has been collected and summarized by Greystone Funding Corporation as Seller and provided to Fannie Mae. Fannie Mae has made no independent verification of such information and, therefore, does not warrant its truth or accuracy.

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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$313,453,337
(Approximate)

FannieMae®

Guaranteed REMIC
Pass-Through Certificates
Fannie Mae Multifamily
REMIC Trust 2003-M3

PROSPECTUS SUPPLEMENT

NOMURA

July 9, 2003