

\$650,000,000



**Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 2004-5**

The Certificates

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

Payments to Certificateholders

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

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

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

The Fannie Mae Guaranty

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

The Trust and its Assets

The trust will own Fannie Mae MBS.

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
AB(1) ...	1	\$116,860,000	SEQ	3.75%	FIX	31393UT94	November 2016
AI(1)	1	7,303,750(2)	NTL	4.00	FIX/IO	31393UU27	November 2016
D	1	33,140,000	SEQ	4.00	FIX	31393UU35	February 2019
PO(1) ...	2	266,076,000	SCH/AD	(3)	PO	31393UU43	November 2033
PI(1)	2	266,076,000(2)	NTL	6.00	FIX/IO	31393UU50	November 2033
FW	2	129,618,000	TAC/AD	(4)	FLT	31393UU68	December 2033
SA	2	43,206,000	TAC/AD	(4)	INV	31393UU76	December 2033
ZA	2	1,100,000	TAC/AD	6.00	FIX/Z	31393UU84	February 2034
Z	2	60,000,000	SUP	6.00	FIX/Z	31393UU92	February 2034
R		0	NPR	0	NPR	31393UV26	February 2034
RL		0	NPR	0	NPR	31393UV34	February 2034

- (1) Exchangeable classes. (3) Principal only class.
(2) Notional balances. These classes are interest only classes. (4) Based on LIBOR.

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

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be January 30, 2004.

Carefully consider the risk factors starting on page S-7 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

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

Banc of America Securities LLC

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AVAILABLE INFORMATION

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

- our Prospectus for Fannie Mae Guaranteed REMIC Pass-Through Certificates dated May 1, 2002 (the “REMIC Prospectus”);
- our Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Single-Family Residential Mortgage Loans) dated April 1, 2003 (the “MBS Prospectus”); and
- any Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that we file with the SEC during the period specified in the final paragraph of this page.

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

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

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

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

Banc of America Securities LLC
Capital Markets Operations
100 W. 33rd Street, 3rd Floor
New York, New York 10001
(telephone 646-733-4166).

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

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

REFERENCE SHEET

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

Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS

Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of January 1, 2004)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Weighted Average Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$150,000,000	180	173	5	4.500%
Group 2 MBS	\$500,000,000	360	343	13	6.475%

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

Class Factors

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

Settlement Date

We expect to issue the certificates on January 30, 2004.

Distribution Dates

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

Book-Entry and Physical Certificates

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

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

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

Exchanging Certificates Through Combination and Recombination

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

Interest Rates

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

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

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FW	1.60%	8.00%	0.50%	LIBOR + 50 basis points
SA	19.20%	22.50%	0.00%	22.5% - (3 × LIBOR)

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

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

Notional Classes

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

<u>Class</u>	
AI	6.25% of the AB Class
PI	100% of the PO Class

Distributions of Principal

Group 1 Principal Distribution Amount

To the AB and D Classes, in that order, to zero.

Group 2 Principal Distribution Amount

ZA Accrual Amount

1. To the PO Class to its Scheduled Balance.
2. To the Aggregate Group to zero.
3. To the PO Class to zero.
4. Thereafter to the ZA Class.

Z Accrual Amount

1. To the PO Class to its Scheduled Balance.
2. To the Aggregate Group to its Targeted Balance.
3. To the PO Class to its Targeted Balance.
4. To the ZA Class to its Targeted Balance.
5. Thereafter to the Z Class.

Group 2 Cash Flow Distribution Amount

1. To the PO Class to its Scheduled Balance.
2. To the Aggregate Group to its Targeted Balance.
3. To the PO Class to its Targeted Balance.
4. To the ZA Class to its Targeted Balance.
5. To the Z Class to zero.
6. To the Aggregate Group to zero.
7. To the PO Class to zero.
8. To the ZA Class to zero.

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

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

Weighted Average Lives (years) *

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>172%</u>	<u>350%</u>	<u>500%</u>
AB, AI and A	7.3	4.6	3.8	2.6	2.1
D	13.9	12.0	10.9	8.2	6.5

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>						<u>CPR Prepayment Assumption †</u>
	<u>0%</u>	<u>125%</u>	<u>350%</u>	<u>545%</u>	<u>800%</u>	<u>1100%</u>	
PO, PI, PQ and PN	10.8	3.4	3.4	2.6	2.6	1.9	2.5
FW and SA	20.6	10.1	2.1	1.1	0.7	0.6	0.5
ZA	23.1	13.4	7.1	5.4	8.6	6.7	5.4
Z	26.9	19.4	10.9	7.3	2.0	1.0	8.1

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

† The CPR prepayment assumption is 60% CPR for February 2004, 50% CPR for March 2004, 40% CPR for April 2004 and 30% CPR for May 2004 and thereafter.

ADDITIONAL RISK FACTORS

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

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

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

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

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

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

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

mortgage loan characteristics and the actual mortgage loans could affect the weighted average lives of the classes of certificates.

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

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

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

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

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

Uncertain market for the certificates could make them difficult to sell and cause their values to fluctuate. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small

or large amounts of certificates at prices comparable to those available to other investors. You should purchase certificates only if you under-

stand and can tolerate the risk that the value of your certificates will vary over time and that your certificates may not be easily sold.

DESCRIPTION OF THE CERTIFICATES

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

General

Structure. We will create the Fannie Mae REMIC Trust specified on the cover of this prospectus supplement (the “Trust”) and a separate trust (the “Lower Tier REMIC”) pursuant to a trust agreement dated as of January 1, 2004 (the “Issue Date”). We will issue the Guaranteed REMIC Pass-Through Certificates (the “REMIC Certificates”) pursuant to that trust agreement. We will issue the Combinable and Recombinable REMIC Certificates (the “RCR Certificates” and, together with the REMIC Certificates, the “Certificates”) pursuant to a separate trust agreement dated as of the Issue Date (together with the trust agreement relating to the REMIC Certificates, the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). In general, the term “Classes” includes the Classes of REMIC Certificates and RCR Certificates.

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

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

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

The assets of the Lower Tier REMIC will consist of two groups of Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “Group 1 MBS” and “Group 2 MBS” and, together, the “MBS”).

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

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

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

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

- scheduled installments of principal and interest on the underlying Mortgage Loans on time, whether or not the related borrowers pay us, and

- the full principal balance of any foreclosed Mortgage Loan, whether or not we recover it.

Our guarantees are not backed by the full faith and credit of the United States. See “Description of the Certificates—The Fannie Mae Guaranty” in the REMIC Prospectus and “Description of the Certificates—Fannie Mae Guaranty” in the MBS Prospectus.

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

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

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

Authorized Denominations. We will issue the Certificates in the following denominations:

<u>Classes</u>	<u>Denominations</u>
All Interest Only, Principal Only and Inverse Floating Rate Classes	\$100,000 minimum plus whole dollar increments
All other Classes (except the R and RL Classes)	\$1,000 minimum plus whole dollar increments

We will issue the R and RL Classes as single Certificates with no principal balances.

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

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

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

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

Combination and Recombination

General. You are permitted to exchange all or a portion of the AB, AI, PO and PI Classes of REMIC Certificates for a proportionate interest in the related RCR Certificates in the combinations shown on Schedule 1. You also may exchange all or a portion of the RCR Certificates for the related REMIC Certificates in the same manner. This process may occur repeatedly.

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

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

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

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

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

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

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

The MBS

The following table contains certain information about the MBS. The MBS included in each specified Group will have the aggregate unpaid principal balance and Pass-Through Rate shown below and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly. The Mortgage Loans underlying

the MBS are conventional, fixed-rate, fully-amortizing mortgage loans secured by first mortgages or deeds of trust on single-family residential properties. These Mortgage Loans have original maturities of up to 15 years in the case of the Group 1 MBS, and up to 30 years in the case of the Group 2 MBS. See “The Mortgage Pools” and “Yield, Maturity, and Prepayment Considerations” in the MBS Prospectus.

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

Group 1 MBS

Aggregate Unpaid Principal Balance	\$150,000,000
MBS Pass-Through Rate	4.00%
Range of WACs (annual percentages)	4.25% to 6.50%
Range of WAMs	121 months to 180 months
Approximate Weighted Average WAM	173 months
Approximate Weighted Average WALA (weighted average loan age)	5 months

Group 2 MBS

Aggregate Unpaid Principal Balance	\$500,000,000
MBS Pass-Through Rate	6.00%
Range of WACs (annual percentages)	6.25% to 8.50%
Range of WAMs	241 months to 360 months
Approximate Weighted Average WAM	343 months
Approximate Weighted Average WALA	13 months

Final Data Statement

After issuing the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, the current WAC (or original WAC, if the current WAC is not available) and the current WAM (or Adjusted WAM, if the current WAM is not available) of the Mortgage Loans underlying each of the MBS as of the Issue Date. The Final Data Statement also will include the weighted averages of all the current or original WACs and the weighted averages of all the current or Adjusted WAMs, based on the current unpaid principal balances of the Mortgage Loans underlying each of the MBS as of the Issue Date. You may obtain the Final Data Statement by telephoning us at 1-800-237-8627. In addition, the Final Data Statement is available on our corporate Web site at www.fanniemae.com.

Distributions of Interest

Categories of Classes

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

<u>Interest Type*</u>	<u>Classes</u>
Group 1 Classes	
Fixed Rate	AB, AI and D
Interest Only	AI
RCR**	A

<u>Interest Type*</u>	<u>Classes</u>
Group 2 Classes	
Fixed Rate	PI, ZA and Z
Floating Rate	FW
Inverse Floating Rate	SA
Accrual	ZA and Z
Interest Only	PI
Principal Only	PO
RCR**	PQ and PN
No Payment Residual	R and RL

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

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

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

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

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

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

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

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

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

Accrual Classes. The ZA and Z Classes are Accrual Classes. Interest will accrue on the Accrual Classes at the applicable annual rates specified on the cover of this prospectus supplement. However, we will not pay any interest on the Accrual Classes. Instead, interest accrued on the Accrual Classes will be added as principal to their respective principal balances on each Distribution Date. We will pay principal on the Accrual Classes as described under “—Distributions of Principal” below.

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

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

supplement to the principal balances of the Certificates generally shall refer also to the notional principal balances of the Notional Classes.

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

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

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

Calculation of LIBOR

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

If we are unable to calculate LIBOR on the initial Index Determination Date, LIBOR for the following Interest Accrual Period will be 1.10%.

Distributions of Principal

Categories of Classes

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

<u>Principal Type*</u>	<u>Classes</u>
Group 1 Classes	
Sequential Pay	AB and D
Notional	AI
RCR**	A
Group 2 Classes	
Scheduled	PO
TAC	FW, SA and ZA
Support	Z
Accretion Directed	PO, FW, SA and ZA
Notional	PI
RCR**	PQ and PN
No Payment Residual	R and RL

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

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

Principal Distribution Amount

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

- the principal then paid on the Group 1 MBS (the “Group 1 Principal Distribution Amount”), and
- the principal then paid on the Group 2 MBS (the “Group 2 Cash Flow Distribution Amount”), plus any interest then accrued and added to the principal balances of the ZA and Z Classes (the

“ZA Accrual Amount” and “Z Accrual Amount,” respectively, and together with the Group 2 Cash Flow Distribution Amount, the “Group 2 Principal Distribution Amount”).

Group 1 Principal Distribution Amount

On each Distribution Date, we will pay the Group 1 Principal Distribution Amount as principal of the Group 1 Classes, sequentially, to the AB and D Classes, in that order, until their principal balances are reduced to zero. } Sequential Pay Classes

Group 2 Principal Distribution Amount

ZA Accrual Amount

On each Distribution Date, we will pay the ZA Accrual Amount to the Group 2 Classes specified below in the following priority:

- (i) to the PO Class, until its principal balance is reduced to its Scheduled Balance for that Distribution Date; } Scheduled Class
 - (ii) to the Aggregate Group (described below), without regard to its Targeted Balance and until the Aggregate Balance (described below) is reduced to zero; } TAC Group
 - (iii) to the PO Class, without regard to its Scheduled Balance and until its principal balance is reduced to zero; and } Scheduled Class
 - (iv) thereafter to the ZA Class. } Accrual Class
- } Accretion-Directed

Z Accrual Amount

On each Distribution Date, we will pay the Z Accrual Amount to the Group 2 Classes specified below in the following priority:

- (i) to the PO Class, until its principal balance is reduced to its Scheduled Balance for that Distribution Date; } Scheduled Class
 - (ii) to the Aggregate Group, until the Aggregate Balance is reduced to its Targeted Balance for that Distribution Date; } TAC Group
 - (iii) to the PO Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } Scheduled Class
 - (iv) to the ZA Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; and } TAC Class
 - (v) thereafter to the Z Class. } Accrual Class
- } Accretion-Directed

Group 2 Cash Flow Distribution Amount

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

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

- (ii) to the Aggregate Group, until the Aggregate Balance is reduced to its Targeted Balance for that Distribution Date; } TAC Group
- (iii) to the PO Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } Scheduled Class
- (iv) to the ZA Class, until its principal balance is reduced to its Targeted Balance for that Distribution Date; } TAC Class
- (v) to the Z Class, until its principal balance is reduced to zero; } Support Class
- (vi) to the Aggregate Group, without regard to its Targeted Balance and until the Aggregate Balance is reduced to zero; } TAC Group
- (vii) to the PO Class, without regard to either its Scheduled Balance or its Targeted Balance and until its principal balance is reduced to zero; and } Scheduled Class
- (viii) to the ZA Class, without regard to its Targeted Balance and until its principal balance is reduced to zero. } TAC Class

The “Aggregate Group” consists of the FW and SA Classes. On each Distribution Date, we will apply payments of principal of the Aggregate Group, concurrently, to the FW and SA Classes, pro rata (or 75% and 25%, respectively), until their principal balances are reduced to zero.

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

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

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus supplement has been prepared based on the following assumptions (the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have the original terms to maturity, remaining terms to maturity, WALAs and interest rates specified under “Reference Sheet—Assumed Characteristics of the Mortgage Loans Underlying the MBS in this prospectus supplement;
- the Mortgage Loans prepay at the constant percentages of PSA or CPR specified in the related table;
- the settlement date for the sale of the Certificates is January 30, 2004; and
- each Distribution Date occurs on the 25th day of a month.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model.

The model used in this prospectus supplement with respect to the Group 1 Classes is The Bond Market Association’s standard prepayment model (“PSA”). To assume a specified rate of PSA is to assume a specified rate of prepayment each month of the then-outstanding principal balance of a pool of new mortgage loans computed as described under “Description of Certificates—Prepayment Models” in the REMIC Prospectus.

The model used in this prospectus supplement with respect to the Group 2 Classes is either the PSA or the constant prepayment rate model (“CPR”). CPR represents the annual rate of prepay-

ments relative to the then outstanding principal balance of a pool of new mortgage loans. Thus, “0% CPR” means no prepayments, “15% CPR” means an annual prepayment rate of 15%, and so forth.

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

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

<u>Principal Balance Schedule References</u>	<u>Related Classes and Group (1)</u>	<u>Structuring Range and Rate</u>
Scheduled Balances	PO	Between 125% and 350% PSA
Targeted Balances	Aggregate Group	(2)
Targeted Balances	PO	(2)
Targeted Balances	ZA	(2)

- (1) The Structuring Range for the Aggregate Group is associated with the related Aggregate Balance but not with the individual balances of the related Classes.
- (2) The Targeted Balances for the Aggregate Group and the PO and ZA Classes for February 2004, March 2004 and April 2004 have been structured at 60%, 50% and 40% CPR, respectively, and thereafter have been structured at 30% CPR.

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

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

<u>Class</u>	<u>Initial Effective Range</u>
PO	Between 125% and 350% PSA

The actual Effective Range at any time will be based upon the actual characteristics of the related Mortgage Loans at that time, which are likely to vary (and may vary considerably) from the Pricing Assumptions. The actual Effective Range calculated on the basis of the actual characteristics is likely to differ from the Initial Effective Range. As a result, the applicable Class might not be reduced to its scheduled balances even if prepayments were to occur at a *constant* PSA rate within the Initial Effective Range. This is so particularly if the rate were at the lower or higher end of this range. In addition, even if prepayments occur at rates falling within the actual Effective Range, principal distributions may be insufficient to reduce the applicable Class to its scheduled balances if such prepayments do not occur at a *constant* PSA rate. It is highly unlikely that the related Mortgage

Loans will prepay at any *constant* PSA rate. In general, the actual Effective Range may narrow, widen or shift upward or downward to reflect actual prepayment experience over time. The stability in principal payment of the Scheduled Class will be supported in part by the related TAC Group and Class and Support Class. When the related TAC Group and Class and Support Class are retired, the Scheduled Class, if still outstanding, may no longer have an Effective Range and will be more sensitive to prepayments.

Yield Tables

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

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

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

We cannot assure you that

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

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

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

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

<u>Class</u>	<u>% PSA</u>
AI	215% PSA
PI	383% PSA

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

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

<u>Class</u>	<u>Price*</u>
AI	13.31250%
PI	19.53125%

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

Sensitivity of the AI Class to Prepayments

	<u>PSA Prepayment Assumption</u>				
	<u>50%</u>	<u>100%</u>	<u>172%</u>	<u>350%</u>	<u>500%</u>
Pre-Tax Yields to Maturity ...	15.5%	11.1%	4.3%	(14.0)%	(29.4)%

Sensitivity of the PI Class to Prepayments

	<u>PSA Prepayment Assumption</u>					<u>CPR</u>	
	<u>50%</u>	<u>125%</u>	<u>350%</u>	<u>545%</u>	<u>800%</u>	<u>Prepayment Assumption†</u>	
Pre-Tax Yields to Maturity ...	17.1%	1.5%	1.5%	(12.5)%	(12.1)%	(35.0)%	(15.6)%

† The CPR prepayment assumption is 60% CPR for February 2004, 50% CPR for March 2004, 40% CPR for April 2004 and 30% CPR for May 2004 and thereafter.

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

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

<u>Class</u>	<u>Price</u>
PO	87.5625%

Sensitivity of the PO Class to Prepayments

	<u>PSA Prepayment Assumption</u>					<u>CPR</u>	
	<u>50%</u>	<u>125%</u>	<u>350%</u>	<u>545%</u>	<u>800%</u>	<u>Prepayment Assumption†</u>	
Pre-Tax Yields to Maturity ...	2.4%	4.0%	4.0%	5.2%	5.3%	7.2%	5.5%

† The CPR prepayment assumption is 60% CPR for February 2004, 50% CPR for March 2004, 40% CPR for April 2004 and 30% CPR for May 2004 and thereafter.

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

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

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

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

<u>Class</u>	<u>Price*</u>
SA	107.0%

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

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

<u>LIBOR</u>	<u>PSA Prepayment Assumption</u>						<u>CPR</u>
	<u>50%</u>	<u>125%</u>	<u>350%</u>	<u>545%</u>	<u>800%</u>	<u>1100%</u>	<u>Prepayment Assumption†</u>
0.1%	21.5%	21.4%	18.5%	15.2%	11.7%	8.9%	6.8%
1.1%	18.5%	18.4%	15.5%	12.4%	9.0%	6.3%	4.4%
3.1%	12.5%	12.4%	9.8%	6.8%	3.7%	1.2%	(0.5)%
5.1%	6.6%	6.4%	4.1%	1.4%	(1.5)%	(3.7)%	(5.3)%
7.5%	(0.4)%	(0.5)%	(2.6)%	(5.0)%	(7.6)%	(9.6)%	(11.0)%

† The CPR prepayment assumption is 60% CPR for February 2004, 50% CPR for March 2004, 40% CPR for April 2004 and 30% CPR for May 2004 and thereafter.

Weighted Average Lives of the Certificates

The weighted average life of a Certificate is determined by

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

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

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

- the timing of changes in the rate of principal payments,
- the priority sequences of payments of principal of the Group 1 and Group 2 Classes,

- in the case of the Group 2 Classes, the payment of principal of certain Classes in accordance with the Principal Balance Schedules.

See “—Distributions of Principal” above.

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

Decrement Tables

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

<u>Mortgage Loans Relating to Trust Assets Specified Below</u>	<u>Original Terms to Maturity</u>	<u>Remaining Terms to Maturity</u>	<u>Interest Rates</u>
Group 1 MBS	180 months	180 months	6.50%
Group 2 MBS	360 months	360 months	8.50%

It is unlikely

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

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

Percent of Original Principal Balances Outstanding

Date	AB, AI† and A Classes					D Class				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	172%	350%	500%	0%	100%	172%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100
January 2005	95	91	89	84	79	100	100	100	100	100
January 2006	89	79	73	60	49	100	100	100	100	100
January 2007	83	66	57	37	23	100	100	100	100	100
January 2008	77	54	43	20	5	100	100	100	100	100
January 2009	70	43	31	7	0	100	100	100	100	76
January 2010	63	33	20	0	0	100	100	100	89	49
January 2011	55	24	11	0	0	100	100	100	64	31
January 2012	47	15	3	0	0	100	100	100	44	19
January 2013	38	7	0	0	0	100	100	84	30	11
January 2014	29	0	0	0	0	100	97	63	20	7
January 2015	19	0	0	0	0	100	72	45	12	4
January 2016	8	0	0	0	0	100	49	29	7	2
January 2017	0	0	0	0	0	89	28	16	3	1
January 2018	0	0	0	0	0	46	8	4	1	*
January 2019	0	0	0	0	0	0	0	0	0	0
January 2020	0	0	0	0	0	0	0	0	0	0
January 2021	0	0	0	0	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	7.3	4.6	3.8	2.6	2.1	13.9	12.0	10.9	8.2	6.5

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

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

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

Date	PO, PI†, PQ and PN Classes							FW and SA Classes						
	PSA Prepayment Assumption						CPR Prepayment Assumption††	PSA Prepayment Assumption						CPR Prepayment Assumption††
	0%	125%	350%	545%	800%	1100%		0%	125%	350%	545%	800%	1100%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2005	97	87	87	87	87	87	87	100	100	75	53	24	13	13
January 2006	94	71	71	71	59	37	59	100	100	45	3	0	0	0
January 2007	91	55	55	38	33	12	33	100	100	24	0	0	0	0
January 2008	87	40	40	16	17	4	16	100	100	11	0	0	0	0
January 2009	84	26	26	3	8	1	3	100	100	3	0	0	0	0
January 2010	79	13	13	0	4	0	0	100	100	*	0	0	0	0
January 2011	75	1	1	0	1	0	0	100	100	*	0	0	0	0
January 2012	70	0	0	0	*	0	0	100	82	0	0	0	0	0
January 2013	65	0	0	0	0	0	0	100	65	0	0	0	0	0
January 2014	60	0	0	0	0	0	0	100	49	0	0	0	0	0
January 2015	54	0	0	0	0	0	0	100	34	0	0	0	0	0
January 2016	48	0	0	0	0	0	0	100	19	0	0	0	0	0
January 2017	41	0	0	0	0	0	0	100	5	0	0	0	0	0
January 2018	33	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2019	25	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2020	17	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2021	8	0	0	0	0	0	0	100	0	0	0	0	0	0
January 2022	0	0	0	0	0	0	0	97	0	0	0	0	0	0
January 2023	0	0	0	0	0	0	0	80	0	0	0	0	0	0
January 2024	0	0	0	0	0	0	0	62	0	0	0	0	0	0
January 2025	0	0	0	0	0	0	0	43	0	0	0	0	0	0
January 2026	0	0	0	0	0	0	0	23	0	0	0	0	0	0
January 2027	0	0	0	0	0	0	0	*	0	0	0	0	0	0
January 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	10.8	3.4	3.4	2.6	2.6	1.9	2.5	20.6	10.1	2.1	1.1	0.7	0.6	0.5

Date	ZA Class							Z Class						
	PSA Prepayment Assumption						CPR Prepayment Assumption††	PSA Prepayment Assumption						CPR Prepayment Assumption††
	0%	125%	350%	545%	800%	1100%		0%	125%	350%	545%	800%	1100%	
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100
January 2005	106	106	106	106	106	106	106	106	106	106	106	106	40	102
January 2006	113	113	113	113	113	113	113	113	113	113	113	34	0	102
January 2007	120	120	120	120	120	120	120	120	120	120	120	3	0	102
January 2008	127	127	127	127	127	127	127	127	127	127	127	2	0	102
January 2009	135	135	135	135	135	135	135	135	135	135	109	2	0	102
January 2010	143	143	143	0	143	112	0	143	143	143	84	2	0	82
January 2011	152	152	152	0	152	37	0	152	152	152	55	2	0	56
January 2012	161	161	0	0	161	12	0	161	161	121	36	2	0	38
January 2013	171	171	0	0	25	4	0	171	171	94	24	2	0	26
January 2014	182	182	0	0	0	1	0	182	182	72	16	1	0	18
January 2015	193	193	0	0	0	*	0	193	193	55	10	1	0	12
January 2016	205	205	0	0	0	*	0	205	205	42	7	*	0	8
January 2017	218	218	0	0	0	*	0	218	218	32	4	*	0	6
January 2018	231	0	0	0	0	*	0	231	209	25	3	*	0	4
January 2019	245	0	0	0	0	*	0	245	185	19	2	*	0	3
January 2020	261	0	0	0	0	*	0	261	163	14	1	*	0	2
January 2021	277	0	0	0	0	*	0	277	143	10	1	*	0	1
January 2022	294	0	0	0	0	*	0	294	124	8	*	*	0	1
January 2023	312	0	0	0	0	*	0	312	107	6	*	*	0	*
January 2024	331	0	0	0	0	*	0	331	91	4	*	*	0	*
January 2025	351	0	0	0	0	*	0	351	77	3	*	*	0	*
January 2026	373	0	0	0	0	0	0	373	64	2	*	*	0	*
January 2027	396	0	0	0	0	0	0	396	51	1	*	*	0	*
January 2028	0	0	0	0	0	0	0	360	40	1	*	*	0	*
January 2029	0	0	0	0	0	0	0	312	30	1	*	*	0	*
January 2030	0	0	0	0	0	0	0	260	21	*	*	*	0	*
January 2031	0	0	0	0	0	0	0	203	12	*	*	*	0	*
January 2032	0	0	0	0	0	0	0	141	4	*	*	0	0	*
January 2033	0	0	0	0	0	0	0	73	0	0	0	0	0	0
January 2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)**	23.1	13.4	7.1	5.4	8.6	6.7	5.4	26.9	19.4	10.9	7.3	2.0	1.0	8.1

* 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.

†† The CPR prepayment assumption is 60% CPR for February 2004, 50% CPR for March 2004, 40% CPR for April 2004 and 30% CPR for May 2004 and thereafter.

Characteristics of the R and RL Classes

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

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

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

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

A transfer satisfies the asset test if (i) the transferee’s gross assets exceed \$100 million and its net assets exceed \$10 million (in each case, at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer), (ii) the transferee is an “eligible corporation” and the transferee agrees in writing that any subsequent transfer of the Residual Certificate will be to an eligible corporation and will comply with the safe harbor and satisfy the asset test, and (iii) the facts and circumstances known to the transferor do not reasonably indicate that the

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

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

CERTAIN ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

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

REMIC Elections and Special Tax Attributes

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

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

Taxation of Beneficial Owners of Regular Certificates

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

Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*—Regular Certificates Purchased at a Premium” in the REMIC Prospectus.

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

<u>Group</u>	<u>Prepayment Assumption</u>
1	172% PSA
2	545% PSA

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

Taxation of Beneficial Owners of Residual Certificates

For purposes of determining the portion of the taxable income of the Trust (or the Lower Tier REMIC) that generally will not be treated as excess inclusions, the rate to be used is 5.90% (which is 120% of the “federal long-term rate”). See “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Residual Certificates*—Treatment of Excess Inclusions” and “—*Foreign Investors*—Residual Certificates” in the REMIC Prospectus.

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

Taxation of Beneficial Owners of RCR Certificates

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

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

Combination RCR Classes. A beneficial owner of a Combination RCR Certificate will be treated as the beneficial owner of a proportionate interest in the REMIC Certificates underlying that Combination RCR Certificate. Except in the case of a beneficial owner that acquires a Combination RCR Certificate in an exchange described under “—*Exchanges*” below, a beneficial owner of a Combination RCR Certificate must allocate its cost to acquire that Certificate among the underlying

REMIC Certificates in proportion to their relative fair market values at the time of acquisition. Such an owner should account for its ownership interest in each underlying REMIC Certificate as described under “—Taxation of Beneficial Owners of Regular Certificates” above and “Certain Federal Income Tax Consequences—*Taxation of Beneficial Owners of Regular Certificates*” in the REMIC Prospectus. When a beneficial owner sells a Combination RCR Certificate, the owner must allocate the sale proceeds among the underlying REMIC Certificates in proportion to their relative fair market values at the time of sale.

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

Tax Return Disclosure Requirements

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

PLAN OF DISTRIBUTION

General. We are obligated to deliver the Certificates to Banc of America Securities LLC (the “Dealer”) in exchange for the MBS. The Dealer proposes to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Dealer may effect these transactions to or through other dealers.

Increase in Certificates. Before the Settlement Date, we and the Dealer may agree to offer Group 1 or Group 2 Classes in addition to those contemplated as of the date of this prospectus supplement. In this event, we will increase the related MBS in principal balance, but we expect that all these additional MBS will have the same characteristics as described under “Description of the Certificates—The MBS” in this prospectus supplement. The proportion that the original principal balance of each Group 1 or Group 2 Class bears to the aggregate original principal balance of all Group 1 or Group 2 Classes, respectively, will remain the same. In addition, the dollar amounts shown in the Principal Balance Schedules will be increased to correspond to the increase of the principal balances of the applicable Classes.

LEGAL MATTERS

Sidley Austin Brown & Wood LLP will provide legal representation for Fannie Mae. Kennedy Covington Lobdell & Hickman, L.L.P. will provide legal representation for the Dealer.

Available Recombinations (1)

REMIC Certificates		RCR Certificates							
Classes	Original Principal or Notional Principal Balances	RCR Class	Original Principal or Notional Principal Balances	Interest Rate	Interest Type (2)	Principal Type (2)	CUSIP Number	Final Distribution Date	
Recombination 1									
AB	\$116,860,000	A	\$116,860,000	4.00%	FIX	SEQ	31393UV42	November 2016	
AI	7,303,750(3)								
Recombination 2									
PO	266,076,000	PQ	266,076,000	4.00	FIX	SCH/AD	31393UV59	November 2033	
PI	177,384,000(3)								
Recombination 3									
PO	266,076,000	PN	266,076,000	6.00	FIX	SCH/AD	31393UV67	November 2033	
PI	266,076,000(3)								

(1) REMIC Certificates and RCR Certificates in any recombination may be exchanged only in the proportions shown in this Schedule 1.

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

(3) Notional principal balance.

Principal Balance Schedules

PO Class Scheduled Balances

<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>	<u>Distribution Date</u>	<u>Scheduled Balance</u>
Initial Balance	\$266,076,000.00	June 2006	\$169,880,431.46	November 2008	\$ 74,830,079.01
February 2004	263,783,857.30	July 2006	166,349,367.21	December 2008	71,804,401.44
March 2004	261,387,643.01	August 2006	162,837,676.90	January 2009	68,794,176.77
April 2004	258,888,406.54	September 2006	159,345,214.17	February 2009	65,799,280.91
May 2004	256,287,262.76	October 2006	155,871,833.55	March 2009	62,819,590.47
June 2004	253,585,391.14	November 2006	152,417,390.37	April 2009	59,854,982.73
July 2004	250,784,034.74	December 2006	148,981,740.81	May 2009	56,905,335.66
August 2004	247,884,499.19	January 2007	145,564,741.90	June 2009	53,970,527.90
September 2004	244,888,151.55	February 2007	142,166,251.45	July 2009	51,050,438.74
October 2004	241,796,419.13	March 2007	138,786,128.14	August 2009	48,144,948.16
November 2004	238,610,788.25	April 2007	135,424,231.41	September 2009	45,253,936.78
December 2004	235,332,802.93	May 2007	132,080,421.54	October 2009	42,377,285.87
January 2005	231,964,063.48	June 2007	128,754,559.60	November 2009	39,514,877.35
February 2005	228,506,225.09	July 2007	125,446,507.45	December 2009	36,666,593.81
March 2005	224,960,996.28	August 2007	122,156,127.76	January 2010	33,832,318.43
April 2005	221,330,137.41	September 2007	118,883,283.94	February 2010	31,011,935.06
May 2005	217,615,459.00	October 2007	115,627,840.22	March 2010	28,205,328.16
June 2005	213,818,820.06	November 2007	112,389,661.59	April 2010	25,412,382.82
July 2005	210,043,537.37	December 2007	109,168,613.79	May 2010	22,632,984.76
August 2005	206,289,453.00	January 2008	105,964,563.34	June 2010	19,867,020.29
September 2005	202,556,409.97	February 2008	102,777,377.50	July 2010	17,114,376.36
October 2005	198,844,252.22	March 2008	99,606,924.30	August 2010	14,397,510.51
November 2005	195,152,824.59	April 2008	96,453,072.50	September 2010	11,725,011.94
December 2005	191,481,972.84	May 2008	93,315,691.60	October 2010	9,095,926.51
January 2006	187,831,543.65	June 2008	90,194,651.83	November 2010	6,509,318.90
February 2006	184,201,384.56	July 2008	87,089,824.17	December 2010	3,964,272.18
March 2006	180,591,344.02	August 2008	84,001,080.29	January 2011	1,459,887.49
April 2006	177,001,271.38	September 2008	80,928,292.61	February 2011 and thereafter	0.00
May 2006	173,431,016.83	October 2008	77,871,334.24		

Aggregate Group Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$172,824,000.00	July 2004	\$ 67,782,424.37	January 2005	\$ 22,311,330.18
February 2004	137,584,390.52	August 2004	59,132,191.60	February 2005	16,153,846.60
March 2004	113,255,312.66	September 2004	50,926,166.90	March 2005	10,373,221.81
April 2004	96,872,328.08	October 2004	43,152,523.47	April 2005	4,959,022.94
May 2004	86,618,152.21	November 2004	35,799,685.47	May 2005 and thereafter	0.00
June 2004	76,928,614.99	December 2004	28,856,320.13		

PO Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$266,076,000.00	August 2004	\$247,884,499.19	March 2005	\$224,960,996.28
February 2004	263,783,857.30	September 2004	244,888,151.55	April 2005	221,330,137.41
March 2004	261,387,643.01	October 2004	241,796,419.13	May 2005	217,516,484.58
April 2004	258,888,406.54	November 2004	238,610,788.25	June 2005	209,008,027.91
May 2004	256,287,262.76	December 2004	235,332,802.93	July 2005	200,755,870.92
June 2004	253,585,391.14	January 2005	231,964,063.48	August 2005	192,752,330.45
July 2004	250,784,034.74	February 2005	228,506,225.09	September 2005	184,989,952.60

PO Class (Continued)

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
October 2005	\$177,461,505.90	February 2007	\$ 83,686,853.33	May 2008	\$ 29,105,684.78
November 2005	170,159,974.66	March 2007	79,215,133.30	June 2008	26,284,797.51
December 2005	163,078,552.61	April 2007	74,878,539.18	July 2008	23,549,328.33
January 2006	156,210,636.63	May 2007	70,673,006.92	August 2008	20,896,701.14
February 2006	149,549,820.73	June 2007	66,594,593.97	September 2008	18,324,417.02
March 2006	143,089,890.17	July 2007	62,639,475.74	October 2008	15,830,051.96
April 2006	136,824,815.79	August 2007	58,803,942.06	November 2008	13,411,254.60
May 2006	130,748,748.50	September 2007	55,084,393.77	December 2008	11,065,744.10
June 2006	124,856,013.86	October 2007	51,477,339.42	January 2009	8,791,307.98
July 2006	119,141,106.95	November 2007	47,979,392.02	February 2009	6,585,800.13
August 2006	113,598,687.31	December 2007	44,587,266.03	March 2009	4,447,138.80
September 2006	108,223,574.02	January 2008	41,297,774.19	April 2009	2,373,304.68
October 2006	103,010,740.98	February 2008	38,107,824.73	May 2009	362,339.07
November 2006	97,955,312.29	March 2008	35,014,418.41	June 2009 and thereafter	0.00
December 2006	93,052,557.77	April 2008	32,014,645.85		
January 2007	88,297,888.65				

ZA Class Targeted Balances

<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>	<u>Distribution Date</u>	<u>Targeted Balance</u>
Initial Balance	\$1,100,000.00	December 2005	\$1,233,707.22	October 2007	\$1,376,782.90
February 2004	1,105,500.00	January 2006	1,239,875.75	November 2007	1,383,666.82
March 2004	1,111,027.50	February 2006	1,246,075.13	December 2007	1,390,585.15
April 2004	1,116,582.64	March 2006	1,252,305.51	January 2008	1,397,538.08
May 2004	1,122,165.55	April 2006	1,258,567.04	February 2008	1,404,525.77
June 2004	1,127,776.38	May 2006	1,264,859.87	March 2008	1,411,548.40
July 2004	1,133,415.26	June 2006	1,271,184.17	April 2008	1,418,606.14
August 2004	1,139,082.34	July 2006	1,277,540.09	May 2008	1,425,699.17
September 2004	1,144,777.75	August 2006	1,283,927.79	June 2008	1,432,827.66
October 2004	1,150,501.64	September 2006	1,290,347.43	July 2008	1,439,991.80
November 2004	1,156,254.15	October 2006	1,296,799.17	August 2008	1,447,191.76
December 2004	1,162,035.42	November 2006	1,303,283.16	September 2008	1,454,427.72
January 2005	1,167,845.59	December 2006	1,309,799.58	October 2008	1,461,699.86
February 2005	1,173,684.82	January 2007	1,316,348.58	November 2008	1,469,008.36
March 2005	1,179,553.25	February 2007	1,322,930.32	December 2008	1,476,353.40
April 2005	1,185,451.01	March 2007	1,329,544.97	January 2009	1,483,735.17
May 2005	1,191,378.27	April 2007	1,336,192.70	February 2009	1,491,153.84
June 2005	1,197,335.16	May 2007	1,342,873.66	March 2009	1,498,609.61
July 2005	1,203,321.83	June 2007	1,349,588.03	April 2009	1,506,102.66
August 2005	1,209,338.44	July 2007	1,356,335.97	May 2009	1,513,633.17
September 2005	1,215,385.13	August 2007	1,363,117.65	June 2009 and thereafter	0.00
October 2005	1,221,462.06	September 2007	1,369,933.24		
November 2005	1,227,569.37				

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.

\$650,000,000



**Guaranteed REMIC
Pass-Through Certificates
Fannie Mae REMIC Trust 2004-5**

PROSPECTUS SUPPLEMENT

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Banc of America Securities LLC

January 6, 2004
